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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, 2010
or
☐ **Transition report pursuant to Section 13 or 15(d)**
of the Securities Exchange Act of 1934
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:

For the transition period from _____ to _____

Commission file number: 1-14832

CELESTICA INC.
(Exact name of registrant as specified in its charter)

Ontario, Canada
(Jurisdiction of incorporation or organization)

844 Don Mills Road
Toronto, Ontario, Canada M3C 1V7
(Address of principal executive offices)
Paul Carpino
416-448-2211
clsir@celestica.com
844 Don Mills Road
Toronto, Ontario, Canada M3C 1V7
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

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

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.

195,269,406 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, "Celestica," the "Company," "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, 2010. 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 Federal Reserve Bank of New York, the average daily exchange rate was U.S.$1.00 = C$1.0298.

Unless we indicate otherwise, all information in this Annual Report is stated as of February 22, 2011, the date as of which we prepared information for our annual report to shareholders and management information circular and proxy statement.

Forward-Looking Statements

Item 4, "Information on the Company," Item 5, "— Management's Discussion and Analysis of Financial Condition and Results of Operations" 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 applicable Canadian securities legislation including, without limitation: statements related to our future growth; trends in our industry; our financial or operational results, including our guidance, the impact of new program wins on our financial results, and anticipated expenses, benefits or payments; our financial targets; our financial or operational performance; and the effects of our conversion from Canadian generally accepted accounting principles (GAAP) to International Financial Reporting Standards (IFRS). Such forward-looking statements are predictive in nature, and may be based on current expectations, forecasts or assumptions involving risks and uncertainties that could cause actual outcomes and results to differ materially from the forward-looking statements themselves. Such forward-looking statements may, without limitation, be preceded by, followed by, or include words such as "believes," "expects," "anticipates," "estimates," "intends," "plans," or similar expressions, or may employ such future or conditional verbs as "may," "will," "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 in applicable Canadian securities legislation.

Forward-looking statements are not guarantees of future performance. You should understand that the following important factors, in addition to those discussed in Item 3, "Key Information — Risk Factors," and elsewhere in this Annual Report, could affect our future results and could cause those results to differ materially from those expressed in such forward-looking statements: the effects of price competition and other business and competitive factors generally affecting the electronics manufacturing services (EMS) industry, including changes in the trend for outsourcing; our dependence on a limited number of customers and end markets; variability of operating results among periods; the challenges of effectively managing our operations, including responding to significant changes in demand from our customers; the challenges of managing inflation, including rising energy and labor costs; our inability to retain or expand our business due to execution problems relating to the ramping up of new programs, completing our restructuring activities or integrating our acquisitions; the delays in the delivery and/or general availability of various components and materials used in our manufacturing process; our dependence on industries affected by rapid technological change; our ability to successfully manage our international operations; increasing income taxes and our ability to successfully defend tax audits or meet the conditions of tax incentives; the challenge of managing our financial exposures to foreign currency volatility; and the risk of potential non-performance by counterparties, including but not limited to financial institutions, customers and suppliers. Our forward-looking statements are also based on various assumptions which management believes are reasonable under the current circumstances, but may prove to be inaccurate, and many of which may involve factors that are beyond our control. The material assumptions may include the following: forecasts from our customers, which range from 30 days to 90 days and can fluctuate significantly in terms of volume or mix of products; the timing, execution of, and investments associated with ramping new business; the

success in the marketplace of our customers' products; general economic and market conditions; currency exchange rates; pricing and competition; anticipated customer demand; supplier performance and pricing; commodity, labor, energy and transportation costs; operational and financial matters; and technological developments. These assumptions 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. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes.

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 by reference with the understanding that the actual future results may be materially different from what we expect. We may not update these forward-looking statements, even if our situation changes in the future. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

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 is derived from the consolidated financial statements for the years presented below.

The Consolidated Financial Statements have been prepared in accordance with Canadian GAAP. These principles conform in all material respects with U.S. GAAP except as described in note 20 to the Consolidated Financial Statements in Item 18. For all the years presented, the selected financial data is prepared in accordance with Canadian GAAP unless otherwise indicated.

	Year ended December 31				
	2006[1]	2007[1]	2008[1]	2009[1]	2010[1]
	(in millions, except per share amounts)				
Consolidated Statements of Operations Data (Canadian GAAP):					
Revenue	$ 8,811.7	$ 8,070.4	$ 7,678.2	$ 6,092.2	$ 6,526.1
Cost of sales	8,359.9	7,648.0	7,147.1	5,662.4	6,082.8
Gross profit	451.8	422.4	531.1	429.8	443.3
Selling, general and administrative expenses (SG&A)[2]	264.7	271.7	292.0	244.5	250.2
Amortization of intangible assets	47.9	44.7	26.9	21.9	15.6
Integration costs related to acquisitions	0.9	0.1	—	—	—
Other charges[3]	211.8	47.6	885.2	68.0	68.4
Interest expense[4]	62.6	51.2	42.5	35.0	6.5
Earnings (loss) before income taxes	(136.1)	7.1	(715.5)	60.4	102.6
Income tax expense	14.5	20.8	5.0	5.4	21.8
Net earnings (loss)	$ (150.6)	$ (13.7)	$ (720.5)	$ 55.0	$ 80.8
Other Financial Data:					
Basic earnings (loss) per share	$ (0.66)	$ (0.06)	$ (3.14)	$ 0.24	$ 0.35
Diluted earnings (loss) per share	$ (0.66)	$ (0.06)	$ (3.14)	$ 0.24	$ 0.35
Property, plant and equipment and computer software expenditures	$ 189.1	$ 63.7	$ 88.8	$ 77.3	$ 60.8
Consolidated Statements of Operations Data (U.S. GAAP)[5]:					
Net earnings (loss)	$ (149.3)	$ (16.1)	$ (725.8)	$ 39.0	$ 80.9
Shares used in computing per share amounts (in millions):					
Basic	227.2	228.9	229.3	229.5	227.8
Diluted	227.2	228.9	229.3	230.9	230.1

	As at December 31				
	2006[1]	2007[1]	2008[1]	2009[1]	2010[1]
			(in millions)		
Consolidated Balance Sheet Data (Canadian GAAP):					
Cash and cash equivalents	$ 803.7	$ 1,116.7	$ 1,201.0	$ 937.7	$ 632.8
Working capital[6]	1,394.9	1,553.0	1,603.6	1,023.0	968.9
Property, plant and equipment	484.1	418.4	433.5	393.8	368.7
Total assets	4,686.3	4,470.5	3,786.2	3,106.1	3,103.6
Total long-term debt, including current portion[7]	750.8	758.5	733.1	222.8	—
Shareholders' equity	2,094.6	2,118.2	1,365.5	1,475.8	1,421.3
Consolidated Balance Sheet Data (U.S. GAAP)[5]:					
Total assets	$ 4,708.1	$ 4,485.8	$ 3,786.2	$ 3,106.1	$ 3,107.2
Total long-term debt, including current portion[7]	750.8	757.2	723.4	221.2	—
Shareholders' equity	1,960.4	1,996.5	1,254.8	1,346.8	1,275.8

(1) Changes in accounting policies:

(i) Effective January 1, 2007, we adopted CICA Handbook Section 1530, "Comprehensive income," Section 3855, "Financial instruments — recognition and measurement," Section 3861, "Financial instruments — disclosure and presentation," and Section 3865, "Hedges." We were not required to restate prior results.

The transitional impact of adopting these standards and recording our derivatives on January 1, 2007 at fair value was as follows: prepaid and other assets increased by $5.5 million; other long-term assets decreased by $10.3 million; accrued liabilities increased by $5.8 million; long-term debt decreased by $9.6 million; other long-term liabilities increased by $8.1 million; long-term deferred income tax liability decreased by $2.2 million; opening deficit increased by $6.4 million; and accumulated other comprehensive loss increased by $0.5 million.

(ii) Effective January 1, 2009, we adopted CICA Handbook Section 3064, "Goodwill and intangible assets." This revised standard establishes guidance for the recognition, measurement and disclosure of goodwill and intangible assets. As required by this standard, we have retroactively reclassified computer software assets on our consolidated balance sheet from property, plant and equipment to intangible assets. We have also reclassified computer software amortization on our consolidated statement of operations from depreciation expense, included in SG&A, to amortization of intangible assets. There was no impact on previously reported net earnings or loss. At December 31, 2008, we reclassified $34.0 million of computer software to intangible assets (2007 — $47.6 million; 2006 — $69.5 million). In 2008, we reclassified $11.8 million from SG&A to amortization of intangible assets (2007 — $23.4 million; 2006 — $20.9 million).

(2) SG&A expenses include research and development costs.

(3) In 2006, Other charges totaled $211.8 million, comprised primarily of: (a) a $178.1 million restructuring charge and (b) a $33.2 million non-cash loss resulting from the sale of our plastics business.

In 2007, Other charges totaled $47.6 million, comprised primarily of: (a) a $37.3 million restructuring charge and (b) a non-cash write-down of $15.1 million relating to the annual impairment assessment of long-lived assets, primarily property, plant and equipment.

In 2008, Other charges totaled $885.2 million, comprised primarily of: (a)(i) a non-cash write-down of $850.5 million relating to the annual goodwill impairment assessment, (ii) a $35.3 million restructuring charge and (iii) a non-cash write-down of $8.8 million relating to the annual impairment assessment of long-lived assets against property, plant and equipment, offset, in part, by (b) a $7.6 million gain on repurchase of long-term debt.

In 2009, Other charges totaled $68.0 million, comprised primarily of: (a)(i) a $83.1 million restructuring charge and (ii) a non-cash write-down of $12.3 million relating to the annual impairment assessment of long-lived assets against property, plant and equipment, offset, in part, by (b)(i) a net $23.7 million recovery of damages from the settlement of a class action lawsuit and (ii) a net $2.8 million gain on repurchase of long-term debt, net of a write-down to the embedded options on the debt.

In 2010, Other charges totaled $68.4 million, comprised primarily of: (i) a $55.3 million restructuring charge, (ii) a non-cash write-down of $8.9 million relating to the annual impairment assessment of long-lived assets against computer software assets and property, plant and equipment and (iii) an $8.8 million loss on repurchase of long-term debt.

(4) Interest expense is comprised of interest expense incurred on indebtedness and debt facilities, less interest income earned on cash and cash equivalents. As a result of adopting the standards on financial instruments and hedges, referred in footnote (1)(i) above, in 2007, we have marked-to-market the embedded prepayment options in our debt instruments and applied fair value hedge accounting to our interest rate swaps and our hedged debt obligation (particularly our 7 7/8% Senior Subordinated Notes due 2011, which were redeemed in full in the fourth quarter of 2009). The swap agreements were terminated in February 2009, at which point hedge accounting was

discontinued. The change in fair values each period was recorded in interest expense. The mark-to-market adjustment fluctuated each period as it was dependent on market conditions, including interest rates, implied volatilities and credit spreads.

(5) The significant differences between the line items under Canadian GAAP and those as determined under U.S. GAAP arise primarily from:

- For 2006: the transition adjustment resulting from adopting the fair-value accounting for stock-based compensation for U.S. GAAP in 2006;
- For 2007: the transition adjustment resulting from adopting the standards on financial instruments, hedges and comprehensive income for Canadian GAAP in 2007;
- For 2008: reversal of gain on foreign exchange contract, the timing of recording certain tax uncertainties and the adjustments relating to the adoption of financial instruments, hedges and comprehensive income for Canadian GAAP;
- For 2009: adjustments relating to financial instruments and hedging, and the timing of recording certain tax uncertainties; and
- For 2010: adjustments relating to financial instruments and hedging, and the treatment of acquisition-related costs.

Refer to note 20 to the Consolidated Financial Statements in Item 18.

(6) Calculated as current assets less current liabilities.

(7) Long-term debt includes capital lease obligations.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

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

We are in a highly competitive industry. We compete on a global basis to provide innovative supply chain solutions to original equipment manufacturers (OEMs) in the consumer, communications, enterprise computing, industrial, aerospace and defense, healthcare and green technology markets. Our competitors include Benchmark Electronics, Inc., Flextronics International Ltd., Hon Hai Precision Industry Co., Ltd., Jabil Circuit, Inc., Plexus Corp., and Sanmina-SCI Corporation, as well as smaller EMS companies that often have a regional, product, service or industry-specific focus. In addition, original design manufacturers (ODMs), companies that provide internally designed products and manufacturing services to OEMs, continue to increase their share of outsourced manufacturing services across several markets and product groups, including personal computer motherboards, servers, notebook and desktop computers, and smartphones and cell phones. While we have not historically participated in all of these markets, and we have not, to date, encountered significant direct competition from ODMs in the end markets in which we participate, we anticipate competition with ODMs will increase if our business in these markets grows, particularly in smartphones, or if ODMs expand into our primary end markets. We also face indirect competition from the manufacturing operations of our current and prospective customers, as these companies could choose to manufacture products internally rather than to outsource to EMS providers, particularly where internal excess capacity exists.

The competitive environment for our industry is very intense and aggressive pricing is a common business dynamic. Some of our competitors have greater scale, as well as a broader service offering than we have. 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 in these regions and a more aggressive pricing environment. Additionally, our current or potential competitors may also increase or shift their presence in new lower-cost regions to try to offset the continuous competitive pressure, increasing labor costs, or develop or acquire services comparable or superior to those we develop, combine or merge to form larger competitors, or

adapt more quickly than we will to new technologies, evolving industry trends and changing customer requirements. Some of our competitors also have capabilities to manufacture components, such as metal or plastic enclosures, semi-conductors and cabling, that they use in the products they assemble. This expanded capability may provide them with a competitive advantage, higher cost savings and may lead to more aggressive pricing for electronics manufacturing services. Competition has caused and will continue to cause pricing pressures, increased working capital requirements, reduced profit or loss of market share (from both program and customer disengagements), any of which could materially and adversely affect us. These factors have exerted and will continue to exert additional pressures on pricing for components and services, thereby increasing the competitive pressures in the EMS industry. We may not be able to compete successfully against our current and future competitors, and the competitive pressures we face may have a material adverse effect on us.

We are dependent on a limited number of customers and end markets, primarily within the consumer, communications and enterprise computing markets, for a substantial portion of our revenue.

A decline in revenue from these customers or end markets or the loss of a large customer could have a material adverse affect on our financial condition and operating results. During 2010, one customer from our consumer end market individually represented more than 10% of our total revenue, and our top 10 customers represented 72% of our total revenue. During 2009, one customer from our consumer end market individually represented more than 10% of our total revenue, and our top 10 customers represented 71% of total revenue. Our largest customer, Research in Motion Limited (RIM), represented 20% of total revenue in 2010 (17% — 2009).

We expect to continue to depend upon a relatively small number of customers for a significant percentage of our revenue. To reduce this reliance, we have been targeting new customers and new services in our traditional markets, as well as expanding in new markets such as industrial, aerospace and defense, healthcare and green technology. We may also pursue acquisition opportunities to further diversify our revenue or customer base, although there can be no assurance that any acquisition will increase revenue or reduce our customer concentration. Acquisitions are also subject to integration risk and volumes and margins could be lower than we anticipated. In 2010, we acquired Invec Solutions Limited (Invec) to enhance our after-market services offering and Allied Panels Entwicklungs-und Produktions GmbH (Allied Panels) to enhance our healthcare offering. As we pursue further opportunities in new markets, we may encounter challenges as our knowledge or experience may be limited in these new markets or technologies.

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. We are dependent on customers to fulfill the terms associated with these orders and/or contracts.

There is no assurance that present or future large customers will not terminate their manufacturing or service arrangements with us or significantly change, reduce or delay the volume of manufacturing services they order from us, any of which would adversely affect our operating results. 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. Significant reductions in, or the loss of, revenue from any of our large customers could have a material adverse effect on us. We cannot assure the timely replacement of delayed, cancelled or reduced orders with new business. In addition, the ramping of new programs can take from several months to more than a year before production starts. During this start-up period, these programs may experience losses or may not achieve the expected financial performance due to start-up inefficiencies. These programs are also subject to significant change or outright cancellation, compared to the initial expectations at the time the new business was awarded, due to changes in end-market demand or changes in the viability of our customers' products in the marketplace.

We are dependent on customers who operate in highly competitive markets and the inability of our customers to succeed in their markets can adversely impact our business, operating results and financial condition.

The end markets we serve can experience major swings in demand which, in turn, can significantly impact our operations. Our financial performance depends on our customers' ability to compete and succeed in their markets, which could be affected by global economic conditions. The majority of our customers' products are

characterized by rapid changes in technologies, increased standardization of technologies and shortening of product lifecycles. In many instances, our customers have experienced severe revenue erosion, pricing and margin pressures, and excess inventories during the past few years.

Consumer was our largest end market representing 25% of total revenue for 2010. In general, business in the consumer end market and, in particular, smartphones, is highly competitive and characterized by shorter product lifecycles, higher revenue volatility, and lower margins. In addition, program volumes can vary significantly based on strength in end-market demand. End-user preferences for these products and devices can change rapidly and these programs are easily shifted among EMS competitors. Our increased exposure to this end market may lead to greater volatility in our revenue and operating margin and could result in increased risk to our financial results.

We are operating in an uncertain global economic environment.

While recent demand trends have stabilized, the global economic environment remains uncertain. This uncertainty has negatively impacted us in the past, resulting in lower demand for some of the products we manufacture and limiting end-market visibility for our customers. This environment can pose significant risk to our business by impacting demand for our customers' products, the financial condition of our customers, as well as the level of customer consolidations.

An economic downturn or deterioration in the economic environment may accelerate or exacerbate the effect of the various risk factors described in this Annual Report, as well as result in other unforeseen events that will affect our business and financial condition.

We may encounter difficulties expanding our operations which could adversely affect our operating results.

As we expand our business, enter into new markets and products, invest more capital in research and development, acquire new businesses or capabilities, transfer business from one region to another, we may encounter difficulties that result in higher than expected costs associated with such activities and customer dissatisfaction with our performance. Potential difficulties related to our growth and/or operations could include:

- our ability to manage growth effectively, including having trained personnel to manage operations, new customers and new products;
- maintaining existing customer, supplier, employee and other favorable business relationships during periods of transition;
- unanticipated disruptions in our operations which may impact our ability to deliver to the customer on time, to produce quality products and to ensure overall customer satisfaction; and
- our ability to respond rapidly to changes in customer demand or to program or customer losses.

There is no guarantee that we will benefit from, or be able to grow our business as a result of the increased investments we are making in our research and development spending. In addition, as we pursue opportunities in new markets or technologies, we may encounter challenges as our knowledge or experience may be limited. Any of these factors could prevent us from realizing the anticipated benefits of growth in new markets, which could adversely affect our business and operating results.

Inherent difficulties in managing capacity utilization and unanticipated changes in customer orders place strains on our planning and supply chain execution and may affect our operating results.

Our customers are dependent on EMS providers for new product introductions and rapid response times to meet changes in volume requirements. 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 could be subject to change or cancellation that will affect our quarter-to-quarter results. Accordingly, we cannot always forecast the level of customer orders with certainty. This can make it difficult to order appropriate levels of materials and to schedule production and maximize utilization of our manufacturing capacity.

In addition, customers may cancel their orders, change production quantities or delay production for a number of reasons. When customers change production volumes or request different products to be manufactured than what they originally forecasted to us, the unavailability of components and materials for such changes could also impact our revenue and working capital performance. Furthermore, in order to guarantee continuity of supply for many of our customers, we are required to manufacture and hold a specified amount of finished goods in our warehouses. The uncertainty of our customers' end markets, intense competition in our customers' industries and general order volume volatility have resulted, and may continue to result, in some of our customers delaying or canceling the delivery of some of the products we manufacture for them and placing purchase orders for lower volumes of products than previously anticipated.

Changes or delays in customer orders could result in higher than expected inventory levels for us. In certain circumstances, we may be required to return the inventory to our suppliers, re-sell the inventory or continue to hold the inventory, any of which may result in our taking additional reserves for the inventory should it become excess or obsolete. Order cancellations and delays could also lower our asset utilization, resulting in higher levels of unproductive assets and lower margins. In some cases, customers have required rapid and sudden increases in production, which have placed an excessive burden on our manufacturing capacity. Any of these factors or a combination of these factors could have a material adverse effect on our operating results.

We are subject to the risk of increased income taxes and our ability to successfully defend tax audits or meet the conditions of tax incentives could adversely affect our financial condition and operating results.

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 if certain tax incentives we benefit from are retracted. A retraction could occur if we fail to satisfy the conditions on which these tax incentives are based, if they are not renewed upon expiration, or tax rates applicable to us in such jurisdictions are otherwise increased. We believe we will comply with the conditions of the tax incentives; however, changes in our outlook in any particular country could impact our ability to meet the conditions.

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 and reviews by local 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 penalties could have a significant impact on our future earnings and future cash flows.

Certain of our subsidiaries provide financing, 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 currently have ongoing tax audits where the tax authorities have taken the position that income reported by our subsidiaries for certain years should have been materially higher as a result of certain inter-company transactions. The successful pursuit of the assertions made by tax authorities related to our tax audits could result in our owing significant amounts of tax, interest and possibly penalties. There can be no assurance as to the final resolution of these claims and any resulting proceedings, and if these claims and any ensuing proceedings are determined adversely against us, the amounts we may be required to pay could be material.

In addition, 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. A change to the benefit realizable on these Brazilian losses could increase our net future tax liabilities.

Our results can be affected by limited availability of components and materials.

A significant portion of our costs is for the purchase of electronic components. All of the products we manufacture or assemble require one or more components that we order from component suppliers. In many cases, there may be only one supplier of a particular component. Supply shortages for a particular component can delay production as well as revenue relating to products using that component, and can result in our carrying higher levels of inventory and extended lead times, or they can cause price increases in the products and services we provide. At various times in our industry's history, there have been industry-wide shortages of electronic components. To date, we have not been materially impacted by these shortages. Future 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 the products required by our customers can affect our ability to attain components which could impact our results. Additionally, quality or reliability issues at any of our component or materials 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 adversely impact our operating results.

Rising 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. Price levels for multiple commodities, including oil, remain extremely uncertain and have been increasing in recent months. Increased energy prices could result in higher raw material costs and transportation costs. Any increase in our costs that we are unable to recover in our pricing to our customers could adversely impact our operating results.

We face financial risks due to foreign currency volatility.

Global currency markets continue to 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, British pound sterling, Chinese renminbi, Thai baht, Malaysian ringgit, Mexican peso, Euro, Singapore dollar, and the Romanian lei. We enter into forward exchange contracts to hedge against our cash flows and significant balance sheet exposures in many of these foreign currencies. Our contracts generally extend for periods ranging from one month to 15 months. Our hedging program is designed to reduce the short to medium-term variability of our foreign currency costs and exposures, and may not mitigate the full impact of currency fluctuations, which could adversely impact our operating results.

Our results can be affected by rising labor costs.

There is some uncertainty with respect to rising labor costs, in particular within the lower-cost regions in which we operate. Any increase in labor costs that we are unable to recover in our pricing to our customers could adversely impact our operating results. To date, we have not been materially impacted by these rising labor costs.

Our customers may be adversely affected by rapid technological changes which may have an adverse impact on their success in their markets and on our business.

Many of our customers compete in markets that are characterized by rapidly changing technology, evolving industry standards and continuous improvements in products and services. These conditions frequently result in short product lifecycles. Our success will depend largely on the success achieved by our customers in developing and marketing their products. If technologies or standards supported by our customers' products become obsolete, fail to gain widespread commercial acceptance or are cancelled, our business could be materially adversely affected. In addition, an accelerating decline in end-market demand for customer-specific proprietary systems in favor of open systems with standardized technologies could have a material adverse impact on our business. The highly competitive nature of our customers' products could also drive consolidation among OEMs, which could result in product line consolidation that could impact our revenue or customer relationships.

Our operating results in certain end markets are subject to seasonality and can be unpredictable.

We have historically experienced some level of seasonality in our quarterly revenue patterns for our enterprise computing and communications infrastructure products. In contrast, our current consumer business is relatively flat throughout the year. As our revenue from quarter-to-quarter is dependent on 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.

We are seeking to rapidly expand our services capabilities.

We believe OEM customers continue to look to the EMS industry to provide additional supply chain services and capabilities. While we currently provide some of these services, such as repair, design and fulfillment, to a few of our customers, we are focused on significantly increasing these capabilities in the near term. We may pursue this growth through internal development or through acquisitions. Our efforts to expand our services capabilities may not be successful. The failure to increase these services and capabilities could impact our existing business and future business wins.

Any failure to successfully manage our international operations would have a material adverse effect on our financial condition and operating results.

We have facilities in numerous countries, including Austria, China, the Czech Republic, Ireland, Japan, Malaysia, Mexico, Romania, Scotland, Singapore, Spain and Thailand. During 2010, approximately two-thirds of our revenue was produced from locations outside of North America. We also purchase the majority of components and materials from international suppliers.

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

- labor unrest and differences in regulations and statutes governing employee relations;
- changes in regulatory requirements;
- inflation and rising costs;
- difficulty in staffing and managing foreign operations;
- ability to build infrastructure to support operations;
- changes in local tax rates or adverse tax consequences, including the repatriation of earnings;
- 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;
- economic and political instability;
- potential restrictions on the transfer of funds; and
- foreign exchange risks.

We have had significant restructuring charges and losses for several years and may experience restructuring charges and losses in future periods.

We have a history of recording losses resulting primarily from restructuring charges and the write-down of goodwill and long-lived assets. 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 end-market demand, with the intention of improving utilization and realizing cost savings in the future. See note 10 to the Consolidated Financial Statements in Item 18. These restructuring actions have had a negative impact on our financial and operational results, including incurring higher operating expenses during periods of transition. In certain situations, product transfers have resulted in our inability to retain existing business or grow revenue due to execution problems resulting from significant headcount reductions, plant closures and product transfers. During 2010, we recorded restructuring charges of $55.3 million related to previously announced restructuring plans. At December 31, 2010, we had accrued $15.3 million in employee

termination costs which remain unpaid at year end. We expect to pay the majority of such costs during the first half of 2011. 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, can have a material adverse impact on our operating results. Furthermore, we may not be profitable in future periods.

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

We expect to expand our presence in new end markets or expand our capabilities, some of which may occur through acquisitions. These transactions may involve acquisitions of entire companies and/or acquisitions of selected assets from OEMs. Potential difficulties 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
- not achieving anticipated business volumes.

Any of these factors could prevent us from realizing the anticipated benefits of an acquisition, including additional revenue, operational synergies and economies of scale. Our failure to realize the anticipated benefits of acquisitions could adversely affect our business and operating results. Previous acquisitions have resulted in the recording of a significant amount of goodwill and intangible assets at the time of acquisition. Our failure to support the carrying value of goodwill and intangible assets in periods subsequent to the acquisitions could require write-downs that adversely affect our operating results.

The efficiency of our operations could be adversely affected by disruptions to our Information Technology (IT) services.

We rely in part on various IT systems to manage our operations and to provide analytical information to management. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunication services, physical and electronic loss of data, security breaches and computer viruses. Any inefficiencies or production down-times resulting from such disruptions could have a negative impact on our ability to meet customers' orders, resulting in a delay or decrease to our revenue and a reduction to our operating margins.

Consolidation in the electronics industry could adversely affect our business relationships or the volume of business we conduct with our customers.

Our customers and competitors are subject to merger and acquisition transactions. Future mergers and acquisitions of our customers could result in a decrease in demand from our customers or a loss of business to our competitors as customers rationalize their business and consolidate their suppliers. Mergers or consolidation among our competitors could increase their competitive advantage over us, which may also result in a loss of business if customers shift their production.

We may be required to make larger contributions to our defined benefit plans in the future, which may have an adverse impact on our liquidity and our operating results.

We maintain multiple defined benefit plans, as well as supplemental pension plans. Some employees in Canada, Japan and the United Kingdom participate in our defined benefit pension plans. We also have defined contribution plans for certain employees, primarily in Canada and the U.S.

Our pension funding policy is to contribute amounts sufficient to meet minimum local statutory funding requirements that are based on actuarial calculations. Our obligations are based on certain assumptions relating to expected plan performance, including employee turnover and retirement rates, the performance of the financial markets and discount rates. If future trends differ from these assumptions, the amounts we are obligated to contribute to the pension plans may increase. If the financial markets result in returns lower than our assumptions, we may be required to make larger contributions in the future and our pension expense may also be impacted.

The efficiency of our operations could be adversely affected by any delay in delivery from our transportation suppliers, including delays caused by work stoppages and natural disasters.

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. A work stoppage, strike or shutdown of any important supplier's facility or operations, or at any major port or airport, could result in manufacturing and shipping delays or expediting charges, which could have a material adverse effect on our operating results. Increased political activism and local economic conditions could impact receipt of materials and product shipments. Natural disasters such as tsunamis and earthquakes, and the severe and dramatic change to historical weather patterns in the regions where our facilities or our suppliers' facilities are located, could have an adverse impact on our ability to deliver products to our customers. Such events could disrupt supply to us, and from us to our customers, and adversely affect our operating results.

Acts of terrorism and other political and economic developments could adversely affect our business.

Increased international political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in the Middle East and Asia, security issues at the U.S./Mexico border related to illegal immigration or criminal activities associated with illegal drugs activities, strained international relations arising from these conflicts and the related decline in consumer confidence may hinder our ability to do business. Any escalation in these events or similar future events may disrupt our operations or those of our customers and suppliers and could affect the availability of materials needed to manufacture our products or the means to transport those materials to manufacturing facilities and finished products to customers. These events have had and may continue to have an adverse impact on the U.S. and world economy in general and customer confidence and spending in particular, which in turn could adversely affect our revenue and operating results. The impact of these events on the volatility of the U.S. and world financial markets 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.

If our products or services are subject to warranty claims, our business reputation may be damaged and we may incur significant costs.

In certain of our sales contracts, and in some of our design and development activities, we provide warranties against defects or deficiencies in our products, services or designs. A successful claim for damages arising as a result of such defects or deficiencies, for which we are not insured or where the damages exceed our insurance coverage, or any material claim for which insurance coverage is denied or limited and for which indemnification is not available, could have a material adverse effect on our business, operating results and financial condition. As we expand our service 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 the warranty costs.

We could face increased financial risk due to the potential non-performance by counterparties, including but not limited to financial institutions, customers and suppliers.

The potential occurrence of default by a counterparty on its contractual obligations may result in a financial loss to us. For our financial markets activity, we mitigate the risk of financial loss from defaults by dealing with counterparties we believe are creditworthy.

An interruption in supply from a raw materials 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. We generally provide payment terms to our customers ranging from 15 days to 60 days. Our accounts receivable balance at December 31, 2010 was $945.1 million, with one customer representing more than 10% of the 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, and we may extend our payment terms, which could adversely impact our financial condition and operating results. A deterioration in our customers' financial condition could result in customers going into bankruptcy or reorganization proceedings. Our allowance for doubtful accounts balance at December 31, 2010 was $5.1 million, which represented less than 1%

of the gross accounts receivable balance. We will continue to closely monitor our customers' and suppliers' financial condition and creditworthiness.

We may be unable to keep pace with manufacturing technology changes.

We continue to evaluate the advantages and feasibility of new manufacturing processes. Our future success will depend, in part, upon our ability to continually develop and market electronics manufacturing services that meet our customers' evolving needs. This could entail 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 and pursue business in new end markets where our experience is 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.

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

We may be unable to 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 have taken, and intend to continue to take, appropriate steps to protect this proprietary information. These steps include signing non-disclosure agreements with customers, suppliers, employees and other parties, and implementing rigid security measures. Our protection measures may not be sufficient to prevent the misappropriation or unauthorized disclosure of our property or information.

There is also a risk that infringement claims may be brought against us, our customers or our suppliers in the future. If an infringement claim is successfully asserted, 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 such litigation. As we expand our service offerings and pursue business in new end markets, we may be less effective in anticipating the intellectual property risks related to new manufacturing, design and other services.

Due to inherent limitations, there can be no assurance that our system of disclosure and internal controls will be successful in preventing all errors or fraud in a timely manner.

Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected. All systems of internal control, no matter how well conceived and operated, contain inherent limitations. Accordingly, we cannot provide absolute assurance that all control issues, errors or instances of fraud, if any, within the company have been or will be 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 the trend of outsourcing by OEMs 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. Our future growth will be limited to the extent that these opportunities are not available as a result of OEMs deciding to perform these functions internally or delaying their decision to outsource or our inability to win new contracts. The global economic environment has impacted, and may continue to impact, the trend of outsourcing as some customers have reversed, and other customers may reverse, their outsourcing decisions and shift production back to their own facilities to improve their factory utilization. Political pressures or negative sentiment by our customers' customers or local governments may impede the movement of production from one geography to another. These and other factors could adversely affect the rate of outsourcing generally, or adversely affect the rate of outsourcing to EMS providers, such as Celestica.

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 will depend, in part, on our ability to continue to attract and retain highly skilled executive, technical and management personnel. We generally do not have employment or non-competition agreements with our employees. To date, we have been successful in recruiting and retaining executive, managerial and technical personnel; however, the loss of services of certain of these employees could have a material adverse effect on our operations.

Compliance with governmental laws and obligations could be costly and impact our operations.

We are subject to various federal, state/provincial, local and multi-national environmental laws and regulations. Our environmental management systems and practices have been designed to ensure compliance with these laws and regulations in a manner consistent with local practice. 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 facilities or to continue production. Our failure to comply with these laws and regulations could potentially result in fines and penalties and our operations could be suspended.

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) and product use (such as energy efficiency and waste management/recycling). Noncompliance with these requirements could potentially result in substantial costs, including fines and penalties, as well as liability to our customers and consumers.

Where compliance responsibility rests primarily with OEMs rather than with EMS companies, OEMs may turn to EMS companies for assistance in meeting their obligations. Our customers are becoming increasingly concerned about issues such as waste management (including recycling), climate change (including the reduction of carbon footprints) and product stewardship, and expect their suppliers to be environmental leaders. Although we strive to meet such customer expectations, such demands may extend beyond our regulatory obligations and significant investments of time and resources may be required to attract and retain customers.

We have generally obtained environmental assessment reports, or reviewed recent assessment reports undertaken by others, for most of our manufacturing facilities at the time of acquisition or leasing. Such assessments may not reveal all environmental liabilities and current assessments were not available for all facilities. As well, some of our operations have involved hazardous substances that could cause contamination. Although we may investigate, remediate or monitor soil and groundwater contamination at certain of our owned sites, we may not be aware of or address all such conditions and we may incur significant costs to do 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 for us to avoid liability. Third-party claims for damages or personal injury are also possible. Moreover, current remediation, mitigation and risk assessment measures may not be adequate to comply with future laws.

In the healthcare end market, we face substantial regulations, primarily from the U.S. Food and Drug Administration in the U.S., as well as other jurisdictions, relating to some of the healthcare products we manufacture. We are required to comply with the various statutes and regulations related to the design, development, testing, manufacturing and labeling of our healthcare products in addition to reporting of certain information with respect to the safety of such products. If we are unable to comply with these regulations, we may be faced with fines, injunctions, product recalls, or suspension of production, among other penalties. Failure to comply with these regulations could materially affect our relationships with customers and our operating results.

We provide design 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 Department of Defense and the U.S. Federal Aviation Administration in the U.S., as well as in other jurisdictions. Failure to comply with these regulations may result in fines, penalties, injunctions, and may prevent us from winning future contracts, any of which could materially affect our financial condition and operating results.

Compliance or the failure to comply with employment laws and regulations could be costly and impact our operating results.

We are subject to a variety of domestic and foreign employment laws, including those related to workplace safety, discrimination, whistle-blowing, wages and severance payments. Such laws are subject to change and there can be no assurance that we will not be found to have violated any such laws in the future. Such violations could lead to the assessment of fines or damages against us by regulatory authorities or by employees, any of which could reduce our operating results.

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

Our credit agreement contains financial and operating covenants that limit our management's discretion with respect to certain business matters. Among other things, 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, and merge or consolidate with other entities. At December 31, 2010, we had a $200.0 million revolving credit facility which was due to expire in April 2011. In January 2011, we renewed this facility on generally similar terms and conditions (including covenants and security for the facility) and increased the size of the facility to $400.0 million, with a maturity of January 2015. At February 22, 2011, we were in compliance with all of these covenants.

The interest of our controlling shareholder, Onex Corporation, that holds 71% of our voting interest, may conflict with the interest of the remaining holders of our subordinate voting shares.

Onex Corporation, or Onex, owns, directly or indirectly, all of the outstanding multiple voting shares and less than 1% of the outstanding subordinate voting shares. The number of shares owned by Onex, together with those shares Onex has the right to vote, represents 71% of the voting interest in Celestica and less than 1% of the voting interest in our outstanding subordinate voting shares. Accordingly, Onex exercises a controlling influence over our business and affairs and has the power to determine all matters submitted to a vote of our shareholders where our shares vote together as a single class. 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. Onex's voting power could have the effect of deterring or preventing a change in control of our company that might otherwise be beneficial to our other shareholders. 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 owns more than 20% of the votes). Gerald W. Schwartz, the Chairman and Chief Executive Officer of Onex and one of our directors, owns multiple voting shares of Onex, carrying the right to elect a majority of the Onex board of directors. Mr. Schwartz, therefore, effectively controls our affairs. The interests of Onex and Mr. Schwartz may differ from the interests of the remaining holders of subordinate voting shares. 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 subordinate voting shares, sold shares (after exchanging multiple voting shares for subordinate voting shares), or redeemed these debentures through the delivery of subordinate voting shares and could do so in the future. These sales could impact our share price, or have consequences on our debt and ownership structure.

We face securities class action and shareholder derivative lawsuits which could result in substantial costs, diversion of management's attention and resources and negative publicity.

Celestica has been named as a defendant in a purported class action lawsuit in the United States which asserts claims for violations of federal securities laws on behalf of persons who acquired our securities between January 27, 2005 and January 30, 2007. Celestica has been named as a defendant in a similar purported class

action brought in Canada under Canadian law. Our former Chief Executive and Chief Financial Officers were also named as defendants in these lawsuits. In a consolidated amended U.S. complaint, the plaintiffs added one of our directors and Onex as defendants. These lawsuits seek unspecified damages. All defendants filed motions with the U.S. District Court to dismiss the amended complaint. By Memorandum Decision and Order dated October 14, 2010, the U.S. court granted the defendants' motions to dismiss the consolidated amended complaint in its entirety and did not grant plaintiffs' leave to replead. Plaintiffs have filed a notice of appeal to the United States Court of Appeals for the Second Circuit of the dismissal of its claims against us and our former Chief Executive and Chief Financial Officers (but are not appealing the dismissal of its claims against one of our directors and Onex). Although we believe the allegations in the claim and the Second Circuit appeal are without merit and we intend to defend against them vigorously, these lawsuits could result in substantial costs to us, divert management's attention and resources from our operations and negatively affect our public image and reputation.

Potential unenforceability of civil liabilities and judgments.

We are incorporated under the laws of the Province of Ontario, Canada. A significant number of our directors, controlling persons and officers are residents of 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 within the United States upon those directors, controlling persons and officers who are not residents of the United States or to realize in the United States upon a judgment of courts of the United States predicated upon the civil liability provisions of the U.S. federal securities laws.

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

Our consolidated financial statements, for 2010 and prior years, were prepared in accordance with Canadian GAAP and are reconciled to U.S. GAAP. The accounting standards are revised periodically and/or expanded upon by the standard-setting bodies. Accordingly, 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, the Financial Accounting Standards Board and the U.S. Securities and Exchange Commission (SEC). In 2008, the Canadian Accounting Standards Board announced that it will adopt IFRS for publicly accountable enterprises in Canada, effective 2011. In 2008, the SEC adopted rules to accept annual filings of financial statements prepared in accordance with IFRS without the annual reconciliation to U.S. GAAP. Our consolidated financial statements for the first quarter ending March 31, 2011 will be our first financial statements prepared under IFRS. We will also apply IFRS retroactively to our comparative data as of January 1, 2010. The adoption of IFRS will impact our operating results, profitability and financial condition. Refer to Item 5, "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations," for the expected impact of IFRS on our financial statements. Future changes in accounting standards could also adversely affect our operating results, profitability or financial condition.

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

Future sales of our subordinate voting shares in the public market, or the issuance of subordinate voting shares upon the exercise of stock options or otherwise, could adversely affect the market price of the subordinate voting shares.

At February 22, 2011, we had 197,089,024 subordinate voting shares and 18,946,368 multiple voting shares outstanding. All of the subordinate voting shares are freely transferable without restriction or further registration under the U.S. Securities Act, except for shares held by our affiliates (as defined in the U.S. Securities Act). Shares held by our affiliates include all of the multiple voting shares and 1,218,998 subordinate voting shares held by Onex. An affiliate may not sell shares in the United States unless the sale is registered under the U.S. Securities Act or an exemption from registration is available. Rule 144 of the U.S. Securities Act permits our affiliates to sell our shares in the United States subject to volume limitations and requirements relating to manner of sale, notice of sale and availability of current public information with respect to us.

In addition, as of February 22, 2011, there were approximately 24,000,000 subordinate voting shares reserved for issuance under our employee share purchase and option plans and for director compensation, including outstanding options to purchase approximately 9,900,000 subordinate voting shares. 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). As a result, a substantial number of our subordinate voting shares will be eligible for sale in the public market at various times in the future. The issuances and/or sale of such shares would dilute the holdings of our shareholders and could adversely affect the market price of the subordinate voting shares.

Our stock price is volatile.

Our subordinate voting shares, and the shares of our EMS competitors, have experienced price volatility, and such volatility may continue in the future. Stock markets generally experience significant price and volume volatility from time-to-time, which may affect the market price of our subordinate voting shares for reasons unrelated to our performance. In addition, the price of our subordinate voting shares could fluctuate widely in response to a variety of factors, including changing conditions in the economy in general or in our industry in particular.

Item 4. Information on the Company

A. History and Development of the Company

We were incorporated in Ontario, Canada under the name Celestica International Holdings Inc. on September 27, 1996. Since that date, we have amended our articles of incorporation on various occasions, principally to modify our corporate name and our share capital. Our legal and commercial name is Celestica Inc. We are 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 http://www.celestica.com. Information on our website is not incorporated by reference in 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, which included our then management.

Celestica offers a range of supply chain solutions to OEMs across many industries. We operate a global manufacturing and supply chain network.

Recent Acquisitions

Certain information concerning our acquisition activities, including property, plant and equipment expenditures, and financing activities, currently in progress and in the last three fiscal years, is set forth in notes 3, 4, 7, 8, 15 and 17 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, currently in progress and in the last three fiscal years, is set forth in notes 4 and 10 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."

B. Business Overview

We deliver innovative supply chain solutions to OEMs in the consumer, communications, enterprise computing, industrial, aerospace and defense, healthcare and green technology markets. We believe our services and solutions will help our customers reduce their time-to-market and eliminate waste from their supply chains, resulting in lower product lifecycle costs, better financial returns and improved competitive advantage in their respective business environments.

Our global operating network spans the Americas, Asia and Europe. In an effort to drive speed and flexibility for our customers, we conduct the majority of our business through centers of excellence, strategically located around the world. We strive to align a network of suppliers around these centers in order to increase flexibility in our supply chain, deliver shorter overall product lead times and reduce inventory. We operate other facilities around the globe with specialized supply chain management and high-mix/low-volume manufacturing capabilities to meet the specific production and product lifecycle requirements of our customers.

Through our centers of excellence and the deployment of our Total Cost of Ownership™ (TCOO) Strategy with our suppliers, we strive to provide our customers with the lowest total cost throughout the product lifecycle. This approach enables us to focus our capabilities on solutions that address the total cost of design, sourcing, production, delivery and after-market services for our customers' products, which drives greater levels of efficiency and improved service levels throughout our customers' supply chains.

Our targeted end markets include consumer, communications, enterprise computing, industrial, aerospace and defense, healthcare and green technology. Although we supply products and services to over 100 OEMs, we depend on a relatively small number of customers for a significant portion of our revenue. In the aggregate, our top 10 customers represented 72% of revenue in 2010 and our largest customer represented 20% of revenue. In 2010, our revenue by end market was as follows: consumer (25% of revenue); enterprise communications (24% of revenue); telecommunications (13% of revenue); servers (14% of revenue); storage (12% of revenue); and industrial, aerospace and defense, and healthcare (12% of revenue). The products we manufacture can be found in a wide variety of end products, including smartphones; networking, wireless and telecommunications equipment; storage devices; servers; aerospace and defense electronics, such as in-flight entertainment and guidance systems; healthcare products; audiovisual equipment, including set-top boxes; printer supplies; peripherals; and a range of industrial and green technology electronic equipment including solar panels and inverters.

We believe our principal strengths include our advanced capabilities in the areas of technology and quality, our flexible service offerings, our financial strength and our market-specific supply chain management capabilities. We offer a wide range of advanced manufacturing technologies, test capabilities and processes to support our customers' needs. We believe our size, geographic reach and expertise in supply chain management allow us to purchase materials effectively and to deliver products to customers faster, thereby reducing overall product costs and reducing the time-to-market. We have a highly skilled workforce focused on continuous improvement, flexibility and customer service excellence.

We believe we are well positioned to compete effectively in the EMS industry, given our financial strength and our position as one of the major EMS providers worldwide. Our priorities include (i) growing revenue in targeted end markets through both organic program wins and acquisitions; (ii) improving financial results, including operating margin and cash flow performance; (iii) developing and enhancing profitable relationships with leading OEMs across our strategic target markets, with a particular emphasis on growing our industrial, aerospace and defense, healthcare and green technology end markets; (iv) broadening the range of services we offer to OEMs; and (v) growing our capabilities in services and technologies that can expand our revenue base beyond our traditional areas of EMS expertise. We believe that success in these areas will result in improved financial performance and enhanced shareholder value.

Electronics Manufacturing Services Industry

Overview

The EMS industry is comprised of companies that offer a broad range of electronics manufacturing services to OEMs. Since the 1990s, OEMs have increased their reliance on these services to become more efficient and to enhance their competitive positions. Today, the leading EMS companies have global operating networks delivering worldwide supply chain management solutions. They offer end-to-end services for the entire product lifecycle, including design and engineering, manufacturing and systems integration, fulfillment and after-market services. By outsourcing the manufacturing and related services, OEMs are able to overcome their most pressing business challenges related to cost, asset utilization, quality, time-to-market and rapidly changing technologies.

We believe the adoption of outsourcing by OEMs will continue across a number of industries, because it allows OEMs to:

Reduce Operating Costs and Invested Capital. OEMs are under significant 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 enable OEMs to gain access to a global network of manufacturing facilities 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.

Focus Resources on Core Competencies. The EMS industry operates in a highly competitive environment characterized by rapid technological change and shortening product lifecycles. In this environment, many OEMs are prioritizing their resources on their core competencies of product development, sales, marketing and customer service, and outsourcing design, manufacturing, supply chain and other product support requirements to their EMS partners.

Improve Time-to-Market. Electronic products experience shorter lifecycles, requiring OEMs to continually reduce the time and cost of bringing products to market. 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 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. Successful manufacturing of electronic products requires significant resources to deal with the complexities in planning, procurement and inventory management, frequent design changes, shorter product lifecycles and product demand fluctuations. OEMs can address these complexities by outsourcing to 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, OEMs increasingly rely on EMS companies to provide design, engineering support, manufacturing and technological expertise. Through their design and engineering services, and through the knowledge gained from 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 gain access to high-quality manufacturing expertise and capabilities in the areas of advanced process, interconnect and test technologies.

Improve Access to Global Markets. OEMs provide products and support services to a global customer base. EMS companies with global infrastructure and support capabilities provide OEMs with efficient global manufacturing solutions and distribution capabilities.

Access to Broadening Service Offerings. In response to OEMs' continued desire to outsource activities that were traditionally handled internally, EMS providers are continually expanding their offerings to include

services such as design, fulfillment and after-market support, including repair and recycling services. This enables OEMs to benefit from outsourcing more of their cost of goods sold.

Celestica's Focus

We are dedicated to building solid partnerships and delivering innovative supply chain solutions to our customers. To achieve this, we collaborate with our OEM customers to proactively identify and fulfill current requirements and anticipate future needs. We strive to exceed our customers' expectations by offering a range of services to lower costs, increase flexibility and predictability, improve quality and provide better service to their customers. We also look at ways to invest in our customers' future by continuing to deepen our knowledge of their businesses and to develop solutions to meet their needs. We constantly look to advance our technical capabilities to help our customers achieve a competitive advantage. By succeeding in the following areas, we believe we will maximize customer satisfaction, and improve financial performance and enhance shareholder value:

Improve Financial Results, Including Operating Margins and Cash Flow Performance. We continue to focus on (i) managing the mix of business, service offerings and volume of new business to improve our overall operating 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 operating margins, and (iv) maximizing cash flow performance.

Continue to Penetrate Strategic Target End Markets. We target to establish a diverse customer base with OEM customers in several industries. We believe our legacy of 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 these markets. Our goal is to grow across our targeted end markets, with particular emphasis on industrial, aerospace and defense, healthcare, and green technology. In 2010, we completed the Allied Panels acquisition to enhance our healthcare offering. Our revenue by end market as a percentage of total revenue is as follows:

	2008	2009	2010
Consumer[(i)]	22%	28%	25%
Enterprise Communications[(i)]	26%	22%	24%
Telecommunications	15%	15%	13%
Servers	16%	13%	14%
Storage	10%	12%	12%
Industrial, Aerospace and Defense and Healthcare	11%	10%	12%

(i) During the fourth quarter of 2010, we reclassified a customer program from our consumer end market to our enterprise communications end market. Comparative percentages have been recalculated to conform to the current period's presentation.

Selectively Pursue Strategic Acquisitions. We will selectively seek acquisition opportunities in order to (i) profitably grow our revenue, (ii) further develop strategic relationships with OEMs in our target markets and (iii) enhance the scope of our capabilities and service offerings.

Expand Range of Service Offerings. We continually look to expand the services we offer to OEMs. In recent years, we have expanded our service offerings to facilitate the manufacture of a broader spectrum of products for OEMs in a variety of new markets. We have also expanded our capabilities in prototyping, design, engineering solutions, systems assembly, logistics, fulfillment and after-market services. During 2010, we completed the acquisition of Invec to enhance our after-market services offering through its proprietary reverse logistics software.

Leverage Expertise in Technology, Quality and Supply Chain Management. 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 OEM customers, and allows us to produce a variety of electronic products ranging from high-volume consumer 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 have generally enabled 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 often collaborate with 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.

Develop and Enhance Profitable Relationships with Leading OEMs. We seek to build profitable, strategic relationships with targeted industry leaders that can benefit from our services and solutions. We strive to conduct ourselves as an extension of our customers' organizations which enables us to respond to their needs with speed, flexibility and predictability in delivering results. We have established and maintain strong manufacturing relationships with a diverse mix of leading OEMs across several of our targeted 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.

Celestica's Business

OEM Supply Chain Services and Solutions

We are a global provider of innovative supply chain solutions. We offer a full range of services including design, manufacturing, engineering, order fulfillment, logistics and after-market services. We capitalize on our global operating network, information technology and supply chain expertise using a collaborative process and a team of highly skilled, customer-focused employees. We believe that our ability to deliver a broad range of supply chain solutions to our customers provides them with a competitive time-to-market and cost advantage.

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

Through the deployment of our TCOO Strategy with our suppliers, we strive to provide our customers with the true cost of producing, delivering and supporting their products so that we can exceed their expectations for time-to-market and quality and provide them with the lowest TCOO. We also strive to align a network of suppliers around our centers of excellence to increase the agility, flexibility and collaborative approach of our supply chain and deliver the shortest overall lead times for any given product. We believe we have a differentiated supply chain offering.

Design. 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 supply chain to reduce their overall product costs, improve time-to-market and introduce competitively differentiated products. We also leverage our proprietary CoreSim Technology™ to minimize design revisions, speed time-to-market and provide improved manufacturing yields for our customers. Through our collective experience with common technologies across multiple industries and product groups, we believe we can provide quality and cost-focused solutions for our customers' design needs.

We continue to increase our resources in the area of research and development. Our teams collaborate with OEM product designers in the early stages of product development. Our design team uses 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 the customer and our design and manufacturing groups help to ensure that new designs are released rapidly, smoothly and cohesively into production.

We strive to enhance our design services capabilities through strategic relationships with global engineering and research and development organizations, as well as other IT services and business process outsourcing firms. We believe that by combining our companies' strengths, we can create solutions to help our customers overcome design-related challenges. The skills and scalability that we can access enable us to better manage projects

throughout the life of the product, including software development and systems validation, as well as complete product sustainability.

Other key initiatives aimed at enhancing our design services offering include developing and marketing solutions accelerator platforms for products such as blade servers and storage devices. We believe these customizable solution accelerators, or building blocks, will help OEMs reach their markets faster by reducing design cycles without compromising their intellectual property.

Green Services™. We have developed a suite of services to help our customers comply with environmental legislation, such as those relating to the removal of hazardous substances and waste management/recycling. Our services help our customers design, prototype, introduce, manufacture, test, ship, takeback, repair, refurbish, reuse, recycle and properly dispose of end-of-life (EOL) products in compliance with existing and evolving legislation in countries in which we operate.

Prototyping. Prototyping is a critical early-stage process in the development of new products. Our engineers collaborate with OEM engineers to build early-stage products at our new product introduction centers. These centers are strategically located to enable us to provide a quick response in the early stages of the product development lifecycle. Upon completion of these prototypes, our new product introduction centers provide a seamless entry into our larger manufacturing facilities.

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 to enhance product quality, reduce cost and improve delivery time to customers. We work independently and also collaborate with customers and suppliers to develop leading 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, OEMs 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.

Product Assurance. We provide product assurance to our OEM customers. Our product assurance teams perform product life testing and full circuit characterization to ensure that designs meet or exceed required specifications. We are accredited as a National Testing Laboratory capable of testing to international standards (e.g., Canadian Standards Association and Underwriters Laboratories). We believe that this service allows our customers to attain product certification significantly faster than is customary in the EMS industry.

Failure Analysis. 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 robustness. Products are subjected to various environmental extremes, including temperature, humidity, vibration, voltage and rate of use. Field conditions are simulated in failure analysis laboratories which employ advanced electron microscopes, spectrometers and other advanced equipment. We are also able to discover failures before products are shipped, as our highly qualified engineers are proactive in working in partnership with suppliers and customers to develop and implement resolutions.

Quality Management. 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 facilities are ISO certified to ISO 9001 and ISO 14001 (environmental) standards, as well as to other industry-specific certifications.

In addition to these standards, we continue to deploy Lean and Six Sigma initiatives throughout our manufacturing network. Implementing Lean throughout the manufacturing process improves efficiency, shortens cycle times and reduces waste in areas such as inventory on hand, set up times, floor space and the number of people required for production. Six Sigma ensures continuous improvement by reducing process variation. We also apply the knowledge we gain in our after-market services to improve the quality and reliability

of next-generation products. Success in these areas helps our customers lower their costs, positioning them more competitively in their respective business environments.

We believe that quality management is one of the key services directly linked to meeting and exceeding our customers' expectations, and we have a series of key performance indicators deployed across our operating network that allow our teams to focus on driving continuous improvement and meeting customers' expectations with respect to quality.

Order Fulfillment and Logistics. We are focused on leveraging our global scale in manufacturing, supply chain management and fulfillment to provide fully integrated and customized logistics solutions to our customers. Our logistics offerings include warehouse and distribution, freight management, logistics consulting services, product and materials visibility and reverse logistics. We ship worldwide to our customers or, in many cases, directly to our OEMs' customers.

After-Market Services. We help our customers extend the value of their products through our after-market repair, returns and recycling services, individualized to meet each customer's requirements. These services include field failure analysis, product upgrades, repair and engineering change management. The knowledge gained from these services may also be used in future design activity to improve quality and reliability in next-generation products. In 2010, we acquired Invec to enhance our after-market services offering through its proprietary reverse logistics software.

Geographies

Approximately one-half of our revenue is produced in Asia and over one-third of our revenue is produced in North America. A listing of our principal locations is included in Item 4, "Information on the Company — Property, Plants and Equipment." Certain geographic information is set forth in note 17 to the Consolidated Financial Statements in Item 18.

Sales and Marketing

We have structured our business development teams by targeted end markets, with a focus on offering complete manufacturing and supply chain solutions to leading OEMs. Our coordination of efforts with key global customers include our customer-focused teams, each headed by a group general manager who oversees the global relationship with these customers. These teams work with our solutions architects to develop specific solutions that meet the unique needs of each customer's product or supply chain requirements. Our global network is comprised of customer-focused teams, including direct sales representatives, operational and project managers, account executives, and supply chain management teams, as well as senior executives.

Customers

We supply products and services to approximately 100 OEM customers. We target industry leading customers in strategic markets focused on key technologies. Our customers include Alcatel-Lucent, Cisco Systems, Inc., EMC Corporation, Hewlett-Packard Company, Hitachi, Ltd., Honeywell Inc., IBM Corporation, Juniper Networks, Inc., NEC Corporation, Oracle Corporation, Polycom, Inc., Raytheon Company and RIM. We are focused on strengthening our relationships with these strategic customers through the delivery of new and expanding end-to-end solutions, such as design, engineering, order fulfillment, logistics and after-market services.

During each of 2010 and 2009, our largest customer, RIM, represented more than 10% of total revenue. Our top 10 customers represented 72% and 71%, respectively, of total revenue for 2010 and 2009.

We generally enter into master supply agreements with our customers that provide the framework for our overall relationship; although there is no guaranteed level of business. Instead, we bid on a program-by-program basis and 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.

Technology and Research and Development

We use advanced technology in the design, assembly and testing of the products we manufacture. We continue to deploy more resources in our global research and development organization to expand our design capabilities. We believe that our processes and skills are among the most sophisticated in the industry. We believe that this provides us with advantages over many of our smaller competitors and our competitors building less complex products.

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

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. We believe that our inspection technology, which includes X-ray laminography, advanced automated optical inspection, three-dimensional laser paste volumetric inspection and scanning electron microscopy, is among the most sophisticated in the EMS industry. We work directly with the leaders in the equipment industry to optimize their products and solutions or to jointly design a solution to better meet our needs and the needs of our customers. Furthermore, we employ internally developed automated robotic technology to perform in-process repair.

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 efforts in these building blocks are particularly focused in the server, storage and communications end markets. We work directly with our customers to understand their product roadmaps and to develop the technology solutions to optimally solve their future needs. We are proactive in developing manufacturing techniques that take advantage of the latest component, product and packaging designs and we have worked with, and taken a leadership role in, industry 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 our customers, we will increase 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. During 2010, we procured and managed over $5.0 billion in materials and related services. We view the size and scale of our procurement activities, including our IT systems, as an important competitive advantage, as it enhances 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 pursuant to individual purchase orders that are short-term in nature.

We believe we have a differentiated supply chain offering compared to our competitors. Through the deployment of our TCOO Strategy with our suppliers, we strive to provide our customers with the true cost of producing, delivering and supporting their products so that we can exceed their expectations for time-to-market and quality and provide them with the lowest TCOO. We also strive to align a network of suppliers around our centers of excellence to increase flexibility in our supply chain and deliver shorter 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. In providing electronics manufacturing services to our customers, we are largely protected from the risk of fluctuations in inventory costs, as these costs are generally passed through to customers.

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.

Intellectual Property

We hold licenses to various technologies which we 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 and suppliers and 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.

We currently have a limited number of patents and patent applications pending. 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 across various end markets. Our competitors include Benchmark Electronics, Inc., Flextronics International Ltd., Hon Hai Precision Industry Co., Ltd., Jabil Circuit, Inc., Plexus Corp., and Sanmina-SCI Corporation, as well as smaller EMS companies that often have a regional, product, service or industry specific focus. ODMs, companies that provide internally designed products and manufacturing services to OEMs, continue to increase their share of outsourced manufacturing services across several markets and product groups, including personal computer motherboards, servers, notebook and desktop computers, cell phones and smartphones. While we have not, to date, encountered significant direct competition from ODMs in the end markets in which we participate, such competition may increase if our business in these markets grows, particularly in smartphones, or if ODMs expand into our primary end markets.

We may also face competition from current and prospective customers who evaluate our capabilities 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 may have greater manufacturing, procurement, research and development, and sales and marketing resources than we do. We believe our competitive advantage in our targeted markets is our track record in manufacturing technology, quality, responsiveness and providing 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 on time and compete favorably on price. To enhance our competitiveness, we expect to expand our service offerings or capabilities beyond our traditional areas of EMS expertise.

Environmental Matters

We are subject to various federal, state/provincial, local and multi-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 plants. We believe that we are currently in compliance in all material respects with applicable laws and have management systems in place to maintain compliance.

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 facilities 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 will 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.

Environmental legislation also operates at the product level. Since 2004, we have developed our Green Services™, offering 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, OEM customers 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 and complexity of the products we manufacture from quarter-to-quarter. We have historically experienced some seasonality with our enterprise computing and communications infrastructure products. This compares to our current consumer business which is relatively flat throughout the year. The pace of technological change, the frequency of OEMs 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, 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 and holds 71% of the voting interest in Celestica. Accordingly, Onex exercises influence over our business, including those matters submitted to a vote by shareholders. Onex also has the power to elect our board of directors, thereby influencing significant corporate transactions, including mergers, acquisitions, divestitures and financing arrangements. For further details, refer to footnote 3 in Item 7, "— Major Shareholders and Related Party Transactions — Major Shareholders."

C. Organizational Structure

We conduct our business through subsidiaries operating on a worldwide basis. The following companies are considered significant subsidiaries and each of them is wholly owned:

Celestica Cayman Holdings 1 Limited, a Cayman Islands corporation;

Celestica Cayman Holdings 9 Limited, a Cayman Islands corporation;

Celestica European Holdings S.À.R.L., a Luxembourg corporation;

Celestica (Gibraltar) Limited, a Gibraltar corporation;

Celestica Holdings Pte Ltd., a Singapore corporation;

Celestica Hong Kong Limited, a Hong Kong corporation;

Celestica LLC (formerly Celestica Corporation), a Delaware limited liability company;

Celestica Liquidity Management Hungary Limited Liability Company, a Hungary corporation;

Celestica (Luxembourg) S.À.R.L., a Luxembourg corporation;

Celestica (Thailand) Limited, a Thailand corporation;

Celestica (USA) Inc., a Delaware corporation;

Celestica (US Holdings) LLC (formerly Celestica (US Holdings) Inc.), a Delaware limited liability company;

IMS International Manufacturing Services Limited, a Cayman Islands corporation;

1282087 Ontario Inc., an Ontario corporation;

1681714 Ontario Inc., an Ontario corporation; and

1755630 Ontario Inc., an Ontario corporation.

D. Property, Plants and Equipment

The following table summarizes our principal facilities as of February 22, 2011. Our facilities are used to provide electronics manufacturing services and solutions, such as the manufacture of printed circuit boards, assembly and configuration of final systems, and other related manufacturing and customer support activities, including warehousing, distribution and fulfillment.

Major locations	Square Footage (in thousands)	Owned/Leased
Canada	888	Owned
California[1]	288	Leased
Wisconsin	12	Leased
Texas[1]	200	Leased
Mexico[1]	697	Leased
Ireland[1]	235	Leased
Spain	100	Owned
Austria	54	Leased
Czech Republic	172	Owned
Romania	200	Owned
Scotland	58	Leased
China[1]	1,050	Owned/Leased
Malaysia[1]	927	Owned/Leased
Thailand[1]	1,085	Owned/Leased
Singapore[1]	287	Leased
Japan[1]	295	Owned/Leased

(1) This represents multiple locations.

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

Our land and facility leases expire between 2011 and 2060. We currently expect to be able to extend the terms of expiring leases or to find replacement facilities on reasonable terms.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

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

The following discussion of the financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements, which we prepared in accordance with Canadian GAAP. A reconciliation to U.S. GAAP is disclosed in note 20 to the Consolidated Financial Statements. All dollar amounts are expressed in U.S. dollars. The information in this discussion is provided as of February 22, 2011.

Certain statements contained in the following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) constitute forward-looking statements within the meaning of section 27A of the U.S. Securities Act, section 21E of the U.S. Exchange Act, and applicable Canadian securities legislation, including, without limitation: statements related to our future growth; trends in our industry; our financial or operational results, including our quarterly guidance, the impact of new program wins on our financial results, and anticipated expenses, benefits or payments; our financial or operational performance; our financial targets; and the effects of our conversion from Canadian GAAP to International Financial Reporting Standards (IFRS). Such forward-looking statements are predictive in nature, and may be based on current expectations, forecasts or assumptions involving risks and uncertainties that could cause actual outcomes and results to differ materially from the forward-looking statements themselves. Such forward-looking statements may, without limitation, be preceded by, followed by, or include words such as "believes," "expects," "anticipates," "estimates," "intends," "plans," or similar expressions, or may employ such future or conditional verbs as "may," "will," "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 in any applicable Canadian securities legislation. Forward-looking statements are not guarantees of future performance. You should understand that the following important factors could affect our future results and could cause those results to differ materially from those expressed in such forward-looking statements: the effects of price competition and other business and competitive factors generally affecting the EMS industry, including changes in the trend for outsourcing; our dependence on a limited number of customers and end markets; variability of operating results among periods; the challenges of effectively managing our operations, including responding to significant changes in demand from our customers; the challenges of managing inflation, including rising energy and labor costs; our inability to retain or expand our business due to execution problems relating to the ramping of new programs, completing our restructuring activities or integrating our acquisitions; the delays in the delivery and/or general availability of various components and materials used in our manufacturing process; our dependence on industries affected by rapid technological change; our ability to successfully manage our international operations; increasing income taxes and our ability to successfully defend tax audits or meet the conditions of tax incentives; the challenge of managing our financial exposures to foreign currency volatility; and the risk of potential non-performance by counterparties, including but not limited to financial institutions, customers and suppliers. Our forward-looking statements are also based on various assumptions which management believes are reasonable under the current circumstances, but may prove to be inaccurate, and many of which involve factors that are beyond our control. The material assumptions may include the following: forecasts from our customers, which range from 30 days to 90 days and can fluctuate significantly in terms of volume or mix of products; the timing, execution of, and investments associated with ramping new business; the success in the marketplace of our customers' products; general economic and market conditions; currency exchange rates; pricing and competition; anticipated customer demand; supplier performance and pricing; commodity, labor, energy and transportation costs; operational and financial matters; and technological developments. These assumptions 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. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. These and other risks and uncertainties, as well as other information related to the company, are discussed in our various public filings at www.sedar.com and www.sec.gov, including our Annual Report on Form 20-F and subsequent reports on Form 6-K filed with the SEC and our Annual Information Form filed with Canadian securities regulators.

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 document with the understanding that our actual future results may be materially different from what we expect. We may not

update these forward-looking statements, even if our situation changes in the future. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

Overview

What Celestica does:

We deliver innovative supply chain solutions to OEMs in the consumer, enterprise computing, communications, industrial, aerospace and defense, healthcare and green technology markets. We believe our services and solutions will help our customers reduce their time-to-market and eliminate waste from their supply chains, resulting in lower product lifecycle costs, better financial returns and improved competitive advantage in their respective business environments.

Our global operating network spans the Americas, Asia and Europe. In an effort to drive speed and flexibility for our customers, we conduct the majority of our business through centers of excellence, strategically located around the world. We strive to align a network of suppliers in proximity to these centers in order to increase flexibility in our supply chain, deliver shorter overall product lead times and reduce inventory. We operate other facilities around the globe with specialized supply chain management and high-mix/low-volume manufacturing capabilities to meet the specific production and product lifecycle requirements of our customers.

Through our centers of excellence and the deployment of our Total Cost of Ownership™ (TCOO) Strategy with our suppliers, we strive to provide our customers with the lowest total cost throughout the product lifecycle. This approach enables us to focus our capabilities on solutions that address the total cost of design, sourcing, production, delivery and after-market services for our customers' products, which drives greater levels of efficiency and improved service levels throughout our customers' supply chains.

Our targeted end markets include consumer, communications (comprised of enterprise communications and telecommunications), enterprise computing (comprised of servers and storage), and industrial, aerospace and defense, healthcare and green technology. We offer a full range of services to our customers including design, manufacturing, engineering, order fulfillment, logistics and after-market services. We are focused on expanding these service offerings across our major markets with existing and new customers. In particular, we intend to invest in assets and resources to expand our design, engineering and after-market service capabilities and to grow our business in the commercial aerospace and defense, healthcare, industrial and green technology end markets, while continuing to pursue higher-value opportunities with existing customers. We continue to seek acquisition opportunities in these areas to expand our revenue base and add capabilities specific to these markets. In 2010, we acquired Invec to enhance our after-market services offering and Allied Panels to enhance our healthcare offering.

Although we supply products and services to over 100 customers, we depend upon a relatively small number of customers for a significant portion of our revenue. In the aggregate, our top 10 customers represented 72% of revenue in 2010 (71% — 2009). We expect our top 10 customer concentration to increase slightly in the near term based on program wins from some of those customers.

The products and services we provide serve a wide variety of end products, including smartphones; networking, wireless and telecommunications equipment; storage devices; servers; aerospace and defense electronics, such as in-flight entertainment and guidance systems; healthcare products; audiovisual equipment, including set-top boxes; printer supplies; peripherals; and a range of industrial and green technology electronic equipment, including solar panels and inverters.

We believe we are well positioned to compete effectively in the EMS industry, given our financial strength and our position as one of the major EMS providers worldwide. Our priorities include (i) growing revenue through both organic program wins and acquisitions; (ii) improving financial results, including operating margin and cash flow performance; (iii) developing and enhancing profitable relationships with leading customers across our strategic target markets, with a particular emphasis on growing our industrial, aerospace and defense, healthcare and green technology end markets; (iv) broadening the range of services we offer to our customers; and (v) growing our capabilities in services and technologies that can expand our revenue base beyond our traditional areas of EMS expertise. We believe that success in these areas will result in improved financial performance and enhanced shareholder value.

We established three-year financial targets at the beginning of 2010. These targets include achieving a compound annual revenue growth rate of 6% to 8%, and generating the following performance on various non-GAAP measures: annual operating margin of 3.5% to 4.0%, annual return on invested capital (ROIC) of greater than 20%, and annual free cash flow of between $100 million and $200 million. The achievement of these targets is primarily dependent upon the strength of the economy, the success of our customers' products in the marketplace, our revenue mix and magnitude of customer program bookings by end markets and the margin profile for the services we provide. While we continue to drive towards achieving these targets, we expect that the size and mix of program wins in the consumer and server end markets in 2010 will likely result in revenue growth of 10% to 15% for 2011, with near term operating margin of 3.0% to 3.5% for the first half of 2011 and annual free cash flow at the low end of the target range as we fund working capital to support the higher revenue growth. We expect to maintain a ROIC of greater than 20% in the near term.

Our financial targets for operating margin, ROIC and free cash flow are non-GAAP measures without standardized meanings and are not necessarily comparable to similar measures presented by other companies. Our management uses non-GAAP measures 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) set management incentive targets. See "— Non-GAAP Measures" 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 number of revenue opportunities, which at times may be volatile, the competitive environment is very intense and aggressive pricing is a common business dynamic. Capacity utilization, customer mix and the types of products we manufacture are important factors affecting operating margins. The amount and location of available 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, which is primarily affected by operating margin and investments in working capital and equipment, is an important metric for measuring an EMS provider's financial performance.

EMS companies are exposed to a variety of customers and end markets. Demand visibility is limited, making revenue in each of our end markets difficult to predict. This is due primarily to the shorter product lifecycles inherent in technology markets, short production lead times expected by our customers, rapid shifts in technology for our customers' products and general volatility in economic conditions. This is particularly evident in high-volume markets such as the consumer end market, where product lifecycles tend to be the shortest. While recent demand trends have been stable, the global economy remains uncertain and may negatively impact the operations of most EMS providers, including Celestica.

During the past several years, the EMS industry has experienced component shortages, which can delay production as well as all revenue relating to products using those components, and has resulted and may result in us carrying higher levels of inventory and extending lead times. We procure substantially all of our component and materials pursuant to individual purchase orders issued by our customers which are generally short-term in nature. To date, we have not been materially impacted by these shortages.

Our business is also affected by customers who will sometimes shift production between EMS providers for a number of reasons, including pricing concessions or their preference for consolidating their supply chain. Customers may also choose to accelerate the amount of business they outsource, insource previously outsourced business or change the concentration of their EMS suppliers to better balance production risk. As we respond to our customers' actions, these factors have impacted, and may continue to impact, among other items, our ability to grow revenue, our operating profitability, our level of capital expenditures and our cash flows.

Summary of 2010

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

	Year ended December 31		
	2008	2009	2010
Revenue	$ 7,678.2	$ 6,092.2	$ 6,526.1
Gross profit	531.1	429.8	443.3
Selling, general and administrative expenses (SG&A)	292.0	244.5	250.2
Net earnings (loss)	(720.5)	55.0	80.8
Basic earnings (loss) per share	$ (3.14)	$ 0.24	$ 0.35
Diluted earnings (loss) per share	$ (3.14)	$ 0.24	$ 0.35

	December 31	
	2009	2010
Cash and cash equivalents	$ 937.7	$ 632.8
Total assets	3,106.1	3,103.6
Long-term debt	222.8	—

Revenue for 2010 of $6.5 billion increased 7% from $6.1 billion in 2009. Revenue from our server end market increased 18%, industrial, aerospace and defense, and healthcare increased 18%, enterprise communications increased 16% and storage increased 12%. These revenue increases reflect new program wins and increased demand resulting from an improving economic environment compared to 2009. Year-over-year revenue from our telecommunications end market decreased 10% driven primarily by declines in demand and program losses. Revenue from our consumer end market decreased $30 million, or 2%, from 2009. Specifically, consumer revenue decreased 15% year-over-year due to our disengagement of a program in the gaming console business, which more than offset the increased revenue from new program wins, resulting in a net 2% decrease for the year. Consumer continues to be our largest end market, representing 25% of revenue for 2010.

Our production volumes and revenue vary each period because of the impacts associated with changes in demand for the products we manufacture, program wins or losses with new, existing or disengaging customers, the timing and rate at which new programs are ramped up, and the impact of seasonality for various end markets, among other factors.

Gross profit dollars for 2010 increased 3% from 2009 while revenue increased 7% from 2009. Gross margin as a percentage of revenue decreased from 7.1% in 2009 to 6.8% in 2010 primarily due to changes in product mix and higher variable compensation costs that negatively impacted gross margin by 0.2%.

SG&A for 2010 increased $5.7 million, or 2%, from 2009, primarily due to a $10 million increase in variable compensation costs and a $3 million decrease in bad debt recoveries, offset partially by cost reductions, including IT spending.

Our gross profit and SG&A are impacted by the level of variable compensation costs we record in each period. Variable compensation includes our team incentive plans available to eligible manufacturing and office employees, sales incentive plans and equity-based incentives, such as stock options and share unit awards. The amount of variable compensation costs varies each period based on the level of achievement of pre-determined performance goals or financial targets. Variable compensation costs also include our mark-to-market adjustments for cash-settled equity-based awards.

We recorded restructuring charges of $55.3 million in 2010 (2009 — $83.1 million) as we completed our previously announced restructuring plans.

Net earnings for 2010 were $80.8 million compared to net earnings of $55.0 million in 2009. The improvement in net earnings was driven primarily by improved gross profit and lower interest expense in 2010, offset partially by higher income tax expense.

In July 2010, we filed a Normal Course Issuer Bid (NCIB) with the Toronto Stock Exchange (TSX), to repurchase, at our discretion until August 2, 2011, up to 18.0 million subordinate voting shares, or approximately 9% of our subordinate voting shares, on the open market or as otherwise permitted, subject to the normal terms and limitations of such bids. As of December 31, 2010, we have paid $140.6 million, including transaction fees, to repurchase for cancellation a total of 16.1 million shares at a weighted average price of $8.75 per share under the NCIB since its commencement. The total number of shares we may repurchase for cancellation under the NCIB is reduced by the number of shares purchased for our employee equity-based incentive programs. At December 31, 2010, 0.9 million shares remain eligible to be repurchased under the NCIB.

During 2010, we paid $26.2 million for the purchase of shares in the open market by a trustee to satisfy the delivery of shares to employees upon vesting of awards under our long-term incentive plans. We classify these shares for accounting purposes as treasury stock on our balance sheet until they are delivered to employees pursuant to the awards.

In March 2010, we paid $231.6 million to repurchase the remaining Senior Subordinated Notes (Notes) due 2013 and recognized a loss of $8.8 million, primarily as a result of the premium we paid to redeem the Notes prior to maturity.

In January 2010, we completed the acquisition of Scotland-based Invec. Invec provides warranty management, repair and parts management services to companies in the information technology and consumer electronics markets. In August 2010, we completed the acquisition of Austrian-based Allied Panels, a medical engineering and manufacturing service provider that offers concept-to-full-production solutions in medical devices with a core focus on the diagnostic and imaging market. The total purchase price for these acquisitions was $18.3 million and was financed with cash. The purchase price for Allied Panels is subject to adjustment for contingent consideration totaling up to 7.1 million Euros (approximately $9.4 million at current exchange rates), none of which has been recorded to date, if specific pre-determined financial targets are achieved through fiscal year 2012.

Other performance indicators:

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

	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Cash cycle days:								
Days in accounts receivable (A/R)	56	50	49	46	49	46	46	42
Days in inventory	50	47	42	40	45	43	46	42
Days in accounts payable (A/P)	(63)	(55)	(57)	(56)	(61)	(57)	(57)	(55)
Cash cycle days	43	42	34	30	33	32	35	29
Inventory turns	7.3x	7.8x	8.7x	9.1x	8.1x	8.4x	8.0x	8.7x

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 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 inventory, minus the days in A/P. Beginning with the fourth quarter of 2009, we excluded accrued liabilities from the average A/P balance when calculating days in A/P. We have recalculated our days in A/P and our cash cycle days for prior periods to reflect this change. Inventory turns is calculated as 365 divided by the number of days in inventory.

Cash cycle days for the fourth quarter of 2010 decreased by 1 day to 29 days compared to the same period in 2009. Days in A/R decreased by 4 days while days in inventory increased by 2 days compared to the same period in 2009. The year-over-year improvement in A/R days primarily reflects higher revenue and an increased amount of A/R sales for the fourth quarter of 2010 compared to the fourth quarter of 2009 (December 31, 2010 — $60.0 million in A/R sold; December 31, 2009 — no A/R sold). Cash cycle days for the fourth quarter of

2010 decreased by 6 days compared to the third quarter of 2010, primarily due to higher sales in the fourth quarter of 2010.

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

Critical Accounting Policies and Estimates

We prepare our financial statements in accordance with Canadian GAAP with a reconciliation to U.S. GAAP, as disclosed in note 20 to the Consolidated Financial Statements.

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. We evaluate our estimates and assumptions on a regular basis, taking into account historical experience and other relevant factors. Actual results could differ materially from these estimates and assumptions.

Significant accounting policies and methods used in the preparation of the financial statements are described in note 2 to the Consolidated Financial Statements.

Inventory valuation:

We value our inventory on a first-in, first-out basis at the lower of cost and net realizable value. We regularly adjust our inventory valuation based on shrinkage and management's estimates of net realizable value, taking into consideration factors such as inventory aging and future demand for the inventory. A change to these assumptions could impact the valuation of our inventory and have a resulting impact on gross margins. We procure inventory based on specific customer orders and forecasts. If actual market conditions or our customers' product demands are less favorable than those projected, additional valuation adjustments may be required. We attempt to utilize excess inventory in other products we manufacture or return the inventory to the supplier or customer. Our success in these recovery efforts may result in the reversal of previously recorded inventory valuations.

Income taxes:

We have recorded an income tax expense or recovery based on the income earned or loss incurred in each tax jurisdiction and the 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 estimations 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. The final tax outcome of these matters may be different from the estimates made by management in determining our income tax provisions. We recognize a tax benefit related to tax uncertainties when it is probable based on our best estimate of the amount that will ultimately be realized. A change to these estimates could impact our income tax provision.

We record a valuation allowance against deferred income tax assets when management believes it is more likely than not that some portion or all of the deferred income tax assets will not be realized. Management considers factors such as the reversal of deferred income tax liabilities, 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 estimated valuation allowance and income tax expense.

Goodwill:

When we have goodwill, we perform our annual impairment assessment in the fourth quarter of the year (to correspond with our planning cycle), or more frequently if events or changes in circumstances indicate that a triggering event has occurred. If our market capitalization is less than our book value for a sustained period of time, it could be an indicator that an impairment loss has occurred. We test for impairment, using the two-step

method, at the reporting unit level by comparing the reporting unit's carrying amount to its fair value. We estimate the fair value of the reporting units using a variety of approaches including a market capitalization approach, a multiples approach and discounted cash flows. The process of determining fair values is subjective and requires management to exercise judgment in making assumptions about future results, including revenue and expense projections, discount rates and market multiples at the reporting unit level. A significant change to these assumptions could impact the fair value of the reporting units resulting in a change to the impairment charge. During the fourth quarter of 2008, we conducted our annual goodwill assessment and wrote-off goodwill of $850.5 million. We recorded no impairment in 2009 or 2010. See further details in note 10(b) to the Consolidated Financial Statements.

Long-lived assets:

We estimate the useful lives of property, plant and equipment and intangible assets based on the nature of the asset, historical experience and the terms of any related supply contracts. We perform an annual impairment assessment on long-lived assets in the fourth quarter of each year (to correspond with our planning cycle), or more frequently if events or changes in circumstances indicate that a triggering event has occurred. We test for impairment, using the two-step method, by comparing the carrying amount of an asset, or group of assets, to the undiscounted cash flows from the use and eventual disposal of the asset or group of assets. If the carrying amount exceeds the undiscounted cash flows, we perform step two by comparing the fair value of the asset or group of assets to its carrying amount to determine the amount of impairment. We estimate fair value using discounted cash flows or estimates of market value for certain assets, where available. Revenue and expense projections are discounted using risk-adjusted rates. We work with independent brokers to obtain the market prices to support our real property values. The process of determining fair values is subjective and requires management to exercise judgment in making assumptions about future results, including revenue and expense projections, discount rates and market values. A significant change to these assumptions and estimates could impact the estimated useful lives or valuation of long-lived assets resulting in a change to depreciation or amortization expense and the impairment charge. We recorded a long-lived asset impairment loss in each of 2008, 2009 and 2010. See further details in note 10(c) to the Consolidated Financial Statements. Future impairment assessments may result in further impairment charges.

Restructuring charges:

We have recorded restructuring charges relating to workforce reductions, facility consolidations and costs associated with exiting businesses. The restructuring charges include employee severance and benefit costs, costs related to leased facilities that have been vacated and owned facilities which are no longer used and are available-for-sale, costs of leased equipment that is no longer used and impairment of owned equipment available-for-sale, and impairment of related intangible assets. The recognition of these charges requires management to make certain judgments and estimates regarding the nature, timing and amounts associated with these restructuring plans. For owned facilities and equipment, the impairment loss recognized is based on the fair value less costs to sell, with fair value estimated based on existing market prices for similar assets. For leased facilities that have been vacated, the liability for lease obligations is calculated on a discounted basis based on future lease payments less estimated sublease income. To estimate future sublease income, we work with independent brokers to determine the estimated tenant rents we can expect to realize. The estimated liability could change subsequent to its initial recognition, requiring adjustments to the restructuring expense and liability recorded. At the end of each reporting period, we evaluate the appropriateness of the remaining accrued balances.

Pension and non-pension post-employment benefits:

We have pension and non-pension post-employment benefit costs and liabilities, which are determined from actuarial valuations. Actuarial valuations require management to make certain judgments and estimates relating to expected plan investment performance, salary escalation and compensation levels at the time of retirement, retirement ages, the discount rate used in measuring the liability and expected healthcare costs. Actual future experience will differ from these assumptions, and the differences may be material. There is no assurance that our future benefit plans will be able to earn the assumed rate of return. Market driven changes may result in

changes to our discount rates and other variables which could lead us to future contributions that differ significantly from our estimates.

The fair values of our pension assets were based on a measurement date of December 31, 2010. We evaluate these assumptions on a regular basis, taking into consideration current market conditions and historical data. A change in these factors could impact future pension expense and funding requirements. See notes 2(k) and 13 to the Consolidated Financial Statements.

Operating Results

Our annual and quarterly operating results vary from period-to-period as a result of the level and timing of customer orders, mix of revenue, fluctuations in materials and other costs, and the relative mix of value-add products and services. The level and timing of customer orders will vary due to variation 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 we manufacture; the rate at which new programs ramp up; volumes and seasonality of business in each of our end markets; price competition; the mix of manufacturing value-add; capacity utilization; manufacturing effectiveness and efficiency; the degree of automation used in the assembly process; the availability of components or labor; the timing of receiving components and materials; costs associated with ramping new programs; customer product delivery requirements; costs and inefficiencies of transferring programs between facilities; the loss of programs and customer disengagements; 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 acquisitions and related integration costs.

In the EMS industry, customers can award new programs or shift programs to other EMS providers for a variety 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 of their EMS providers, mergers and consolidation among OEMs, as well as decisions to adjust the volume of business being outsourced. Our operating results for each period include the impacts associated with program wins or losses with new, existing or disengaging customers. Customer or program transfers between EMS competitors are part of the competitive nature of our industry. Significant period-to-period variations can result from the timing of new programs reaching full production, existing programs being fully transferred to a competitor and programs reaching end-of-life.

The following table sets forth certain operating data expressed as a percentage of revenue for the periods indicated:

	Year ended December 31		
	2008	2009	2010
Revenue	100.0%	100.0%	100.0%
Cost of sales	93.1	92.9	93.2
Gross profit	6.9	7.1	6.8
SG&A	3.8	4.0	3.8
Amortization of intangible assets	0.4	0.4	0.2
Other charges	11.5	1.1	1.1
Interest expense, net of interest income	0.5	0.6	0.1
Earnings (loss) before income tax	(9.3)	1.0	1.6
Income tax expense	(0.1)	(0.1)	(0.4)
Net earnings (loss)	(9.4)%	0.9%	1.2%

Revenue:

Revenue for 2010 of $6.5 billion increased 7% from $6.1 billion in 2009. Revenue from our server end market increased 18%, industrial, aerospace and defense, and healthcare increased 18%, enterprise communications increased 16% and storage increased 12%. These revenue increases reflect new program wins and increased demand resulting from an improving economic environment compared to 2009. Year-over-year revenue from our telecommunications end market decreased 10% driven primarily by declines in demand and program losses. Revenue from our consumer end market decreased $30 million, or 2%, from 2009. Specifically, consumer revenue decreased 15% year-over-year due to our disengagement of a program in the gaming console business, which more than offset the increased revenue from new program wins, resulting in a net 2% decrease for the year. Consumer continues to be our largest end market, representing 25% of revenue for 2010.

Revenue for 2009 of $6.1 billion decreased 21% from $7.7 billion for 2008. Revenue decreased in all end markets. The slower economic environment continued to impact end-market demand in 2009, resulting in lower production volumes. Revenue from our telecommunications and enterprise communications markets also reflected program disengagements and program transfers back to customers or to competitors. Specifically, consumer revenue decreased 2%; storage decreased 6%; industrial, aerospace and defense, and healthcare decreased 22%, telecommunications decreased 22%, enterprise communications decreased 33%, and servers decreased 34%.

Our production volumes and revenue vary each period because of the impacts associated with changes in demand for the products we manufacture, program wins or losses with new, existing or disengaging customers, the timing and rate at which new programs are ramped up, and the impact of seasonality for various end markets, among other factors.

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

	2009					2010				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Consumer[(i)]	28%	21%	30%	31%	28%	28%	26%	24%	24%	25%
Enterprise Communications[(i)]	22%	24%	22%	21%	22%	22%	24%	25%	24%	24%
Telecommunications	18%	20%	12%	11%	15%	14%	13%	14%	12%	13%
Storage	8%	12%	13%	13%	12%	14%	12%	12%	12%	12%
Servers	13%	12%	13%	14%	13%	12%	14%	13%	17%	14%
Industrial, Aerospace and Defense, and Healthcare	11%	11%	10%	10%	10%	10%	11%	12%	11%	12%
Revenue (in millions)	$1,469.4	$1,402.2	$1,556.2	$1,664.4	$6,092.2	$1,518.1	$1,585.4	$1,546.5	$1,876.1	$6,526.1

(i) During the fourth quarter of 2010, we reclassified a customer program from our consumer end market to our enterprise communications end market. Comparative percentages have been recalculated to conform to the current period's presentation.

Our revenue and operating results vary from period-to-period depending on the level of demand and seasonality in each of our end markets, the mix and complexity of the products being manufactured, the timing of receiving components and materials and the impact associated with program wins or losses with new, existing or disengaging customers, among other factors. We are dependent on a limited number of customers in the consumer, communications (comprised of enterprise communications and telecommunications) and enterprise computing (comprised of storage and servers) end markets for a substantial portion of our revenue.

Consumer was our largest end market representing 25% of total revenue for 2010. Over three-quarters of our consumer business is generated by one smartphone customer. In general, business in the consumer end market and, in particular, smartphones, is highly competitive and characterized by shorter product lifecycles, higher revenue volatility, and lower margins. In addition, program volumes can vary significantly period-to-period based on the strength in end-market demand. End-user preferences for these products and devices can change rapidly and these programs are easily shifted among EMS competitors. Our increased exposure to this end market may lead to greater volatility in our revenue and operating margin and could result in increased risk to our financial results.

We continue to win new programs in the consumer end market. The year-over-year decrease for 2010 in consumer revenue as a percentage of total revenue reflects our disengagement of a program in the gaming console business as well as the changing mix of products we manufactured. Our server revenue as a percentage of total revenue grew sequentially from the third quarter of 2010 and year-over-year primarily due to new program wins from existing customers and increases in demand. We expect our server business as a percentage of total revenue will continue to increase in the near term as new programs ramp up. Revenue dollars from industrial, aerospace and defense, healthcare and green technology continues to grow compared to the third quarter of 2010 and year-over-year, and has benefited from the acquisition of Allied Panels which we completed in August 2010.

One customer represented more than 10% of total revenue in both 2009 and 2010. Our largest customer, Research in Motion, is in our consumer end market and accounted for 20% of total revenue for 2010 (17% for 2009). We are currently ramping up new programs in the server end market, and when these programs are fully ramped, we expect to have a higher server concentration and an additional customer representing more than 10% of total revenue. Whether any of our customers individually account for more than 10% of revenue in any period depends on various factors affecting our business with that customer and with other customers, including overall changes in demand for a customer's product, seasonality of business, new program wins or losses, the phasing in or out of programs, the growth rate of other customers, price competition and changes in our customers' supplier base or supply chain strategies.

The following table shows our customer concentration as a percentage of total revenue for the periods indicated:

	Year ended December 31		
	2008	2009	2010
Top 10 customers	63%	71%	72%

We are dependent 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 do not typically guarantee a particular level of business or fixed pricing. Instead, we bid on a program-by-program basis and receive customer purchase orders for specific quantities and timing of products. There can be no assurance that revenue from our largest customers or any other customers will not decrease in absolute terms or as a percentage of total revenue. A significant decrease in revenue from these or other customers, or a loss of a major customer, would have a material adverse impact on our business, our revenue and our results of operations.

We believe that delivering sustainable 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 are also actively pursuing new customers to expand our end-market penetration and diversify our end-market mix. To achieve this, we are focused on offering and increasing our investments in innovative supply chain solutions which include design, manufacturing, engineering, order fulfillment, logistics and after-market services. We are also seeking acquisition opportunities to diversify our customer base, enhance our capabilities, or add new technologies or capabilities to our offerings. 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 production risk. We cannot assure the timely replacement of 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. If they do not, this could have a material adverse impact on our results of operations. Significant period-to-period variations can result if new program wins or replacement business are more competitively priced than past programs.

Gross profit:

The following table is a breakdown of gross profit and gross margin as a percentage of revenue for the periods indicated:

	Year ended December 31		
	2008	2009	2010
Gross profit (in millions)	$ 531.1	$ 429.8	$ 443.3
Gross margin	6.9%	7.1%	6.8%

Gross profit dollars for 2010 increased 3% from 2009 while revenue increased 7% from 2009. Gross margin as a percentage of revenue decreased for 2010 compared to 2009 primarily due to changes in product mix and higher variable compensation costs that negatively impacted gross margin by 0.2%.

Gross profit dollars for 2009 decreased 19% from 2008. The decrease in gross profit was due primarily to lower volumes, partially offset by continued operational improvements and increased productivity. Gross margin as a percentage of revenue improved for 2009 compared to 2008, reflecting primarily continued operational improvements.

Multiple factors cause gross margin to fluctuate including, among other factors: product volume and mix; higher revenue concentration in lower gross margin products and end markets; production efficiencies; level of service revenue generated in the period; utilization of manufacturing capacity; 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; cost structures at individual sites; pricing pressures from competitors; foreign exchange volatility; and the availability of components and materials. Our gross margin may be impacted in the future by rising labor costs. There is uncertainty with respect to rising labor costs, particularly in lower-cost regions in which we operate. Any increase in labor costs that we are unable to recover in our pricing to our customers could negatively impact our gross margin. To date, we have not been materially impacted by these rising costs.

Selling, general and administrative expenses:

SG&A for 2010 increased 2% to $250.2 million (3.8% of revenue) compared to $244.5 million (4.0% of revenue) in 2009. The increase in SG&A was primarily due to a $10 million increase in variable compensation costs and a $3 million decrease in bad debt recoveries, offset partially by cost reductions, including IT spending. The decrease in SG&A as a percentage of revenue for 2010 compared to 2009 reflects the higher revenue levels in 2010.

SG&A for 2009 decreased 16% to $244.5 million (4.0% of revenue) compared to $292.0 million (3.8% of revenue) in 2008. The decrease in SG&A for 2009 was primarily a result of lower foreign exchange losses, overall cost reductions including lower IT and consulting costs, and benefits from restructuring actions. In 2009, our foreign exchange losses were $1.1 million compared to $16.4 million in 2008. These losses were significantly lower in 2009 as a result of our successful balance sheet hedging program, as well as a more stable currency environment. The increase in SG&A as a percentage of revenue for 2009 compared to 2008 primarily reflects the fixed nature of some of our SG&A expenses, as well as the lower revenue levels in 2009.

Stock-based compensation:

We recorded the following stock-based compensation costs, included in cost of sales and SG&A, for the periods indicated (in millions):

	Year ended December 31		
	2008	2009	2010
Stock option awards	$ 6.6	$ 5.9	$ 4.8
Share unit awards[(a)(b)(c)]	16.8	33.0	37.5
	$ 23.4	$ 38.9	$ 42.3

(a) We have the option to settle share unit awards either with shares or with cash. Historically, we have generally settled these awards with shares purchased in the open market by a trustee. The cost we record for equity-settled awards is based on the market value of our shares at the time of the grant. We amortize this cost to compensation expense over the vesting period on a straight-line basis with a corresponding charge through contributed surplus. We elected to cash-settle certain awards vesting in the first quarters of 2010 and 2011 due to limitations in the number of shares we could purchase in the open market as a result of terms in our Notes and our NCIB. We currently expect to settle future awards with shares purchased in the open market. Cash-settled awards are accounted for as liabilities and remeasured based on our share price at each reporting date until the settlement date, with a corresponding charge to compensation expense. We recorded mark-to-market adjustments on these cash-settled awards of $5.4 million in the fourth quarter of 2010 (fourth quarter of 2009 — $10.9 million; first quarter of 2010 — $2.2 million). Since management currently intends to settle all other share unit awards with shares purchased in the open market by a trustee, we expect to continue to account for these awards as equity-settled awards.

(b) During 2010, we paid $26.2 million (2009 — $8.4 million) for the purchase of shares in the open market by a trustee to satisfy the delivery of shares to employees upon vesting of the awards under our long-term incentive plans. We classify these shares for accounting purposes as treasury stock on our balance sheet until they are delivered to employees pursuant to the awards.

(c) Our 2010 stock-based compensation expense for share unit awards, as compared to the prior year, included a higher payout on performance awards based on our relative ROIC performance versus our competitors, and lower mark-to-market adjustments for cash-settled equity-based awards.

Other charges:

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

	Year ended December 31		
	2008	2009	2010
Restructuring charges	$ 35.3	$ 83.1	$ 55.3

In January 2008, we announced we would record restructuring charges of between $50 million and $75 million throughout 2008 and 2009. In July 2009, we announced additional restructuring charges of between $75 million and $100 million to further reduce overhead costs and improve overall utilization. Combined, we expected to incur total restructuring charges up to $175 million associated with this program, which included consolidating facilities and reducing our workforce. As of December 31, 2010, we have recorded all of the restructuring charges related to this program. See "— Recent Accounting Developments — IFRS to Canadian GAAP differences — Restructuring costs" below for the impact of IFRS on our recording of restructuring charges.

Since the beginning of 2008, we have recorded total restructuring charges of $173.7 million. Of that amount, $55.3 million was recorded in 2010. We recorded the restructuring charges in the period we finalized the detailed plans. The recognition of these charges required management to make certain judgments and estimates regarding the amount and timing of restructuring charges or recoveries. Our estimated liability could change subsequent to its initial recognition, requiring adjustments to our recorded expense and liability amounts.

As of December 31, 2010, we accrued $15.3 million in employee termination costs which remain unpaid at year end. We expect to pay the majority of such costs during the first half of 2011. We expect our long-term lease and other contractual obligations relating to restructuring to be paid out over the remaining lease terms through 2015. Our restructuring liability is recorded in accrued liabilities. All cash outlays have been, and the balance will 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 market place and/or our exit from less profitable or non-strategic operations.

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

	Year ended December 31		
	2008	2009	2010
Goodwill impairment	$ 850.5	$ —	$ —
Long-lived asset impairment	8.8	12.3	8.9

Goodwill impairment:

We perform our goodwill impairment assessment in the fourth quarter of each year. We test impairment using the two-step method, at the reporting unit level, by comparing the reporting unit's carrying amount to its fair value (step one). To the extent a reporting unit's carrying amount exceeds its fair value, we may have an impairment of goodwill. We measure impairment by comparing the implied fair value of goodwill, determined in a manner similar to a purchase price allocation, to its carrying amount (step two).

During the fourth quarter of 2008, we performed our annual goodwill impairment assessment. All of our goodwill was allocated to our Asia reporting unit. Our goodwill balance prior to the impairment charge was $850.5 million and was established primarily as a result of an acquisition in 2001. We completed our step one analysis using a combination of a market capitalization approach and a multiples approach which was then validated with a discounted cash flow. The market capitalization approach used our publicly traded stock price to determine fair value, which we then allocated to the Asia reporting unit on a pro rata basis based on earnings. The multiples approach used comparable market multiples, which were based on an average of our major competitors trading multiples, to determine fair value. Both of the fair values determined by the market approaches were adjusted upward for a control premium, an estimated amount a buyer would pay over the trading price of the company's shares to gain control of the company. We applied a 20% control premium to the fair values, which we believed was a reasonable estimate based on past transactions in the EMS industry at December 31, 2008. The discounted cash flow method used our three-year revenue and expense projections to determine fair value. These projections were based on site submissions and input from our customer teams during our plan cycle in the fourth quarter of 2008. Our projections were negatively impacted by customers who decreased their demand forecasts as the global economy deteriorated in the fourth quarter of 2008. Subsequent to our internal plan submissions, we decreased our future internal projections in response to the economic downturn and the overall uncertainties and lack of visibility at that time. We discounted our three-year projections using a 27% discount rate. At that time, the economic environment had negatively impacted our ability to forecast future demand which in turn resulted in our use of a higher discount rate, reflecting the risk and uncertainty in the markets. We averaged the fair values derived from the above approaches to determine the estimated fair value of the Asia reporting unit. The results of our step one analysis indicated potential impairment in our Asia reporting unit, which was corroborated by a combination of factors including a significant and sustained decline in our market capitalization, which was significantly below our book value, and the then deteriorating macro environment, which resulted in a decline in expected future demand. The process of determining fair value was subjective and required management to exercise a significant amount of judgment in determining future growth rates, discount rates and tax rates, among other factors. We therefore performed the second step of the goodwill impairment assessment to quantify the amount of impairment. We engaged an independent third-party consultant to assist with our step two analysis. This involved calculating the implied fair value of goodwill, determined in a manner similar to a purchase price allocation, and comparing the residual amount to the carrying amount of goodwill. Based on our analysis incorporating the declining market capitalization in 2008, as well as the significant end-market deterioration and economic uncertainties impacting expected future demand at that time, we concluded that the entire goodwill balance as of December 31, 2008 of $850.5 million was impaired. The goodwill impairment charge was non-cash in nature and did not affect our liquidity, cash flows from operating activities, or our compliance with debt covenants.

At December 31, 2009, we had no goodwill. During the fourth quarter of 2010, we performed our annual goodwill impairment assessment and determined there was no impairment. At December 31, 2010, our goodwill balance was $11.0 million.

Long-lived asset impairment:

During the fourth quarter of each year, we conduct our annual impairment assessment of long-lived assets. Impairment is measured as the excess of the carrying amount over the fair value of the assets determined using discounted cash flows or estimates of market value for certain assets, where available. We recorded an impairment charge of $8.9 million in 2010 (2009 — $12.3 million; 2008 — $8.8 million).

(iii) We have recorded the following amounts related to the subordinated debt repurchases for the periods indicated (in millions):

	Year ended December 31		
	2008	2009	2010
Loss (gain) on repurchase of Notes	$ (7.6)	$ (19.5)	$ 8.8
Write-down of embedded prepayment option	—	16.7	—
	$ (7.6)	$ (2.8)	$ 8.8

In March 2010, we paid $231.6 million to repurchase the remaining Notes due 2013 (2013 Notes) and recognized a loss of $8.8 million, primarily as a result of the premium we paid to redeem the 2013 Notes prior to maturity. In 2009, we paid $495.8 million to repurchase our Notes due 2011 (2011 Notes) and recognized a gain of $19.5 million. During 2008, we paid $30.4 million to repurchase a portion of our 2011 Notes and our 2013 Notes and recognized a gain of $7.6 million. The gains or losses on the repurchases were measured based on the carrying value of the repurchased portion of the Notes on the dates of repurchase.

In connection with the termination of the interest rate swap agreements in February 2009, we discontinued fair value hedge accounting and recorded a $16.7 million write-down in the carrying value of the embedded prepayment option on the 2011 Notes.

We redeemed all of our outstanding Notes prior to March 31, 2010.

Interest expense on long-term debt and other interest income/expense:

The following table is a breakdown of interest expense or income for the periods indicated (in millions):

	Year ended December 31		
	2008	2009	2010
Interest costs on Notes and credit facilities[(i)]	$ 56.8	$ 44.3	$ 6.4
Mark-to-market adjustment and amortization of basis adjustment[(ii)]	1.0	(9.0)	(0.1)
Interest expense on long-term debt and credit facilities	$ 57.8	$ 35.3	$ 6.3
Other interest expense (income)[(iii)]	$ (15.3)	$ (0.3)	$ 0.2

(i) Our interest expense for 2010 consists primarily of the interest costs on the 2013 Notes until their redemption in March 2010. For 2008 and 2009, we recorded interest expense on our outstanding 2013 Notes and 2011 Notes. The interest rate on the 2013 Notes was fixed at 7.625%. The average interest rate on the 2011 Notes for 2009 through to redemption in November 2009 was 7.0% (2008 — 6.5%), after reflecting the variable interest rate swaps.

(ii) We marked-to-market the embedded prepayment options in our Notes until the options were terminated. The mark-to-market adjustment fluctuated each period as it was dependent on market conditions, including interest rates, implied volatilities and credit spreads. We also applied fair value hedge accounting to our interest rate swaps and our hedged debt obligation (2011 Notes) until February 2009. The change in fair values each period was recorded in interest expense on long-term debt, except for the write-down of the embedded prepayment option due to hedge de-designation or debt redemption which we recorded in other charges.

(iii) Interest income earned on cash balances throughout 2009 and 2010 was significantly lower compared to 2008 primarily due to lower rates and lower cash balances.

Income taxes:

Income tax expense for 2010 was $21.8 million on earnings before tax of $102.6 million compared to an income tax expense of $5.4 million for 2009 on earnings before tax of $60.4 million and income tax expense of $5.0 million for 2008 on losses before tax of $715.5 million. Current income taxes for 2010 consisted primarily of the tax expense in jurisdictions with current taxes payable. Current income taxes for 2010 also included additional taxes and penalties based on management's best estimate of the expected outcome of the pending settlement of a tax audit in Hong Kong. Deferred income taxes for 2010 were comprised primarily of deferred tax recoveries for future deductible temporary differences and reversals of certain valuation allowances previously recorded on deferred income tax assets in Canada. Current income taxes for 2009 consisted primarily of the tax expense in jurisdictions with current taxes payable and additional tax reserves related to ongoing Canadian tax audits. Deferred income taxes for 2009 were comprised primarily of deferred tax recoveries for losses and future deductible temporary differences in Canada and reversals of certain valuation allowances previously recorded on deferred income tax assets.

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 quarter-to-quarter due to the mix and volume of business in lower tax jurisdictions within Europe and Asia, tax holidays and tax incentives that have been negotiated with the respective tax authorities (which expire between 2011 and 2015), restructuring charges, operating losses, certain tax exposures, the time period in which losses may be used under tax laws and the valuation allowances recorded on deferred income tax assets.

Certain countries in which we do business negotiate tax incentives to attract and retain our business. Our taxes could increase if certain tax incentives we benefit from are retracted. A retraction could occur if we fail to satisfy the conditions on which these tax incentives are based, if they are not renewed upon expiration, or tax rates applicable to us in such jurisdictions are otherwise increased. We believe we will comply with the conditions of the tax incentives, however, changes in our outlook in any particular country could impact our ability to meet the conditions.

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 reduce taxable income in these jurisdictions in future periods.

At December 31, 2010, the net deferred income tax asset balance was $0.2 million (December 31, 2009 — net deferred income tax liability of $8.4 million).

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 and reviews by local 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 penalties could have a significant impact on our future earnings and future cash flows.

Certain of our subsidiaries provide financing, products and services, 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.

In connection with ongoing tax audits in Canada, tax authorities have taken the position that income reported by one of our Canadian subsidiaries in 2001 through 2003 should have been materially higher as a result of certain inter-company transactions.

In connection with ongoing tax audits in Hong Kong, tax authorities have taken the position that income reported by one of our Hong Kong subsidiaries in 1999 through 2008 should have been materially higher as a result of certain inter-company transactions. In July 2010, we submitted a proposed settlement of this tax audit to the Hong Kong tax authorities; if accepted, the taxes and penalties would total approximately 129.5 million Hong Kong dollars (approximately $16.6 million at current exchange rates), including the impact on future periods as a result of the reversal of tax attributes. There can be no assurance as to the final resolution of these proceedings.

In connection with a tax audit in Brazil, tax authorities have taken the position that income reported by our Brazilian subsidiary in 2004 should have been materially higher as a result of certain inter-company transactions. If Brazilian tax authorities ultimately prevail in their position, our Brazilian subsidiary's tax liability would increase by approximately 43.5 million Brazilian reais (approximately $26.1 million at current exchange rates). In addition, Brazilian tax authorities may make similar claims in future audits with respect to these types of transactions. We have not accrued for any potential adverse tax impact as we believe our Brazilian subsidiary has reported the appropriate amount of income arising from inter-company transactions.

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. A change to the benefit realizable on these Brazilian losses could increase our net future tax liabilities by approximately 63.7 million Brazilian reais (approximately $38.2 million at current 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 us 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, and if these claims and any ensuing proceedings are determined adversely to us, the amounts we may be required to pay could be material.

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 manufacturing 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 can be successfully integrated or will generate the returns that we expected.

In January 2010, we completed the acquisition of Scotland-based Invec. Invec provides warranty management, repair and parts management services to companies in the information technology and consumer electronics markets. This acquisition is expected to enhance our global after-market services offering by integrating Invec's proprietary reverse logistics software throughout our network.

In August 2010, we completed the acquisition of Austrian-based Allied Panels, a medical engineering and manufacturing service provider that offers concept-to-full-production solutions in medical devices with a core focus on the diagnostic and imaging market. We expect this acquisition to enhance our healthcare offering by expanding our capability in the healthcare diagnostics and imaging market, and broadening our healthcare global network to include a center of excellence in Europe.

The total purchase price for these acquisitions was $18.3 million and was financed with cash. The amounts of goodwill and amortizable intangible assets arising from these acquisitions were $10.6 million (the majority of which is not expected to be tax deductible) and $15.8 million, respectively. The purchase price for Allied Panels is subject to adjustment for contingent consideration totaling up to 7.1 million Euros (approximately $9.4 million

at current exchange rates) if specific pre-determined financial targets are achieved through fiscal year 2012. At December 31, 2010, no contingent consideration was recorded. See "— Recent Accounting Developments — First-time adoption of IFRS — Business combinations" below for the impact of IFRS on the recording of contingent consideration.

Liquidity and Capital Resources

Liquidity

The following table shows key liquidity metrics for the periods indicated (in millions):

	December 31		
	2008	2009	2010
Cash and cash equivalents	$ 1,201.0	$937.7	$632.8

	Year ended December 31		
	2008	2009	2010
Cash provided by operations	$208.2	$ 293.5	$ 150.9
Cash used in investing activities	(80.8)	(66.3)	(61.1)
Cash used in financing activities	(43.1)	(490.5)	(394.7)

We had $632.8 million in cash and cash equivalents at December 31, 2010 after spending approximately $375 million during 2010 to redeem our outstanding Notes and to repurchase outstanding shares pursuant to our NCIB. Included in our cash balance at December 31, 2010 is a $75.0 million advance we received from a customer in late December to fund working capital in support of that customer's growth.

Cash provided by operations:

We generated $150.9 million in cash from operations during 2010, primarily from earnings after adding back non-cash charges, offset partially by higher working capital requirements to support new programs ramping in the latter half of 2010 and in 2011. The increase to our A/R and inventory balances was offset partially by higher A/P. The higher A/P balance includes a $75.0 million advance we received from a customer to fund working capital in support of that customer's growth. Our A/R balance is reduced as a result of the sale of $60.0 million of A/R at December 31, 2010 under our A/R sales program (no A/R sold at December 31, 2009).

We generated $293.5 million in cash from operations during 2009, primarily from earnings after adding back non-cash charges and lower working capital requirements. The improvements in A/R and inventory were offset partially by decreases in A/P. The decrease in our A/R balance from the prior year reflects lower revenue and continued strong cash collections, driven in part by changes in customer payment terms. We had not sold any A/R as at December 31, 2008 or December 31, 2009 under our A/R sales program. The decrease in inventory from the prior year reflects improved inventory management and lower volumes.

Cash used in investing activities:

Our capital expenditures were incurred primarily to enhance our supply chain and manufacturing capabilities in various geographies and to support new customer programs. From time-to-time, we receive cash proceeds from the sale of surplus equipment and property. Our capital expenditures for 2010 totaled $60.8 million, representing approximately 1% of revenue for the year. During 2010, we also completed the acquisitions of Invec and Allied Panels as described above.

Cash used in financing activities:

During 2010, we paid $26.2 million (2009 — $8.4 million; 2008 — $11.9 million) for the purchase of shares in the open market by a trustee to satisfy the delivery of shares to employees upon vesting of awards under our long-term incentive plans. We also paid $140.6 million in 2010 to repurchase shares for cancellation under our NCIB. In March 2010, we paid $231.6 million (2009 — $495.8 million; 2008 — $30.4 million) to repurchase

outstanding Notes. In February 2009, we terminated our interest rate swap agreements and received a $14.7 million cash settlement.

Cash requirements:

We believe that cash flow from operating activities, together with cash on hand, borrowings available under our revolving credit and intraday bank overdraft facilities, and cash from the sale of A/R, will be sufficient to fund currently anticipated working capital and planned capital spending for the next 12 months. Historically, we have funded our operations from the proceeds of public offerings of equity and debt instruments, cash generated from operations, bank debt, sales of A/R and equipment lease financings. We may issue equity or convertible debt securities in the future to fund operations or make acquisitions, which could dilute current shareholders' positions. Further, we may issue debt securities that have rights and privileges senior to equity holders, and the terms of this debt could impose restrictions on our operations. The pricing of such debt securities is subject to market conditions at the time of issuance. At December 31, 2010, we had cash balances of $632.8 million and no outstanding debt.

As at December 31, 2010, we have contractual obligations that require future payments as follows (in millions):

	Total[(i)]	2011	2012	2013	2014	2015	Thereafter
Operating leases	$ 99.5	$ 33.4	$ 17.7	$ 13.4	$ 7.8	$ 5.4	$ 21.8
Advance from customer[(ii)]	75.0	75.0	—	—	—	—	—
Pension plan contributions[(iii)]	34.1	34.1	—	—	—	—	—
Non-pension post-employment plan payments	46.0	3.9	3.9	4.1	4.0	4.1	26.0
Share unit awards[(iv)]	16.6	16.6	—	—	—	—	—

(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 fluctuate based on our usage.

(ii) We received a cash advance from a customer in late December 2010 to fund working capital requirements. According to the terms of the agreement with this customer, we are required to repay the advance in February 2011.

(iii) Based on our latest actuarial valuations, we estimate our minimum funding requirement for 2011 to be $34.1 million (2010 — $33.6 million; 2009 — $33.0 million). See further details in note 13 to the Consolidated Financial Statements. A significant deterioration in the asset values or asset returns could lead to higher than expected future contributions. Risks 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.

(iv) Represents cash to be paid in the first quarter of 2011 to cash-settle certain performance share units that vest in February 2011.

From time-to-time, we fund the purchase of shares in the open market by a trustee to settle share unit awards vesting in future periods. During 2010, we paid $26.2 million for the purchase of 2.8 million shares for awards vesting in the first quarter of 2011. We estimate that 3.8 million of the outstanding share unit awards at December 31, 2010 will vest at target levels in the first quarter of 2012. We excluded the estimated cash outlay in the above chart for these future purchases due to the difficulty of estimating future share prices and the number of awards that will ultimately vest, which is subject to change based on forfeitures and performance conditions.

As at December 31, 2010, we have commitments that expire as follows (in millions):

	Total	2011	2012	2013	2014	2015	Thereafter
Foreign currency contracts[(i)]	$ 658.7	$ 655.2	$ 3.5	$ —	$ —	$ —	$ —
Letters of credit, letters of guarantee and surety bonds	49.5	49.5	—	—	—	—	—
Capital expenditures[(ii)]	17.8	17.8	—	—	—	—	—
Contingent consideration[(iii)]	9.4	—	4.7	4.7	—	—	—

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

(ii) 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 2011 to be approximately 1.1% to 1.5% of revenue, and expect to fund this spending from cash on hand. As of December 31, 2010, we had committed $17.8 million in capital expenditures, principally for machinery, equipment and facilities to support new customer programs. In addition, based on the tax incentives that we have benefited from as of December 31, 2010, we are committed to spend a further $46.4 million in capital expenditures between 2011 and October 2014.

(iii) In connection with the acquisition of Allied Panels, we are contingently obligated to pay up to 7.1 million Euros (approximately $9.4 million at current exchange rates) if specified pre-determined financial targets are achieved through fiscal year 2012. We have included, in the above chart, the maximum payout in each of the two years.

Cash outlays for our contractual obligations and commitments identified above are expected to be funded by cash on hand. We also have outstanding purchase orders with certain suppliers for the purchase of inventory. These purchase orders are generally short-term. 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 pay cash for the purchase of shares in the open market by a trustee to satisfy the delivery of shares to employees upon vesting of the awards under our long-term incentive plans. During 2010, we paid $26.2 million (2009 — $8.4 million; 2008 — $11.9 million), for the trustee to purchase shares in the open market. We expect to continue to make these payments for the purchase of shares in the open market to meet our on-going obligations to equity-settle awards as they vest in future periods.

In July 2010, we received approval from the TSX to launch our NCIB. Under the NCIB, we may repurchase on the open market, at our discretion until the earlier of August 2, 2011 and the completion of purchases under the NCIB, up to 18.0 million shares, subject to the normal terms and limitations of such bids. Under the TSX rules, daily purchases will be limited to 175,908 shares, other than block purchase exceptions. The actual number and timing of any share purchases will be determined by management, subject to applicable law and the rules of the TSX. In accordance with the TSX rules, the maximum number of shares we may repurchase for cancellation under the NCIB is reduced by the number of shares purchased for employee equity-based incentive programs.

We have and will continue to make purchases through the facilities of the New York Stock Exchange (NYSE) and the TSX, or such other permitted means (including through other published markets), at prevailing market prices or as otherwise permitted. The share repurchase program is being funded with existing cash resources and we will cancel any shares we repurchase under the NCIB. We paid $140.6 million, including transaction fees, to repurchase for cancellation a total of 16.1 million shares at a weighted average price of $8.75 per share under the NCIB since its commencement.

Security holders may obtain a copy of our NCIB application to the TSX, without charge, by contacting Celestica Investor Relations at clsir@celestica.com.

We have provided routine indemnifications, the terms of which range in duration and often are not explicitly defined. These may include indemnifications against adverse impacts due to changes in tax laws, third-party intellectual property infringement claims and third-party claims for property damage resulting from our negligence. We have also provided indemnifications in connection with the sale of certain businesses and real property. The maximum potential liability from these indemnifications cannot reasonably be 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 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 Mexican operations and our information technology and communications divisions. In an amended complaint, the plaintiffs added one of our directors and Onex Corporation as defendants. All defendants filed motions to dismiss the amended complaint. On October 14, 2010, the United States District Court issued a memorandum decision and order granting the defendants' motions to dismiss the consolidated amended complaint in its entirety. The plaintiffs have filed a notice of appeal to the United States Court of Appeals for the Second Circuit of the dismissal of its claims against us, our former Chief Executive and Chief Financial Officers, but are not

appealing the dismissal of its claims against one of our directors and Onex Corporation. The briefing process on the appeal has not yet commenced. A parallel class proceeding remains against us and our former Chief Executive and Chief Financial Officers in the Ontario Superior Court of Justice, but neither leave nor certification of the action has been granted by that court. We believe that the allegations in the claim and the appeal are without merit and we intend to defend against them vigorously. However, there can be no assurance that the outcome of the litigation 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 both the Canadian claim and the appeal. We have liability insurance coverage that may cover some of our litigation expenses, potential judgments or settlement costs.

In December 2009, we received a recovery of damages related to certain purchases we made in prior periods as a result of the settlement of a class action lawsuit. We recorded a recovery in the fourth quarter of 2009, net of estimated reserves, through other charges. Adjustments to our estimated reserves have also been recorded through other charges.

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 and intraday bank overdraft facilities and share capital.

At December 31, 2010, we had cash of $632.8 million, comprised of cash (approximately 38%) and cash equivalents (approximately 62%). Our current portfolio consists of certain money market funds that hold exclusively U.S. government securities, and certificates of deposits. The majority of our cash and cash equivalents are held with financial institutions each of which had at December 31, 2010 a Standard and Poor's rating of A-1 or above.

We regularly review our borrowing capacity and make adjustments, as available, for changes in economic conditions. At December 31, 2010, we had access to a $200.0 million revolving credit facility (which was due to expire in April 2011), access to $65.0 million in intraday bank overdraft facilities and we could sell up to $250.0 million in A/R, on a committed basis, under an A/R sales program to provide short-term liquidity. At December 31, 2010, we sold $60.0 million of A/R under our A/R sales program (December 31, 2009 — no A/R sold) and we had no borrowings outstanding under our revolving credit or bank overdraft facilities.

In January 2011, we renewed our revolving credit facility on generally similar terms and conditions (including covenants and security for the facility) and increased the size of the facility to $400.0 million, with a maturity of January 2015. The facility has restrictive covenants, including those relating to debt incurrence, the sale of assets and a change in control. We are also required to comply with financial covenants relating to indebtedness, interest coverage and liquidity and we have pledged certain assets as security. We were in compliance with all covenants at December 31, 2010.

In November 2010, we renewed an agreement to sell certain A/R to a third-party bank (which had at December 31, 2010 a Standard and Poor's rating of A-1) and other qualified purchasers. This program expires in November 2012.

We redeemed all of our outstanding Notes prior to March 31, 2010. As noted above, we also commenced an NCIB for up to 9% of our outstanding subordinate voting shares in July 2010.

Standard and Poor's provides a corporate credit rating on Celestica. This rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization. A rating does not comment as to market price or suitability for a particular investor. As at February 22, 2011, our Standard and Poor's corporate credit rating is 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 since 2009. Other than the restrictive 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.

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 certain money market funds that hold exclusively U.S. government securities, and certificates of deposit.

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 material costs are also denominated in U.S. dollars. However, a significant portion of our non-material costs (including payroll, pensions, facility 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 and 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 assets or liabilities denominated in foreign currencies and, therefore, may not mitigate the full impact of any translation impacts in the future. There is no assurance that our hedging transactions will be successful.

At December 31, 2010, we had forward exchange contracts to trade U.S. dollars in exchange for the following currencies (in millions):

Currency	Amount of U.S. dollars	Weighted average exchange rate of U.S. dollars	Maximum period in months	Fair value gain/(loss)
Canadian dollar	$ 296.6	$ 0.98	13	$ 5.4
Thai baht	81.9	0.03	12	2.3
Mexican peso	71.0	0.08	12	1.5
Malaysian ringgit	62.6	0.31	12	1.8
British pound sterling	56.9	1.58	4	1.4
Euro	39.2	1.34	4	—
Singapore dollar	23.4	0.74	12	1.0
Japanese yen	7.5	0.01	1	(0.2)
Swiss franc	7.2	1.04	4	(0.2)
Romanian lei	7.1	0.31	6	—
Brazilian real	3.7	0.59	3	—
Czech koruna	1.6	0.05	3	—
Total	$ 658.7			$ 13.0

Our contracts generally extend for periods of up to 15 months and expire by the end of the first quarter of 2012.

The fair value of these contracts at December 31, 2010 was a net unrealized gain of $13.0 million (December 31, 2009 — net unrealized gain of $8.0 million). The unrealized gains or losses are a result of fluctuations in foreign exchange rates between the time the forward contracts were entered into and the valuation date at period end.

Financial risks:

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

Market risk: This is the risk that results in changes to market prices, such as foreign exchange rates and interest rates, which could affect our operations or the value of our financial instruments. To manage this risk, we enter into various derivative hedging transactions.

Currency risk: Due to the nature of our international operations, we are exposed to exchange rate fluctuations on our cash receipts, cash payments and balance sheet exposures denominated in various foreign currencies. The majority of our currency risk is driven by the operational costs incurred in local currencies by our foreign subsidiaries. We currently manage this risk through our hedging program using forecasts of future cash flows and our balance sheet exposures denominated in foreign currencies.

Interest rate risk: Borrowings under our revolving credit facility bear interest at LIBOR plus a margin. If we borrow under this facility, we will be exposed to interest rate risks due to fluctuations in the LIBOR rate.

Credit risk: Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss to us. 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, 2010 a Standard and Poor's rating of A or above. The financial institution with which we have an A/R sales program had a Standard and Poor's rating of A-1 at December 31, 2010. At December 31, 2010, we sold $60.0 million of A/R under this program. We believe that the credit risk of counterparty non-performance is low.

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. We consider credit risk in establishing our allowance for doubtful accounts and we believe our allowances are adequate. At December 31, 2010, less than 1% of our gross A/R are over 90 days past due and our allowance for doubtful accounts balance was $5.1 million.

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 and accrued liabilities 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 bank overdraft facilities are sufficient to support our financial obligations.

Related Party Transactions

We have entered into a manufacturing agreement with a company under the control of our controlling shareholder. During 2010, we recorded revenue of $43.3 million (2009 — $42.3 million) from this related party. At December 31, 2010, we had $4.9 million (December 31, 2009 — $3.9 million) due from this related party. All transactions with this related party were in the normal course of operations and were recorded at the exchange amount as agreed to by the parties based on arm's length terms.

Outstanding Share Data

As of February 22, 2011, we had 197.1 million outstanding subordinate voting shares and 18.9 million outstanding multiple voting shares. We also had 9.9 million outstanding stock options, 4.8 million outstanding restricted share units and 8.0 million outstanding performance share units, each such option or unit entitling the holder to receive one subordinate voting share pursuant to the terms thereof (subject to time or performance based vesting).

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 SEC'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 the 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 the end of the period. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective to meet the requirements of Rules 13a-15 and 15d-15 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 controls over financial reporting:

During 2010, there were no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal controls 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. Our auditors, KPMG LLP, an independent registered public accounting firm, have issued an audit report on our internal controls over financial reporting for the year ended December 31, 2010. This report appears on page F-2.

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

	2009				2010			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 1,469.4	$ 1,402.2	$ 1,556.2	$ 1,664.4	$ 1,518.1	$ 1,585.4	$ 1,546.5	$ 1,876.1
Gross profit %	7.6%	7.3%	6.9%	6.6%	7.0%	6.8%	6.9%	6.5%
Net earnings (loss)	$ 19.2	$ 5.3	$ (0.6)	$ 31.1	$ 25.9	$ (6.1)	$ 35.4	$ 25.6
# of basic shares	229.4	229.4	229.5	229.7	229.9	230.3	229.6	221.4
# of diluted shares	229.4	230.2	229.5	232.0	232.8	230.3	231.5	223.5
Net earnings (loss):								
per share — basic	$ 0.08	$ 0.02	$ 0.00	$ 0.14	$ 0.11	$ (0.03)	$ 0.15	$ 0.12
per share — diluted	$ 0.08	$ 0.02	$ 0.00	$ 0.13	$ 0.11	$ (0.03)	$ 0.15	$ 0.11

Comparability quarter-to-quarter:

The quarterly data reflects the following: the fourth quarters of 2009 and 2010 include the results of our annual impairment testing of goodwill and long-lived assets; and all quarters of 2009 and 2010 were impacted by our restructuring plans. The amounts vary from quarter-to-quarter.

Fourth quarter 2010 compared to fourth quarter 2009:

Revenue for the fourth quarter of 2010 increased 13% to $1.9 billion from $1.7 billion for the same period in 2009. Revenue increased in all end markets other than our consumer market which decreased primarily due to our disengagement of a program in the gaming console business, and our storage market which was relatively flat for the fourth quarter of 2010 compared to the same period in 2009. Gross margin decreased to 6.5% of

revenue for the fourth quarter of 2010 from 6.6% for the same period in 2009, primarily due to changes in product mix. Gross margin and SG&A for the fourth quarters of 2009 and 2010 were also negatively impacted by mark-to-market adjustments on share unit awards that we elected to cash-settle.

Fourth quarter 2010 compared to third quarter 2010:

Revenue for the fourth quarter of 2010 increased 21% from the third quarter of 2010. Revenue increased in all end markets. The largest contributor to the increase in revenue came from the server and consumer end markets, primarily due to new program wins. Gross margin decreased from 6.9% of revenue in the third quarter of 2010 to 6.5% of revenue in the fourth quarter of 2010, primarily due to changes in product mix and higher variable compensation costs due to a mark-to-market adjustment on share unit awards in the fourth quarter of 2010.

Fourth quarter 2010 actual compared to guidance:

On October 28, 2010, we provided the following guidance for the fourth quarter of 2010:

	Q4 2010	
	Guidance	Actual
Revenue (in billions)	$1.70 to $1.85	$ 1.88
Adjusted net earnings per share (diluted)	$0.20 to $0.26	$ 0.26

For the fourth quarter of 2010, revenue and adjusted net earnings per share was at the high end of our published guidance.

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

GAAP net earnings per share for the fourth quarter of 2010 was $0.11 on a diluted basis. GAAP net earnings for the fourth quarter included a $0.16 per share (pre-tax) charge for the following items: quarterly stock-based compensation, amortization of intangible assets (excluding computer software) and restructuring charges. This charge was higher than our quarterly pre-tax estimate of between $0.05 to $0.12 per share provided on October 28, 2010, primarily due to higher than expected restructuring charges and a mark-to-market adjustment for stock-based compensation costs. GAAP net earnings for the fourth quarter of 2010 also included a $0.03 per share (pre-tax) charge primarily for impairment of long-lived assets which we did not forecast.

Non-GAAP measures:

Management uses adjusted net earnings and other non-GAAP measures 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) set management incentive targets.

We believe investors use both GAAP and non-GAAP measures to assess management's past, current and future decisions associated with strategy and allocation of capital, as well as to analyze how businesses operate in, or respond to, swings in economic cycles or to other events that impact core operations.

Our non-GAAP measures include gross profit, gross margin (gross profit as a percentage of revenue), SG&A, SG&A as a percentage of revenue, operating earnings (EBIAT), operating margin (EBIAT as a percentage of revenue), adjusted net earnings, adjusted net earnings per share, ROIC, free cash flow, cash cycle days and inventory turns. In calculating these non-GAAP financial measures, management excludes the following items: stock-based compensation, amortization of intangible assets (excluding computer software), restructuring and other charges (most significantly restructuring charges), the write-down of goodwill and long-lived assets, and gains or losses related to the repurchase of shares or debt, net of tax adjustments and significant deferred tax write-offs or recoveries.

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

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

Stock-based compensation, which represents the estimated fair value of stock options and restricted stock units 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 stock-based compensation from their core operating results, who may have different granting patterns and types of equity awards, and who may use different option 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 intangibles varies among 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, which consist primarily of employee severance, lease termination and facility exit costs associated with closing and consolidating manufacturing facilities and reductions in infrastructure, are excluded because such charges are not directly related to ongoing operating results and do not reflect expected future operating expenses after completion of these activities. 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 costs in assessing operating performance.

Impairment charges, which consist of non-cash charges against goodwill and long-lived assets, result primarily when the carrying value of these assets exceeds their fair value. These charges are excluded because they are generally non-recurring. In addition, our competitors may record impairment charges at different times and 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 our competitors who also generally exclude these charges in assessing operating performance.

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

Our transition from Canadian GAAP to IFRS is not expected to significantly impact the calculation of these non-GAAP measures. For periods beginning in 2011, we will refer to our non-GAAP measures as non-IFRS measures.

The following table sets forth, for the periods indicated, a reconciliation of GAAP to non-GAAP measures (in millions, except per share amounts):

	Three months ended December 31				Year ended December 31			
	2009		2010		2009		2010	
		% of revenue		% of revenue		% of revenue		% of revenue
Revenue	$ 1,664.4		$ 1,876.1		$ 6,092.2		$ 6,526.1	
GAAP gross profit	$ 109.1	6.6%	$ 122.6	6.5%	$ 429.8	7.1%	$ 443.3	6.8%
Stock-based compensation	8.3		5.6		18.0		17.2	
Non-GAAP gross profit	$ 117.4	7.1%	$ 128.2	6.8%	$ 447.8	7.4%	$ 460.5	7.1%
GAAP SG&A	$ 61.2	3.7%	$ 67.6	3.6%	$ 244.5	4.0%	$ 250.2	3.8%
Stock-based compensation	(9.2)		(9.0)		(20.9)		(25.1)	
Non-GAAP SG&A	$ 52.0	3.1%	$ 58.6	3.1%	$ 223.6	3.7%	$ 225.1	3.4%
GAAP earnings before income taxes	$ 44.3	2.7%	$ 24.7	1.3%	$ 60.4	1.0%	$ 102.6	1.6%
Net interest expense	5.7		0.9		35.0		6.5	
Stock-based compensation	17.5		14.6		38.9		42.3	
Amortization of intangible assets (excluding computer software)	1.9		1.8		8.8		5.9	
Restructuring and other charges	(10.6)		16.2		58.5		50.7	
Impairment charges	12.3		8.9		12.3		8.9	
Losses (gains) related to the repurchase of shares or debt	(10.4)		—		(2.8)		8.8	
Non-GAAP operating earnings (EBIAT)[1]	$ 60.7	3.6%	$ 67.1	3.6%	$ 211.1	3.5%	$ 225.7	3.5%
GAAP net earnings	$ 31.1	1.9%	$ 25.6	1.4%	$ 55.0	0.9%	$ 80.8	1.2%
Stock-based compensation	17.5		14.6		38.9		42.3	
Amortization of intangible assets (excluding computer software)	1.9		1.8		8.8		5.9	
Restructuring and other charges	(10.6)		16.2		58.5		50.7	
Impairment charges	12.3		8.9		12.3		8.9	
Losses (gains) related to the repurchase of shares or debt	(10.4)		—		(2.8)		8.8	
Adjustments for taxes[2]	7.7		(8.8)		(12.2)		(1.4)	
Non-GAAP adjusted net earnings	$ 49.5	3.0%	$ 58.3	3.1%	$ 158.5	2.6%	$ 196.0	3.0%
Diluted EPS								
W.A. # of shares (in millions) — GAAP	232.0		223.5		230.9		230.1	
GAAP earnings per share	$ 0.13		$ 0.11		$ 0.24		$ 0.35	
W.A. # of shares (in millions) — Non-GAAP	232.0		223.5		230.9		230.1	
Non-GAAP adjusted net earnings per share	$ 0.21		$ 0.26		$ 0.69		$ 0.85	
ROIC %[3]	27.5%		29.5%		22.0%		25.0%	
GAAP cash provided by operations	$ 45.0		$ 54.0		$ 293.5		$ 150.9	
Purchase of property, plant and equipment, net of sales proceeds	(17.5)		(23.4)		(69.8)		(44.9)	
Non-GAAP free cash flow[4]	$ 27.5		$ 30.6		$ 223.7		$ 106.0	

(1) EBIAT is defined as earnings before interest, amortization and income taxes. EBIAT also excludes stock-based compensation, restructuring and other charges, gains or losses related to the repurchase of shares or debt and impairment charges.

(2) The adjustment to GAAP taxes is based on the estimated effective income tax rate expected to be applicable for the full fiscal period taking into account the tax effects on the non-GAAP adjustments.

(3) Management uses ROIC as a measure to assess the effectiveness of the invested capital it uses to build products or provide services to its customers. Our ROIC measure includes operating margin, working capital management and asset utilization. ROIC is calculated by dividing EBIAT by average net invested capital. Net invested capital consists of total assets less cash, accounts payable, accrued liabilities and income taxes payable. We use a two-point average to calculate average net invested capital for the quarter. We use a

five-point average to calculate average net invested capital for the year. There is no comparable measure under Canadian or U.S. GAAP.

(4) Management uses free cash flow as a measure, in addition to cash flow from operations, to assess operational cash flow performance. We believe free cash flow provides another level of transparency to our liquidity as it represents cash generated after the purchase of capital equipment and property (net of proceeds from sale of certain surplus equipment and property).

First quarter 2011 guidance:

For the first quarter of 2011, revenue is expected to be in the range of $1.725 billion to $1.875 billion.

We expect adjusted net earnings per share for the first quarter of 2011 to range from $0.20 to $0.26 per share. We expect a negative $0.07 to $0.11 per share (pre-tax) impact on an IFRS basis for quarterly stock-based compensation and amortization of intangible assets (excluding computer software), and for restructuring charges we will record as a result of our conversion to IFRS.

Our guidance for the first quarter of 2011 is based on various assumptions which management believes are reasonable under the current circumstances, but may prove to be inaccurate, and many of which involve factors that are beyond the control of the company. The material assumptions may include the following: forecasts from our customers, which range from 30 days to 90 days and can fluctuate significantly in terms of volume or mix of products; the timing, execution of, and investments associated with ramping new business; the success in the marketplace of our customers' products; general economic and market conditions; currency exchange rates; pricing and competition; anticipated customer demand; supplier performance and pricing; commodity, labor, energy and transportation costs; operational and financial matters; and technological developments. These assumptions 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. Our guidance for the first quarter of 2011 is given for the purpose of providing information about management's current expectations and plans relating to the first quarter of 2011. Readers are cautioned that such information may not be appropriate for other purposes.

Recent Accounting Developments

International financial reporting standards:

In February 2008, the Canadian Accounting Standards Board announced the adoption of IFRS for publicly accountable enterprises in Canada effective January 1, 2011. Our consolidated financial statements for the three months ending March 31, 2011 will be our first financial statements prepared under IFRS. We will be applying accounting policies consistent with IFRS, as well as those for first-time adopters (IFRS 1). In accordance with IFRS 1, we will apply IFRS retroactively to our comparative data as of January 1, 2010, also known as the transition date.

Our IFRS transition project included a detailed project plan, a dedicated project manager and a multi-functional project team consisting of management from finance, taxation, treasury, legal, human resources, IT and operations. We also engaged external IFRS consulting partners and established a formal governance structure that included a steering committee and an accounting technical review committee. We regularly reported our progress to senior executive management and to our Audit Committee. Our project was focused on the key areas impacted by this conversion, which included financial reporting, systems and processes, communications and training.

We conducted a review of the potential IFRS impacts in phases. In phase 1, we worked with independent consultants to complete a diagnostic of the key financial, systems and businesses that would potentially be impacted by our transition to IFRS. In phase 2, we completed our detailed analysis of the potential accounting and reporting differences between Canadian GAAP and IFRS, and made preliminary accounting policy choices. We did not identify significant changes in our business activities as a result of the IFRS transition. In phase 3, we focused on global training and preparing our financial systems for IFRS, including capturing the 2010 comparative financial data under IFRS. This phase also outlined our plan for worldwide conversion on January 1, 2011.

Accounting policies:

The following are our significant IFRS policy decisions and significant accounting differences, based on our analysis of the current IFRS standards. The discussion below reflects our current assumptions, significant estimates and expectations. Due to changes in circumstances, such as economic conditions or changes to our business operations, or the release of new or revised IFRS standards, we may decide to adopt different policies as permitted under IFRS. The inherent uncertainty regarding the use of assumptions may also cause actual results to differ materially from the estimated impacts represented here.

Our significant IFRS accounting policies will be included in our first quarter of 2011 consolidated financial statements. These financial statements will also contain reconciliations between IFRS and the amounts we have previously reported under Canadian GAAP as of January 1, 2010 and December 31, 2010. These reconciliations of our comparative data may require adjustments before comprising part of our first annual IFRS financial statements for the year ended December 31, 2011.

First-time adoption of IFRS:

Upon transition, a company is required to apply each IFRS on a retrospective basis. However, IFRS 1 has certain mandatory exceptions, as well as limited optional exemptions, in specific areas of certain standards that do not require retrospective application of IFRS. We expect to apply the following optional exemptions available under IFRS 1 that will be significant to us in preparing our first quarter of 2011 consolidated financial statements under IFRS:

Business combinations — IFRS 1 allows us to apply IFRS 3 (revised), Business combinations, on a prospective or retrospective basis. We have elected to apply this standard on a prospective basis for all business combinations completed after January 1, 2010. In addition, IFRS requires that obligations for contingent consideration and contingencies be recorded at fair value at the acquisition date and that acquisition-related costs are expensed as incurred. Under Canadian GAAP, contingent consideration is only recorded when the amounts are reasonably estimatable and the outcome is certain, and acquisition-related costs are capitalized as part of the purchase equation. In August 2010, we completed the acquisition of Allied Panels. On January 1, 2011, we expect to increase goodwill and long-term liabilities by $4.6 million to reflect the fair value of contingent payments related to this acquisition. This adjustment impacts our balance sheet only. Under IFRS, our expenses in 2010 will increase by $1.0 million to expense acquisition-related costs, with a corresponding decrease to goodwill, for our Invec and Allied Panels acquisitions.

Cumulative currency translation differences — IFRS 1 allows cumulative currency translation differences for foreign operations to be cleared through equity on transition. Gains or losses from the subsequent disposal of foreign operations would exclude translation differences arising prior to adopting IFRS. We expect to reset our cumulative translation differences to zero effective January 1, 2010. We have cumulative translation gains of $46.9 million at December 31, 2009. We expect to eliminate these gains from our cumulative translation account and reduce our deficit upon transition to IFRS. This will not impact total equity.

Pension and other post-employment benefits — IFRS 1 provides the option to retrospectively apply the corridor method for the recognition of actuarial gains or losses, or to recognize all cumulative gains or losses deferred under Canadian GAAP through opening deficit at the transition date. We have elected to recognize all cumulative actuarial gains or losses that existed at January 1, 2010, through opening deficit. We have approximately $140 million of unrecognized actuarial losses arising from defined benefit and post-retirement benefit plans at December 31, 2009 under Canadian GAAP. We also have approximately $10 million of vested prior service credits at December 31, 2009 which we will recognize on transition. The recognition of these actuarial losses and vested prior service credits as of January 1, 2010 will reduce our pension assets by approximately $90 million, increase our pension liabilities by approximately $40 million and reduce equity by approximately $130 million. We expect pension expense to be lower under IFRS in 2010 and in the near term as pension expense will no longer include the amortization of net actuarial losses that existed on transition and future actuarial gains and losses will be recorded directly in equity. IFRS has additional standards with respect to the recovery of defined benefit assets and minimum funding requirements which could result in adjustments to the amounts recorded under Canadian GAAP. We are evaluating whether these additional standards will have an impact to our consolidated financial statements at January 1, 2010 or in the future.

Hedge accounting — Hedge accounting is only applied prospectively from the transition date to transactions that satisfy the IFRS hedge accounting criteria on that date. We expect that our hedging relationships will continue to qualify under IFRS.

IFRS to Canadian GAAP differences:

In addition to the IFRS 1 exceptions and exemptions, the following are the differences between our Canadian GAAP accounting policies and those under IFRS that we believe are applicable and significant to Celestica based on our analysis to date:

Restructuring costs — IFRS disallows transfer costs relating to ongoing activities to be classified as restructuring charges. As a result, our cost of sales and SG&A for 2010 will increase under IFRS, with an offsetting decrease to restructuring charges. This is a reclassification within the income statement and will not impact overall net earnings. IFRS also defers the recognition of restructuring charges until the plans are implemented or announced to employees. Under Canadian GAAP, we record restructuring charges in the period that we finalize the detail plans and can reasonably estimate the amount and timing of the actions. Our restructuring charges for 2010 included amounts for actions not yet announced as of December 31, 2010. Although we have recorded all of the restructuring charges under Canadian GAAP as of December 31, 2010, we expect to reverse approximately $11 million of these charges for IFRS at December 31, 2010. We expect to recognize these charges for IFRS during the first half of 2011 when the actions are announced.

Impairment of long-lived assets — Reversal of asset impairment losses is not permitted under Canadian GAAP. IFRS requires the reversal of impairment losses for assets other than goodwill if certain criteria are met. Although we have recorded impairment losses against property, plant and equipment and intangible assets under Canadian GAAP, we do not expect significant reversals upon transition to IFRS. Under IFRS, impairment testing is a one-step process; an impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Under Canadian GAAP, impairment is tested using a two-step process. We may recognize higher impairment losses under IFRS.

Share-based payments — Under Canadian GAAP, each grant is treated as a single arrangement and compensation expense is determined at the time of grant and amortized over the vesting period, generally three to four years, on a straight-line basis. IFRS requires a separate calculation of compensation expense for awards that vest in installments. Under IFRS, compensation expense will differ from Canadian GAAP based on the changing fair values used for each installment and the timing of recognizing compensation expense, which will be accelerated under IFRS. At December 31, 2009, the accelerated share-based compensation costs are expected to increase our deficit by approximately $12 million with a corresponding adjustment to contributed surplus. This will not impact total equity. We do not expect significant adjustments to our compensation expense under IFRS for 2010.

Income taxes — The recognition of deferred income taxes for temporary differences arising from inter-company transfers of property and from foreign exchange fluctuations on non-monetary items are prohibited under Canadian GAAP. There are no similar exceptions under IFRS. Our net deferred income tax assets are expected to increase by approximately $2 million at January 1, 2010. In addition, other significant differences may include accounting for uncertain tax positions, backwards tracing and differences relating to presentation and disclosure. We will also be impacted by the potential income tax effect of the other IFRS changes noted above.

At this time, we do not believe that the conversion to IFRS will have a significant impact on the financial covenants in our credit facilities.

Our primary North American competitors are not required to convert to IFRS and, as a result, some of our financial results may be reported differently than this peer group.

Internal control over financial reporting and disclosure controls and procedures:

We have augmented our existing controls and procedures to include controls and procedures regarding the implementation of IFRS. Our quality assurance plan, which forms part of the overall IFRS transition plan, includes project management, communication and training, formal review of financial data with management

oversight and certifications, internal audits, controls over financial system changes and the use of disclosure checklists.

Financial reporting expertise:

We identified key financial reporting experts at various levels of our business, and these individuals received advanced IFRS training from our consulting partners. We have prepared training materials covering the transition plan and applicable accounting standards. We will continue to provide training to our global finance and business organizations including senior management and members of our Audit Committee.

Information systems:

We assessed the impact of IFRS on our financial systems and designed solutions to ensure enterprise-wide IFRS compliance in IT systems, including preparing our ERPs and our consolidations system to receive, consolidate, and report the financial data required for IFRS, including capturing the 2010 comparative period information.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Each director of Celestica is elected by the shareholders to serve until the next annual meeting or until a successor is elected or appointed. The following table sets forth certain information regarding the current directors and executive officers of Celestica, as of February 24, 2011.

Name	Age	Position with Celestica	Residence
Robert L. Crandall	75	Chairman of the Board and Director	Florida, U.S.
Dan DiMaggio	60	Director	Georgia, U.S.
William A. Etherington	69	Director	Ontario, Canada
Laurette Koellner	56	Director	Florida, U.S.
Eamon J. Ryan	65	Director	Ontario, Canada
Gerald W. Schwartz	69	Director	Ontario, Canada
Craig H. Muhlhauser	62	Director, President and Chief Executive Officer	New Jersey, U.S.
Paul Nicoletti	43	Executive Vice President and Chief Financial Officer	Ontario, Canada
Elizabeth L. DelBianco	51	Executive Vice President, Chief Legal and Administrative Officer and Corporate Secretary	Ontario, Canada
John Peri	49	Chief Operating Officer	Ontario, Canada
Peter A. Lindgren	48	Executive Vice President, Global Operations	Colorado, U.S.
Mary Gendron	45	Senior Vice President and Chief Information Officer	Illinois, U.S.
Michael McCaughey	49	Senior Vice President and General Manager, Global Customer Business Units	Quebec, Canada
Glen McIntosh	49	Senior Vice President, Global Customer Business Unit	Ontario, Canada
Robert J. Sellers	44	Senior Vice President, Global Customer Business Unit and Asia Customer Development	Hong Kong, China
Scott Smith	52	Senior Vice President, Global Sales, Solutions and Marketing	Zurich, Switzerland

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

Robert L. Crandall has been a director of Celestica since 1998 and Chairman of the Board of Directors of Celestica since January 2004. He is the retired Chairman of the Board and Chief Executive Officer of AMR Corporation/American Airlines Inc. Mr. Crandall is a director of Air Cell, Inc., a privately held company, and holds a Bachelor of Science degree from the University of Rhode Island and a Master of Business Administration degree from the Wharton School of the University of Pennsylvania.

Dan DiMaggio has been a director of Celestica since July 2010. Prior to joining Celestica's Board of Directors, Mr. DiMaggio 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 the 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 spent time on the Board of Directors of Greatwide Logistics Services, Inc. and CEVA Logistics. Mr. DiMaggio was serving as a director of Greatwide Logistics Services, Inc., a privately held company, when that entity filed for bankruptcy in 2008. He holds a Bachelor of Science degree from the University of Massachusetts.

William A. Etherington has been a director of Celestica since 2001. He is also a director of Onex Corporation, Nordion Inc. and SS&C Technologies Inc., each of which is a public corporation. He is a former director and Non-Executive Chairman of the Board of the Canadian Imperial Bank of Commerce. He retired in 2001 as Senior Vice President and Group Executive, Sales and Distribution, IBM Corporation, and Chairman, President and Chief Executive Officer of IBM World Trade Corporation. Mr. Etherington is a member of the President's Council, The University of Western Ontario and the St. Michael's Hospital Board of Directors. He holds a Bachelor of Science degree in Electrical Engineering and a Doctor of Laws (Hon.) from the University of Western Ontario.

Laurette Koellner has been a director of Celestica since 2009. She is the retired President of Boeing International, a division of The Boeing Company. Previously, 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 and as Chair of the Regulatory Compliance Committee of AIG Corporation and on the Board and as Chair of the Audit Committee of Sara Lee Corporation, both of which are public corporations, is a member of the Council on Foreign Relations and a member of the University of Central Florida Dean's Executive Council. She holds a Bachelor of Science degree in Business Management from the University of Central Florida and a Masters of Business Administration from Stetson University in Deland, Florida. She holds a Certified Professional Contracts Manager designation from the National Contracts Management Association.

Eamon J. Ryan has been a director of Celestica since 2008. He is the former Vice President and General Manager, Europe, Middle East and Africa for Lexmark International Inc. 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 in 1991 as the President of Lexmark Canada. Before Lexmark, he spent 22 years at IBM Canada, where he held a number of sales and marketing roles in their 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 has been a director of Celestica since 1998. He is the Chairman of the Board and Chief Executive Officer of Onex Corporation, 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, and of RSI Home Products, Inc. Mr. Schwartz is Vice Chairman of Mount Sinai Hospital and is a director of 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.

Craig H. Muhlhauser is President and Chief Executive Officer, and since 2007, is also a director of Celestica. Prior to his current position, he was President and Executive Vice President of Worldwide Sales and Business Development. Before joining Celestica in May 2005, Mr. Muhlhauser was the President and Chief Executive Officer of Exide Technologies. He was serving as President of Exide Technologies when that entity filed for bankruptcy in 2002, was named Chief Executive Officer of Exide Technologies shortly thereafter and successfully led the company out of bankruptcy protection in 2004. Prior to that, he held the role of Vice President, Ford Motor Company and President, Visteon Automotive Systems. He 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. 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.

Paul Nicoletti is Executive Vice President and Chief Financial Officer. In this role, he is responsible for overseeing Celestica's accounting, financial and investor relations functions and he leads Celestica's corporate development organization which focuses on creating value through acquisitions and partnerships. Recently, Mr. Nicoletti's responsibilities were expanded to include Celestica's diversified markets, which includes healthcare, industrial and green technology, and Celestica's after-market services business. Previously, he was Senior Vice President, Finance and held the role of Corporate Treasurer, with responsibility for Celestica's global financial operations, segment financial reporting, strategic pricing, corporate tax and all corporate finance and treasury-related matters. Prior to that, Mr. Nicoletti was Vice President, Global Financial Operations, responsible for all financial aspects of Celestica's Canadian and Latin American operations. He was also previously the Controller of Celestica's Canadian EMS operations. Mr. Nicoletti joined IBM in 1989 and was part of the founding management team of Celestica. Throughout his career, he has held a number of senior financial roles in mergers and acquisitions, planning, accounting, pricing and financial strategies. Mr. Nicoletti holds a Bachelor of Arts degree from the University of Western Ontario and a Master of Business Administration degree from York University.

Elizabeth L. DelBianco is Executive Vice President, Chief Legal and Administrative Officer and Corporate Secretary. In this role she oversees human resources, global branding, legal, contracts and communications. 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. In 2008, her role expanded to include responsibility for overseeing the global branding organization. Ms. DelBianco came to Celestica following a 13-year career as 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.

John Peri is Chief Operating Officer responsible for Celestica's global operations, as well as Celestica's core customers. Prior to that, Mr. Peri was Executive Vice President, Electronics, Engineering and Supply Chain Management in which role he was responsible for the strategy and execution of Celestica's design, manufacturing and supply chain network across Asia, Europe and the Americas. He also oversaw the ongoing deployment of Lean and Six Sigma initiatives. Previously, he held the position of Executive Vice President, Global Operations, in which he was responsible for overseeing Celestica's manufacturing and supply chain operations in Asia, Europe and the Americas. Prior to that, Mr. Peri held the role of President, Asia Operations, with responsibility for Celestica's manufacturing footprint in China, Hong Kong, India, Japan, Malaysia, Philippines, Singapore and Thailand. Prior to that, he held senior level positions in the areas of quality, manufacturing excellence, services and regional leadership. Mr. Peri joined IBM in 1984 and was part of the founding management team of Celestica. Over the course of his career, he has held a number of leadership positions in operations, engineering and account management. He holds a Bachelor of Applied Science degree in Industrial Engineering from the University of Toronto.

Peter A. Lindgren is Executive Vice President, Global Operations. In this role, he is responsible for overseeing Celestica's operations in Asia, Europe and the Americas. He is also responsible for Celestica's aerospace and defense market. Prior to that he was Senior Vice President and General Manager, Growth and Emerging Markets Segment. Previously, Mr. Lindgren held the role of Senior Vice President, Industry Market Segment and prior to that, was Senior Vice President, Business Development, overseeing Celestica's regional marketing and business development teams on a global basis. Prior to that, Mr. Lindgren was Vice President and General Manager, Cisco Global Customer Business Unit. He joined Celestica in February 1998 as Director of Operations in Corporate Development. Mr. Lindgren has worked in the electronics manufacturing services industry since 1985, and held a number of management positions in international operations, sales and marketing, program management and materials with SCI Systems and MTI International. He holds a Bachelor of Arts degree in Business Economics from Colorado College.

Mary Gendron is Senior Vice President and Chief Information Officer. She is responsible for aligning Celestica's information technology strategy and its investments in IT tools and processes with Celestica's business goals. Ms. Gendron joined Celestica in October 2008, following a five-year career at The Nielsen Company, one of the largest global information measurement and media companies, where she was the Senior Vice President, IT Infrastructure Shared Services. Prior to that, she was the Chief Information Officer at ACNielsen U.S. Over the course of her career, Ms. Gendron has held management positions of increasing seniority in information technology and supply chain management at Motorola and Bell Canada. Ms. Gendron holds a Bachelor of Engineering degree from McGill University in Montreal, Quebec.

Michael McCaughey is Senior Vice President and General Manager, Global Customer Business Units. He is responsible for the strategic direction of Celestica's enterprise and communications business, and all the key activities associated with customers in these markets. Previously, Mr. McCaughey held the role of Senior Vice President and General Manager, Communications Market Segment, where he was responsible for the strategic direction of Celestica's communications business and all key activities associated with Celestica's customer accounts in this sector. 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, Quebec and studied Electrical Engineering at McGill University in Montreal, Quebec.

Glen McIntosh is Senior Vice President, Global Customer Business Unit. In this role, he is responsible for the strategy and execution for one of Celestica's largest customer business units. Prior to his current position, Mr. McIntosh held similar roles with other Celestica business units which supported customers in the enterprise and communications markets. Mr. McIntosh joined Celestica in 1997 in the area of business development, as part of the team who drove the company's initial growth. 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.

Robert J. Sellers is Senior Vice President, Global Customer Business Unit and Asia Customer Development. In this role, he is responsible for the strategy and execution for one of Celestica's largest customer business units, as well as developing and strengthening relationships with Celestica's Asia-based customers. Previously, Mr. Sellers was Senior Vice President and General Manager, Enterprise and Consumer Market Segments, and prior to that, Senior Vice President, Global Sales, and prior to that, led the sales organization for Celestica's Americas and Asia regions. He joined Celestica in 2003 in the role of Vice President, Market Development in the area of consumer electronics. Mr. Sellers has had a 14-year career in the EMS industry with various leadership positions at Sanmina-SCI, SCI, Solectron and Avex. Prior to entering the EMS industry, Mr. Sellers was a highly decorated United States Army officer. He holds a Bachelor of Science degree in Industrial and Operations Engineering from the University of Michigan.

Scott Smith is Senior Vice President, Global Sales, Solutions and Marketing, and responsible for managing all aspects of sales and marketing on a global basis. Mr. Smith joined Celestica in 2009 from Moduslink, a global provider of outsourced distribution and fulfillment services to customers in the consumer, computing, storage and software segments, where he held the role of President, Global Sales and Marketing. Prior to that, he spent

three years with Lenovo Corporation as President of the Americas. Before joining Lenovo, he spent 22 years at IBM in a series of global sales and operations roles with increasing responsibility in the Americas and Asia Pacific regions. He holds a Bachelor of Science degree from Clarkson University in New York.

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.

B. Compensation

Compensation of Directors

Director compensation is set by the Board of Directors on the recommendation of the Compensation Committee and in accordance with director compensation guidelines established by the Nominating and Corporate Governance Committee (the Governance Committee). Under these guidelines, the Board of Directors seeks to maintain director compensation at a level that is competitive with director compensation at comparable companies. The Compensation Committee engaged Towers Watson Inc. (Towers Watson) to provide benchmarking information in this regard in 2009 and intends to do so again in 2011. See "— Compensation Process" and "— Comparator Companies" for a discussion regarding the role of Towers Watson. The guidelines also contemplate that at least half of each director's annual retainer and meeting fees be paid in deferred share units (DSUs). Each DSU represents the right to receive one subordinate voting share of the Company or an equivalent value in cash when the director ceases to be a director.

2010 Fees

The following table sets out the annual retainers and meeting fees payable in 2010 to the Company's directors.

Table 1: Retainers and Meeting Fees for 2010

Annual Board Retainer	$ 65,000
Annual Retainer for Non-Executive Chairman[1]	$ 130,000
Annual Retainer for Audit Committee Chair	$ 20,000
Annual Retainer for Compensation Committee Chair	$ 10,000
Annual Retainer for Executive Committee Chair	$ 10,000
Board and Committee Per Day Meeting Fee[2]	$ 2,500
Travel Fee[3]	$ 2,500
Annual DSU Grant (for directors other than the Chairman)	$ 120,000
Annual DSU Grant — Chairman	$ 180,000

(1) The non-executive Chairman of the Board of Directors also serves as the Chair of the 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, except that a separate attendance fee is paid for each Executive Committee meeting, even if it occurs on the same day as other meetings.

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

DSUs

Directors receive half of their annual retainer and meeting fees (or all of such retainer and fees, if they so elect) in DSUs. 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 subordinate voting shares on 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 cash amount that would otherwise be payable quarterly by the closing price of subordinate voting shares on the NYSE on the last business day of the quarter.

Directors also receive annual grants of DSUs. In 2010, each director received an annual grant of $120,000 worth of DSUs, except for the Chairman, who received an annual grant of $180,000, and Mr. DiMaggio, who joined the Board of Directors on July 21, 2010 and received an annual grant of $60,000. The number of DSUs granted is calculated by dividing the cash amount that would otherwise be payable quarterly by the closing price of subordinate voting shares 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 of Directors. For individuals who become eligible directors after December 31, 2008, the initial grant is equal to the value of the annual DSU grant multiplied by 150% and divided by the closing price of subordinate voting shares on the NYSE on the last business day of the fiscal quarter immediately preceding the date when the individual becomes an eligible director. The DSUs comprising the initial grant vest upon the retirement of the eligible director. However, 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 more than 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 more than 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 ceases to be a director due to a change of control of the Company.

The compensation paid in 2010 by the Company to its directors is set out in Table 2. None of the directors received any fee or payment from the Company except as set out below. Mr. Schwartz is an officer of Onex and did not receive any compensation in his capacity as a director of the Company in 2010; however, Onex did receive compensation for providing the services of Mr. Schwartz as a director, see Item 7(B), "Related Party Transactions." Mr. Muhlhauser, as President and Chief Executive Officer of the Company, also did not receive any director fees from the Company in 2010.

Table 2: Director Fees Earned in 2010

Name	Board Annual Retainer (a)	Chairman Annual Retainer (b)	Committee Chair Annual Retainer (c)	Total Meeting Attendance Fees (d)[4]	Total Annual Retainer and Meeting Fees Payable ((a)+(b)+(c)+(d)) (e)	Portion of Fees Applied to DSUs and Value of DSUs[1] (f)	Annual DSU Grant (#) and Value of DSUs[1] (g)	Initial DSU Grant (#) and Value of DSUs (h)	Total ((e)+(g)+(h))
Robert L. Crandall	—	$ 130,000	$ 30,000	$ 55,000	$ 215,000	100%/$215,000	19,677/$180,000	—	$ 395,000
Dan DiMaggio[2]	$ 32,500	—	—	$ 17,500	$ 50,000	100%/$50,000	6,651/$60,000	22,333/ $ 180,000	$ 290,000
William A. Etherington	$ 65,000	—	$ 10,000	$ 40,000	$ 115,000	100%/$115,000	13,118/$120,000	—	$ 235,000
Laurette Koellner	$ 65,000	—	—	$ 37,500	$ 102,500	50%/$51,250	13,118/$120,000	—	$ 222,500
Richard S. Love[3]	$ 20,000	—	—	$ 17,500	$ 37,500	50%/$18,750	3,378/$36,923	—	$ 74,423
Eamon J. Ryan	$ 65,000	—	—	$ 27,500	$ 92,500	100%/$92,500	13,118/$120,000	—	$ 212,500
Don Tapscott[3]	$ 57,228	—	—	$ 17,500	$ 74,728	50%/$37,364	11,639/$105,652	—	$ 180,380

(1) The annual retainer, meeting fees and annual grant for 2010 were paid quarterly and the number of DSUs granted in respect of the amounts paid quarterly for each such item was determined using the closing prices of subordinate voting shares on the NYSE on the last business day of each quarter, which were $10.93 on March 31, 2010, $8.06 on June 30, 2010, $8.43 on September 30, 2010 and $9.70 on December 31, 2010.

(2) Mr. DiMaggio was appointed to the Board and the Audit, Compensation and Governance Committees on July 21, 2010.

(3) Mr. Love retired from the Board on April 21, 2010 and Mr. Tapscott retired from the Board on November 17, 2010.

(4) Includes travel fees payable to directors.

The total annual retainer and meeting fees earned by the Board of Directors in 2010 was $687,228. In addition, total annual grants of DSUs worth $742,575 and an initial grant of DSUs worth $180,000 were issued.

Outstanding Option-Based and Share-Based Awards

In 2005, the Company amended its Long-Term Incentive Plan (LTIP) to prohibit the granting of options to acquire subordinate voting shares to directors. Table 3 sets out information relating to option grants to directors

that were made between 1998 and 2004 and which remain outstanding. All option grants were made with exercise prices set at the closing market price on the business day prior to the date of grant. Exercise prices range from $10.62 to $44.23. Options vest over three or four years and expire after ten years. The final grant of options occurred on May 10, 2004; those options will expire on May 10, 2014. Mr. Schwartz, as an employee of Onex during that period, was not granted options. Messrs. DiMaggio and Ryan and Ms. Koellner, all of whom became directors after May 2004, have not been granted any options under the LTIP.

DSUs that were granted prior to January 1, 2007 may be paid out in the form of subordinate voting shares issued from treasury or an equivalent value in cash. DSUs granted after January 1, 2007 can only be paid out in the form of subordinate voting shares purchased in the open market or an equivalent value in cash. The date used in valuing the DSUs shall be a date within 90 days of the date on which the individual in question ceases to be a director. The DSUs shall be redeemed and payable on or prior to the 90th day following the date on which the individual ceases to be a director. The total number of DSUs outstanding for each director is included in Table 3 under the column "Share-Based Awards."

The following table sets out, for each director, information concerning all option-based and share-based awards outstanding as of December 31, 2010 (this includes awards granted before the most recently completed financial year).

Table 3: Outstanding Option-Based and Share-Based Awards

	Option-Based Awards(1)				Share-Based Awards(2)	
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the-Money Options ($)	Number of Outstanding Units (#)	Market Payout Value of Outstanding Units ($)
Robert L. Crandall						
Jul. 7, 2001	20,000	$ 44.23	Jul. 7, 2011	—	—	—
Apr. 18, 2003	10,000	$ 10.62	Apr. 18, 2013	—	—	—
May 10, 2004	10,000	$ 18.25	May 10, 2014	—	—	—
—	—	—	—	—	355,981	$ 3,453,016
Dan DiMaggio						
—	—	—	—	—	34,508	$ 334,728
William A. Etherington						
Oct. 22, 2001	20,000	$ 35.95	Oct. 22, 2011	—	—	—
Apr. 21, 2002	5,000	$ 32.40	Apr. 21, 2012	—	—	—
Apr. 18, 2003	5,000	$ 10.62	Apr. 18, 2013	—	—	—
May 10, 2004	5,000	$ 18.25	May 10, 2014	—	—	—
—	—	—	—	—	160,930	$ 1,561,021
Laurette Koellner						
—	—	—	—	—	64,876	$ 629,297
Eamon J. Ryan						
—	—	—	—	—	93,547	$ 907,406

(1) All options granted under the option-based awards have vested.

(2) Represents all outstanding share units. The market payout value was determined using a share price of $9.70, which was the closing price of subordinate voting shares on the NYSE on December 31, 2010.

Directors' Equity Interest

The following table sets out each director's direct or indirect beneficial ownership of, or control or direction over, equity in the Company, and any changes therein since February 22, 2010.

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

Name	Date	Subordinate Voting Shares[2] #	Market Value*
Robert L. Crandall	Feb. 22, 2010	70,000	$ 790,300
	Feb. 22, 2011	70,000	
	Change	—	
Dan DiMaggio	Feb. 22, 2010	—	—
	Feb. 22, 2011	—	
	Change	—	
William A. Etherington	Feb. 22, 2010	10,000	$ 112,900
	Feb. 22, 2011	10,000	
	Change	—	
Laurette Koellner	Feb. 22, 2010	—	—
	Feb. 22, 2011	—	
	Change	—	
Eamon J. Ryan	Feb. 22, 2010	—	—
	Feb. 22, 2011	—	
	Change	—	
Gerald W. Schwartz[3]	Feb. 22, 2010	1,571,977	$ 15,124,705
	Feb. 22, 2011	1,339,655	
	Change	-232,322	

* *Based on the NYSE closing share price of $11.29 on February 22, 2011.*

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

(2) Certain subordinate voting shares subject to options granted pursuant to management investment plans of Onex are included as owned beneficially by named individuals although the exercise of these options is subject to Onex meeting certain financial targets. More than one person may be deemed to have beneficial ownership of the same securities.

(3) Mr. Schwartz is deemed to be the beneficial owner of the 18,946,368 multiple voting shares owned by Onex, which have a market value of $213,904,495 as of February 22, 2011.

Shareholding Requirements

The Company has minimum shareholding requirements for independent directors (the Guideline). The Guideline provides that an independent director who has been on the Board of Directors:

- for five years or more must hold securities of the Company 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 Company;
- for two years or more (but less than five years) must hold securities of the Company 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 Company having a market value of at least one time that director's then applicable annual retainer; and
- for less than a year are encouraged, but not required, to hold securities of the Company.

Although directors will not be deemed to have breached the Guideline by reason of a decrease in the market value of the Company's securities, the directors may be 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 subordinate voting shares, DSUs and RSUs, are reviewed annually each year on December 31. The following table sets out whether the directors of the Company were in compliance with the Guideline as of December 31, 2010.

Table 5: Shareholding Requirements

	Shareholding Requirements		
Director	Current Target Value	Value as of December 31, 2010[1]	Met Target as of December 31, 2010
Robert L. Crandall	$ 800,000	$ 4,132,016	Yes
Dan DiMaggio[2]	N/A	N/A	N/A
William A. Etherington	$ 375,000	$ 1,658,021	Yes
Laurette Koellner	$ 65,000	$ 629,297	Yes
Craig H. Muhlhauser[3]	N/A	N/A	N/A
Eamon J. Ryan	$ 195,000	$ 907,406	Yes
Gerald W. Schwartz[3]	N/A	N/A	N/A

(1) The value of the aggregate number of subordinate voting shares, DSUs and RSUs held by each director is determined using a share price of $9.70, which was the closing price of subordinate voting shares on the NYSE on December 31, 2010.

(2) In accordance with the Guideline, Mr. DiMaggio is encouraged, but not required, to hold securities of the Company since he has been a director for less than one year.

(3) As Messrs. Muhlhauser and Schwartz are not independent directors, neither of them receives a retainer or other fee for their services as a director (however, Onex did receive compensation for providing the services of Mr. Schwartz as a director, see Item 7(B) "Related Party Transactions") and neither is subject to the minimum shareholding requirements of the Guideline.

Attendance of Directors at Board of Directors and Committee Meetings

The following table sets forth the attendance of directors at Board of Directors and Committee meetings from the beginning of 2010 to February 22, 2011.

Table 6: Directors' Attendance at Board of Directors and Committee Meetings

						Meetings Attended %	
Director	Board	Audit	Compensation	Governance	Executive	Board	Committee
Robert L. Crandall[1]	8 of 8	5 of 5	5 of 5	4 of 4	4 of 4	100%	100%
Dan DiMaggio[2]	3 of 3	3 of 3	3 of 3	2 of 2	—	100%	100%
William A. Etherington[3]	8 of 8	5 of 5	5 of 5	4 of 4	4 of 4	100%	100%
Laurette Koellner[4]	8 of 8	4 of 4	4 of 4	2 of 3	—	100%	91%
Richard S. Love[5]	4 of 4	—	—	2 of 2	—	100%	100%
Craig H. Muhlhauser	8 of 8	—	—	—	—	100%	—
Eamon J. Ryan[4]	8 of 8	4 of 4	4 of 4	3 of 3	—	100%	100%
Gerald W. Schwartz	7 of 8	—	—	—	—	88%	—
Don Tapscott[5]	5 of 7	2 of 4	2 of 4	2 of 4	—	71%	50%

(1) Mr. Crandall is the Chair of each of the Audit, Governance and Executive Committees.

(2) Mr. DiMaggio was appointed to the Board and the Audit, Compensation and Governance Committees on July 21, 2010.

(3) Mr. Etherington is the Chair of the Compensation Committee.

(4) Ms. Koellner and Mr. Ryan were appointed to the Audit, Compensation and Governance Committees as of March 9, 2010.

(5) Mr. Love retired from the Board on April 21, 2010 and Mr. Tapscott retired from the Board on November 17, 2010.

As of December 31, 2010, no amounts have been set aside or accrued by the Company, except as described herein, to provide pension, retirement and similar benefits to the directors.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis sets out the policies of the Company for determining compensation paid to the Company'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 2010 is set out in the section entitled, "— 2010 Compensation Decisions."

Compensation Objectives

The Company's executive compensation philosophies and practices are designed to attract, motivate and retain the leaders who will drive the success of the Company. The Company benchmarks itself against a comparator group of similarly sized technology companies as set out in Table 7 (the Comparator Group).

Compensation for executives is linked to the Company's performance. The Company benchmarks target compensation with reference to the median of the Comparator Group, with the opportunity for higher compensation for performance that exceeds the benchmark and lower compensation for performance that is below the benchmark.

The compensation package is designed to:

- 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 for achieving operational and financial results that meet or exceed the Company's business plan and that are superior to those of direct competitors in the electronics manufacturing services (EMS) industry through both annual incentives and equity-based incentives;
- 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 Company.

Independent Advice

The Compensation Committee has engaged Towers Watson as its independent compensation consultant to assist in identifying appropriate comparator companies against which to evaluate the Company's compensation levels, to provide data about those companies, and to provide observations and recommendations with respect to the Company's compensation practices versus both the Comparator Group and the market in general.

Management works with Towers Watson to review and, where appropriate, develop and recommend compensation programs that will ensure the Company's practices are competitive with market practices. Towers Watson also provides advice to the Compensation Committee on the policy recommendations prepared by management and keeps the Compensation Committee apprised of market trends in executive compensation. Towers Watson attended portions of all Compensation Committee meetings held in 2010, in person or by telephone, as requested by the Chairman of the Compensation Committee. The Compensation Committee has the opportunity to hold *in camera* sessions with Towers Watson at each of its meetings.

Decisions made by the Compensation Committee, however, are the responsibility of the Compensation Committee and may reflect factors and considerations other than the information and recommendations provided by Towers Watson.

Each year, the Compensation Committee reviews the scope of activities of Towers Watson and, if it deems appropriate, approves the corresponding budget. Any services and fees not related to executive compensation must be pre-approved by the Chairman of the Compensation Committee. In 2010, the executive compensation advisor retainer fees paid to Towers Watson totaled C$185,000. Additional consulting service fees paid to Towers Watson regarding the review of long-term incentive policies for non-executives, total shareholder return (TSR), and incentive plan analysis totaled C$73,828 for 2010 and fees paid for data services (both executive and non-executive) totaled C$14,487.

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 Committee evaluates the performance of the CEO relative to established objectives. The Committee reviews competitive data for the Comparator Group and consults with Towers Watson before exercising its independent judgment to determine appropriate compensation levels. The Committee approves the compensation awards and forwards it to the Board of Directors for review. The CEO reviews the performance evaluations of the other NEOs with the Committee and provides compensation recommendations. The Committee considers these recommendations, reviews market compensation information, consults with Towers Watson and exercises its independent judgment to determine if any adjustments are required prior to approval.

The Compensation Committee generally meets five times a year. At the July meeting, the Compensation Committee, based on recommendations from Towers Watson, selects the comparator group that will be used for the compensation review. At the October meeting, Towers Watson 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 (CLO) who has responsibility for Human Resources and the CEO, together with Towers Watson, develop base salary and equity-based incentive recommendations for the NEOs, except that the CEO and CLO do not participate in the preparation of their own compensation recommendations. At the December meeting, base salary recommendations for the NEOs for the following year and the value and mix of their equity-based incentives are approved. Previous grants of equity-based awards and the current retention value of same are reviewed and may be taken into consideration when making this decision. The CLO is not present at the Compensation Committee meetings when her compensation is discussed.

The foregoing process is also followed for determining the CEO's compensation except that the CLO works with Towers Watson to develop a proposal for base salary and equity-based incentive grants. The Compensation Committee then reviews the proposal with Towers Watson 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.

In terms of the Company's annual incentive plan, targets based on a management plan approved by the Board of Directors are approved by the Compensation Committee at the beginning of the year. The Compensation Committee reviews the Company'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 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 Company's year-end results as approved by the Audit Committee. These amounts are then paid in February.

Comparator Companies

The Compensation Committee benchmarks salary, annual incentive and equity-based incentive awards to the Comparator Group. The revenues of the Comparator Group companies are generally in the range of half to twice the Company's revenues. In addition, for 2010 the Committee included in the Comparator Group five companies whose revenues were outside this range: three EMS companies, Benchmark Electronics, Inc., Plexus

Corp. and Flextronics International Ltd., for direct industry comparison, and two other companies that are not in the EMS industry, EMC Corporation and Xerox Corp., for consistency with 2009.

The following table sets out the Company's 2010 Comparator Group companies.

Table 7: Comparator Group

Company Name	2009 Annual Revenue (millions)	Company Name	2009 Annual Revenue (millions)
Advanced Micro Devices	$ 5,403	Sanmina-SCI Corporation	$ 5,178
Agilent Technologies Inc.	$ 4,481	Seagate Technology	$ 9,805
Applied Materials Inc.	$ 5,014	Texas Instruments Inc.	$10,427
Benchmark Electronics, Inc.	$ 2,089	Tyco Electronics Ltd.	$10,256
Corning Inc.	$ 5,395	Western Digital Corp.	$ 7,453
EMC Corporation	$ 14,026	Xerox Corp.	$15,179
Flextronics International Ltd.	$ 30,949		
Harris Corp.	$ 5,005		
Jabil Circuit, Inc.	$ 11,685	25th Percentile	$ 4,579
Lexmark International Inc.	$ 3,880	50th Percentile	$ 5,287
Micron Technology Inc.	$ 4,803	75th Percentile	$10,299
NCR Corp.	$ 4,612		
NVIDIA Corp.	$ 3,425	Celestica Inc.	$ 6,092
Plexus Corp.	$ 1,617	*Percentile Rank*	*59th percentile*

Financial data as of May 31, 2010. Source: Standard & Poor's Capital IQ

Additionally, broader market compensation data for other similarly-sized organizations provided by Towers Watson is referenced in accordance with a process approved by the Compensation Committee.

Compensation Elements for the Named Executive Officers

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

- base salary;
- annual incentives (annual variable cash payments);
- equity-based incentives (restricted and performance share units and stock options);
- benefits; and
- perquisites.

Weighting of Compensation Elements

The variable portion of total compensation has the highest weighting at the most senior levels. Annual and equity-based incentive plan rewards are contingent upon organizational performance and ensure a strong

alignment with shareholder interests. The target weighting of compensation elements for 2010 is set out in the following table.

Table 8: Target Weighting of Compensation Elements

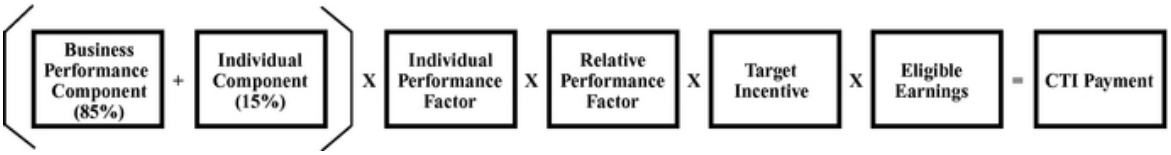
	Base Salary	Annual Incentive	Equity-based Incentives
CEO	13.8%	17.2%	69.0%
Executive Vice Presidents (EVPs)	19.7%	15.7%	64.6%
Senior Vice Presidents (SVPs)	27.6%	16.6%	55.8%

Base Salary

The objective of base salary is to attract, reward and retain top talent. Executive positions are benchmarked against the Comparator Group, with base pay 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 organization.

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. Target awards for each of the NEOs are expressed as a percentage of salary and established with reference to the median of the Comparator Group. Actual awards for the NEOs are based on (i) the achievement of pre-determined corporate and individual goals and (ii) corporate performance relative to that of four direct competitors in the EMS industry: Benchmark Electronics, Inc., Flextronics International Ltd., Jabil Circuit, Inc. and Sanmina-SCI Corporation (collectively, the 2010 EMS Competitors). Actual payouts can vary from 0% for performance below a threshold up to a maximum of 200% of the target award. Awards are derived according to the following formula:



For 2010, the business performance goals were comprised of the following elements:

- corporate EBIAT (50%);
- corporate revenue (25%); and
- corporate return on invested capital (ROIC) (25%).

Individual contribution is recognized through the individual component and individual performance factor (IPF). The IPF is based on a review of each NEO's individual performance relative to business results, teamwork and the executive's key accomplishments. This factor can adjust the executive's actual award by a factor of between 0.0x and 1.5x.

The Compensation Committee also applies a relative performance factor (RPF), based on an evaluation of the Company's performance for the year relative to that of the 2010 EMS Competitors. This evaluation is based on an ROIC-based performance metric but is ultimately within the Compensation Committee's discretion. This factor can adjust the executive's actual award by a factor of between 0.5x and 1.5x.

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 to pay the business performance component and (ii) the maximum award is two times the target.

For 2011, the CTI formula for NEOs will be revised by removing the individual component and the RPF and increasing the top end of the IPF range from 1.5x to 2.0x.

Equity-Based Incentives

The Company's equity-based incentives for the NEOs consist of RSUs, performance share units (PSUs) and stock options. The objectives of the equity-based incentive plans are to:

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

At the December meeting, the Compensation Committee determines the dollar value and mix of the equity-based grants to be awarded to the NEOs based on the comparator data analysis and the actual equity mix awarded. On the grant date, the dollar value is converted into the number of units that will be granted using the closing price of the subordinate voting shares on the day prior to the grant. The annual grants are made following the blackout period that ends 48 hours after the Company'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 when determining actual awards. The equity mix varies by employee level and targets a higher percentage of performance elements at the NEO level where there is a stronger influence on results. The mix of equity-based incentives is reviewed by the Compensation Committee each year and for 2010 the mix for the NEOs was as follows:

- 40% RSUs;
- 35% PSUs; and
- 25% stock options.

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 Company's blackout periods, these grants typically take place at the beginning of each month. All 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 Chairman of the Compensation Committee.

RSUs

NEOs are granted RSUs under either the LTIP or the Celestica Share Unit Plan (CSUP), as part of the Company's annual grant. RSUs are released in one-third installments, as follows:

Table 9: RSU Release Dates

Grant Dates	Release Dates		
	First	Second	Third
March 1, 2008 – October 31, 2008	First anniversary	Second anniversary	Third anniversary
November 1, 2008 – July 31, 2009	February 5, 2010	February 11, 2011	December 1, 2011
August 1, 2009 – February 1, 2010	February 11, 2011	February 6, 2012	December 1, 2012
February 2, 2010	February 5, 2011	February 5, 2012	December 1, 2012
February 3, 2010 – July 31, 2010	February 11, 2011	February 6, 2012	December 1, 2012
August 1, 2010 – January 31, 2011	February 5, 2012	February 5, 2013	December 1, 2013
February 1, 2011	February 1, 2012	February 1, 2013	December 1, 2013
February 2, 2011 – February 22, 2011	February 5, 2012	February 5, 2013	December 1, 2013

Each RSU entitles the holder to one subordinate voting share on the release date. The payout value of the award is based on the number of RSUs being released and the share price at the time of release. The Company has the right to settle proceeds of release in either cash or shares.

PSUs

NEOs are granted PSUs under the CSUP. PSUs vest at the end of a three-year performance period subject to pre-determined performance criteria.

For PSUs granted on or before January 31, 2011, the number of PSUs that actually vest will range from 0% to 200% of target depending on the Company's ranking in the third year of the performance period relative to that of the 2010 EMS Competitors based on an ROIC metric approved by the Compensation Committee. The vesting schedule for PSUs granted on or before January 31, 2011 is outlined in the following table.

Table 10: Vesting Schedule for PSUs Granted on or Before January 31, 2011

Celestica's ROIC Metric	Performance Multiplier
Equal to/greater than highest performance of the 2010 EMS Competitors	200% of target
Between the median and highest performance	Prorated between 100%-200%
Equal to median performance of the 2010 EMS Competitors	100% of target
Between the median and lowest performance	Prorated between 0%-100%
Equal to/lower than lowest performance of the 2010 EMS Competitors	0% of target

For awards granted on or after February 1, 2011, the number of PSUs that will actually vest will range from 0% to 200% of target, depending on the Company's ranking over the three year period relative to that of the 2010 EMS Competitors plus Plexus Corp. (the 2011 EMS Competitors), based on a TSR metric approved by the Compensation Committee. The actual number of units that will vest will be determined as follows:

- Celestica's TSR will be ranked against that of each of the other 2011 EMS Competitors;
- the percentage of PSUs that will vest and become payable on the applicable release date will correspond to Celestica's TSR ranking as set out in Table 11;
- if, however, any of the 2011 EMS Competitors has a TSR ranking that is within 500 basis points (+/-5%) of Celestica's TSR ranking, then the percentage of the target number that will vest will be the average of the percentages in Table 11 that correspond to the TSR ranking of each such 2011 EMS Competitor (for example, if Celestica's TSR was 50% with a TSR ranking of fifth and a 2011 EMS Competitor's TSR was 55% with a TSR ranking of fourth, 60% of the target number would vest [*i.e.*, (40% + 80%)/2]; and

- if Celestica's TSR ranking is less than 0% then, regardless of Celestica's TSR ranking amongst the 2011 EMS Competitors, the maximum number of PSUs that may vest and become payable on the applicable release date will be 100% of the target number.

Table 11: TSR Rankings and Target Number

Celestica's TSR ranking	Percentage of target number that will vest
First	200%
Second	160%
Third	120%
Fourth	80%
Fifth	40%
Sixth	0%

The payout value of the award is based on the number of PSUs that vest and the price of subordinate voting shares at the time of release. Each PSU entitles the holder to receive one subordinate voting share on the applicable release date. The Company has the right to settle the proceeds in either cash or shares.

Stock Options

Stock options are awarded under the LTIP. Stock options vest at a rate of 25% annually on each of the first four anniversaries of the date of grant and expire after a 10-year term. The payout value of the award is equal to the increase, if any, in the share price at the time of exercise over the exercise price, which is the closing market price on the business day prior to the date of the grant.

The value of the stock options granted in respect of 2010 was determined at the December meeting of the Compensation Committee. The number of stock options granted was determined using (i) the closing price on January 31, 2011 on the NYSE of $9.87, and (ii) an average Black-Scholes factor of 0.49. The Black-Scholes factor was determined using the following variables: (i) volatility of the price of subordinate voting shares, and (ii) the risk-free rate over the expected life of the options. The exercise price for the stock options is the closing price on January 31, 2011, being $9.87 on the NYSE for Mr. Muhlhauser and C$9.87 on the TSX, for Messrs. Nicoletti, Peri and McCaughey and Ms. DelBianco.

In determining the number of options to be granted, the Company keeps within a maximum level for both option "burn rate" and "gross overhang." "Burn rate" refers to the number of shares issued under equity plans in a given year relative to the total number of shares outstanding. "Gross overhang" is discussed in "— Compensation Discussion and Analysis — Securities Authorized for Issuance Under Equity Compensation Plans." In 2005, the Company amended the LTIP to provide that the number of options and share units awarded under the plan in any given year cannot exceed 1.2% of the total number of shares outstanding. The plan is not an evergreen plan and no options have been re-priced.

The following table sets out the gains realized by NEOs from exercising stock options in 2010:

Table 12: Gains Realized by NEOs from Exercising Options

Name	Amount
Craig H. Muhlhauser	$ 421,206
Paul Nicoletti	$ 220,253
John Peri	$ —
Elizabeth L. DelBianco	$ 451,963
Michael McCaughey	$ 230,401

Other Compensation

Benefits

NEOs participate in the Company's health, dental, pension, life insurance and long-term disability programs. Benefit programs are based on market median levels in the local geography.

Perquisites

NEOs are entitled to a bi-annual comprehensive medical at a private health clinic. The Company 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 the associated tax equalization. The Company does not provide any other perquisites.

Executive Share Ownership

The Company has share ownership guidelines for the CEO and the EVPs. The guidelines provide that these individuals are to hold a multiple of their salary in subordinate voting shares as shown in Table 13. 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.

Table 13: Share Ownership Guidelines

Name	Ownership Guidelines	Share Ownership (Value)[1]	Share Ownership (Multiple of Salary)
Craig H. Muhlhauser	$3,000,000 (3 × salary)	$ 17,731,590	17.7x
Paul Nicoletti	$1,024,000 (2 × salary)	$ 6,058,397	11.8x
John Peri	$1,008,000 (2 × salary)	$ 4,944,148	9.8x
Elizabeth L. DelBianco	$888,000 (2 × salary)	$ 4,452,591	10.0x
Michael McCaughey[2]	N/A	N/A	N/A

(1) Includes the following, as of December 31, 2010: (i) subordinate voting shares beneficially owned, (ii) all unvested RSUs, (iii) PSUs that vested on February 5, 2011 at 200% of target, which, on December 31, 2010, was the Company's anticipated payout and was in fact the resulting payout, and (iv) all other PSUs at 100% of the target level of performance; in each case, the value of which was determined using a share price of $9.70 being the closing price of subordinate voting shares on the NYSE on December 31, 2010.

(2) As a SVP, Mr. McCaughey is not subject to share ownership guidelines.

Recoupment Provisions

The Company is subject to the Sarbanes-Oxley Act of 2002. Accordingly, if the Company 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 Company 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 corporate securities during that period.

Under the terms of the stock option grants and the grants made under the LTIP and the CSUP, an NEO may be required by the Company 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 or accepts an engagement to supply services, directly or indirectly, to a third party, that is in competition with the Company 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 Company 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 Company or any of its subsidiaries.

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

Compensation Hedging Policy

The Company has adopted a policy regarding executive officer and director hedging. The policy prohibits executives 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 Company granted as compensation. Accordingly, executives may not sell short, buy put options or sell call options on the Company'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 Company's securities.

2010 Compensation Decisions

Each element of compensation is considered independently of the other elements. However, the total package is reviewed to ensure that the median total compensation objective for median levels of corporate and individual performance is achieved.

Comparator Companies and Market Positioning

Salary, target annual incentive and equity-based incentive grants for those executives at the EVP level and above were benchmarked with reference to the market median of the Comparator Group and for executives at the SVP level, with reference to market data provided by two third-party compensation survey firms.

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, Nicoletti, Peri and McCaughey and Ms. DelBianco did not receive increases in 2010, as their existing salaries were competitive with the market.

Celestica Team Incentive Plan

The target annual incentive award is 125% of salary for the CEO, 80% of salary for EVPs, and 60% of salary for SVPs. Annual incentives take into account both individual and business performances on a variety of factors as set forth below.

Business Performance

The business performance component payout factor for 2010 was 99% based on the following results:

Table 14: Business Performance

Measure	Weight	Percentage Achievement Relative to Target
Operating Margin (EBIAT)[1]	50%	98.0%
Corporate Revenue[2][4]	25%	100.0%
ROIC[3][4]	25%	100.0%
Payout Factor		99.0%

(1) EBIAT was calculated as earnings before interest, amortization of intangible assets (excluding computer software), income taxes, stock-based compensation, restructuring and other charges, the write-down of long-lived assets and gains or losses on the repurchase of shares and debt.

(2) Corporate revenue means the Company's gross revenue.

(3) ROIC was calculated as EBIAT divided by average net invested capital where average net invested capital includes total assets less cash, accounts payable, accrued liabilities and income taxes payable.

(4) Percentage achievement for corporate revenue and ROIC each exceeded 100% but were capped at 100% because EBIAT was less than 100% of target.

In assessing operating performance and operational effectiveness, the Company uses certain non-GAAP measures such as adjusted gross margin, EBIAT and ROIC that do not have any standardized meaning prescribed by Canadian or U.S. GAAP and are not necessarily comparable to similar measures presented by other companies. Beginning with the fourth quarter of 2009, the Company revised the definition of its non-GAAP measures to exclude all stock-based compensation expenses (in addition to the items previously excluded) to allow for a better comparison with its major North American EMS competitors. All prior period comparables reflect the revised definition. Additional information regarding these non-GAAP measures can be found in Item 5, "— Management's Discussion and Analysis of Financial Condition and Results of Operations."

Relative Performance Factor

The Company's 2010 performance was ranked relative to that of the 2010 EMS Competitors on an ROIC performance metric. The Company ranked first amongst such 2010 EMS Competitors and its ROIC was 1.5x that of the average ROICs of the 2010 EMS Competitors, which resulted in an RPF of 1.5x. For this comparison, the Company used adjusted ROIC, which is calculated as adjusted net earnings divided by average net invested capital, where net invested capital consists of total assets, adjusted for the impact of accounts receivable sales, less cash, accounts payable, accrued liabilities and income taxes payable.

Individual Performance Factor

At the beginning of each year, the Board of Directors and the CEO agree on performance goals for the CEO. Goals for the other NEOs that will support the CEO's goals are then agreed to and established by the CEO. For 2010, the CEO's goals focused on: financial performance, growing the business, leadership and operational effectiveness. Each NEO's performance is measured on a number of factors including the formal goals established for the year.

Specific measures and achievements for each NEO in 2010 were:

Chief Executive Officer

- Financial performance: ROIC grew from 22.0% in 2009 to 25.0% in 2010, exceeding the target for 2010, and was the best ROIC since the Company went public in 1998. Adjusted earnings per share increased from $0.69 in 2009 to $0.85 in 2010, a significant increase of 23%, although slightly below target for 2010.

- Growing the business: Revenue grew by 7.1% from $6.1 billion in 2009 to $6.5 billion in 2010, exceeding objectives. This was the first year-over-year revenue growth the company has achieved since 2006. The company also showed 18% year-over-year growth in its industrial, aerospace and defense, healthcare and greentech markets, areas of strategic focus for the Company.

- Leadership: In 2010, the Company continued its efforts to drive employee engagement with a focus on enhanced performance management programs, documented action plans directly targeting employee engagement, and employee recognition programs.

- Operational effectiveness: The target for reduction in total spend, as a percentage of manufacturing value add, was not met.

In addition to the goals listed above, the Compensation Committee's assessment of Mr. Muhlhauser's performance in 2010 also reflected the following achievements of the Company:

- the Company leveraged its strong cash position to (i) repurchase and cancel 16.1 million shares, or 8% of its subordinate voting shares outstanding, through a normal course issuer bid, and (ii) retire its remaining subordinated debt in the first quarter of 2010, three-years ahead of maturity, making the Company debt free;

- despite using approximately $375 million to repurchase shares and retire debt, the Company maintained a net cash balance of $633 million, significantly higher than any of its North American EMS peer group;

- the Company achieved the highest inventory turns among its North American EMS peer group; and

- selling, general and administrative expense fell from 4.0% of annual revenue in 2009 to 3.8% of annual revenue in 2010.

Other NEOs

Each of the other NEOs has responsibility for achievement of the overall corporate goals and objectives of the CEO. The CEO's assessment of each of the other NEOs' contributions to the Company's results is largely subjective and based on his judgment of each of the other NEOs' contributions as a part of the senior leadership team. Based on the CEO's assessment, the Compensation Committee considered each of the NEOs to either have met or exceeded expectations in 2010 based on his or her individual performance and contribution to corporate goals.

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

(i) Mr. Nicoletti's organization successfully led a number of initiatives in support of the Company's goals and objectives including: implementation of automation and process change initiatives resulting in improvements in the effectiveness and efficiency of the Company's financial reporting process; implementation of improved revenue and profitability visibility tools; successfully transitioning from Canadian GAAP to IFRS; development of a long-term strategic planning process in support of the Company's financial goals; completion of two strategic acquisitions; renewal and extension of the Company's accounts receivable sales and credit facilities on more favorable terms; and the effective management of a number of regulatory matters. Under the leadership of Mr. Nicoletti, the Company retired all of its outstanding debt and successfully executed a share repurchase program to repurchase approximately 8% of its outstanding subordinate voting shares, and the Company led the industry on ROIC.

(ii) Mr. Peri's global electronics, engineering and supply chain management organization made significant contributions to the Company in 2010. Under Mr. Peri's leadership, the operations network continued to deliver increased productivity as well as improvements in quality, delivery and cycle time metrics, while improving customer satisfaction. The operations network was recognized in 2010 with multiple customer awards. Mr. Peri's organization had the strongest inventory performance in the North American EMS industry and has been recognized by customers for meeting customer demand in a constrained component environment. Under Mr. Peri's leadership, a new Joint Design and

Manufacturing strategy was launched in 2010, positioning the Company to increase revenue and margin through targeted product capability.

(iii) Ms. DelBianco's organization successfully led a number of initiatives in support of the Company's goals and objectives including: implementation of productivity and cost-savings measures that resulted in cost-reductions across all regions; support of new customer engagements and contract training across all segments and geographies, including development of innovative marketing communications tools; roll-out of a new Corporate Social Responsibility program with enhanced communications and training courses; continued improvements in talent management and implementation of best practice succession management for senior executives; implementation of a new performance management plan; establishment of a system to document and track plans to increase employee engagement; redesign of the global learning and development program to better support business imperatives; establishment of a council mandated to drive innovation in collaboration across the Company; enhancement of global security programs and practices; and the effective management of a number of legal and regulatory matters as well as the corporate secretary's office.

(iv) Under Mr. McCaughey's leadership, the Company has strengthened customer relationships and improved operational and financial performance for core customers in its communications and enterprise markets. Mr. McCaughey implemented a focused management system to drive financial and operating performance, exceeding revenue, EBIAT dollars and ROIC targets in 2010. His organization secured a number of new program wins, and built on business with the Company's core customers, resulting in consistent revenue growth. Under Mr. McCaughey's leadership, the core accounts achieved customer rankings of either first or second position amongst competitors, and the Company received recognition from Cisco in the form of two awards, the *EMS Partner Operational Excellence* award and the *Excellence in Partner, IT Collaboration* award.

Equity-Based Incentives

Equity grants to NEOs in respect of 2010 performance consisted of RSUs, PSUs and stock options. The number of RSUs and options issued under the LTIP and the number of PSUs issued under the CSUP to the NEOs was based on the closing price of the subordinate voting shares on the NYSE, on the day prior to the grant. Please see "— Compensation Discussion and Analysis — Equity-Based Incentives" for a description of the plans and the determination of the mix and amounts of these awards.

The Company provided the NEOs the following equity-based compensation on February 1, 2011 in respect of 2010 performance. The total number of options issued for 2010 to the NEOs was equal to 0.25% of outstanding shares, and the total number of options issued for 2010 to all employees entitled to receive options was 0.41% of outstanding shares.

Table 15: NEO Equity Awards

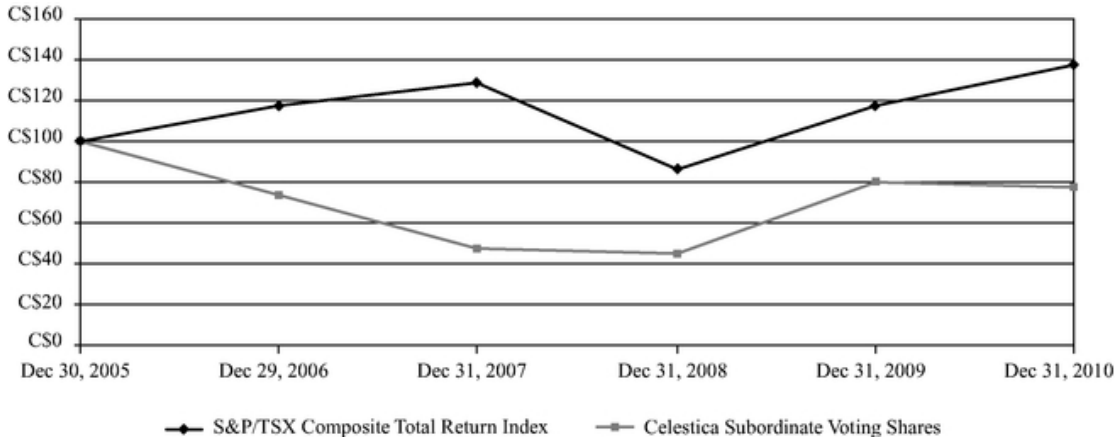
Name	RSUs (#)	PSUs (#)[1]	Stock Options (#)	Value of LTIP Award ($000s)[2]
Craig H. Muhlhauser	202,634	177,305	258,462	$ 5,000
Paul Nicoletti	72,948	63,830	93,046	$ 1,800
John Peri	60,790	53,191	77,539	$ 1,500
Elizabeth L. DelBianco	60,790	53,191	77,539	$ 1,500
Michael McCaughey	32,421	28,369	41,354	$ 800

(1) The number of PSUs is included at 100% of target level of performance.

(2) Based on the share price of $9.87, being the closing price of subordinate voting shares on the NYSE on January 31, 2011 and, with respect to stock options, an average Black-Scholes factor of 0.49.

Performance Graph

The subordinate voting shares 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 subordinate voting shares with the cumulative TSR of the S&P/TSX Composite Total Return Index for the period from December 31, 2005 to December 31, 2010.



As can be seen from the performance graph above, an investment in the Company on January 1, 2006 would have resulted in a 21.8% loss in value over the five-year period ended December 31, 2010 compared with a 37.0% increase that would have resulted from an investment in the S&P/TSX Composite Total Return Index over the same period.

The compensation of the Company's NEOs has fluctuated over the same period as the Company dealt with, amongst other things, a significant decline in demand, competitive pressures, operational issues in some regions, significant restructuring and various leadership changes. In 2006, total compensation for NEOs was $4.9 million.

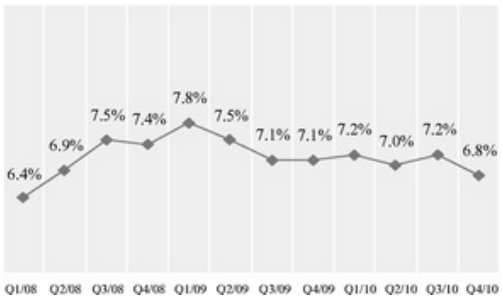
After significant operational challenges were experienced in the second half of 2006, senior management changes were made across the Company. A new management team implemented major process improvements across all areas of the Company with a specific focus on improving profitability, reducing working capital and strengthening the Company's financial position. As management implemented those changes during 2007 and 2008, the Company's operating performance and financial results showed significant improvements to the point where the Company was the strongest financial performer amongst the North American EMS peers by the end of 2008 based on ROIC.

During this period of improved performance, total compensation for the NEOs increased to $15.2 million in 2007 and $19.8 million in 2008 as a result of implementing competitive compensation packages for the Company's new leadership team in 2007, as well as maximum annual incentive payouts due to strong corporate performance in 2008.

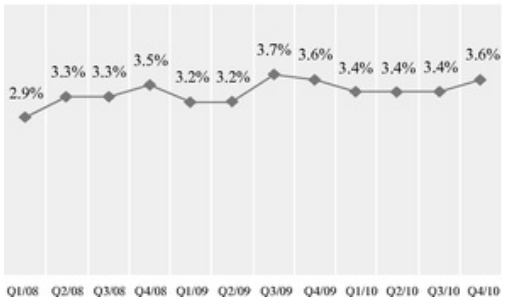
Total compensation for the NEOs declined by 26% from $19.8 million in 2008 to $14.7 million in 2009, reflecting the challenges the Company faced in a year of continued economic uncertainty. The decrease was a result of lower annual incentive payouts and lower long-term incentive grants to reflect generally lower long-term incentive grant levels in the marketplace. In 2010, the Company realized a number of financial accomplishments including leading the EMS industry in ROIC, retiring all of its debt, repurchasing subordinate voting shares and strengthening its cash position. Total compensation for the NEOs increased by 25% from $14.7 million in 2009 to $18.3 million in 2010. The increase was a result of higher annual incentive payouts reflecting improved operational and financial performance as measured under CTI and higher long-term incentive awards reflecting competitive grant levels.

The Company continues to be amongst the best performers in the EMS industry on key operating performance metrics. This strong financial performance also contributed to improved outlooks from the Company's key financial debt rating agencies. The performance graphs set out below illustrate the Company's performance on non-GAAP measures of adjusted gross margin, EBIAT, asset utilization and ROIC (see "— 2010 Compensation Decisions — Business Performance" for further information on non-GAAP measures).

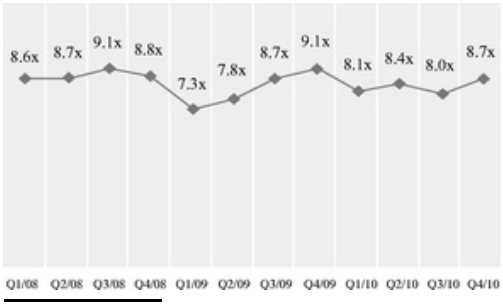
Adjusted gross margin
% of revenue



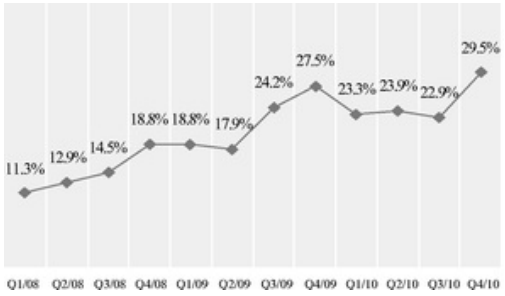
Operating margin (EBIAT)
% of revenue



Asset utilization
Inventory turns[(1)]



Return on invested capital



(1) Inventory turns is equal to 365 divided by the number of days in inventory, which is calculated as the average inventory for the quarter divided by the average daily cost of sales. The days in inventory for each quarter can be found in Item 5, "— Management's Discussion and Analysis of Financial Condition and Results of Operations."

In 2010, total compensation for NEOs was 9.4% of 2010 adjusted earnings, compared to 4.7% of adjusted earnings in 2006.

EXECUTIVE COMPENSATION

Compensation of Named Executive Officers

The following table sets forth the compensation of the NEOs for the financial years ended December 31, 2008 through December 31, 2010.

Table 16: Summary Compensation Table

Name & Principal Position	Year	Salary ($)	Share-based Awards ($)[1][3]	Option-based Awards ($)[2][3]	Non-equity Incentive Plan Compensation: Annual Incentive Plans ($)[4]	Pension Value ($)[5]	All Other Compensation ($)[6]	Total Compensation ($)
Craig H. Muhlhauser[7]	2010	$ 1,000,000	$ 3,750,000	$ 1,250,000	$ 2,044,969	$ 150,815	$ 198,799	$ 8,394,583
President and Chief	2009	$ 1,000,000	$ 3,000,000	$ 1,000,000	$ 904,950	$ 14,273	$ 128,203	$ 6,047,426
Executive Officer	2008	$ 937,500	$ 3,750,000	$ 1,250,000	$ 2,000,000	$ 13,800	$ 168,278	$ 8,119,578
Paul Nicoletti[8]	2010	$ 512,000	$ 1,350,000	$ 450,000	$ 609,178	$ 73,119	$ 2,245	$ 2,996,542
EVP, Chief Financial	2009	$ 512,000	$ 1,080,000	$ 360,000	$ 363,166	$ 79,133	$ 1,274	$ 2,395,573
Officer	2008	$ 507,562	$ 1,350,000	$ 450,000	$ 818,056	$ 48,180	$ 16,982	$ 3,190,780
John Peri[8][10]	2010	$ 504,000	$ 1,125,000	$ 375,000	$ 599,659	$ 77,269	$ 4,184	$ 2,685,112
EVP, Electronics,	2009	$ 504,000	$ 900,000	$ 300,000	$ 417,156	$ 79,749	$ 3,376	$ 2,204,281
Engineering & Supply Chain Management	2008	$ 503,977	$ 1,125,000	$ 375,000	$ 806,364	$ 41,959	$ 298,286	$ 3,150,586
Elizabeth L. DelBianco[8]	2010	$ 444,000	$ 1,125,000	$ 375,000	$ 528,271	$ 68,062	$ 2,078	$ 2,542,411
EVP, Chief Legal &	2009	$ 444,000	$ 900,000	$ 300,000	$ 367,395	$ 59,270	$ 1,004	$ 2,071,669
Administrative Officer and Corporate Secretary	2008	$ 439,924	$ 1,125,000	$ 375,000	$ 709,042	$ 33,906	$ 17,274	$ 2,700,146
Michael McCaughey[9]	2010	$ 371,645	$ 600,000	$ 200,000	$ 431,129	$ 49,190	$ 76,530	$ 1,728,494
SVP and General Manager,	2009	$ 335,366	$ 480,000	$ 160,000	$ 151,745	$ 26,519	$ 2,239	$ 1,155,869
Global Customer Business Units	2008	$ 354,773	$ 600,000	$ 200,000	$ 430,829	$ 19,828	$ 78,870	$ 1,684,300

(1) Amounts in the column represent the value of RSUs and PSUs granted on February 1, 2011 under the LTIP and CSUP, respectively, in respect of 2010 performance. The actual number of RSUs and PSUs granted was based on $9.87, the closing price on the NYSE on January 31, 2011. Please see "— Compensation and Discussion Analysis — Equity-Based Incentives" for a description of the vesting terms of the awards and the process followed in determining the grant. The value included for PSUs is at 100% of target level performance. The number that will actually vest will vary from 0%-200% of the target grant depending on performance.

(2) Amounts in the column represent the value of stock options that were issued under the LTIP on February 1, 2011 in respect of 2010 performance. The actual number of options granted was based on an exercise price of $9.87. Please see "— Compensation and Discussion Analysis — Equity-Based Incentives" for a description of the vesting terms of the awards and the process followed in determining the value of the grant.

(3) The estimated accounting fair value of the equity-based awards is calculated using the market price for subordinate voting shares as defined under each of the plans and various fair value pricing models. The grant date fair value of the option-based awards and RSU portion of the share-based awards in table 16 is the same as the accounting fair value of such awards. The accounting fair value of the PSU portion of the share-based awards to the NEOs with respect to 2010 were as follows: Mr. Muhlhauser — $2.4 million; Mr. Nicoletti — $0.9 million; Mr. Peri — $0.7 million; Mr. McCaughey — $0.4 million and Ms. DelBianco — $0.7 million. The accounting fair value 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 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.

(4) Amounts in this column represent incentive payments made to the NEOs through the CTI Plan. Please see "— Compensation and Discussion Analysis — Celestica Team Incentive Plan" for a description of the plan.

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

(6) Amounts in this column represent, for 2010: (i) for Mr. Muhlhauser, tax equalization payments of $119,210, housing expenses of $37,726 while in Canada, travel expenses between Toronto and New Jersey of $28,422 and tax preparation fees of $1,000; and (ii) for Mr. McCaughey, a special incentive payment of $75,000.

(7) Mr. Muhlhauser did not receive an increase in base salary in 2009; the difference in base salary from 2008 to 2009 reflects the increase he received on April 1, 2008 from $750,000 to $1,000,000, which is his current salary.

(8) In February, 2009, Celestica implemented a policy to pay all Executive Vice Presidents in U.S. dollars. Base salaries paid to Messrs. Nicoletti and Peri and Ms. DelBianco were converted and denominated in U.S. dollars (having been previously denominated in Canadian dollars). These individuals did not receive increases in 2009; differences in base salaries from 2008 to 2009 reflect exchange rate fluctuations prior to implementation.

(9) Mr. McCaughey did not receive an increase in base salary in 2009 or 2010. The difference in base salary from 2008 to 2009 and from 2009 to 2010 reflects the fact that Mr. McCaughey is paid in Canadian dollars and his compensation is reported in U.S. dollars converted at rates of C$1.0298 for 2010, C$1.1412 for 2009 and C$1.0660 for 2008.

(10) On February 24, 2011, Mr. Peri's title was changed to Chief Operating Officer to reflect an increase in his duties and responsibilities as of that date.

The following table provides details of each option grant outstanding and the aggregate number of unvested equity-based awards for each of the NEOs as of December 31, 2010.

Table 17: Outstanding Option-Based and Share-Based Awards[1]

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]	Market Payout Value of Share Awards that have not Vested at Minimum ($)[4]	Market Payout Value of Share Awards that have not Vested at Target ($)[4]	Market Payout Value of Share Awards that have not Vested at Maximum ($)[4]
Craig H. Muhlhauser								
Jun. 6, 2005	50,000	$ 13.00	Jun. 6, 2015	$ —	—	$ —	$ —	$ —
Jan. 31, 2006	148,488	$ 10.00	Jan. 31, 2016	$ —	—	$ —	$ —	$ —
Feb. 2, 2007	500,000	$ 6.05	Feb. 2, 2017	$ 1,825,000	—	$ —	$ —	$ —
Feb. 2, 2007	404,000	$ 6.05	Feb. 2, 2017	$ 1,474,600	—	$ —	$ —	$ —
Feb. 5, 2008	450,000	$ 6.51	Feb. 5, 2018	$ 1,435,500	225,000	$ —	$ 2,182,500	$ 4,365,000
Feb. 3, 2009	623,344	$ 4.13	Feb. 3, 2019	$ 3,472,026	685,185	$ 2,874,071	$ 6,646,295	$ 10,418,518
Feb. 2, 2010	217,865	$ 10.20	Feb. 2, 2020	$ —	297,898	$ 1,558,237	$ 2,889,611	$ 4,220,984
Feb. 1, 2011	258,462	$ 9.87	Feb. 1, 2021	$ —	379,939	$ 1,999,998	$ 3,749,998	$ 5,499,998
Paul Nicoletti								
Dec. 3, 2002	15,000	C$ 29.11	Dec. 3, 2012	$ —	—	$ —	$ —	$ —
Jan. 31, 2004	13,333	C$ 22.75	Jan. 31, 2014	$ —	—	$ —	$ —	$ —
May 11, 2004	3,333	C$ 24.92	May 11, 2014	$ —	—	$ —	$ —	$ —
Dec. 9, 2004	13,600	C$ 18.00	Dec. 9, 2014	$ —	—	$ —	$ —	$ —
Jan. 31, 2006	21,591	C$ 11.43	Jan. 31, 2016	$ —	—	$ —	$ —	$ —
Feb. 2, 2007	12,880	C$ 7.10	Feb. 2, 2017	$ 31,894	—	$ —	$ —	$ —
Jul. 31, 2007	91,500	C$ 6.27	Jul. 31, 2017	$ 300,320	—	$ —	$ —	$ —
Feb. 5, 2008	150,000	C$ 6.51	Feb. 5, 2018	$ 457,370	75,000	$ —	$ 727,500	$ 1,455,000
Feb. 3, 2009	225,000	C$ 5.13	Feb. 3, 2019	$ 987,570	246,667	$ 1,034,670	$ 2,392,670	$ 3,750,670
Feb. 2, 2010	78,431	C$ 10.77	Feb. 2, 2020	$ —	107,243	$ 560,961	$ 1,040,257	$ 1,519,554
Feb. 1, 2011	93,046	C$ 9.87	Feb. 1, 2021	$ —	136,778	$ 719,997	$ 1,349,999	$ 1,980,001
John Peri								
Dec. 3, 2002	25,000	C$ 29.11	Dec. 3, 2012	$ —	—	$ —	$ —	$ —
Jan. 31, 2004	16,667	C$ 22.75	Jan. 31, 2014	$ —	—	$ —	$ —	$ —
Dec. 9, 2004	11,300	C$ 18.00	Dec. 9, 2014	$ —	—	$ —	$ —	$ —
Jan. 31, 2006	20,455	C$ 11.43	Jan. 31, 2016	$ —	—	$ —	$ —	$ —
Feb. 2, 2007	40,404	C$ 7.10	Feb. 2, 2017	$ 100,049	—	$ —	$ —	$ —
Feb. 2, 2007	161,616	C$ 7.10	Feb. 2, 2017	$ 400,195	—	$ —	$ —	$ —
Feb. 5, 2008	130,000	C$ 6.51	Feb. 5, 2018	$ 396,388	65,000	$ —	$ 630,500	$ 1,261,000
Feb. 3, 2009	208,333	C$ 5.13	Feb. 3, 2019	$ 914,416	205,556	$ 862,223	$ 1,993,893	$ 3,125,563
Feb. 2, 2010	65,359	C$ 10.77	Feb. 2, 2020	$ —	89,369	$ 467,472	$ 866,879	$ 1,266,287
Feb. 1, 2011	77,539	C$ 9.87	Feb. 1, 2021	$ —	113,981	$ 599,997	$ 1,124,992	$ 1,649,988
Elizabeth L. DelBianco								
Dec. 3, 2002	12,000	C$ 29.11	Dec. 3, 2012	$ —	—	$ —	$ —	$ —
Dec. 18, 2002	3,000	C$ 23.29	Dec. 18, 2012	$ —	—	$ —	$ —	$ —
Apr. 18, 2003	8,000	C$ 15.35	Apr. 18, 2013	$ —	—	$ —	$ —	$ —
Jan. 31, 2004	16,667	C$ 22.75	Jan. 31, 2014	$ —	—	$ —	$ —	$ —
Dec. 9, 2004	11,300	C$ 18.00	Dec. 9, 2014	$ —	—	$ —	$ —	$ —
Jan. 31, 2006	21,591	C$ 11.43	Jan. 31, 2016	$ —	—	$ —	$ —	$ —
Feb. 2, 2007	9,091	C$ 7.10	Feb. 2, 2017	$ 22,511	—	$ —	$ —	$ —
Feb. 5, 2008	60,000	C$ 6.51	Feb. 5, 2018	$ 182,948	60,000	$ —	$ 582,000	$ 1,164,000
Feb. 3, 2009	156,250	C$ 5.13	Feb. 3, 2019	$ 685,813	205,556	$ 862,223	$ 1,993,893	$ 3,125,563
Feb. 2, 2010	65,359	C$ 10.77	Feb. 2, 2020	$ —	89,369	$ 467,472	$ 866,879	$ 1,266,287
Feb. 1, 2011	77,539	C$ 9.87	Feb. 1, 2021	$ —	113,981	$ 599,997	$ 1,124,992	$ 1,649,988
Michael McCaughey								
Jul. 5, 2005	15,000	C$ 16.20	Jul. 5, 2015	$ —	—	$ —	$ —	$ —
Jan. 31, 2006	20,455	C$ 11.43	Jan. 31, 2016	$ —	—	$ —	$ —	$ —
Feb. 2, 2007	8,333	C$ 7.10	Feb. 2, 2017	$ 20,634	—	$ —	$ —	$ —
Feb. 5, 2008	30,000	C$ 6.51	Feb. 5, 2018	$ 91,474	30,000	$ —	$ 291,000	$ 582,000
Feb. 3, 2009	83,333	C$ 5.13	Feb. 3, 2019	$ 365,765	109,629	$ 459,848	$ 1,063,401	$ 1,666,955
Feb. 2, 2010	34,858	C$ 10.77	Feb. 2, 2020	$ —	47,664	$ 249,319	$ 462,341	$ 675,363
Feb. 1, 2011	41,354	C$ 9.87	Feb. 1, 2021	$ —	60,790	$ 319,995	$ 599,997	$ 879,999

(1) Includes options and share-based awards granted on February 1, 2011 in respect of 2010 performance. Please see "— Compensation Discussion and Analysis — Equity-Based Incentives" for a discussion of the equity grants.

(2) The value of unexercised in-the-money options for Mr. Muhlhauser was determined using a share price of $9.70, which was the closing price of subordinate voting shares on the NYSE on December 31, 2010. For Messrs. Nicoletti, Peri and McCaughey and Ms. DelBianco, a share price of C$9.65 was used, which was the closing price of the subordinate voting shares on the TSX on December 31, 2010, converted to U.S. dollars at the average exchange rate for 2010 of $1.00 equals C$1.0298.

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

(4) Market payout values at minimum vesting include the value of RSUs only as the minimum payout value of PSUs would be 0% of target. Market payout values at target vesting is determined using 100% of PSUs vesting and market payout values at maximum vesting is determined using 200% of PSUs vesting. Market payout values are determined using a share price of $9.70, which was the closing price of the subordinate voting shares on the NYSE on December 31, 2010, except for the share-based awards granted on February 1, 2011 in respect of 2010 performance for which the market payout values are determined using a share price of $9.87, which was the closing price of the subordinate voting shares on the NYSE on January 31, 2011, the day before the grants.

The following table provides details of the value of option-based and share-based awards that vested during 2010 and the value of annual incentive awards paid for 2010 performance for each NEO.

Table 18: Incentive Plan Awards — Value Vested or Earned in 2010

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	$ 2,623,460	$ 6,045,767	$ 2,044,969
Paul Nicoletti	$ 615,658	$ 1,864,678	$ 609,178
John Peri	$ 662,475	$ 2,068,183	$ 599,659
Elizabeth L. DelBianco	$ 456,690	$ 1,365,147	$ 528,271
Michael McCaughey	$ 251,910	$ 941,902	$ 431,129

(1) Amounts in this column reflect the value of options that were in-the-money on the vesting date. Options for Mr. Muhlhauser vested as follows:

Vesting Date	Exercise Price	Closing Price on NYSE of Subordinate Voting Shares on Vesting Date
Feb. 1, 2010	$6.05	$10.20
Feb. 2, 2010	$6.05	$10.63
Feb. 3, 2010	$4.13	$10.45
Feb. 5, 2010	$6.51	$10.02

Options for Messrs. Nicoletti, Peri and McCaughey and Ms. DelBianco vested as follows:

Vesting Date	Exercise Price	Closing Price on TSX of Subordinate Voting Shares on Vesting Date
Feb. 1, 2010	C$7.10	C$10.77
Feb. 3, 2010	C$5.13	C$11.10
Feb. 5, 2010	C$6.51	C$10.71

Options for Mr. Nicoletti vested as follows:

Vesting Date	Exercise Price	Closing Price on TSX of Subordinate Voting Shares on Vesting Date
Aug. 3, 2010	C$ 6.27	C$9.27

(2) Amounts in this column reflect share-based awards that were released in 2010. Share-based awards were released for Mr. Muhlhauser based on the price of subordinate voting shares on the NYSE as follows:

Type of Award	Date	Price
RSUs	Feb. 5, 2010	$ 9.94
RSUs	Dec. 1, 2010	$ 8.91
PSUs	Feb. 2, 2010	$10.20

Share-based awards were released for Messrs. Nicoletti, Peri and McCaughey and Ms. DelBianco based on the price of subordinate voting shares on the TSX as follows:

Type of Award	Date	Price
RSUs	Feb. 5, 2010	C$10.63
RSUs	Dec. 1, 2010	C$ 9.15
PSUs	Feb. 2, 2010	C$10.77

Share-based awards were released for Mr. Nicoletti based on the price of subordinate voting shares on the TSX as follows:

Type of Award	Date	Price
RSUs	May 7, 2010	C$9.67
RSUs	Aug. 3, 2010	C$9.53

All of the preceding C$ values were converted to U.S. dollars at the average exchange rate for 2010 of $1.00 equals C$1.0298. PSUs that vested in 2010 were paid out at 200% as a result of the Company's ROIC performance being equal to or greater than the highest performance of the EMS Competitors.

(3) Includes payments under the CTI Plan made in February 2011 in respect of 2010 performance. Please see "— Compensation Decisions — Celestica Team Incentive Plan." These are the same amounts as disclosed in Table 16 under the column "Non-equity Incentive Plan Compensation — Annual Incentive Plans."

Pension Plans

The following table provides details of the amount of the Celestica contributions to the pension plans and the accumulated value as of December 31, 2010 for each NEO.

Table 19: Defined Contribution Pension Plan

Name	Accumulated Value at Start of Year ($)	Compensatory ($)	Non-compensatory ($)	Accumulated Value at End of Year ($)
Craig H. Muhlhauser	$ 128,092	$ 150,815	$ 57,649	$ 336,556
Paul Nicoletti(1)	$ 365,240	$ 73,119	$ 64,163	$ 502,522
John Peri(1)	$ 603,906	$ 77,269	$ 97,026	$ 778,201
Elizabeth L. DelBianco(1)	$ 303,347	$ 68,062	$ 41,130	$ 412,539
Michael McCaughey	$ 81,676	$ 49,190	$ 561	$ 131,427

(1) The difference between the Accumulated Value at Start of Year and the Accumulated Value at End of Year reported in 2009 for Messrs. Nicoletti and Peri and Ms. DelBianco is attributable to different exchange rates used in 2009 and 2010. The exchange rate used in 2009 was $1.00 = C$1.1412.

Mr. Muhlhauser participates in a defined contribution pension plan that qualifies as a deferred salary arrangement under section 401(k) of the Internal Revenue Code (United States) (the U.S. Plan). Under the U.S. Plan, participating employees may defer 100% of their pre-tax earnings subject to any statutory limitations. The Company may make contributions for the benefit of eligible employees. The U.S. 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. The Company contributes: (i) 3% of eligible compensation for Mr. Muhlhauser, and (ii) up to an additional 3% of eligible compensation by matching 50% of the first 6% contributed by him. The maximum contribution of the Company based on the Internal Revenue Code rules and the plan formula for

2010 is $14,700. Mr. Muhlhauser also participates in a supplementary retirement plan that is also a defined contribution plan that was implemented effective January 1, 2010. It is designed to provide benefits equal to the difference between 8% of Mr. Muhlhauser's salary and paid incentive and the amount that Celestica would contribute to the 401(k) plan assuming he 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. Nicoletti, Peri and McCaughey and Ms. DelBianco participate in the defined contribution portion of the Canadian Pension Plan. The defined contribution portion of the Canadian Pension Plan allows employees to choose how the Company's contributions are invested on their behalf within a range of investment options provided by third party fund managers. The Company's contribution to this plan on behalf of an NEO is 8% of the total of salary and paid annual incentives. The 8% contribution rate was implemented effective January 1, 2010. Prior to 2010, the contribution for each executive was based on years of service and ranged from 3.6% to 6.75%. Retirement benefits depend upon the performance of the investment options chosen. Messrs. Nicoletti, Peri and McCaughey and Ms. DelBianco also participate in an unregistered supplementary pension plan (the Canadian Supplementary Plan) that is also a defined contribution plan that is designed to provide benefits equal to the difference between the benefits determined in accordance with the formula set out in the Canadian Pension Plan and Canada Revenue Agency maximum pension benefits. 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 registered 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 Company has entered into employment agreements with certain of its NEOs in order to provide certainty to the Company 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.

Messrs. Muhlhauser and Nicoletti 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 Company, they are terminated without cause or resign for good reason as defined in their agreements (which provision is commonly referred to as a double trigger provision). A change in control period is defined in their agreements as the period (a) commencing on the date the Company enters into a binding agreement for a change in control, an intention is announced by the Company to effect a change in control or the Board of Directors 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 Company, 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 each of Mr. Nicoletti and Ms. DelBianco is equal to three times their annual base salary and target annual incentive, together with a portion of their 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, in these circumstances, (a) the options granted to each of them vest immediately, (b) the unvested PSUs granted to each of them vest immediately at target level of performance unless the terms of a PSU grant provide otherwise, or on such other more favorable terms as the Board of Directors 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 Company, 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 each of Mr. Nicoletti and Ms. DelBianco is equal to two times their annual base salary and target annual incentive, together with a portion of their target annual incentive for the year prorated to the date of termination. There is no accelerated vesting of options or PSUs. 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 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. In addition, the Company's obligations provide for a cash settlement to cover benefits and contributions to or continuation of their pension and retirement plans for a two-year period following termination. In the event of retirement, (a) 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 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.

The foregoing entitlements are conferred on Messrs. Muhlhauser and Nicoletti 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 a period of two years following termination of employment in the case of Mr. Nicoletti and Ms. DelBianco. In the event of a breach of such obligations, the Company is entitled to seek appropriate legal, equitable and other remedies, including injunctive relief.

The following tables summarize the payments to which Messrs. Muhlhauser and Nicoletti and Ms. DelBianco would have been entitled upon a change in control, or if their employment had been terminated on December 31, 2010 as a result of a change in control, retirement or termination without cause.

Table 20: Mr. Muhlhauser's Benefits

	Cash Portion[1]	Value of Exercisable/ Vested LTIP	Other Benefits[2]	Total
Change in Control — No Termination	—	$ 15,793,445	—	$ 15,793,445
Change in Control — Termination	$ 7,428,913	$ 15,793,445	$ 474,190	$ 23,696,548
Retirement	—	$ 15,536,411	—	$ 15,536,411
Termination without Cause	$ 6,268,263	$ 7,147,076	$ 336,365	$ 13,751,704

(1) Cash portion includes actual CTI payment for 2010.

(2) Other benefits include group health and welfare benefits and 401(k) contribution. There are no incremental benefits resulting from resignation or termination with cause.

Table 21: Mr. Nicoletti's Benefits

	Cash Portion[1]	Value of Exercisable/ Vested LTIP	Other Benefits[2]	Total
Change in Control — No Termination	—	$ 5,169,399	—	$ 5,169,399
Change in Control — Termination	$ 3,174,400	$ 5,169,399	$ 381,600	$ 8,725,399
Retirement	—	$ 5,027,377	—	$ 5,027,377
Termination without Cause	$ 2,252,800	$ 2,202,973	$ 253,960	$ 4,709,733

(1) Cash portion includes actual CTI payment for 2010.

(2) Other benefits include group health benefits and pension plan contribution. There are no incremental benefits resulting from resignation or termination with cause.

Table 22: Ms. DelBianco's Benefits

	Cash Portion[1]	Value of Exercisable/ Vested LTIP	Other Benefits[2]	Total
Change in Control — No Termination	—	$ 4,217,185	—	$ 4,217,185
Change in Control — Termination	$ 2,752,800	$ 4,217,185	$ 333,800	$ 7,303,785
Retirement	—	$ 4,076,907	—	$ 4,076,907
Termination without Cause	$ 1,953,600	$ 1,803,734	$ 222,093	$ 3,979,427

(1) Cash portion includes actual CTI payment for 2010.

(2) Other benefits include group health benefits and pension plan contribution. There are no incremental benefits resulting from resignation or termination with cause.

Messrs. Peri and McCaughey

The terms of employment with the Company for Messrs. Peri and McCaughey are governed by the Company's Executive Employment Guidelines (the Executive Guidelines). Upon termination without cause within two years following a change in control of the Company (a double-trigger provision), Messrs. Peri and McCaughey are entitled to a severance payment equal 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 options granted to Messrs. Peri and McCaughey 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.

Under the Executive Guidelines, the pension and group benefits of Messrs. Peri and McCaughey discontinue on the date of termination.

Outside of the two-year period following a change in control, upon termination without cause, Messrs. Peri and McCaughey 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 options may be exercised for a period of 30 days and unvested 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) 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. Peri and McCaughey 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 payments to which Messrs. Peri and McCaughey would have been entitled upon a change in control, or if their employment had been terminated on December 31, 2010 as a result of a change in control, retirement or termination without cause.

Table 23: Mr. Peri's Benefits

	Cash Portion[1]	Value of Exercisable/ Vested LTIP	Other Benefits	Total
Change in Control — No Termination	—	$ 4,281,782	—	$ 4,281,782
Change in Control — Termination	$ 2,414,059	$ 4,281,782	—	$ 6,695,841
Retirement	—	$ 4,185,362	—	$ 4,185,362
Termination without Cause	$ 2,414,059	$ 1,523,616	—	$ 3,937,675

(1) Cash portion includes actual CTI payment for 2010.

Table 24: Mr. McCaughey's Benefits

	Cash Portion[1]	Value of Exercisable/ Vested LTIP	Other Benefits	Total
Change in Control — No Termination	—	$ 2,232,951	—	$ 2,232,951
Change in Control — Termination	$ 1,477,907	$ 2,232,951	—	$ 3,710,858
Retirement	—	$ 2,140,591	—	$ 2,140,591
Termination without Cause	$ 1,477,907	$ 754,285	—	$ 2,232,192

(1) Cash portion includes actual CTI payment for 2010.

Securities Authorized for Issuance Under Equity Compensation Plans

Table 25: Equity Compensation Plans as at December 31, 2010

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[1] (#)
Equity Compensation Plans Approved by Securityholders	Manufacturers' Services Limited (MSL) (plan acquired as part of acquisition)	909,481	$14.26	0
	LTIP (Options)	9,585,143	$9.35/C$11.91	N/A
	LTIP (RSUs)	995,828	N/A	N/A
	Total[2]	11,490,452	$10.00/C$11.91	15,149,788
Equity Compensation Plans Not Approved by Securityholders		11,487,684	N/A	N/A
	Total:	22,978,136	N/A	15,149,788

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

(2) The total number of securities to be issued under all equity compensation plans approved by shareholders represent 5.36% of the total number of outstanding shares (MSL — 0.42%; LTIP (Options) — 4.48%; and LTIP (RSUs) — 0.46%).

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 Company since the company was listed on the TSX. Under the LTIP, the Board of Directors may in its discretion from time-to-time grant stock options, performance shares, PSUs and stock appreciation rights (SARs) to employees and consultants of the Company and affiliated entities.

Up to 29,000,000 subordinate voting shares may be issued from treasury pursuant to the LTIP. The number of subordinate voting shares that may be issued from treasury under the LTIP to directors is limited to 2,000,000; however, the Company has decided that no more option grants under the LTIP will be made to directors. Under the LTIP, as of February 22, 2011, 5,030,063 subordinate voting shares have been issued from treasury and 8,995,267 subordinate voting shares are issuable under outstanding options. Also as of February 22, 2011, 23,969,937 subordinate voting shares are reserved for issuance from treasury under the LTIP. In addition, the Company may satisfy obligations under the LTIP by acquiring subordinate voting shares in the market.

The Company currently has a "gross overhang" of 11.1%. "Gross overhang" refers to the total number of shares reserved for issuance under equity plans at any given time relative to the total number of shares outstanding, including shares reserved for outstanding options and RSUs. The Company's "net overhang" (i.e. the total number of shares that have been reserved to satisfy outstanding equity grants to employees relative to the total number of shares outstanding) is 5.0%.

The LTIP limits the number of subordinate voting shares 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 options or rights granted pursuant to the LTIP, together with subordinate voting shares reserved for issuance under any other employee-related plan of the Company or options for services granted by the Company, in each case to 10% of the aggregate issued and outstanding subordinate voting shares and multiple voting shares of the Company. The LTIP also limits the number of subordinate voting shares which may be reserved for issuance to any one participant pursuant to options or SARs granted pursuant to the LTIP, together with subordinate voting shares reserved for issuance under any other employee-related plan of the Company or options for services granted by the Company, to 5% of the aggregate issued and outstanding subordinate voting shares and multiple voting shares. The number of grants awarded under the LTIP in any given year cannot exceed 1.2% of the

average aggregate number of subordinate voting shares and multiple voting shares outstanding during that period.

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, options will terminate within specified time periods following the termination of employment of an eligible participant with the Company or affiliated entities. The exercise price for options issued under the LTIP is the closing price for subordinate voting shares on the 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 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 options to, or exercise of options by, an eligible participant may also be subject to certain share ownership requirements. The LTIP also provides that the Company may, at its discretion, make loans or provide guarantees for loans to assist participants to purchase subordinate voting shares upon the exercise of options or to assist participants to pay any income tax eligible upon exercise of options provided that in no event shall any such loan be outstanding for more than 10 years from the date of the option grant. The Company has no such loans or guarantees outstanding.

Under the LTIP, eligible participants may be granted SARs, a right to receive a cash amount equal to the difference between the market price of the subordinate voting shares at the time of the grant and the market price of such shares at the time of exercise of the SAR. The market price used for this purpose is the closing price for subordinate voting shares on the 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. Such amounts may also be payable by the issuance of subordinate voting shares. The exercise of SARs may also be subject to conditions similar to those which may be imposed on the exercise of stock options.

Under the LTIP, eligible participants may be allocated performance units in the form of PSUs or RSUs, which represent the right to receive an equivalent number of subordinate voting shares at a specified release date. The issuance of such shares may be subject to vesting requirements similar to those described above with respect to the exercisability of 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 subordinate voting shares which may be issued to any one person pursuant to the performance unit program shall not exceed 1% of the aggregate issued and outstanding subordinate voting shares and multiple voting shares.

The interests of any participant under the LTIP or in any option, SAR or performance unit are not transferable, subject to limited exceptions.

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 subordinate voting shares that may be issued under the LTIP;

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

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

(d) expanding the rights of participants to assign or transfer an option, SAR or performance 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 an option to have a term of more than 10 years from the grant date;

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

(h) increasing or deleting the percentage limit on subordinate voting shares reserved for issuance to any one person under the LTIP (being 5% of the Company's total issued and outstanding subordinate voting shares and multiple voting shares);

(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 of Directors 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) administrative 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 an option as long as the change does not permit the Company to grant an option with a termination date of more than 10 years from the date of grant or extend an outstanding option's termination date beyond such date; and

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

The CSUP provides for the issuance of RSUs and PSUs in the same manner as provided in the LTIP, except that the Company may not issue shares from treasury to satisfy its obligations under the CSUP and there is no limit on the subordinate voting shares that may be issued under the terms of the CSUP. The issuance of RSUs and PSUs 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 and approved by the Board of Directors.

C. Board Practices

Members of the Board of Directors are elected until the next annual meeting or until their successors are elected or appointed.

Except for the right to receive deferred compensation, no director is entitled to benefits from Celestica when they cease to serve as a director. See Item 6(B) "Compensation."

Board Committees

The Board of Directors has established four standing committees, each with a specific mandate: the Executive Committee, Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. All of these committees are composed of independent directors.

Executive Committee

The members of the Executive Committee are Mr. Crandall and Mr. Etherington, both of whom are independent directors. The purpose of the Executive Committee is to provide a degree of flexibility and ability to respond to time-sensitive matters where it is impractical to call a meeting of the full Board of Directors. The Committee reviews such matters and makes such recommendations thereon to the Board of Directors as it considers appropriate, including matters designated by the Board of Directors as requiring Committee review. Members of the Committee also meet approximately once a month on an informal basis to review and stay informed about current business issues. The Board of Directors is briefed on these issues at their regularly scheduled meetings or, if the matter is material, between regularly scheduled meetings. No decision of the Committee is effective until it is approved or ratified by the Board of Directors.

Audit Committee

The Audit Committee consists of Mr. Crandall, Mr. DiMaggio, Mr. Etherington, Ms. Koellner and Mr. Ryan, all of whom are independent directors and are financially literate. Ms. Koellner and Mr. Ryan joined the Audit Committee on March 9, 2010. Mr. Crandall and Mr. Etherington have each served as a chief financial officer of a large U.S. and/or Canadian organization. Ms. Koellner currently serves as the Chair of the Audit Committee of Sara Lee Corporation and she and Mr. Ryan have each held executive officer positions. 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 mandates 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. 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 advisors as it considers 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.

Compensation Committee

The Compensation Committee consists of Mr. Crandall, Mr. DiMaggio, Mr. Etherington, Ms. Koellner and Mr. Ryan, all of whom are independent directors. 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. The mandate of the Compensation Committee includes the following: review and recommend to the Board of Directors Celestica's overall reward/compensation policy, including an executive compensation policy that is consistent with competitive practice and supports organizational objectives and shareholder interests; review annually, and submit to the Board of Directors for approval, the elements of our incentive compensation plans and equity-based plans, including plan design, performance targets, administration and total funds/shares reserved for payment; review and recommend to the Board of Directors the compensation of the CEO based on the Board of Directors' assessment of the annual performance of the CEO; review and recommend to the Board of Directors the compensation of our most senior executives; review our succession plans for key executive positions; and review and approve material changes to our organizational structure and human resource policies.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of Mr. Crandall, Mr. DiMaggio, Mr. Etherington, Ms. Koellner and Mr. Ryan, all of whom are independent directors. The Nominating and Corporate Governance Committee recommends to the Board of Directors the criteria for selecting candidates for nomination to the Board of Directors and the individuals to be nominated for election by the shareholders. The Committee's mandate includes making recommendations to the Board of Directors relating to the Company's approach to corporate governance, developing the Company's corporate governance guidelines, assessing the performance of the CEO relative to corporate goals and objectives established by the Committee, and assessing the effectiveness of the Board of Directors and its committees.

D. Employees

As of December 31, 2010, we employed approximately 35,000 permanent and temporary (contract) employees worldwide. 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, 2008	12,000	4,000	22,000
December 31, 2009	11,000	3,000	19,000
December 31, 2010	11,000	4,000	20,000

Some of our employees in the Czech Republic, Japan, Mexico, Singapore and Spain are represented by unions. Given the variable nature of our project flow and the quick response time required by our customers, it is critical that we are able to quickly ramp 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, 2010,

approximately 8,600 temporary (contract) employees were engaged by Celestica worldwide. Celestica used, on average, approximately 7,600 temporary (contract) employees throughout 2010. During 2010, approximately 1,300 employees were terminated as a result of restructuring actions. See note 10 to the Consolidated Financial Statements in Item 18 for further information on the restructuring actions.

E. Share Ownership

The following table sets forth certain information concerning the direct and beneficial ownership of shares of Celestica at February 22, 2011 by each director who holds shares and each of the Named Executive Officers and all directors and executive officers of Celestica as a group. Unless otherwise noted, the address of each of the shareholders 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
Robert L. Crandall[3]	110,000 SVS	*	*	*
Dan DiMaggio	0 SVS	—	—	—
William A. Etherington[4]	45,000 SVS	*	*	*
Laurette Koellner	0 SVS	—	—	—
Eamon J. Ryan	0 SVS	—	—	—
Gerald W. Schwartz[5][6]	18,946,368 MVS	100.0%	8.8%	70.6%
	1,339,655 SVS	*	*	*
Craig H. Muhlhauser	967,066 SVS	*	*	*
Paul Nicoletti	538,802 SVS	*	*	*
John Peri	609,618 SVS	*	*	*
Elizabeth L. DelBianco	255,566 SVS	*	*	*
Michael McCaughey	61,661 SVS	*	*	*
All directors and executive officers as a group (16 persons, including above)[7]	18,946,368 MVS	100.0%	8.8%	70.6%
	4,663,009 SVS	2.4%	2.2%	*
Total percentage of all equity shares and total percentage of voting power			10.9%	71.3%

* 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. Certain shares subject to options granted pursuant to management investment plans of Onex are included as owned beneficially by named individuals, although the exercise of these options is subject to Onex meeting certain financial targets. More than one person may be deemed to have beneficial ownership of the same securities.

(2) Information as to shares beneficially owned or shares over which control or direction is exercised is not within Celestica's knowledge and therefore has been provided by each nominee and officer.

(3) Includes 40,000 subordinate voting shares subject to exercisable options.

(4) Includes 35,000 subordinate voting shares subject to exercisable options.

(5) The address of this shareholder is: c/o Onex Corporation, 161 Bay Street, P.O. Box 700, Toronto, Ontario, Canada M5J 2S1.

(6) Includes 120,657 subordinate voting shares owned by a company controlled by Mr. Schwartz and all of the shares of Celestica beneficially owned by Onex, or in respect of which Onex exercises control or direction, of which 688,807 subordinate voting shares are subject to options granted to Mr. Schwartz pursuant to certain management incentive plans of Onex and 792,826 subordinate voting shares held in trust for Celestica Employee Nominee Corporation as agent for and on behalf of certain executives and employees of Celestica pursuant to certain of Celestica's employee share purchase and option plans. Mr. Schwartz, a director of Celestica, is 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, Mr. Schwartz may be deemed to be the beneficial owner of shares of Celestica owned by Onex; Mr. Schwartz, however, disclaims such beneficial ownership of the Celestica shares held by Onex and Celestica Employee Nominee Corporation.

(7) Includes 2,377,664 subordinate voting shares subject to exercisable options.

Multiple voting shares and subordinate voting shares have different voting rights. Subordinate voting shares represent approximately 29% of the aggregate voting rights attached to Celestica's shares. See Item 10, "Additional Information — Memorandum and Articles of Incorporation."

At February 22, 2011, approximately 1,300 persons held options to acquire an aggregate of approximately 9,900,000 subordinate voting shares. Most of these options were issued pursuant to our Long-Term Incentive Plan. See Item 6(B), "Compensation." The following table sets forth information with respect to options outstanding as at February 22, 2011.

Beneficial Holders	Number of Subordinate Voting Shares Under Option	Exercise Price	Year of Issuance	Date of Expiry
Executive Officers (10 persons in total)	10,250	$14.20-C$23.29	During 2002	November 14, 2012-December 18, 2012
	80,700	$18.66/C$29.11	December 3, 2002	December 3, 2012
	8,000	C$15.35	April 18, 2003	April 18, 2013
	84,000	$17.15/C$22.75	January 31, 2004	January 31, 2014
	8,333	$19.64-C$24.92	During 2004	May 11, 2014-June 8, 2014
	64,700	$14.86/C$18.00	December 9, 2004	December 9, 2014
	65,000	$13.00-C$16.20	During 2005	June 6, 2015-July 5, 2015
	266,671	$10.00/C$11.43	January 31, 2006	January 31, 2016
	373,231	$6.05/C$7.10	February 2, 2007	February 2, 2017
	141,500	$5.88/C$6.27	July 31, 2007	July 31, 2017
	690,625	$6.51/C$6.51	February 5, 2008	February 5, 2018
	103,679	$5.26	November 5, 2008	November 5, 2018
	1,499,304	$4.13/C$5.13	February 3, 2009	February 3, 2019
	25,000	$8.05	November 5, 2009	November 5, 2019
	599,126	$10.20/C$10.77	February 2, 2010	February 2, 2020
	754,710	$9.87/C$9.87	February 1, 2011	February 1, 2021
Directors who are not Senior Management	20,000	$44.23	July 7, 2001	July 7, 2011
	20,000	$35.95	October 22, 2001	October 22, 2011
	5,000	$32.40	April 21, 2002	April 21, 2012
	15,000	$10.62	April 18, 2003	April 18, 2013
	15,000	$18.25	May 10, 2004	May 10, 2014
All other Celestica Employees (other than MSL) (approximately 1,200 persons in total)	44,400	$24.91-C$66.78	During 2001	April 9, 2011-October 10, 2011
	33,360	$41.89/C$66.06	December 4, 2001	December 4, 2011
	49,300	$13.10-C$39.57	During 2002	May 8, 2012-December 10, 2012
	651,700	$18.66/C$29.11	December 3, 2002	December 3, 2012
	97,400	$10.62-$19.90	During 2003	January 31, 2013-December 10, 2013
	708,132	$17.15/C$22.75	January 31, 2004	January 31, 2014
	141,075	$13.28-C$24.92	During 2004	January 19, 2014-November 5, 2014
	261,620	$14.86/C$18.00	December 9, 2004	December 9, 2014
	41,020	$9.71-C$16.23	During 2005	January 5, 2015-December 5, 2015
	301,272	$10.00/C$11.43	January 31, 2006	January 31, 2016
	41,718	$9.23-C$12.54	During 2006	February 6, 2016-December 5, 2016
	307,624	$6.05/C$7.10	February 2, 2007	February 2, 2017
	140,562	$5.47-C$7.76	During 2007	February 26, 2017-December 7, 2017
	497,875	$6.51/C$6.51	February 5, 2008	February 5, 2018
	172,646	$4.90-C$9.38	During 2008	March 5, 2018-December 5, 2018
	347,220	$4.13/C$5.13	February 3, 2009	February 3, 2019
	36,250	$4.04/C$4.93	February 5, 2009	February 5, 2019
	149,237	$10.20/C$10.77	February 2, 2010	February 2, 2020
	123,027	$9.87/C$9.87	February 1, 2011	February 1, 2021
MSL Employees[(1)]	889,137	$9.73-$19.81	From 2001 to 2003	April 18, 2011-September 8, 2013

(1) Represents options outstanding under certain stock option plans that were assumed by Celestica on March 12, 2004 as part of an acquisition.

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 22, 2011 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. Subordinate voting shares represent approximately 29% of the aggregate voting rights attached to Celestica's shares. See Item 10, "Additional Information — Memorandum and Articles of Incorporation."

Name of Beneficial Owner[1]	Type of Ownership	Number of Shares	Percentage of Class	Percentage of all Equity Shares	Percentage of Voting Power
Onex Corporation[2][3]	Direct and Indirect	18,946,368 MVS	100.0%	8.8%	70.6%
		1,218,998 SVS	*	*	*
Gerald W. Schwartz[2][4]	Direct and Indirect	18,946,368 MVS	100.0%	8.8%	70.6%
		1,339,655 SVS	*	*	*
MacKenzie Financial Corporation[5][6]	Indirect	36,256,169 SVS	18.4%	16.8%	5.4%
Greystone Managed Investments Inc.[7][8]	Indirect	13,036,277 SVS	6.6%	6.0%	1.9%
Letko, Brosseau & Ass. Inc.[9][10]	Indirect	12,250,201 SVS	6.2%	5.7%	1.8%
Total percentage of all equity shares and total percentage of voting power				37.9%	80.0%

* 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) The address of this shareholder is: c/o Onex Corporation, 161 Bay Street, P.O. Box 700, Toronto, Ontario, Canada M5J 2S1.

(3) Includes 945,010 multiple voting shares held by wholly-owned subsidiaries of Onex, 792,826 subordinate voting shares held in trust for Celestica Employee Nominee Corporation as agent for and on behalf of certain executives and employees of Celestica pursuant to certain of Celestica's employee share purchase and option plans, and 102,597 subordinate voting shares 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 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 or (ii) Onex and its affiliates 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, 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 by Onex 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 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 trustee for the benefit of the holders of the subordinate voting shares, that has the effect of preventing transactions that otherwise would deprive the holders of subordinate voting shares of rights under applicable provincial take-over bid legislation to which they would have been entitled in the event of a take-over bid for the multiple voting shares if the multiple voting shares had been subordinate voting shares.

(4) Includes 120,657 subordinate voting shares owned by a company controlled by Mr. Schwartz and all of the shares of Celestica beneficially owned by Onex, or in respect of which Onex exercises control or direction, of which 688,807 subordinate voting shares are subject to options granted to Mr. Schwartz pursuant to certain management incentive plans of Onex. 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, Mr. Schwartz may be deemed to be the beneficial owner of the Celestica shares owned by Onex; Mr. Schwartz, however, disclaims such beneficial ownership of the Celestica shares held by Onex and Celestica Employee Nominee Corporation.

(5) The address of this shareholder is: 180 Queen Street West, Toronto, Ontario, Canada M5V 3K1.

(6) This information reflects share ownership as of January 31, 2011 and is taken from the Alternative Monthly Report filed by MacKenzie Financial Corporation with the Canadian Securities Administrators on SEDAR (www.sedar.com) on February 10, 2011.

(7) The address of this shareholder is: 300-1230 Blackfoot Drive, Regina, Saskatchewan, Canada S4S 7G4.

(8) This information reflects share ownership as of December 31, 2010 and is taken from Schedule 13G filed by Greystone Managed Investments Inc. with the SEC on February 7, 2011.

(9) The address of this shareholder is: 1800 McGill College Avenue, Suite 2510, Montreal, Quebec, Canada H3A 3J6.

(10) This information reflects share ownership as of December 31, 2010 and is taken from Schedule 13G filed by Letko, Brosseau & Ass. Inc. with the SEC on February 14, 2011.

In 2009, Onex converted approximately 11 million multiple voting shares into subordinate voting shares. Onex sold these subordinate voting shares as part of a secondary offering, resulting in a reduction in ownership percentages from 2008 to 2009. MacKenzie Financial Corporation has been a major shareholder since 2007 and in 2010, had increased its holdings by approximately 5% from 2009. Letko, Brosseau & Ass. Inc. were major shareholders in 2008, 2009 and 2010. Barclays Global Investors ceased to hold 5% of subordinate voting shares during 2009. Greystone Managed Investments Inc. became a holder of 5% or more of the subordinate voting shares during 2009.

Holders

On February 22, 2011, there were approximately 1,850 holders of record of subordinate voting shares, of which 447 holders, holding approximately 53% of the outstanding subordinate voting shares, were resident in the United States and 417 holders, holding approximately 47% of the outstanding subordinate voting shares, were resident in Canada.

B. Related Party Transactions

Onex, which, directly or indirectly, owns all of the outstanding multiple voting shares, has entered into an agreement with Celestica and with Computershare Trust Company of Canada, as trustee for the benefit of the holders of the subordinate voting shares, to ensure that the holders of the subordinate voting shares will not be deprived of any rights under applicable Ontario provincial take-over bid legislation to which they would be entitled in the event of a take-over bid as if the multiple voting shares and subordinate voting shares were of a single class of shares.

On January 1, 2009, Celestica and Onex entered into a Services Agreement for the services of Mr. Schwartz as a director of the Company. The term of the Services Agreement is for one year and shall automatically renew 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 equal quarterly installments in arrears in DSUs. 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 paid.

Certain information concerning other related party transactions 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 — Related Party Transactions."

Indebtedness of Related Parties

As at February 22, 2011, no executive officer or member of the Board of Directors of Celestica was indebted to Celestica in connection with the purchase of subordinate voting shares or in connection with any other transaction.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

See Item 18, "Financial Statements."

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 a party to certain securities class action lawsuits commenced against Celestica that contain claims against the Company and other persons. These lawsuits allege, among other things, that during the purported class 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 Mexican operations and our information technology and communications divisions. See Item 5, "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations." The claims in one such class action have been dismissed, but the plaintiffs are pursuing an appeal of the dismissal against us and two of our former officers. We believe that the allegations in the claims and the appeal are without merit and we intend to defend against them vigorously. However, there can be no assurance that the outcome of the litigation 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 claims and the appeal. We have liability insurance coverage that may cover some of our litigation expenses, potential judgments or settlement costs.

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 of Directors does not anticipate paying any dividends for the foreseeable future. Our Board of Directors 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. 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.

	NYSE		
	High	Low	Volume
	(Price per SVS)		
Year ended December 31, 2006	$ 12.02	$ 7.68	189,612,500
Year ended December 31, 2007	8.01	5.32	327,398,900
Year ended December 31, 2008	9.74	3.27	424,530,000
Year ended December 31, 2009	10.09	2.59	277,960,000
Year ended December 31, 2010	11.24	7.51	207,160,000

	TSX		
	High	Low	Volume
	(Price per SVS)		
Year ended December 31, 2006	C$ 13.93	C$ 8.90	183,891,193
Year ended December 31, 2007	9.48	5.68	300,052,192
Year ended December 31, 2008	9.68	4.31	276,670,000
Year ended December 31, 2009	10.80	3.41	193,290,000
Year ended December 31, 2010	11.41	8.04	174,660,000

The high and low market prices for each full fiscal quarter for the two most recent fiscal years based on market closing prices.

	NYSE		
	High	Low	Volume
	(Price per SVS)		
Year ended December 31, 2009			
First quarter	$ 4.90	$ 2.59	71,890,000
Second quarter	7.74	3.73	86,630,000
Third quarter	10.09	6.15	60,450,000
Fourth quarter	9.77	7.89	58,990,000
Year ended December 31, 2010			
First quarter	$ 11.24	$ 9.08	58,160,000
Second quarter	11.02	8.06	68,570,000
Third quarter	9.15	7.51	42,060,000
Fourth quarter	9.84	8.38	38,370,000

	TSX		
	High	Low	Volume
	(Price per SVS)		
Year ended December 31, 2009			
First quarter	C$ 5.98	C$ 3.41	45,030,000
Second quarter	8.60	4.65	57,970,000
Third quarter	10.80	7.23	44,120,000
Fourth quarter	10.13	8.54	46,170,000
Year ended December 31, 2010			
First quarter	C$ 11.41	C$ 9.63	40,460,000
Second quarter	11.01	8.60	47,470,000
Third quarter	9.41	8.04	43,460,000
Fourth quarter	9.95	8.58	43,270,000

The high and low market prices for each month for the most recent six months based on market closing prices.

	NYSE		
	High	Low	Volume
	(Price per SVS)		
August 2010	$ 9.15	$ 7.51	13,960,000
September 2010	8.59	7.73	14,560,000
October 2010	8.98	8.38	11,620,000
November 2010	9.26	8.56	12,920,000
December 2010	9.84	9.02	13,830,000
January 2011	9.99	9.29	12,910,000

	TSX		
	High	Low	Volume
	(Price per SVS)		
August 2010	C$ 9.27	C$ 8.04	13,730,000
September 2010	8.87	8.13	18,130,000
October 2010	9.19	8.58	12,420,000
November 2010	9.33	8.71	19,390,000
December 2010	9.95	9.17	11,460,000
January 2011	9.91	9.21	13,400,000

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 hereby incorporated by reference to this 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 attaching 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-3 (Reg. No. 333-69278), filed with the SEC on September 12, 2001, which section is hereby incorporated by reference into this Annual Report.

Additional information concerning the rights and limitations of shareholders found in Celestica's articles of incorporation is hereby incorporated by reference to our registration statement on Form F-4 (Reg. No. 333-9636).

C. Material Contracts

Information about material contracts, other than contracts entered into in the ordinary course of business, to which Celestica or any member of Celestica's group is a party, for the two years immediately preceding the publication of this Annual Report are described in Item 5, "Operating and Financial Review and Prospects — Liquidity and Capital Resources — Capital Resources."

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, except as described under 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 22, 2011, 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 to derive or to have derived their value 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 December 31, 2010, 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 Company'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.

Subject to possible future changes in U.S. tax law, individuals, estates or trusts who receive "qualified dividend income" (excluding dividends from a PFIC) in taxable years beginning after December 31, 2002 and before January 1, 2013 generally will be taxed at a maximum U.S. federal rate of 15% (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. Absent legislative action to extend the current rates, dividends paid after 2012 will be subject to tax, as ordinary income, at rates up to 39.6%. 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.

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 and is eligible for a maximum 15% rate of taxation for non-corporate taxpayers. Absent legislative action to extend the current rates, such maximum rate will increase to 20% for long-term capital gain that is recognized after 2012. 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 was a

PFIC and a United States Holder did not make an election to treat the company 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 company 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; and

- a 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.

The special PFIC rules do not apply to a United States Holder if the United States Holder makes an election to treat the company 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. 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 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 would 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 2010, 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 Company 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, based on our current business plan, we may be a PFIC in 2011 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 Back-up 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.

Information Reporting and Back-up 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.

Recently enacted legislation requires U.S. individuals 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 amount as the IRS may prescribe in future guidance). 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 back-up 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 necessarily complete. If the contract or document is filed as an exhibit to this Annual Report or is incorporated by reference, 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 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 Section 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 (http://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 (http://www.sedar.com).

You may access other information about Celestica on our website at http://www.celestica.com.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

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, 2010, we had foreign currency contracts covering various currencies in an aggregate notional amount of $658.7 million. These contracts had a fair value net unrealized gain of U.S.$13.0 million at December 31, 2010 (December 31, 2009 — U.S.$8.0 million net unrealized gain).

	Expected Maturity Date					
	2011	2012	2013 - 2015	2016 and thereafter	Total	Fair Value Gain (Loss)
Forward Exchange Agreements						
Contract amount in millions						
Receive C$/Pay U.S.$						
Contract amount	$ 293.1	$ 3.5	$ —	$ —	$ 296.6	$ 5.4
Average exchange rate	0.98	0.93				
Receive Thai Baht/Pay U.S.$						
Contract amount	$ 81.9	—	—	—	$ 81.9	$ 2.3
Average exchange rate	0.03					
Receive Mexican Peso/Pay U.S.$						
Contract amount	$ 71.0	—	—	—	$ 71.0	$ 1.5
Average exchange rate	0.08					
Receive Malaysian Ringgit/Pay U.S.$						
Contract amount	$ 62.6	—	—	—	$ 62.6	$ 1.8
Average exchange rate	0.31					
Pay British Pound Sterling/Receive U.S.$						
Contract amount	$ 56.9	—	—	—	$ 56.9	$ 1.4
Average exchange rate	1.58					
Receive U.S.$/Pay Euro						
Contract amount	$ 39.2	—	—	—	$ 39.2	$ —
Average exchange rate	1.34					
Receive Singapore $/Pay U.S.$						
Contract amount	$ 23.4	—	—	—	$ 23.4	$ 1.0
Average exchange rate	0.74					
Receive Romanian Lei/Pay U.S.$						
Contract amount	$ 7.1	—	—	—	$ 7.1	$ —
Average exchange rate	0.31					
Pay Japanese Yen/Receive U.S.$						
Contract amount	$ 7.5	—	—	—	$ 7.5	$ (0.2)
Average exchange rate	0.01					
Pay Swiss Franc/Receive U.S.$						
Contract amount	$ 7.2	—	—	—	$ 7.2	$ (0.2)
Average exchange rate	1.04					
Pay Brazilian Real/Receive U.S.$						
Contract amount	$ 3.7	—	—	—	$ 3.7	$ —
Average exchange rate	0.59					
Receive Czech Koruna/Pay U.S.$						
Contract amount	$ 1.6	—	—	—	$ 1.6	$ —
Average exchange rate	0.05					
Total	$ 655.2	$ 3.5	$ —	$ —	$ 658.7	$ 13.0

Interest Rate Risk

Borrowings under our revolving credit facility bear interest at LIBOR plus a margin. If we borrow under this facility, we are exposed to interest rate risks due to fluctuations in the LIBOR rate. A one-percentage point increase in the LIBOR rate would increase interest expense by $4.0 million annually, assuming we borrow a maximum of $400.0 million under our recently renewed facility. See note 7 to the Consolidated Financial Statements in Item 18.

We redeemed all of our outstanding Senior Subordinated Notes by March 31, 2010. See note 7 to the Consolidated Financial Statements in Item 18.

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 concerning our controls and procedures 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."

The attestation report from our auditors KPMG LLP is set forth on page F-2 of our financial statements.

Item 16. [Reserved.]

Item 16A. Audit Committee Financial Expert

The Board of Directors has considered the extensive financial experience of Messrs. Crandall and Etherington and Ms. Koellner, including their respective experiences serving as the Chief Financial Officer and/or Vice President-Controller of a large U.S. and/or Canadian organization, and has determined that each of them is an audit committee financial expert within the meaning of the U.S. Sarbanes Oxley Act of 2002.

The Board of Directors also determined that Messrs. Crandall and Etherington and Ms. Koellner are independent directors, as that term is defined in the NYSE listing standards.

Item 16B. Code of Ethics

The Board of Directors has adopted a Finance Code of Professional Conduct for Celestica's CEO, our senior finance officers and all personnel in the finance organization to deter wrongdoing and promote honest and ethical conduct in the practice of financial management; full, fair, accurate, timely and understandable disclosure; and compliance with all applicable laws and regulations. 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 http://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 of Directors. 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 does so only if it considers that these services are compatible with the external auditor's independence.

Our auditors are KPMG LLP. KPMG did not provide any financial information systems design or implementation services to us during 2009 or 2010. 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 $3.4 million in 2010 (2009 — $3.4 million) for audit services.

Audit-Related Fees

KPMG billed $0.7 million in 2010 (2009 — $0.3 million) for audit-related services.

Tax Fees

KPMG billed $0.5 million in 2010 (2009 — $0.5 million) for tax compliance, tax advice and tax planning services.

Pre-approval Policies and Procedures Percentage of Services Approved by Audit Committee

All KPMG services and fees are approved by the Audit Committee.

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

None.

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 U.S. Securities and Exchange Commission under its rules and those mandated by the United States Sarbanes Oxley Act of 2002. Today, we meet and often exceed not only corporate governance legal requirements in Canada and the United States, but also the best practices recommended by securities regulators. 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. Celestica complies with the 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 company in the open market. NYSE rules require approval of all equity compensation plans regardless of whether new issuances or treasury shares are used.

We submitted a certificate of Craig H. Muhlhauser, our CEO, to the NYSE in 2010 certifying that he was not aware of any violation by Celestica of its corporate governance listing standards.

Corporate Social Responsibility

We have a heritage of strong corporate citizenship and uphold policies and principles that focus our corporate social responsibility initiatives across five key focus areas: labor, ethics, the environment, occupational health and safety, and giving.

Our guiding policies and principles include:

- Our Values, developed with input from our employees to reflect the characteristics and behaviours that are core to our company.
- 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.
- The Electronics Industry Citizenship Coalition (EICC), of which we were a founding 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. Celestica is continually working to implement, manage and audit our compliance with this Code.

In 2010, we launched our first integrated Corporate Social Responsibility Information Package. This package includes our Corporate Social Responsibility Report, Environmental Sustainability Report and Business Conduct Governance Policy and is available on our corporate website at http://www.celestica.com. These documents outline 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 2011 and beyond.

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:

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.	Articles of Incorporation and Bylaws as currently in effect:					
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 Article of Incorporation effective May 13, 2003	20-F	001-14832	May 19, 2004	1.9	
1.10	Restated Article of Incorporation effective June 25, 2004	20-F	001-14832	March 23, 2010	1.10	
1.11	Bylaw No. 1	20-F	001-14382	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. A	20-F	001-14832	May, 2004	1.14	
2.	Instruments defining rights of holders of equity or debt securities:					
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	
2.3	Indenture, dated as of June 16, 2004, between Celestica Inc. and JPMorgan Chase Bank, N.A., as trustee	6-K	0001-14832	June 17, 2004	4.11	
2.4	Sixth Revolving Term Credit Agreement, dated January 14, 2011, between: Celestica Inc., the Subsidiaries of Celestica Inc. specified therein as Designated Subsidiaries, CIBC World Markets, as Joint Lead Arranger, RBC Capital Markets, as Joint Lead Arranger and Co-Syndication Agent, Canadian Imperial Bank of Commerce, a Canadian Chartered Bank, as Administrative Agent, Banc of America Securities LLC, as Co-Syndication Agent and the financial institutions named in Schedule A, as lenders					X

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Filing Date	Exhibit No.	
2.5	Seventh Amendment dated November 17, 2010 to Revolving Trade Receivables Purchase Agreement between Celestica Inc., Celestica Corporation, Celestica Czech Republic S.R.O., Celestica Holdings PTE LTD, Celestica Valencia S.A., Celestica Hong Kong LTD., and Deutsche Bank AG, New York Branch					X
4.	Certain Contracts:					
4.1	Services Agreement, dated as of January 1, 2009, between Celestica Inc. and Onex Corporation	20-F	0001-14382	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	0001-14832	March 25, 2008	4.4	
4.3	Executive Employment Agreement, dated as of July 26, 2007, between Celestica Inc., Celestica International Inc. and Paul Nicoletti	20-F	0001-14832	March 25, 2008	4.5	
4.4	Executive Employment Agreement, dated as of January 1, 2008, between Celestica Inc., Celestica International Inc. and Elizabeth L. DelBianco	20-F	0001-14832	March 25, 2008	4.6	
4.5	Amended and Restated Celestica Inc. Long-Term Incentive Plan	20-F	0001-14382	March 23, 2010	4.5	
4.6	Amended & Restated Celestica Share Unit Plan					X
4.7	D2D Employee Share Purchase and Option Plan (1997)	F-1/A	333-8700	June 1, 1998	10.20	
4.8	Celestica 1997 U.K. Approved Share Option Scheme	F-1	333-8700	April 29, 1998	10.19	
4.9	1998 U.S. Executive Share Purchase and Option Plan	S-8	333-9500	October 8, 1998	4.6	
8.1	Subsidiaries of Registrant					X
11.1	Finance Code of Professional Conduct	20-F	0001-14382	March 23, 2010	11.1	
11.2	Business Conduct Governance Policy	20-F	0001-14382	March 23, 2010	11.2	
12.1	Chief Executive Officer Certification					X
12.2	Chief Financial Officer Certification					X
13.1	Certification required by Rule 13a-14(b)*					X
15.1	Celestica Audit Committee Mandate	20-F	001-14832	March 21, 2006	15.1	
15.2	Consent of KPMG LLP, Chartered Accountants					X

* Pursuant to Commission Release No. 33-8212, this certification will be treated as "accompanying" this Annual Report on Form 20-F and not "filed" as part of such report 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.

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 22, 2011

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. The Company's internal control system was designed to provide reasonable assurance to its management and Board of Directors regarding the preparation and fair presentation of published financial statements in accordance with generally accepted accounting principles. 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, 2010 based on the criteria set forth in the Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that, as of December 31, 2010, 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.

March 22, 2011

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Celestica Inc.

We have audited Celestica Inc.'s (the "Company") internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company'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, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company and subsidiaries as at December 31, 2010 and 2009, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2010, and our report dated March 22, 2011 expressed an unqualified opinion on those consolidated financial statements.

Toronto, Canada
March 22, 2011

/s/ KPMG LLP
Chartered 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. and subsidiaries as at December 31, 2010 and 2009 and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2010. These consolidated financial statements are the responsibility of the Company'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 Canadian generally accepted auditing standards and 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 financial statements are free of 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 financial position of the Company and subsidiaries as of December 31, 2010 and 2009 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2010 in conformity with Canadian generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2010, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 22, 2011 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Toronto, Canada
March 22, 2011

/s/ KPMG LLP
Chartered Accountants,
Licensed Public Accountants

CELESTICA INC.

CONSOLIDATED BALANCE SHEETS

(in millions of U.S. dollars)

	As at December 31	
	2009	2010
Assets		
Current assets:		
Cash and cash equivalents (note 19)	$ 937.7	$ 632.8
Accounts receivable	828.1	945.1
Inventories (note 2(f))	676.1	845.7
Prepaid and other assets (note 14(d))	74.5	87.0
Income taxes recoverable	21.2	15.6
Deferred income taxes (note 11)	5.2	5.2
	2,542.8	2,531.4
Property, plant and equipment (note 4)	393.8	368.7
Goodwill (note 5)	—	11.0
Intangible assets (note 5)	32.3	33.0
Other long-term assets (note 6)	137.2	159.5
	$ 3,106.1	$ 3,103.6
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 927.1	$ 1,176.2
Accrued liabilities (notes 10(a), 20(d) and (g))	331.9	330.9
Income taxes payable	38.0	55.4
Current portion of long-term debt (note 7)	222.8	—
	1,519.8	1,562.5
Accrued pension and post-employment benefits (notes 13 and 20(c))	75.4	81.2
Deferred income taxes (note 11)	28.0	30.3
Other long-term liabilities	7.1	8.3
	1,630.3	1,682.3
Shareholders' equity:		
Capital stock	3,591.2	3,329.4
Treasury stock (note 8(e))	(0.4)	(15.9)
Contributed surplus	211.0	349.6
Deficit	(2,381.8)	(2,301.0)
Accumulated other comprehensive income	55.8	59.2
	1,475.8	1,421.3
	$ 3,106.1	$ 3,103.6

Commitments, contingencies and guarantees (note 16).
Canadian and United States accounting policy differences (note 20).
Subsequent events (note 7(a)).

See accompanying notes to consolidated financial statements.

CELESTICA INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions of U.S. dollars, except per share amounts)

	Year ended December 31		
	2008	2009	2010
Revenue	$ 7,678.2	$ 6,092.2	$ 6,526.1
Cost of sales	7,147.1	5,662.4	6,082.8
Gross profit	531.1	429.8	443.3
Selling, general and administrative expenses (SG&A) (note 2(s)(1))	292.0	244.5	250.2
Amortization of intangible assets (note 5)	26.9	21.9	15.6
Other charges (note 10)	885.2	68.0	68.4
Interest on long-term debt (note 7)	57.8	35.3	6.3
Other interest expense (income)	(15.3)	(0.3)	0.2
Earnings (loss) before income taxes	(715.5)	60.4	102.6
Income tax expense (recovery) (note 11):			
Current	18.4	33.6	33.4
Deferred	(13.4)	(28.2)	(11.6)
	5.0	5.4	21.8
Net earnings (loss)	$ (720.5)	$ 55.0	$ 80.8
Basic earnings (loss) per share	$ (3.14)	$ 0.24	$ 0.35
Diluted earnings (loss) per share	$ (3.14)	$ 0.24	$ 0.35
Shares used in computing per share amounts (in millions):			
Basic	229.3	229.5	227.8
Diluted (note 2(r))	229.3	230.9	230.1
Net earnings (loss) in accordance with U.S. GAAP (note 20)	$ (725.8)	$ 39.0	$ 80.9
Basic earnings (loss) per share, in accordance with U.S. GAAP (note 20)	$ (3.17)	$ 0.17	$ 0.36
Diluted earnings (loss) per share, in accordance with U.S. GAAP (note 20)	$ (3.17)	$ 0.17	$ 0.35

See accompanying notes to consolidated financial statements.

CELESTICA INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions of U.S. dollars)

	Year ended December 31		
	2008	2009	2010
Net earnings (loss)	$ (720.5)	$ 55.0	$ 80.8
Other comprehensive income (loss), net of tax (note 9):			
Currency translation adjustment	11.5	(1.6)	1.6
Reclass foreign currency translation to other charges	—	1.8	—
Change from derivatives designated as hedges	(58.0)	46.2	1.8
Comprehensive income (loss)	$ (767.0)	$ 101.4	$ 84.2

See accompanying notes to consolidated financial statements.

CELESTICA INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in millions of U.S. dollars)

	Capital stock (note 8)	Treasury stock (note 8)	Contributed surplus	Warrants (note 8)	Deficit	Accumulated other comprehensive income (note 9)
Balance — December 31, 2007	$ 3,585.2	$ (0.3)	$ 190.6	$ 3.1	$ (1,716.3)	$ 55.9
Shares issued	3.3	—	—	—	—	—
Warrants cancelled	—	—	3.1	(3.1)	—	—
Purchase of treasury stock	—	(11.9)	—	—	—	—
Stock-based compensation	—	5.0	16.9	—	—	—
Other	—	—	1.0	—	—	—
Net loss for the year	—	—	—	—	(720.5)	—
Currency translation adjustment	—	—	—	—	—	11.5
Change from derivatives designated as hedges	—	—	—	—	—	(58.0)
Balance — December 31, 2008	3,588.5	(7.2)	211.6	—	(2,436.8)	9.4
Shares issued	2.7	—	—	—	—	—
Purchase of treasury stock (note 8)	—	(8.4)	—	—	—	—
Stock-based compensation	—	15.2	10.8	—	—	—
Reclass to accrued liabilities (note 8)	—	—	(13.3)	—	—	—
Other	—	—	1.9	—	—	—
Net earnings for the year	—	—	—	—	55.0	—
Currency translation adjustment	—	—	—	—	—	0.2
Change from derivatives designated as hedges	—	—	—	—	—	46.2
Balance — December 31, 2009	3,591.2	(0.4)	211.0	—	(2,381.8)	55.8
Shares issued	6.6	—	—	—	—	—
Repurchase of capital stock (note 8)	(268.4)	—	127.8	—	—	—
Purchase of treasury stock (note 8)	—	(26.2)	—	—	—	—
Stock-based compensation	—	10.7	19.1	—	—	—
Reclass to accrued liabilities (note 8)	—	—	(9.2)	—	—	—
Other	—	—	0.9	—	—	—
Net earnings for the year	—	—	—	—	80.8	—
Currency translation adjustment	—	—	—	—	—	1.6
Change from derivatives designated as hedges	—	—	—	—	—	1.8
Balance — December 31, 2010	$ 3,329.4	$ (15.9)	$ 349.6	$ —	$ (2,301.0)	$ 59.2

See accompanying notes to consolidated financial statements.

CELESTICA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of U.S. dollars)

	Year ended December 31		
	2008	2009	2010
Cash provided by (used in):			
Operations:			
Net earnings (loss)	$ (720.5)	$ 55.0	$ 80.8
Items not affecting cash:			
Depreciation and amortization	109.2	100.4	87.8
Deferred income tax recovery (note 11)	(13.4)	(28.2)	(11.6)
Stock-based compensation	23.4	28.0	31.7
Restructuring charges (note 10)	1.1	3.8	0.3
Other charges (note 10)	850.3	9.5	14.4
Other	(0.2)	(4.0)	(6.2)
Changes in non-cash working capital items:			
Accounts receivable	(132.8)	244.9	(111.8)
Inventories	4.5	110.2	(162.8)
Prepaid and other assets	22.5	21.7	(12.0)
Income taxes recoverable	5.7	(7.1)	5.6
Accounts payable and accrued liabilities	58.9	(265.2)	217.4
Income taxes payable	(0.5)	24.5	17.3
Non-cash working capital changes	(41.7)	129.0	(46.3)
Cash provided by operations	208.2	293.5	150.9
Investing:			
Acquisitions, net of cash acquired (note 3)	—	—	(16.2)
Purchase of computer software and property, plant and equipment	(88.8)	(77.3)	(60.8)
Proceeds from sale of operations or assets	7.7	10.0	15.9
Other	0.3	1.0	—
Cash used in investing activities	(80.8)	(66.3)	(61.1)
Financing:			
Repurchase of Senior Subordinated Notes (Notes) (note 7(b))	(30.4)	(495.8)	(231.6)
Proceeds from termination of swap agreements (note 7(c))	—	14.7	—
Issuance of share capital	2.1	2.7	4.6
Repurchase of capital stock (note 8(b))	—	—	(140.6)
Purchase of treasury stock (note 8(e))	(11.9)	(8.4)	(26.2)
Financing and other costs	(2.9)	(3.7)	(0.9)
Cash used in financing activities	(43.1)	(490.5)	(394.7)
Increase (decrease) in cash	84.3	(263.3)	(304.9)
Cash and cash equivalents, beginning of year	1,116.7	1,201.0	937.7
Cash and cash equivalents, end of year	$ 1,201.0	$ 937.7	$ 632.8
Supplemental cash flow information (note 19).			

See accompanying notes to consolidated financial statements.

1. BASIS OF PRESENTATION:

We prepare our financial statements in accordance with generally accepted accounting principles in Canada (Canadian GAAP). Except as outlined in note 20, these financial statements are, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

2. SIGNIFICANT ACCOUNTING POLICIES:

(a) Principles of consolidation:

These consolidated financial statements include our subsidiaries. Subsidiaries that are acquired during the year are consolidated from their respective dates of acquisition. Inter-company transactions and balances are eliminated on consolidation.

(b) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. We applied significant estimates and assumptions to our valuations against inventory and income taxes, to the amount and timing of restructuring charges or recoveries, to the fair values used in testing goodwill and long-lived assets, and to valuing our pension costs. We evaluate our estimates and assumptions on a regular basis, taking into account historical experience and other relevant factors. Actual results could differ materially from these estimates and assumptions.

(c) Revenue:

We derive most of our revenue from the sale of electronic equipment that we have built to customer specifications. We recognize revenue from product sales when we deliver the goods or the goods are received by our customers; title and risk of ownership have passed; persuasive evidence of an arrangement exists; performance has occurred; receivables are reasonably assured of collection; and customer specified test criteria have been met. We have no further performance obligations after revenue has been recognized, other than our standard manufacturing warranty. We have contractual arrangements with the majority of our customers that require the customer to purchase unused inventory that we have purchased to fulfill that customer's forecasted manufacturing demand. We account for raw material returns as reductions in inventory and do not recognize revenue on these transactions.

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, we defer recognizing revenue until we have shipped the products to our customer.

We also derive revenue from design, engineering, fulfillment and after-market services. We recognize services revenue for short-term contracts as we perform the services and for long-term contracts on a percentage-of-completion basis.

(d) Cash and cash equivalents:

Cash and cash equivalents include cash on account and short-term investments with original maturities of less than three months. See note 19.

(in millions of U.S. dollars)

(e) Allowance for doubtful accounts:

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. See notes 14(a) and 18.

(f) Inventories:

We value our inventory on a first-in, first-out basis at the lower of cost and net realizable value. Cost includes direct materials, labor and overhead. In determining the net realizable value, we consider factors such as shrinkage, the aging of and future demand for the inventory, contractual arrangements with customers, and our ability to utilize inventory in other programs or return inventory to suppliers.

	2009	2010
Raw materials	$ 527.7	$ 637.1
Work in progress	54.1	81.3
Finished goods	94.3	127.3
	$ 676.1	$ 845.7

(g) Property, plant and equipment:

We carry property, plant and equipment at cost and depreciate these assets over their estimated useful lives or lease terms on a straight-line basis. The estimated useful lives for our principal asset categories are as follows:

Buildings	25 years
Building/leasehold improvements	Up to 25 years or term of lease
Office equipment	5 years
Machinery and equipment	3 to 7 years

We expense maintenance and repair costs as incurred.

(h) Goodwill:

To the extent we have goodwill, we evaluate it annually or whenever events or changes in circumstances ("triggering events") indicate that we may not recover the carrying amount. Absent of any triggering events during the year, we conduct our goodwill assessment in the fourth quarter of the year to correspond with our planning cycle. We test impairment, using the two-step method, at the reporting unit level, by comparing the reporting unit's carrying amount to its fair value. We estimate the fair value of the reporting units using a variety of approaches including a market capitalization approach, a multiples approach and discounted cash flows. To the extent a reporting unit's carrying amount exceeds its fair value, we may have an impairment of goodwill. We measure impairment by comparing the implied fair value of goodwill, determined in a manner similar to a purchase price allocation, to its carrying amount. The process of determining fair values is subjective and requires management to exercise a significant amount of judgment in making assumptions about future results, including revenue and expense projections, discount rates and market multiples, at the reporting unit level. See note 10(b).

(in millions of U.S. dollars)

(i) Intangible assets:

We carry intangible assets at cost and amortize these assets on a straight-line basis over their estimated useful lives. The estimated useful lives are 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.

(j) Impairment or disposal of long-lived assets:

We review long-lived assets (comprised of property, plant and equipment and intangible assets) for impairment on an annual basis or whenever events or changes in circumstances ("triggering events") indicate that we may not recover the carrying amount. Absent of any triggering events during the year, we conduct our long-lived assets assessment in the fourth quarter of the year to correspond with our planning cycle. We classify assets as held-for-use or available-for-sale. We recognize an impairment loss on an asset classified as held-for-use when the carrying amount exceeds the projected undiscounted future net cash flows we expect from its use and disposal. We measure the loss as the amount by which the carrying amount exceeds its fair value, which we determine using either discounted cash flows or estimates of market value for certain assets, where available. The process of determining fair values is subjective and requires management to exercise judgment in making assumptions about future results, including revenue and expense projections and discount rates, as well as the valuation and use of appraisals for property. For assets available-for-sale, we recognize an impairment loss when the carrying amount exceeds the fair value less costs to sell. See note 10(c).

(k) Pension and non-pension post-employment benefits:

We accrue our obligations under employee benefit plans and the related costs, net of plan assets. The cost of pensions and other post-employment benefits earned by employees is actuarially determined using the projected benefit method prorated on service, and management's best estimate of expected plan investment performance, salary escalation, compensation levels at time of retirement, retirement ages, the discount rate used in measuring the liability and expected healthcare costs. Actual results could differ materially from the estimates originally made by management. Changes in these assumptions could impact future pension expense and pension funding. For the purpose of calculating the expected return on plan assets, we value assets at fair value. We amortize past service costs arising from plan amendments on a straight-line basis over the average remaining service period of employees active at the date of amendment. We amortize actuarial gains or losses exceeding 10% of a plan's accumulated benefit obligations or the fair market value of the plan assets at the beginning of the year, over the average remaining service period of active employees, except for plans where all, or almost all, of the employees are no longer active, in which we amortize over the average remaining life of the former employees. We measure plan assets and the accrued benefit obligations at December 31. The average amortization period of the pension plans is 27 years for 2009 and 26 years for 2010. The average remaining service period of active employees covered by the other post-employment benefit plans is 19 years for 2009 and 15 years for 2010. Curtailment gains or losses may arise from significant changes to a plan. We offset curtailment gains against unrecognized losses and record any excess gains when the curtailment occurs and all curtailment losses in the period in which it is probable that a curtailment will occur. Settlement gains or losses may arise from transactions in which we substantially discharge or settle all or part of our accrued benefit obligation thereby substantially eliminating the risks associated with the accrued benefit obligation and the assets used to effect the settlement. We recognize settlement gains or losses through operations in the period in which the

settlement occurs. When the restructuring of a benefit plan gives rise to both a curtailment and a settlement, the curtailment is accounted for prior to the settlement. We record pension assets as other long-term assets and pension liabilities as accrued pension and post-employment benefits.

(l) Deferred financing costs:

We record financing costs as a reduction to the cost of the related debt which we amortize to operations using the effective interest rate method. We currently do not have any long-term debt.

(m) Income taxes:

We use the asset and liability method of accounting for income taxes. We recognize deferred income tax assets and liabilities for future income tax consequences that are attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We record a valuation allowance against deferred income tax assets when management believes it is more likely than not that some portion or all of the deferred income tax assets will not be realized. We recognize the effect of changes in tax rates in the period of substantive enactment.

We record an income tax expense or recovery based on the income earned or loss incurred in each tax jurisdiction and the 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. The final tax outcome of these matters may be different from the estimates originally made by management in determining our income tax provisions. We recognize a tax benefit related to tax uncertainties when it is probable based on our best estimate of the amount that will ultimately be realized. A change to these estimates could impact the income tax provision. We recognize accrued interest and penalties relating to tax uncertainties in current income tax expense.

(n) Foreign currency translation and hedging:

Foreign currency translation:

The majority of our subsidiaries are integrated operations and have a U.S. dollar functional currency. For such subsidiaries, we translate monetary assets and liabilities denominated in foreign currencies into U.S. dollars at the year-end rate of exchange. 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 record these exchange gains and losses in our statement of operations.

We translate the accounts of our self-sustaining foreign operations, for which the functional currency is not the U.S. dollar, into U.S. dollars using the current rate method. We translate assets and liabilities at the year-end rate of exchange, 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 other comprehensive income or loss (OCI).

Foreign currency hedging:

We enter into forward exchange contracts to hedge the cash flow risk associated with firm purchase commitments and forecasted transactions in foreign currencies and foreign-currency denominated balances. We do not enter into derivatives for speculative purposes.

For relationships in which we intend to apply hedge accounting, we have formally documented the relationship between hedging instruments and hedged items, as well as our risk management objectives and strategy for undertaking various hedge transactions. This process includes linking all derivatives to specific assets

and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. We have also formally assessed, 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 hedged items.

In certain circumstances, we have not designated forward contracts as hedges and therefore have marked these contracts to market each period, resulting in a gain or loss in our consolidated statement of operations. We record the gain or loss from these forward contracts at the same location 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 gains or losses from these forward contracts in SG&A.

Financial instruments:

We recognize all financial assets and financial liabilities on our consolidated balance sheet at fair value, except for loans and receivables, held-to-maturity investments and non-trading financial liabilities, which are carried at their amortized cost. We also recorded certain elements of our Notes at fair value while keeping the remaining amounts at amortized cost. We redeemed all of our outstanding Notes prior to March 31, 2010.

All derivatives are measured at fair value in our consolidated balance sheet. We also treated the prepayment option on our Notes as derivatives. Derivative assets and liabilities arise from foreign currency forward contracts and interest rate swap agreements. The majority of our foreign currency forward contracts are designated as cash flow hedges. Prior to the termination in the first quarter of 2009, the interest rate swaps were designated as fair value hedges.

In a cash flow hedge, changes in the fair value of the hedging derivative, to the extent that it is effective, are recorded in OCI until the asset or liability being hedged is recognized in operations. Any cash flow hedge ineffectiveness is recognized in operations immediately. For hedges that are discontinued before the end of the original hedge term, the unrealized hedge gain or loss in OCI is amortized to operations over the remaining term of the original hedge. If the hedged item ceases to exist before the end of the original hedge term, the unrealized hedge gain or loss in OCI is recognized in operations immediately. The effective portion of hedge gain or loss in OCI is released to operations as the hedged items are recognized in operations and at the same location where the hedged items are recorded in our consolidated statement of operations. For our current cash flow hedges, most of the underlying expenses that are being hedged are included in cost of sales.

In a fair value hedge, changes in the fair value of hedging derivatives are offset in operations by the changes in the fair value relating to the hedged risk of the asset, liability or cash flows being hedged. Any fair value hedge ineffectiveness is recognized in operations immediately.

In determining the fair value of our financial instruments, we used a variety of methods and assumptions that are based on market conditions and risks existing on each reporting date. Broker quotes and standard market conventions and techniques, such as discounted cash flow analysis and option pricing models, are used to determine the fair value of our financial instruments, including derivatives and hedged debt obligations. In determining the fair value of our financial instruments, we also consider the credit quality of the financial instruments, including our own credit risk as well as the credit risks of our counterparties. See note 14. All methods of fair value measurement result in a general approximation of value and such value may never be realized.

We are required to classify our financial instruments into the following specific categories: financial assets held-for-trading; loans and receivables; held-to-maturity investments; available-for-sale financial assets; financial liabilities held-for-trading; and financial liabilities measured at amortized cost. We classify accounts receivable as loans and receivables. Our derivative assets are included in prepaid and other assets and other long-term assets. Our derivative liabilities are included in accrued liabilities. Accounts payable and the majority of our accrued liabilities, excluding derivative liabilities, are classified as financial liabilities which are recorded at amortized

cost. Our Notes, comprised of elements recorded at fair value and amortized cost, were classified as financial liabilities. See note 7. We do not currently designate any financial assets as held-for-trading or available-for-sale.

(o) Research and development:

We incur costs relating to research and development activities. We expense these costs as incurred unless development costs meet certain criteria for capitalization. Total research and development costs recorded in SG&A for 2010 were $3.0 (2009 — $7.0; 2008 — $7.6). No amounts were capitalized.

(p) Restructuring charges:

We record restructuring charges relating to workforce reductions, facility consolidations and costs associated with exiting businesses. These restructuring charges, which include employee terminations and contractual lease obligations, are only recorded when we incur the liability and can measure its fair value. The recognition of restructuring charges requires management to make certain judgments and estimates regarding the nature, timing and amounts associated with the planned restructuring activities, including estimating future sublease income and the net recoverable amount of property, plant and equipment to be disposed of. The estimated liability may change subsequent to its initial recognition, requiring adjustments to the expense and liability recorded. At the end of each reporting period, we evaluate the appropriateness of the remaining accrued balances. See note 10(a).

(q) Stock-based compensation and other stock-based payments:

We account for employee stock options using the fair-value method of accounting. We recognize the effect of actual forfeitures as they occur. We recognize compensation expense for stock options and equity-settled awards over the vesting period, on a straight-line basis, with a corresponding charge through contributed surplus. Compensation expense for share unit awards is based on the market value of shares at the time of grant. Cash-settled awards are accounted for as liabilities and remeasured based on our share price at each reporting date until the settlement date, with a corresponding charge to compensation expense. Notes 8(d) and (e) outline our stock-based compensation plans.

(r) Earnings (loss) per share and weighted average shares outstanding:

We follow the treasury stock method for calculating diluted per share results. The diluted per share calculation reflects the potential dilution from stock options. As a result of our net loss for 2008, we excluded 10.4 million stock options from the diluted per share calculation. In 2009 and 2010, we excluded 7.3 million and 4.7 million stock options, respectively, from the diluted per share calculations as they were out-of-the money.

(s) Changes in accounting policies:

(1) Goodwill and intangible assets:

On January 1, 2009, we adopted CICA Handbook Section 3064, "Goodwill and intangible assets." This revised standard establishes guidance for the recognition, measurement and disclosure of goodwill and intangible assets. As required by this standard, we retroactively reclassified computer software assets on our consolidated balance sheet from property, plant and equipment to intangible assets and reclassified computer software amortization on our consolidated statement of operations from depreciation expense, included in SG&A, to amortization of intangible assets. There was no impact on previously reported net earnings or loss. See note 5.

(2) Financial instruments — disclosures:

Effective December 31, 2009, we adopted the amendment issued by the CICA to Handbook Section 3862, "Financial instruments — disclosures," which requires enhanced disclosures on liquidity risk of financial instruments and new disclosures on fair value measurements of financial instruments. See note 14. The adoption of this amendment did not have a material impact on our consolidated financial statements.

(t) Recently issued accounting pronouncements:

(1) International financial reporting standards (IFRS):

In February 2008, the Canadian Accounting Standards Board announced the adoption of IFRS for publicly accountable enterprises. IFRS will replace Canadian GAAP effective January 1, 2011. IFRS is effective for our first quarter of 2011 and will require that we restate our 2010 comparative numbers under IFRS. We have disclosed our significant IFRS accounting policy decisions, as well as the anticipated transitional adjustments, in our 2010 management's discussion and analysis.

(2) Business combinations:

In January 2009, the CICA issued Handbook Section 1582, "Business combinations," which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent consideration and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs and restructuring charges will be expensed as incurred. This standard is equivalent to the IFRS on business combinations and is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. We do not expect the adoption of this standard to have a material impact on our consolidated financial statements unless we engage in a significant acquisition.

3. ACQUISITIONS:

In January 2010, we completed the acquisition of Scotland-based Invec Solutions Limited (Invec). Invec provides warranty management, repair and parts management services to companies in the information technology and consumer electronics markets. In August 2010, we completed the acquisition of Austrian-based Allied Panels Entwicklungs-und Produktions GmbH (Allied Panels), a medical engineering and manufacturing service provider that offers concept-to-full-production solutions in medical devices with a core focus on the diagnostic and imaging market.

The total purchase price for these acquisitions was $18.3 and was financed with cash. The amounts of goodwill and amortizable intangible assets arising from these acquisitions were $10.6 (the majority of which is not expected to be tax deductible) and $15.8, respectively. The purchase price for Allied Panels is subject to adjustment for contingent consideration totaling up to 7.1 million Euros (approximately $9.4 at current exchange rates) if specific pre-determined financial targets are achieved through fiscal year 2012. Contingent payments, if any, will be recorded as part of the purchase price in the period the amounts can be reasonably estimated and the outcome is certain. At December 31, 2010, no contingent consideration was recorded.

(in millions of U.S. dollars)

4. PROPERTY, PLANT AND EQUIPMENT:

	2009		
	Cost	Accumulated Depreciation	Net Book Value
Land	$ 35.7	$ —	$ 35.7
Buildings	207.2	53.9	153.3
Building/leasehold improvements	90.6	63.9	26.7
Office equipment	36.1	33.1	3.0
Machinery and equipment	686.5	511.4	175.1
	$ 1,056.1	$ 662.3	$ 393.8

	2010		
	Cost	Accumulated Depreciation	Net Book Value
Land	$ 36.0	$ —	$ 36.0
Buildings	203.6	61.0	142.6
Building/leasehold improvements	88.0	65.2	22.8
Office equipment	35.2	32.6	2.6
Machinery and equipment	691.0	526.3	164.7
	$ 1,053.8	$ 685.1	$ 368.7

At December 31, 2010, we had $35.5 (December 31, 2009 — $22.8) of assets that are available-for-sale, primarily land and buildings, as a result of the restructuring actions we have implemented. We have programs underway to sell these assets.

Property, plant and equipment at December 31, 2010 includes $0.3 (December 31, 2009 — $5.9) of assets under capital lease and accumulated depreciation of $0.2 (2009 — $4.9) related thereto.

Depreciation and rental expense for 2010 was $70.5 (2009 — $75.4; 2008 — $91.1) and $49.5 (2009 — $51.6; 2008 — $49.1), respectively.

5. GOODWILL AND INTANGIBLE ASSETS:

Goodwill:

The following table details the changes in goodwill:

	Goodwill
Balance — December 31, 2008 and 2009	$ —
Acquisitions (note 3)	10.6
Foreign exchange	0.4
Balance — December 31, 2010	$ 11.0

(in millions of U.S. dollars)

Intangible Assets:

	2009		
	Cost	Accumulated Amortization	Net Book Value
Intellectual property	$ 111.3	$ 111.3	$ —
Other intangible assets	189.9	181.0	8.9
Computer software assets	255.7	232.3	23.4
	$ 556.9	$ 524.6	$ 32.3

	2010		
	Cost	Accumulated Amortization	Net Book Value
Intellectual property	$ 111.3	$ 111.3	$ —
Other intangible assets	202.3	186.9	15.4
Computer software assets	259.2	241.6	17.6
	$ 572.8	$ 539.8	$ 33.0

The following table details the changes in intangible assets:

	Intellectual Property	Other Intangible Assets	Computer Software Assets	Total
Balance — December 31, 2008	$ 0.6	$ 19.5	$ 34.0	$ 54.1
Amortization	(0.2)	(8.6)	(13.1)	(21.9)
Impairment (i)	(0.4)	(2.0)	—	(2.4)
Additions	—	—	2.5	2.5
Balance — December 31, 2009	—	8.9	23.4	32.3
Amortization	—	(5.9)	(9.7)	(15.6)
Impairment (i)	—	—	(2.7)	(2.7)
Acquisitions (note 3)	—	12.0	3.8	15.8
Additions	—	—	2.9	2.9
Foreign exchange	—	0.4	(0.1)	0.3
Balance — December 31, 2010	$ —	$ 15.4	$ 17.6	$ 33.0

(i) As we finalized our 2010 plan, and in connection with our annual recoverability review of long-lived assets in the fourth quarter of 2009, we recorded an impairment charge of $1.8 to write-down other intangible assets in Asia. In 2009, as a result of restructuring actions we implemented, we also recorded impairment charges to write-down intellectual property by $0.4 and other intangible assets by $0.2.

As we finalized our 2011 plan, and in connection with our annual recoverability review of long-lived assets in the fourth quarter of 2010, we recorded an impairment charge of $2.7 to write-down computer software assets in the Americas and Europe.

Impairment is measured as the excess of the carrying amount over the fair value of the assets determined using discounted cash flows or estimates of market value for certain assets, where applicable. See note 10(c).

(in millions of U.S. dollars)

Amortization expense is as follows:

	Year ended December 31		
	2008	2009	2010
Amortization of intellectual property	$ 1.1	$ 0.2	$ —
Amortization of other intangible assets	14.0	8.6	5.9
Amortization of computer software assets (note 2(s)(1))	11.8	13.1	9.7
	$ 26.9	$ 21.9	$ 15.6

We estimate our future amortization expense as follows, based on the existing intangible asset balances:

2011	$ 11.3
2012	5.7
2013	5.4
2014	4.2
2015	2.7
Thereafter	3.7
	$ 33.0

6. OTHER LONG-TERM ASSETS:

	2009	2010
Deferred pension (note 13)	$ 104.4	$ 117.8
Land rights	10.9	9.3
Deferred income taxes	14.4	25.3
Other	7.5	7.1
	$ 137.2	$ 159.5

7. LONG-TERM DEBT:

	2009	2010
Secured, revolving credit facility (a)	$ —	$ —
Senior Subordinated Notes (b)(c)	222.8	—
	$ 222.8	$ —

(a) At December 31, 2010, we had a $200.0 revolving credit facility which was due to expire in April 2011. We are required to comply with certain restrictive covenants, including those relating to debt incurrence, the sale of assets, a change of control and certain financial covenants related to indebtedness, interest coverage and liquidity. We pledged certain assets, including the shares of certain North American subsidiaries, as security. The facility included a $25.0 swing-line facility that provided for short-term borrowings up to a maximum of seven days. The revolving credit facility permits us and certain designated subsidiaries to borrow funds for general corporate purposes (including acquisitions). Borrowings under the facility bear interest at LIBOR plus a margin, except that borrowings under the swing-line facility bear interest at a base rate plus a margin. There were no borrowings outstanding under this facility at December 31, 2010. We were in compliance with all covenants at December 31, 2010. Commitment fees for 2010 were $2.1.

In January 2011, we renewed our revolving credit facility on generally similar terms and conditions (including covenants and security for the facility) and increased the size of the facility to $400.0, with a maturity of January 2015.

We also have uncommitted bank overdraft facilities available for intraday operating requirements which total $65.0 at December 31, 2010. There were no borrowings outstanding under these facilities at December 31, 2010.

(b) In June 2004, we issued Notes due 2011 (2011 Notes) with a principal amount of $500.0 and a fixed interest rate of 7.875%. In June 2005, we issued Notes due 2013 (2013 Notes) with a principal amount of $250.0 and a fixed interest rate of 7.625%.

During 2008, we paid $30.4 to repurchase a portion of our 2011 Notes and our 2013 Notes and recognized a gain of $7.6 in other charges. During 2009, we paid $495.8 to repurchase the remaining 2011 Notes and recognized a gain of $19.5 in other charges. During 2010, we paid $231.6 to repurchase the remaining 2013 Notes and recognized a loss of $8.8 in other charges. The gains and losses were measured based on the carrying value of the repurchased portion of the Notes on the dates of repurchase. See note 10.

We redeemed all of our outstanding Notes prior to March 31, 2010.

(c) In connection with the 2011 Notes, we entered into agreements to swap the fixed interest rate for a variable interest rate based on LIBOR plus a margin. The average interest rate on the 2011 Notes was 7.0% for 2009 through to the redemption of the debt (2008 — 6.5%). In February 2009, we terminated the interest rate swap agreements and received a $14.7 cash settlement.

We applied fair value hedge accounting to our interest rate swaps and our hedged debt obligation (2011 Notes) until February 2009. We also marked-to-market the bifurcated embedded prepayment options in our Notes until the options were terminated. The change in fair values each period was recorded in interest expense on long-term debt, except for the write-down of the embedded prepayment option due to hedge de-designation or debt redemption which we recorded in other charges. The mark-to-market adjustment fluctuated each period as it was dependent on market conditions, including interest rates, implied volatilities and credit spreads. In connection with the termination of the swap agreements, we discontinued fair value hedge accounting in 2009 and recorded a $16.7 write-down, through other charges, in the carrying value of the embedded prepayment option on the 2011 Notes.

8. CAPITAL STOCK:

(a) Authorized:

We are authorized to issue an unlimited number of subordinate voting shares (SVS or shares), which entitle the holder to one vote per share, and an unlimited number of multiple voting shares (MVS), which entitle the holder to 25 votes per share. Except as otherwise required by law, the SVS and MVS vote together as a single class on all matters submitted to a vote of shareholders, including the election of directors. The holders of the SVS and MVS 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 MVS is convertible at any time at the option of the holder thereof and automatically, under certain circumstances, into one SVS. We are also authorized to issue an unlimited number of preferred shares, issuable in series.

(b) Issued and outstanding:

Number of Shares (in millions)	SVS	MVS	Total SVS and MVS outstanding
Balance — December 31, 2008	199.6	29.6	229.2
Other share issuances (i)	0.3	—	0.3
Other (ii)	10.7	(10.7)	—
Balance — December 31, 2009	210.6	18.9	229.5
Other share issuances (i)	0.8	—	0.8
Share repurchase (iii)	(16.1)	—	(16.1)
Balance — December 31, 2010	195.3	18.9	214.2

Amount	SVS	MVS	Total SVS and MVS outstanding
Balance — December 31, 2008	$ 3,483.1	$ 105.4	$ 3,588.5
Other share issuances (i)	2.7	—	2.7
Other (ii)	38.0	(38.0)	—
Balance — December 31, 2009	3,523.8	67.4	3,591.2
Other share issuances (i)	6.6	—	6.6
Share repurchase (iii)	(268.4)	—	(268.4)
Balance — December 31, 2010	$ 3,262.0	$ 67.4	$ 3,329.4

Capital transactions:

(i) During 2009 and 2010, we issued SVS as a result of the exercise of employee stock options.

(ii) During 2009, Onex Corporation, our controlling shareholder who holds our outstanding MVS, converted 10.7 million MVS into 10.7 million SVS and then sold these SVS pursuant to a public offering.

(iii) In July 2010, we filed a Normal Course Issuer Bid (NCIB) with the Toronto Stock Exchange to repurchase, at our discretion, until August 2, 2011 up to 18.0 million SVS on the open market or as otherwise permitted, subject to the normal terms and limitations of such bids. The total number of shares we may repurchase for cancellation under the NCIB is reduced by the number of shares purchased for our employee equity-based incentive programs. As of December 31, 2010, we have paid $140.6, including transaction fees, to repurchase for cancellation a total of 16.1 million shares at a weighted average price of $8.75 per share under the NCIB since its commencement. At December 31, 2010, 0.9 million shares remain eligible to be repurchased under the NCIB.

(c) Warrants:

In connection with an acquisition in 2004, we issued warrants which have since expired.

Long-Term Incentives:

Long-Term Incentive Plan (LTIP):

Under the LTIP, we may grant stock options, performance options, performance share units and stock appreciation rights to eligible employees, executives and consultants. Under the LTIP, up to 29.0 million SVS may be issued from treasury.

Celestica Share Unit Plan (CSUP):

Under the CSUP, we may grant restricted share units and performance share units to eligible employees. Under the CSUP, we have the option to satisfy the delivery of the share units by purchasing SVS in the open market or by cash.

(d) Stock option plans:

We have granted stock options and performance options as part of our LTIP. Options are granted at prices equal to the market value on the day prior to the date of the grant and are exercisable during a period not to exceed 10 years from the grant date.

Stock option transactions were as follows:

Number of Options (in millions)	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2008	10.0	$ 12.73
Granted	2.4	$ 4.51
Exercised	(0.3)	$ 6.36
Forfeited/Expired	(0.8)	$ 21.44
Outstanding at December 31, 2009	11.3	$ 11.20
Granted	0.8	$ 10.46
Exercised	(0.8)	$ 6.18
Forfeited/Expired	(0.8)	$ 25.38
Outstanding at December 31, 2010	10.5	$ 10.66
Shares reserved for issuance upon exercise of stock options or awards (in millions)	25.7	

The following options were outstanding at December 31, 2010:

Range of Exercise Prices	Outstanding Options (in millions)	Weighted Average Exercise Price	Weighted Average Remaining Life of Outstanding Options (years)	Exercisable Options (in millions)	Weighted Average Exercise Price
$ 4.04 - $ 5.26	2.2	$ 4.62	8.1	0.4	$ 4.57
$ 5.38 - $ 6.05	1.3	$ 6.03	6.2	1.0	$ 6.04
$ 6.21 - $ 6.99	1.7	$ 6.53	7.0	0.8	$ 6.54
$ 7.06 - $10.20	1.4	$ 8.98	6.9	0.8	$ 8.67
$10.62 - $17.15	1.6	$ 14.00	4.8	1.2	$ 14.78
$17.57 - $25.75	1.0	$ 20.16	2.7	1.0	$ 20.16
$29.11 - $66.79	0.4	$ 34.48	1.6	0.4	$ 34.48
$ 9.73 - $13.89	0.6	$ 13.14	1.3	0.6	$ 13.14
$14.67 - $19.81	0.3	$ 16.27	0.9	0.3	$ 16.27
	10.5			6.5	

(in millions of U.S. dollars)

We amortize the estimated fair value of options to expense over the vesting period of three to four years, on a straight-line basis. We determined the fair value of the options using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year ended December 31		
	2008	2009	2010
Risk-free rate	1.0% - 3.3%	1.9% - 3.0%	2.6%
Dividend yield	0.0%	0.0%	0.0%
Volatility factor of the expected market price of our shares	38% - 59%	38% - 47%	53%
Expected option life (in years)	4.0 - 5.5	5.5	5.5
Weighted-average fair value of options granted	$3.12	$1.60	$5.13

For 2010, we expensed $4.8 (2009 — $5.9; 2008 — $6.6) relating to the fair value of options.

(e) Restricted share unit awards:

We have granted restricted share units (RSUs) and performance share units (PSUs) as part of our LTIP and CSUP. These grants generally entitle the holder to receive one SVS or, at our discretion, the cash equivalent of the market value of a share at the date of vesting. Historically, we have generally settled these awards with shares purchased in the open market. The cost we record for equity-settled awards is based on the market value of our shares at the time of grant. We amortize this cost to compensation expense over the vesting period, on a straight-line basis, with a corresponding charge through contributed surplus.

From time-to-time, we pay cash for the purchase of shares in the open market by a trustee to satisfy the delivery of shares to employees upon vesting of the awards under our long-term incentive plans. We classify these shares for accounting purposes as treasury stock until they are delivered to employees pursuant to the awards. During 2010, we paid $26.2 (2009 — $8.4) for the trustee to purchase 2.8 million (2009 — 1.0 million) shares in the open market. During 2010, we released 1.1 million (2009 — 2.6 million) of these shares to employees. At December 31, 2010, the trustee held 1.7 million shares, with an ascribed value of $15.9, for delivery under these plans. At December 31, 2009, the trustee held fewer than 0.1 million shares with an ascribed value of $0.4.

We have elected to cash-settle certain awards due to limitations in the number of shares we could purchase in the open market. During the fourth quarter of 2010, we elected to settle certain PSUs vesting in the first quarter of 2011 with cash due to the terms of our NCIB. During the fourth quarter of 2009, we also elected to settle the share unit awards vesting in the first quarter of 2010 with cash due to certain covenants in our Notes. We currently expect to settle future awards with shares purchased in the open market. Cash-settled awards are accounted for as liabilities and remeasured based on our share price at each reporting date until the settlement date, with a corresponding charge to compensation expense. As a result of our decision to settle these awards with cash, we reclassified the accumulated balance of $9.2 in the fourth quarter of 2010 (fourth quarter of 2009 — $13.3), representing the grant date market value of vested awards, from contributed surplus to accrued liabilities. We also recorded mark-to-market adjustments on these cash-settled awards of $5.4 in the fourth quarter of 2010 (fourth quarter of 2009 — $10.9; first quarter of 2010 — $2.2).

Since management currently intends to settle all other share unit awards with shares purchased in the open market by a trustee, we expect to continue to account for these awards as equity-settled awards.

The weighted-average grant date fair value of the share units awarded in 2010 was $10.04 per share (2009 — $4.19 per share; 2008 — $6.52 per share). During 2010, we recognized total compensation expense for share unit awards of $37.5 (2009 — $33.0; 2008 — $16.8), including mark-to-market adjustments of $7.6 (2009 — $10.9), in cost of sales and SG&A.

RSUs granted before 2008 completely vest at the end of their respective terms, which is generally three years. RSUs granted in 2008 and thereafter vest approximately one-third each year. PSUs vest at the end of their respective terms, generally three years, to the extent that performance conditions have been met. The following table outlines the RSU and PSU transactions. As of December 31, 2010, none of the RSUs or PSUs were vested.

Number of RSUs and PSUs (in millions)	RSUs	PSUs
Outstanding at December 31, 2008	4.4	3.3
Granted	4.4	4.6
Forfeited/Expired	(0.3)	(0.2)
Exercised	(1.9)	(0.7)
Outstanding at December 31, 2009	6.6	7.0
Granted	1.9	1.8
Forfeited/Expired	(0.4)	(0.4)
Exercised	(3.3)	(0.7)
Outstanding at December 31, 2010	4.8	7.7

9. ACCUMULATED OTHER COMPREHENSIVE INCOME, NET OF TAX:

	Year ended December 31		
	2008	2009	2010
Opening balance of foreign currency translation account	$ 35.2	$ 46.7	$ 46.9
Currency translation adjustment	11.5	(1.6)	1.6
Release of cumulative currency translation to other charges (note 10(e))	—	1.8	—
Closing balance	46.7	46.9	48.5
Opening balance of unrealized net gain (loss) on cash flow hedges	20.7	(37.3)	8.9
Net gain (loss) on cash flow hedges (i)	(53.1)	14.4	23.0
Net loss (gain) on cash flow hedges reclassified to operations (ii)	(4.9)	31.8	(21.2)
Closing balance (iii)	(37.3)	8.9	10.7
Accumulated other comprehensive income	$ 9.4	$ 55.8	$ 59.2

(i) Net of income tax expense of $0.8 for 2010 (2009 — $0.1 income tax benefit; 2008 — $0.8 income tax benefit).

(ii) Net of income tax expense of $0.6 for 2010 (2009 — $0.6 income tax benefit; 2008 — $0.2 income tax benefit).

(iii) Net of income tax expense of $0.3 at December 31, 2010 (December 31, 2009 — $0.1 income tax expense; December 31, 2008 — $0.4 income tax benefit).

We expect that the majority of the gains on cash flow hedges reported in the 2010 accumulated OCI balance will be reclassified to operations during 2011, primarily through cost of sales as the underlying expenses that are being hedged are included in cost of sales.

(in millions of U.S. dollars)

10. OTHER CHARGES:

	Year ended December 31		
	2008	2009	2010
Restructuring (a)	$ 35.3	$ 83.1	$ 55.3
Goodwill impairment (b)	850.5	—	—
Long-lived asset impairment (c)	8.8	12.3	8.9
Loss (gain) on repurchase of Notes (note 7(b))	(7.6)	(19.5)	8.8
Write-down of embedded prepayment option (note 7(c))	—	16.7	—
Recovery of damages (d)	—	(23.7)	(2.1)
Release of cumulative translation adjustment (e)	—	1.8	—
Other (f)	(1.8)	(2.7)	(2.5)
	$ 885.2	$ 68.0	$ 68.4

(a) Restructuring:

Between 2001 and 2004, we announced global restructuring plans as a result of end-market weakness and the shifting of manufacturing capacity from higher-cost regions in North America and Europe to lower-cost regions in Asia. During 2005 and 2006, we announced further plans to improve capacity utilization and accelerate margin improvements, primarily in our North America and Europe regions as end-market demand and profitability had not recovered to sustainable levels.

In January 2008, we announced we would record restructuring charges of between $50 and $75 throughout 2008 and 2009. In July 2009, we announced additional restructuring charges of between $75 and $100. Combined, we expected to incur total restructuring charges up to $175 associated with this program. Since the beginning of 2008, we have recorded total restructuring charges of $173.7. Of that amount, we recorded $55.3 in 2010. As of December 31, 2010, we have recorded all of the restructuring charges related to this program. We recorded the restructuring charges in the period we finalized the detailed plans. The recognition of these charges required management to make certain judgments and estimates regarding the amount and timing of restructuring charges or recoveries. Our estimated liability could change subsequent to its initial recognition, requiring adjustments to our recorded expense and liability amounts.

As of December 31, 2010, we accrued $15.3 in employee termination costs which remain unpaid at year end. We expect to pay the majority of such costs during the first half of 2011. We expect our long-term lease and other contractual obligations to be paid out over the remaining lease terms through 2015. Our restructuring liability is recorded in accrued liabilities.

Our restructuring actions included consolidating facilities and reducing our workforce. For leased facilities that have been vacated, the lease costs included in the restructuring costs are calculated on a discounted basis based on future lease payments less estimated sublease income. Adjustments are made to lease and other contractual obligations to reflect incremental cancellation fees paid for terminating certain facility leases and to reflect higher accruals for other leases due to delays in the timing of sublease recoveries, changes in estimated sublease rates, or changes in use.

(in millions of U.S. dollars)

Details of the activity through the accrued restructuring liability and the non-cash charge are as follows:

	Employee termination costs	Lease and other contractual obligations	Facility exit costs and other	Total accrued liability	Non-cash charge	Total charge
January 1, 2001	$ —	$ —	$ —	$ —	$ —	$ —
Provision	90.7	35.3	12.4	138.4	98.6	237.0
Cash payments	(51.2)	(1.6)	(2.9)	(55.7)	—	—
December 31, 2001	39.5	33.7	9.5	82.7	98.6	237.0
Provision /adjustments	124.7	63.1	5.8	193.6	191.8	385.4
Cash payments	(77.1)	(14.7)	(7.5)	(99.3)	—	—
December 31, 2002	87.1	82.1	7.8	177.0	290.4	622.4
Provision /adjustments	68.8	24.4	4.0	97.2	(2.3)	94.9
Cash payments	(112.0)	(44.4)	(8.9)	(165.3)	—	—
December 31, 2003	43.9	62.1	2.9	108.9	288.1	717.3
Provision /adjustments	101.3	10.9	6.2	118.4	35.3	153.7
Cash payments	(110.6)	(32.0)	(4.1)	(146.7)	—	—
December 31, 2004	34.6	41.0	5.0	80.6	323.4	871.0
Provision /adjustments	122.7	20.7	5.7	149.1	11.0	160.1
Cash payments	(106.6)	(12.7)	(9.0)	(128.3)	—	—
December 31, 2005	50.7	49.0	1.7	101.4	334.4	1,031.1
Provision /adjustments	115.2	9.1	5.9	130.2	47.9	178.1
Cash payments	(89.8)	(16.7)	(6.1)	(112.6)	—	—
Settlement	(23.2)	—	—	(23.2)	—	—
December 31, 2006	52.9	41.4	1.5	95.8	382.3	1,209.2
Provision /adjustments	20.7	8.6	2.9	32.2	5.1	37.3
Cash payments	(64.6)	(13.5)	(3.8)	(81.9)	—	—
December 31, 2007	9.0	36.5	0.6	46.1	387.4	1,246.5
Charges /adjustments	31.9	1.4	0.9	34.2	1.1	35.3
Cash payments	(22.2)	(11.2)	(1.3)	(34.7)	—	—
December 31, 2008	18.7	26.7	0.2	45.6	388.5	1,281.8
Charges /adjustments	69.9	6.5	2.9	79.3	3.8	83.1
Cash payments	(64.9)	(12.4)	(2.6)	(79.9)	—	—
December 31, 2009	23.7	20.8	0.5	45.0	392.3	1,364.9
Charges /adjustments	41.4	10.9	2.7	55.0	0.3	55.3
Cash payments	(49.8)	(17.5)	(2.9)	(70.2)	—	—
December 31, 2010	$ 15.3	$ 14.2	$ 0.3	$ 29.8	$ 392.6	$ 1,420.2

(b) Goodwill impairment:

During the fourth quarter of 2008, we performed our annual goodwill impairment assessment and recorded a goodwill impairment charge of $850.5. This goodwill was allocated to our Asia reporting unit and was established primarily as a result of an acquisition in 2001. We completed our step one analysis using a combination of valuation approaches including a market capitalization approach, a multiples approach and a discounted cash flow. The market capitalization approach used our publicly traded stock price to determine fair value, adjusted upward for a control premium, which we allocated to the Asia reporting unit on a prorata basis

based on earnings. The multiples approach used an average of comparable trading multiples of our major competitors to arrive at a fair value, adjusted upward for a control premium. We applied a 20% control premium to the fair values, which we believed was a reasonable estimate based on past transactions in the EMS industry at December 31, 2008. The discounted cash flow method used revenue and expense projections and risk-adjusted discount rates to determine fair value. The process of determining fair value is subjective and required management to exercise a significant amount of judgment in determining future growth rates, discount rates and tax rates, among other factors. At that time, the economic environment had negatively impacted our ability to forecast future demand which in turn resulted in our use of a higher discount rate, reflecting the risk and uncertainty in the markets. We discounted our three-year projections using a 27% discount rate. We averaged the fair values derived from the above approaches to determine the estimated fair value of the Asia reporting unit. The results of our step one analysis indicated potential impairment in our Asia reporting unit, which was corroborated by a combination of factors including a significant and sustained decline in our market capitalization, which was significantly below our book value, and the then deteriorating macro environment, which resulted in a decline in expected future demand. We performed the second step of the goodwill impairment assessment to quantify the amount of impairment. We engaged an independent third-party consultant to assist with our step two analysis. This involved calculating the implied fair value of goodwill, determined in a manner similar to a purchase price allocation, and comparing the residual amount to the carrying amount of goodwill. Based on our analysis incorporating the declining market capitalization in 2008, as well as the significant end-market deterioration and economic uncertainties impacting expected future demand at that time, we concluded that the entire goodwill balance as of December 31, 2008 of $850.5 was impaired. The goodwill impairment charge was non-cash in nature and did not affect our liquidity, cash flows from operating activities, or our compliance with debt covenants. The goodwill impairment charge was not deductible for income tax purposes and, therefore, we did not record a corresponding tax benefit in 2008.

At December 31, 2009, we had no goodwill. During the fourth quarter of 2010, we performed our annual goodwill impairment assessment and determined there was no impairment. At December 31, 2010, our goodwill balance was $11.0.

(c) Long-lived asset impairment:

In 2008, we recorded a non-cash charge of $8.8 against property, plant and equipment in the Americas and Europe. In 2009, we recorded a non-cash charge of $12.3 against property, plant and equipment, primarily in Japan. In 2010, we recorded a non-cash charge of $8.9 against computer software assets and property, plant and equipment, in the Americas and Europe.

We conducted our annual impairment assessment of long-lived assets in the fourth quarter of each year. We used the two-step method, by comparing the carrying amount of an asset, or group of assets, to the undiscounted cash flows from the use and eventual disposal of the asset. If the carrying amount exceeded the undiscounted cash flows, we performed step two by comparing the fair value of the asset to its carrying amount to determine the amount of impairment. We estimated fair value using discounted cash flows or estimates of market value for certain assets, where available. We used revenue and expense projections based on site submissions which were discounted using risk-adjusted rates. We worked with independent brokers to obtain the market prices to support our real property values.

(d) Recovery of damages:

In 2009, we received a recovery of damages related to certain purchases we made in prior periods as a result of the settlement of a class action lawsuit. We recorded a recovery, net of estimated reserves, of $23.7 through other charges in 2009. In 2010, we released $2.1 of these reserves through other charges.

(in millions of U.S. dollars)

(e) Release of cumulative translation adjustment:

In 2009, we recorded a net loss of $1.8 for the release of the cumulative currency translation adjustment related to a liquidated foreign subsidiary.

(f) Other:

We realized recoveries on certain assets that were previously written down through other charges.

11. INCOME TAXES:

	Year ended December 31		
	2008	2009	2010
Earnings (loss) before income tax:			
Canadian operations	$ 252.7	$ (318.6)	$ (156.3)
Foreign operations	(968.2)	379.0	258.9
	$ (715.5)	$ 60.4	$ 102.6
Current income tax expense:			
Canadian operations	$ 0.4	$ 29.5	$ 2.4
Foreign operations	18.0	4.1	31.0
	$ 18.4	$ 33.6	$ 33.4
Deferred income tax expense (recovery):			
Canadian operations	$ (4.9)	$ (23.1)	$ (15.5)
Foreign operations	(8.5)	(5.1)	3.9
	$ (13.4)	$ (28.2)	$ (11.6)

The overall income tax provision differs from the provision computed at the statutory rate as follows:

	Year ended December 31		
	2008	2009	2010
Combined Canadian federal and provincial income tax rate	33.5%	33.0%	31.0%
Income tax expense (recovery) based on earnings or loss before income taxes at statutory rate	$ (239.7)	$ 19.9	$ 31.8
Impact on income taxes from:			
Manufacturing and processing deduction	(4.9)	2.5	(0.4)
Foreign income taxed at lower rates	297.2	(119.2)	(72.2)
Foreign exchange	(131.9)	79.2	28.0
Other, including non-taxable and non-deductible items	46.6	38.5	67.5
Change in valuation allowance	3.1	(15.5)	(32.9)
Write-down of non-deductible goodwill	34.6	—	—
Income tax expense	$ 5.0	$ 5.4	$ 21.8

(in millions of U.S. dollars)

Deferred income tax assets and liabilities are recognized for future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax bases. Deferred income tax assets and liabilities are comprised of the following:

	December 31	
	2009	2010
Deferred income tax assets:		
Income tax effect of operating losses carried forward	$ 589.6	$ 588.7
Accounting provisions not currently deductible	28.8	27.8
Property, plant and equipment, intangible and other assets	98.4	79.1
Restructuring accruals	13.5	10.3
	730.3	705.9
Valuation allowance	(576.4)	(543.5)
	153.9	162.4
Deferred income tax liabilities:		
Deferred pension asset	(26.7)	(30.8)
Unrealized foreign exchange gains	(134.0)	(131.0)
Share issue and debt issue costs	(1.6)	(0.4)
	(162.3)	(162.2)
Net deferred income tax asset (liability)	$ (8.4)	$ 0.2

The net deferred income tax asset (liability) is classified as follows:

	December 31	
	2009	2010
Current	$ 5.2	$ 5.2
Long-term	(13.6)	(5.0)
Total	$ (8.4)	$ 0.2

In certain jurisdictions, we currently have significant operating losses and other deductible temporary differences that will reduce taxable income in these jurisdictions in future periods.

Undistributed earnings of our foreign subsidiaries may be subject to additional tax upon repatriation to Canada. We have not recognized any tax liability for this additional tax as we do not currently plan to repatriate these earnings. The aggregate amount of such undistributed earnings is $593.7 at December 31, 2010 (December 31, 2009 — $443.1).

We have been granted tax incentives, including tax holidays, for our China, Malaysia, Philippines and Thailand subsidiaries. The tax benefit arising from these incentives is approximately $28.4, or $0.12 per diluted share, for 2010; $26.2, or $0.11 per diluted share, for 2009; and $42.6, or $0.19 per diluted share, for 2008. As of December 31, 2010, we have tax incentives that expire between 2011 and 2015.

Certain countries in which we do business negotiate tax incentives to attract and retain our business. Our taxes could increase if certain tax incentives we benefit from are retracted. A retraction could occur if we fail to satisfy the conditions on which these tax incentives are based, if they are not renewed upon expiration, or tax rates applicable to us in such jurisdictions are otherwise increased. We believe we will comply with the conditions of the tax incentives, however, changes in our outlook in any particular country could impact our ability to meet the conditions.

(in millions of U.S. dollars)

As at December 31, 2010, our operating loss carry forwards by year of expiry are as follows:

Year of Expiry	Americas	Europe	Asia	Total
2011	$ 7.5	$ 176.3	$ 0.1	$ 183.9
2012	15.0	29.8	25.4	70.2
2013	15.2	13.8	10.8	39.8
2014	51.9	17.3	6.6	75.8
2015	39.2	11.0	3.6	53.8
2016	0.2	—	1.6	1.8
2017 - 2030	909.1	68.7	2.5	980.3
Indefinite	351.1	249.7	21.0	621.8
	$ 1,389.2	$ 566.6	$ 71.6	$ 2,027.4

See note 16 regarding income tax contingencies.

12. RELATED PARTY TRANSACTIONS:

We have entered into a manufacturing agreement with a company under the control of our controlling shareholder. During 2010, we recorded revenue of $43.3 (2009 — $42.3) from this related party. At December 31, 2010, we had $4.9 (December 31, 2009 — $3.9) due from this related party. All transactions with this related party were in the normal course of operations and were recorded at the exchange amount as agreed to by the parties based on arm's length terms.

See note 8(b)(ii).

13. PENSION AND NON-PENSION POST-EMPLOYMENT BENEFIT PLANS:

We provide pension and non-pension post-employment benefit plans for our employees. Pension benefits include traditional pension plans as well as supplemental pension plans. Some employees in Canada, Japan and the United Kingdom participate in defined benefit plans. Defined contribution 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 include one-time retirement and termination benefits, medical, surgical, hospitalization coverage, supplemental health, dental and group life insurance.

Our pension funding policy is to contribute amounts sufficient to meet minimum local statutory funding requirements that are based on actuarial calculations. We may make additional discretionary contributions based on actuarial assessments. Contributions made by us to support ongoing plan obligations have been included in the deferred asset or liability accounts on the balance sheet. The most recent statutory pension actuarial valuations were completed using measurement dates as of April 2010 and December 2008. The measurement dates to be used for the next actuarial valuation for pensions will be April 2013 and December 2011.

We currently fund our non-pension post-employment benefit plans as we incur benefit payments. The most recent actuarial valuations for non-pension post-employment benefits were completed using measurement dates of October 2009 and January 2010. The measurement dates of the next actuarial valuations for non-pension post-employment benefits will be January 2012 and October 2012. We accrue the expected costs of providing non-pension post-employment benefits during the periods in which the employees render service.

(in millions of U.S. dollars)

The measurement date used for the accounting valuation for pension and non-pension post-employment benefits is December 31, 2010.

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 asset allocation allows for 57% to 58% (2009 — 45% to 53%) investment in fixed income, 36% to 39% (2009 — 45% to 53%) investment in equities through mutual funds, and 4% to 6% (2009 — 1%) in real estate/other investments. We employ passive investment approaches in our pension plan asset management strategy. Our pension funds do not invest directly in equities or derivative instruments. 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 market investment funds. All of our plan assets are measured at their fair value using inputs described in the fair value hierarchy in note 14(c). At December 31, 2010, $185.0 (December 31, 2009 — $357.3) of our plan assets were measured using level 1 inputs of the fair value hierarchy, and $205.2 (December 31, 2009 — Nil) of our plan assets were measured using level 2 inputs of the fair value hierarchy. Plan assets are held with counterparty financial institutions each having a Standard and Poor's rating of A+ or above at December 31, 2010. Where a rating is not available, 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 concentration risk is low.

The table below presents the market value of the assets as follows:

	Fair Market Value at December 31		Actual Asset Allocation (%) at December 31	
	2009	2010	2009	2010
Equities through mutual funds	$ 171.3	$ 141.6	48%	36%
Fixed income	181.1	226.6	51%	58%
Other	4.9	22.0	1%	6%
Total	$ 357.3	$ 390.2	100%	100%

The following tables provide a summary of the estimated financial position of our pension and non-pension post-employment benefit plans:

	Pension Plans Year ended December 31		Other Benefit Plans Year ended December 31	
	2009	2010	2009	2010
Plan assets, beginning of year	$ 286.5	$ 357.3	$ —	$ —
Employer contributions	22.3	23.9	3.2	3.7
Actual return on assets	41.6	37.7	—	—
Voluntary employee contributions	0.1	0.1	—	—
Plan settlements	(8.6)	(9.7)	—	(1.0)
Benefits and expenses paid	(20.8)	(21.4)	(3.2)	(2.7)
Foreign currency exchange rate changes	36.2	2.3	—	—
Plan assets, end of year	$ 357.3	$ 390.2	$ —	$ —

(in millions of U.S. dollars)

	Pension Plans Year ended December 31		Other Benefit Plans Year ended December 31	
	2009	2010	2009	2010
Accrued benefit obligations, beginning of year	$ 326.7	$ 386.5	$ 66.1	$ 69.9
Service cost	2.9	3.0	2.2	2.3
Interest cost	20.0	21.2	4.4	4.0
Voluntary employee contributions	0.1	0.1	—	—
Actuarial losses (gains)	26.8	37.1	(6.8)	9.2
Plan amendments	—	—	—	(5.8)
Plan curtailments	(0.2)	0.7	(0.7)	(1.6)
Plan settlements	(8.1)	(9.7)	—	(1.0)
Benefits and expenses paid	(20.8)	(21.4)	(3.2)	(2.7)
Foreign currency exchange rate changes	39.1	2.9	7.9	3.7
Accrued benefit obligations, end of year	$ 386.5	$ 420.4	$ 69.9	$ 78.0
Excess of accrued benefit obligations over plan assets	$ (29.2)	$ (30.2)	$ (69.9)	$ (78.0)
Unrecognized actuarial losses	124.1	135.5	16.3	23.8
Unrecognized net transition obligation and prior service cost	(4.1)	(3.4)	(8.2)	(11.1)
Deferred (accrued) pension cost	$ 90.8	$ 101.9	$ (61.8)	$ (65.3)

The following table reconciles the deferred (accrued) pension balances to those reported as of December 31, 2009 and 2010:

	2009			2010		
	Pension Plans	Other Benefit Plans	Total	Pension Plans	Other Benefit Plans	Total
Accrued pension and post-employment benefit	$ (13.6)	$ (61.8)	$ (75.4)	$ (15.9)	$ (65.3)	$ (81.2)
Deferred pension assets (note 6)	104.4	—	104.4	117.8	—	117.8
	$ 90.8	$ (61.8)	$ 29.0	$ 101.9	$ (65.3)	$ 36.6

The following table outlines the net periodic benefit cost as follows:

	Pension Plans Year ended December 31			Other Benefit Plans Year ended December 31		
	2008	2009	2010	2008	2009	2010
Service cost	$ 2.4	$ 2.9	$ 3.0	$ 2.5	$ 2.2	$ 2.3
Interest cost	23.0	20.0	21.2	4.2	4.4	4.0
Expected return on assets	(23.1)	(15.9)	(20.1)	—	—	—
Net amortization of prior service cost	(0.1)	(0.3)	(0.3)	(0.7)	(0.7)	(2.2)
Net amortization of actuarial losses	3.9	4.1	5.0	1.0	0.8	0.7
Curtailment/settlement loss (gain) (i)	0.1	2.1	5.1	(0.5)	(0.5)	(0.7)
	6.2	12.9	13.9	6.5	6.2	4.1
Defined contribution pension plan expense	11.8	10.7	9.7	—	—	—
Total expense for the year	$ 18.0	$ 23.6	$ 23.6	$ 6.5	$ 6.2	$ 4.1

(i) During 2010, we incurred net curtailment and plan settlement gains and losses due to restructuring activities.

(in millions of U.S. dollars)

The following table outlines the actuarial assumption percentages used in measuring the accrued benefit obligations at December 31 and the net periodic benefit costs for the year ended December 31 as follows:

	Pension Plans			Other Benefit Plans		
	2008	2009	2010	2008	2009	2010
Weighted average discount rate (i) for:						
Accrued benefit obligations	5.9	5.7	5.1	6.5	6.4	5.5
Net periodic benefit cost	5.4	5.9	5.7	5.6	6.5	6.4
Weighted average rate of compensation increase for:						
Accrued benefit obligations	3.2	3.5	3.5	4.7	4.7	4.7
Net periodic benefit cost	3.7	3.2	3.5	5.3	4.7	4.7
Weighted average expected long-term rate of return on plan assets (ii) for:						
Net periodic benefit cost	5.9	5.2	5.7	—	—	—
Healthcare cost trend rate (iii) for:						
Accrued benefit obligations	—	—	—	7.3	7.6	7.2
Net periodic benefit cost	—	—	—	7.8	7.3	7.6
Estimated rate for the following 12-month net periodic benefit cost	—	—	—	7.3	7.6	7.2

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.

(i) The weighted average discount rate is determined using publicly available rates for high yield corporate bonds and government 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.

(ii) The weighted average rate of return for each asset class contained in our approved investment strategy is used to derive the expected long-term rate of return on assets. For fixed income securities, the long-term rate of return on bonds for each country is used. The duration of the long-term rate of return on the bonds coincides with the estimated maturity of the plan obligations. For equity securities, an expected equity risk premium is aggregated with the long-term rate of return on bonds. The expected equity risk premium is specific for each country and is based on historic equity returns. There is no assurance that the plans will earn the assumed rate of return on plan assets.

(iii) The ultimate healthcare trend rate used to determine the cost of the benefits is estimated to steadily decline to 4.7% and is expected to be achieved in 2028.

Assumed healthcare trend rates impact the amounts reported for healthcare plans. A one-percentage point change in the assumed healthcare trend rates has the following impact:

	Other Benefit Plans Year ended December 31	
	2009	2010
1% Increase		
Effect on accrued benefit obligation	$ 7.8	$ 8.1
Effect on service cost and interest cost	1.2	0.7
1% Decrease		
Effect on accrued benefit obligation	$ (6.5)	$ (6.8)
Effect on service cost and interest cost	(0.8)	(0.6)

(in millions of U.S. dollars)

At December 31, 2010, we have pension plans that have accrued benefit obligations of $271.7 in excess of plan assets of $227.8. We also have pension plans with plan assets of $162.4 that are in excess of accrued benefit obligations of $148.7.

At December 31, 2010, the total accumulated benefit obligations for the pension plans was $419.3 and the accrued benefit obligations for the non-pension post-employment benefit plans was $78.0.

In 2010, we made contributions to the pension plans of $33.6, of which $9.7 was for defined contribution plans and $23.9 was for defined benefit plans. We may, from time-to-time, make voluntary contributions to the pension plans. In 2010, we made contributions to the non-pension post-employment benefit plans of $3.7 to fund benefit payments.

The estimated future benefit payments for the next 10 years, which reflect expected future service, and estimated employer contributions are as follows:

	Year	Pension Benefits	Other Benefits
Expected benefit payments:	2011	$ 18.2	$ 3.9
	2012	18.5	3.9
	2013	18.7	4.1
	2014	18.9	4.0
	2015	19.0	4.1
	2016 - 2020	101.7	26.0
Expected employer contributions:	2011	34.1	3.9

14. FINANCIAL INSTRUMENTS:

(a) 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 certain types of derivative financial instruments 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.

Currency risk: Due to the nature of our international operations, we are exposed to exchange rate fluctuations on our cash receipts, cash payments and balance sheet exposures denominated in various foreign currencies. The majority of 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. See note 2(n).

Our major currency exposures at December 31, 2010, are summarized in U.S. dollar equivalents in the following table. For purposes of this table, we have included only those items which we classified as financial assets or liabilities which were denominated in non-functional currencies. In accordance with the financial instruments standard, we have excluded items such as pension and post-employment benefits and income taxes.

(in millions of U.S. dollars)

The local currency amounts have been converted to U.S. dollar equivalents using the spot rates at December 31, 2010.

	Chinese renminbi	Malaysian ringgit	Thai baht	Mexican peso	Canadian dollar
Cash and cash equivalents	$ 24.1	$ 1.7	$ 1.1	$ 2.7	$ 12.0
Accounts receivable	16.1	—	—	—	—
Other financial assets	1.4	0.5	1.7	—	—
Accounts payable and accrued liabilities	(27.7)	(15.8)	(17.5)	(20.6)	(39.8)
Net financial assets (liabilities)	$ 13.9	$ (13.6)	$ (14.7)	$ (17.9)	$ (27.8)

Foreign currency risk sensitivity analysis:

At December 31, 2010, 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. 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.

	Chinese renminbi	Malaysian ringgit	Thai baht	Mexican peso	Canadian dollar
1% Strengthening					
Net earnings	$ 0.1	$ (0.3)	$ (0.1)	$ (0.2)	$ 1.8
Other comprehensive income	—	0.5	0.8	0.7	0.7
1% Weakening					
Net earnings	(0.1)	0.3	0.1	0.2	(1.8)
Other comprehensive income	—	(0.5)	(0.8)	(0.7)	(0.7)

Interest rate risk: We are exposed to interest rate risks as we have significant cash balances invested at floating rates. Borrowings under our revolving credit facility bear interest at LIBOR plus a margin. If we borrow under this facility, we will be exposed to interest rate risks due to fluctuations in the LIBOR rate. A one-percentage point increase in the LIBOR rate would increase interest expense, assuming maximum borrowings under our $200.0 revolving credit facility, by $2.0 annually.

Credit risk: Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss to us. With respect to our financial market activities, we have adopted a policy of dealing only with creditworthy 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 contracts, our contracts are held by counterparty financial institutions each of which had a Standard and Poor's rating of A or above at December 31, 2010. In addition, we maintain cash and short-term investments in high-quality investments or on deposit with major financial institutions. In November 2010, we renewed our accounts receivable sales program on similar terms and conditions for an additional two years. This financial institution had a Standard and Poor's rating of A-1 at December 31, 2010. At December 31, 2010, we sold $60.0 under this program (December 31, 2009 — no accounts receivable sold). We believe the credit risk of counterparty non-performance is low.

We also provide unsecured credit to our customers in the normal course of business. The financial instruments that potentially subject us to credit risk include our accounts receivable and inventory on hand and non-cancelable purchase orders in support of customer demand. We perform ongoing credit evaluations of our

customers' financial conditions. 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 financial statements, net of any allowances or reserves for losses, represents our estimate of maximum exposure to credit risk. At December 31, 2010, we have one customer that individually represented more than 10% of total accounts receivable, and 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 $5.1 at December 31, 2010 (December 31, 2009 — $7.5).

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 and accrued liabilities are due within 90 days. The maturity analysis of our derivative financial liabilities is included in note 14(d). We manage liquidity risk by maintaining a portfolio of liquid funds and investments, a revolving credit facility and intraday bank overdraft facilities. We believe that cash flow from operations, together with cash on hand, cash from the sales of accounts receivable, and borrowings available under our revolving credit and intraday bank overdraft facilities are sufficient to support our financial obligations.

(b) Fair values:

We used the following methods and assumptions to estimate the fair value of each class of financial instruments:

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate fair value 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 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.

The carrying values of our Notes were comprised of elements recorded at fair value and amortized cost. The fair value of the prepayment options were estimated using option pricing models with inputs of observable market data, including interest rates, implied volatilities and credit spreads. We redeemed all of our outstanding Notes prior to March 31, 2010.

(c) Fair value measurements:

The three levels of 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).

In the table below, we have segregated all financial assets and liabilities that are measured at fair value into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date. We have no financial assets or liabilities measured using level 3 inputs.

(in millions of U.S. dollars)

Financial assets and liabilities measured at fair value at December 31, 2009 and 2010 in the financial statements are summarized below:

	2009			2010		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets:						
Cash equivalents (money market funds)	$ 321.6	$ —	$ 321.6	$ 20.6	$ —	$ 20.6
Derivatives — foreign currency forward contracts	—	9.4	9.4	—	14.5	14.5
	$ 321.6	$ 9.4	$ 331.0	$ 20.6	$ 14.5	$ 35.1
Liabilities:						
Derivatives — foreign currency forward contracts	$ —	$ 1.4	$ 1.4	$ —	$ 1.5	$ 1.5
	$ —	$ 1.4	$ 1.4	$ —	$ 1.5	$ 1.5

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. There were no transfers of fair value measurements between level 1 and level 2 of the fair value hierarchy in 2009 or 2010.

(d) Derivatives and hedging activities:

We enter into foreign currency contracts to hedge foreign currency risks primarily relating to cash flows. At December 31, 2010, 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	$ 296.6	$ 0.98	13	$ 5.4
Thai baht	81.9	0.03	12	2.3
Mexican peso	71.0	0.08	12	1.5
Malaysian ringgit	62.6	0.31	12	1.8
British pound sterling	56.9	1.58	4	1.4
Euro	39.2	1.34	4	—
Singapore dollar	23.4	0.74	12	1.0
Japanese yen	7.5	0.01	1	(0.2)
Swiss franc	7.2	1.04	4	(0.2)
Romanian lei	7.1	0.31	6	—
Brazilian real	3.7	0.59	3	—
Czech koruna	1.6	0.05	3	—
Total	$ 658.7			$ 13.0

At December 31, 2010, the fair value of these contracts was a net unrealized gain of $13.0 (December 31, 2009 — net unrealized gain of $8.0). This is comprised of $14.5 of derivative assets recorded in prepaid and other assets and other long-term assets, and $1.5 of derivative liabilities recorded in accrued liabilities. The unrealized gains or losses are a result of fluctuations in foreign exchange rates between the time the currency forward contracts were entered into and the valuation date at period end.

(in millions of U.S. dollars)

We have not designated certain forward contracts to trade U.S. dollars as hedges and have marked these contracts to market each period through operations. We entered into these contracts to hedge against our balance sheet exposures, most significantly, in British pound sterling and Canadian dollar currencies.

15. CAPITAL MANAGEMENT:

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 and intraday bank overdraft facilities and share capital.

We regularly review our borrowing capacity and make adjustments, as available, for changes in economic conditions. At December 31, 2010, we had access to a $200.0 revolving credit facility, access to $65.0 in intraday bank overdraft facilities and we could sell up to $250.0 in accounts receivable (sold $60.0 at December 31, 2010) under an accounts receivable sales program to provide short-term liquidity. Our revolving credit facility has restrictive covenants, including those relating to debt incurrence, the sale of assets and a change of control. The facility also contains financial covenants relating to indebtedness, interest coverage and liquidity and we have pledged certain assets as security. We closely monitor our business performance to evaluate compliance with our covenants. We continue to monitor and review the most cost-effective methods for raising capital, taking into account these restrictions and covenants. In January 2011, we renewed our revolving credit facility on generally similar terms and conditions (including covenants and security for the facility) and increased the size of the facility to $400.0, with a maturity of January 2015. Our accounts receivable sales program is available until November 2012.

We redeemed all of our outstanding Notes prior to March 31, 2010. We also commenced an NCIB for up to 9% of our outstanding SVS in July 2010. We have not distributed, nor do we have any current plan to distribute, any dividends to our shareholders. We have and expect to, from time-to-time, purchase shares in the open market for delivery to employees upon vesting of awards under our long-term incentive plans.

Our capital risk management strategy has not changed since 2009. Other than the restrictive covenants associated with our revolving credit facility noted above, we are not subject to any contractual or regulatorily imposed 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.

16. COMMITMENTS, CONTINGENCIES AND GUARANTEES:

At December 31, 2010, we have operating leases that require future payments as follows:

	Operating Leases
2011	$ 33.4
2012	17.7
2013	13.4
2014	7.8
2015	5.4
Thereafter	21.8

We have contingent liabilities in the form of letters of credit, letters of guarantee and surety bonds which we provided to various third parties. These guarantees cover various payments, including customs and excise taxes,

utility commitments and certain bank guarantees. At December 31, 2010, these contingent liabilities amounted to $49.5 (December 31, 2009 — $50.2).

In addition to the above guarantees, we have also provided routine indemnifications, whose terms range in duration and often are not explicitly defined. These may include indemnifications against adverse impacts due to changes in tax laws, third-party intellectual property infringement claims and third-party claims for property damage from negligence. 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 such matters will not have a material adverse impact on our results of operations, 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 Mexican operations and our information technology and communications divisions. In an amended complaint, the plaintiffs added one of our directors and Onex Corporation as defendants. All defendants filed motions to dismiss the amended complaint. On October 14, 2010, the United States District Court issued a memorandum decision and order granting the defendants' motions to dismiss the consolidated amended complaint in its entirety. The plaintiffs have filed a notice to appeal to the United States Court of Appeals for the Second Circuit of the dismissal of its claims against us, our former Chief Executive and Chief Financial Officers, but are not appealing the dismissal of its claims against one of our directors and Onex Corporation. The briefing process on the appeal has not yet commenced. A parallel class proceeding remains against us and our former Chief Executive and Chief Financial Officers in the Ontario Superior Court of Justice, but neither leave nor certification of the action has been granted by that court. We believe that the allegations in the claim and the appeal are without merit and we intend to defend against them vigorously. However, there can be no assurance that the outcome of the litigation 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 both the Canadian claim and the appeal. We have liability insurance coverage that may cover some of our litigation expenses, potential judgments or settlement costs.

Income taxes:

We are subject to tax audits and reviews by local 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 be adversely affected and we could also be subject to interest and penalty charges.

In connection with ongoing tax audits in Canada, tax authorities have taken the position that income reported by one of our Canadian subsidiaries in 2001 through 2003 should have been materially higher as a result of certain inter-company transactions.

In connection with ongoing tax audits in Hong Kong, tax authorities have taken the position that income reported by one of our Hong Kong subsidiaries in 1999 through 2008 should have been materially higher as a result of certain inter-company transactions. In July 2010, we submitted a proposed settlement of this tax audit to the Hong Kong tax authorities; if accepted, the taxes and penalties would total approximately 129.5 million Hong Kong dollars (approximately $16.6 at current exchange rates), including the impact on future periods as a result of the reversal of tax attributes. There can be no assurance as to the final resolution of these proceedings.

In connection with a tax audit in Brazil, tax authorities have taken the position that income reported by our Brazilian subsidiary in 2004 should have been materially higher as a result of certain inter-company transactions. If Brazilian tax authorities ultimately prevail in their position, our Brazilian subsidiary's tax liability would increase by approximately 43.5 million Brazilian reais (approximately $26.1 at current exchange rates). In addition, Brazilian tax authorities may make similar claims in future audits with respect to these types of transactions. We have not accrued for any potential adverse tax impact as we believe our Brazilian subsidiary has reported the appropriate amount of income arising from inter-company transactions.

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. A change to the benefit realizable on these Brazilian losses could increase our net future tax liabilities by approximately 63.7 million Brazilian reais (approximately $38.2 at current 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 us 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, and if these claims and any ensuing proceedings are determined adversely to us, the amounts we may be required to pay could be material.

17. SEGMENT AND GEOGRAPHIC INFORMATION:

The accounting standards establish the criteria for the disclosure of certain information in the interim and annual financial statements 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 reportable segment is comprised of our electronics manufacturing services business. Our chief operating decision maker is our Chief Executive Officer.

(i) The following table indicates revenue by end market as a percentage of total revenue. Our revenue fluctuates from period-to-period depending on numerous factors, including but not limited to: seasonality of business, the level of program wins or losses with new, existing or disengaging customers, the phasing in or out of programs; and changes in customer demand. During the fourth quarter of 2010, we reclassified a

(in millions of U.S. dollars)

customer program from our consumer end market to our enterprise communications end market. Comparative percentages have been recalculated to conform to the current period's presentation.

	Year ended December 31		
	2008	2009	2010
Consumer	22%	28%	25%
Enterprise Communications	26%	22%	24%
Telecommunications	15%	15%	13%
Servers	16%	13%	14%
Storage	10%	12%	12%
Industrial, Aerospace and Defense, and Healthcare	11%	10%	12%

(ii) The following table details our external revenue allocated by manufacturing location among countries exceeding 10%:

	Year ended December 31		
	2008	2009	2010
China	19%	16%	14%
Thailand	18%	18%	21%
Mexico	14%	23%	27%
Malaysia	*	*	11%
Canada	11%	*	*

* less than 10% in the period indicated

(iii) The following table details our property, plant and equipment allocated among countries exceeding 10%:

	December 31		
	2008	2009	2010
China	25%	24%	22%
Canada	10%	10%	11%
Thailand	14%	13%	14%
Mexico	14%	20%	18%
Romania	*	*	11%

* less than 10% in the period indicated

(in millions of U.S. dollars)

18. SIGNIFICANT CUSTOMERS:

During 2008, no customer represented more than 10% of total revenue. At December 31, 2008, two customers individually represented more than 10% of total accounts receivable.

During 2009, one customer individually comprised 17% of total revenue. At December 31, 2009, one customer individually represented more than 10% of total accounts receivable.

During 2010, one customer individually comprised 20% of total revenue. At December 31, 2010, one customer individually represented more than 10% of total accounts receivable.

19. SUPPLEMENTAL CASH FLOW INFORMATION:

	Year ended December 31		
	2008	2009	2010
Paid during the year:			
Interest (a)	$ 65.4	$ 64.8	$ 15.0
Taxes (b)	$ 17.0	$ 16.6	$ 10.7

(a) This includes interest paid on the Notes. Interest on the Notes was payable in January and July of each year until maturity or earlier repurchase or redemption. We redeemed all of our outstanding Notes prior to March 31, 2010.

(b) Cash taxes paid are net of income taxes recovered.

Cash and cash equivalents are comprised of the following:

	December 31	
	2009	2010
Cash (i)	$ 259.8	$ 242.6
Cash equivalents (i)	677.9	390.2
	$ 937.7	$ 632.8

(i) Our current portfolio consists of certain money market funds that hold exclusively U.S. government securities, and certificates of deposit. The majority of our cash and cash equivalents are held with financial institutions each of which had at December 31, 2010 a Standard and Poor's rating of A-1 or above.

20. CANADIAN AND UNITED STATES ACCOUNTING POLICY DIFFERENCES:

Our consolidated financial statements have been prepared in accordance with Canadian GAAP. The significant differences between Canadian and U.S. GAAP, and their effects on our consolidated financial statements, are described below:

Consolidated statements of operations:

The following table reconciles net earnings (loss) and other comprehensive income (loss), as reported in the accompanying consolidated statements of operations and consolidated statements of other comprehensive

income (loss), respectively, to net earnings (loss) and other comprehensive income (loss) that would have been reported had the consolidated financial statements been prepared in accordance with U.S. GAAP:

	Year ended December 31		
	2008	2009	2010
Net earnings (loss) in accordance with Canadian GAAP	$ (720.5)	$ 55.0	$ 80.8
Gain on foreign exchange contract, net of tax (a)	(15.3)	—	—
Impact of debt instruments and interest rate swaps, net of tax (b)	2.4	(8.9)	1.0
Tax uncertainties (h)	7.6	(7.6)	—
Stock-based compensation expense (e)	—	0.5	0.1
Acquisition-related costs (j)	—	—	(1.0)
Net earnings (loss) in accordance with U.S. GAAP	$ (725.8)	$ 39.0	80.9
Other comprehensive income (loss):			
Other comprehensive income (loss) in accordance with Canadian GAAP	(46.5)	46.4	3.4
Changes to funded status of defined benefit pension and other post-employment benefit plans (c)	16.3	(1.8)	(16.5)
Comprehensive income (loss) in accordance with U.S. GAAP	$ (756.0)	$ 83.6	$ 67.8

The following table details the computation of U.S. GAAP basic and diluted earnings (loss) per share:

	Year ended December 31		
	2008	2009	2010
Net earnings (loss) attributable to common shareholders — basic and diluted	$ (725.8)	$ 39.0	$ 80.9
Weighted average shares — basic (in millions)	229.3	229.5	227.8
Weighted average shares — diluted (in millions) (1)	229.3	230.9	230.1
Basic earnings (loss) per subordinate voting share (2)	$ (3.17)	$ 0.17	$ 0.36
Basic earnings (loss) per multiple voting share (2)	$ (3.17)	$ 0.17	$ 0.36
Diluted earnings (loss) per share	$ (3.17)	$ 0.17	$ 0.35

(1) As a result of our net loss for 2008, we excluded 10.4 million stock options from the diluted per share calculation. In 2009 and 2010, we excluded 7.3 million and 4.7 million stock options, respectively, from the diluted per share calculations as they were out-of-the money.

(2) Under U.S. GAAP, we applied the two-class method which requires the disclosure of basic per share amounts for each class of shares assuming 100% of earnings are distributed as dividends to each class of shares based on their contractual rights. For purposes of this calculation, our MVS and SVS holders share ratably, as a single class, in any dividends declared. See note 8(a). Canadian GAAP does not require similar disclosures.

(in millions of U.S. dollars)

The cumulative effect of these adjustments on our shareholders' equity is as follows:

	As at December 31		
	2008	2009	2010
Shareholders' equity in accordance with Canadian GAAP	$ 1,365.5	$ 1,475.8	$ 1,421.3
Impact of debt instruments and interest rate swaps, net of tax (b)	7.9	(1.0)	—
Recognition of funded status of benefit plans, net of tax (c)	(126.2)	(128.0)	(144.5)
Tax uncertainties (h)	7.6	—	—
Acquisition-related costs (j)	—	—	(1.0)
Shareholders' equity in accordance with U.S. GAAP	$ 1,254.8	$ 1,346.8	$ 1,275.8

(a) In 2001, we entered into a forward exchange contract to hedge the cash portion of the purchase price for one acquisition. This transaction did not qualify for hedge accounting treatment under U.S. GAAP, which specifically precludes hedges of forecasted business combinations. We recorded a gain on the exchange contract in operations in 2001 for U.S. GAAP. For Canadian GAAP, we deferred this gain by reducing goodwill. Goodwill was lower for Canadian GAAP than U.S. GAAP. In 2008, we wrote off the entire goodwill balance for Canadian and U.S. GAAP, thereby releasing that gain to operations for Canadian GAAP purposes. As a result, this is no longer a reconciling item for U.S. GAAP.

(b) We have recorded an adjustment to reflect the difference in accounting for our Notes, including the treatment of our prepayment options and our interest rate swap agreements, under Canadian and U.S. GAAP. The prepayment options in our Notes qualified as embedded derivatives under Canadian GAAP and were bifurcated for reporting. This bifurcation was not required under U.S. GAAP. The adjustments recorded in operations for the embedded derivatives were reversed for U.S. GAAP. In 2004, we entered into interest rate swap agreements to hedge the fair value of our 2011 Notes by swapping the fixed rate of interest for a variable interest rate. We applied fair value hedge accounting to our 2011 Notes and interest rate swaps using the "shortcut" method for U.S. GAAP. For Canadian GAAP, we adopted the "long-haul" method to evaluate the effectiveness of this hedge relationship. The differences in the changes in fair values between the interest rate swaps and the hedged debt obligation were reversed from operations for U.S. GAAP. In 2009, we terminated the interest rate swap agreements and discontinued fair value hedge accounting. We repurchased Notes in each of 2008, 2009 and 2010. The gains or losses on these repurchases were adjusted under U.S. GAAP since the carrying values of the Notes were not affected by the bifurcation of embedded derivatives, or by the subsequent adjustments under Canadian GAAP. As of March 31, 2010, we have redeemed all of our outstanding Notes. As a result, there are no further reconciling items for U.S. GAAP related to our Notes.

(c) As a result of adopting certain pension standards in 2006, we recorded a net pension liability for U.S. GAAP, representing the funded status of pension and other post-retirement benefit plans, and charged accumulated other comprehensive loss. Changes to the funded status after initial adoption are recognized through comprehensive income (loss) in the year of the change. The estimated amounts that will be amortized from accumulated other comprehensive income (loss) during 2011 are as follows: a $2.4 gain in prior service costs and a net loss of $6.7. There are no pension plan assets that are expected to be returned to us during 2011.

(d) Accrued liabilities include $127.0 at December 31, 2010 (December 31, 2009 — $97.2) relating to payroll and benefit accruals.

(in millions of U.S. dollars)

Other disclosures required under U.S. GAAP:

(e) Stock-based compensation:

We applied the fair-value method of accounting for awards granted after December 31, 2005 and, accordingly, have recorded compensation expense through operations, including estimating forfeitures at the time of grant in order to estimate the amount of stock-based awards that will ultimately vest.

At December 31, 2010, we have total compensation costs relating to unvested awards that have not yet been recognized of $34.2 (December 31, 2009 — $33.6), net of estimated forfeitures. Compensation cost will be amortized on a straight-line basis over the remaining weighted-average period of approximately two years and will be adjusted for subsequent changes in estimated forfeitures. There was no difference between Canadian and U.S. GAAP for 2008. We recorded a reduction of $0.1 to our U.S. GAAP compensation expense for 2010 (2009 — reduction of $0.5).

As of December 31, 2010, the weighted average remaining life of exercisable options is 4.3 years.

(f) Accumulated other comprehensive loss:

	Year ended December 31		
	2008	2009	2010
Accumulated other comprehensive income in accordance with Canadian GAAP	$ 9.4	$ 55.8	$ 59.2
Opening balance related to pension and non-pension post-employment benefit plans	(142.5)	(126.2)	(128.0)
Recognition of funded status of defined benefit pension and other post-employment benefit plans, net of tax (c)	16.3	(1.8)	(16.5)
Closing balance	(126.2)	(128.0)	(144.5)
Accumulated other comprehensive loss in accordance with U.S. GAAP	$ (116.8)	$ (72.2)	$ (85.3)

(g) Warranty liability:

We record a liability for future warranty costs based on management's best estimate of probable claims under our product or service warranties. The accrual is based on the terms of the warranty which vary by customer, product or service and historical experience. We regularly evaluate the appropriateness of the remaining accrual.

The following table details the changes in the warranty liability:

	2008	2009	2010
Balance at January 1	$ 24.8	$ 20.7	$ 13.8
Accruals	14.0	3.9	4.2
Payments	(18.1)	(10.8)	(7.8)
Balance at December 31	$ 20.7	$ 13.8	$ 10.2

(h) Accounting for uncertainty in income taxes:

In 2008, we recorded a provision of $7.6 to account for tax uncertainties under Canadian GAAP, which we did not recognize under U.S. GAAP due to timing. We recognized these tax uncertainties for U.S. GAAP in 2009.

(in millions of U.S. dollars)

A reconciliation of the beginning and ending amounts of unrecognized tax benefits, inclusive of interest and penalties, is as follows:

	2008	2009	2010
Balance at January 1	$ 79.8	$ 70.8	$ 134.9
Additions based on tax provisions related to the current year	3.8	1.4	0.5
Increases (reductions) due to foreign exchange	(9.8)	9.3	6.9
Increases for tax positions of prior years	9.3	64.8	34.5
Reductions relating to settlements	(12.3)	(11.4)	—
Balance at December 31	$ 70.8	$ 134.9	$ 176.8

The total amount of unrecognized tax benefits for 2010 of $172.4 (2009 — $108.9; 2008 — $61.5), if recognized, would reduce our annual effective tax rate. We expect our unrecognized tax benefits to change significantly over the next 12 months as a result of ongoing Canadian and foreign tax audits. However, we are unable to estimate the range of possible change.

We recognize accrued interest and penalties related to unrecognized tax benefits in current tax expense. We accrued net potential interest and penalties of $4.9 related to the unrecognized tax benefits during 2010 (2009 — $30.7; 2008 — $3.2). At December 31, 2010, we have recorded a net liability for potential interest and penalties of $63.6 (December 31, 2009 — $55.8).

We are subject to taxes in the following jurisdictions: Canada, United States, Mexico, Brazil, Spain, Czech Republic, Romania, Hungary, Switzerland, Austria, France, the United Kingdom, Hong Kong, China, India, Japan, Thailand, Singapore and Malaysia, all with varying statutes of limitations.

Generally, the tax years 2001 through 2010 remain subject to examination by tax authorities with the exception of the following jurisdictions in which earlier years remain subject to examination by tax authorities:

	Years
Canada (specific item under waiver)	1998 - 2000
Hong Kong	1998 - 2000

(i) Fair value measurements:

In 2008, we adopted the standard "Fair value measurements," which defines fair value and prescribes methods for measuring fair value, including a three level hierarchy of the inputs used to measure fair value. See note 14 for the disclosure of our financial assets and liabilities which are measured at fair value.

Effective January 1, 2009, these standards also applied to non-financial assets and liabilities. In 2010, we recorded an impairment charge to write-down certain assets included in property, plant and equipment to fair value. The fair value of those assets at December 31, 2010 was $5.0 (2009 — $18.4) which we measured using level 3 inputs in the fair value hierarchy.

We carry property, plant and equipment at amortized cost. We record impairment losses when the carrying amount exceeds the undiscounted future net cash flows we expect from their use and disposal. The process of determining fair values is subjective and we exercise judgment in making assumptions about future results, including revenue and expense projections and discount rates, as well as the valuation and use of appraisals for property. The process and assumptions used to determine these fair values qualify as level 3 unobservable inputs. We will continue to amortize these assets using their new fair values, over the remaining useful lives of the assets.

(j) Business combinations:

Effective January 1, 2009, we adopted the standard "Business combinations (revised 2007)," which requires the use of fair value accounting for business combinations. Equity securities issued as consideration in a business combination are recorded at fair value as of the acquisition date as opposed to the date when the terms of the business combination were agreed to and announced. Acquisition-related costs such as transaction costs are expensed under this standard. We incurred transaction costs of $1.0 related to the acquisitions we completed in 2010. Under Canadian GAAP, we capitalized these costs in goodwill. We have deducted these costs from operations for U.S. GAAP. This standard also requires us to record the fair value of contingent payments related to our Allied Panels acquisition. Our goodwill and long-term liabilities will each increase by $4.6. This adjustment does not impact our shareholders' equity for U.S. GAAP. At December 31, 2010, no contingent consideration was recorded under Canadian GAAP.

(k) Inventory:

During 2010, we recorded a net inventory valuation reversal through cost of sales, primarily to reflect realized gains on the disposition of inventory previously written down. Since none of the reversals has the effect of increasing the value of inventory on hand at December 31, 2010, there is no reconciling item for U.S. GAAP related to inventory.

(l) Recently adopted United States accounting pronouncements:

Effective for 2009, we adopted the standard "Disclosures about derivative instruments and hedging activities (an amendment)," which requires enhanced disclosures related to an entity's derivative instruments and hedging activities. See notes 2(n), 7 and 14.

Effective for 2009, we adopted the standard "Employers disclosure about post-retirement benefit plan assets," which requires additional disclosures about plan assets for defined benefit pension and other post-retirement benefit plans. Disclosures are required on investment policies and strategies, categories of plan assets, fair value measurement of plan assets and concentration risks. This standard also requires plan sponsors to classify their plan assets using the fair value hierarchy to determine fair value. The three levels of fair value hierarchy, based on the reliability of inputs, is described in note 14(c). At December 31, 2010, our plan assets were measured at fair value using level 1 and level 2 inputs. The adoption of this standard did not have a material impact on our consolidated financial statements. See note 13.

In February 2008, the Canadian Accounting Standards Board announced the adoption of IFRS for publicly accountable enterprises in Canada. IFRS will replace Canadian GAAP effective January 1, 2011. We will prepare our consolidated financial statements with comparative data in accordance with IFRS effective for 2011. In 2008, the Securities and Exchange Commission adopted rules to accept filings of financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board without reconciliation to U.S. GAAP. As a result, a reconciliation note to U.S. GAAP will no longer be presented in our consolidated financial statements for 2011.

21. COMPARATIVE INFORMATION:

We have reclassified certain prior year information to conform to the current year's presentation.

Exhibit 2.4

SIXTH AMENDED AND RESTATED
REVOLVING TERM CREDIT AGREEMENT

CELESTICA INC. AND THE SUBSIDIARIES SPECIFIED AS DESIGNATED SUBSIDIARIES HEREIN,
as Borrowers

- and -

CANADIAN IMPERIAL BANK OF COMMERCE,
as Co-Lead Arranger, Sole Bookrunner and Administrative Agent

- and -

RBC CAPITAL MARKETS,
as Co-Lead Arranger and Co-Syndication Agent

- and -

MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED,
as Co-Syndication Agent

- and -

THE FINANCIAL INSTITUTIONS NAMED IN SCHEDULE A,
as Lenders

U.S.$400,000,000
REVOLVING TERM CREDIT FACILITY

Made as of January 14, 2011

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SIXTH AMENDED AND RESTATED
REVOLVING TERM CREDIT AGREEMENT

MADE as of January 14, 2011.

B E T W E E N:

CELESTICA INC.,
a corporation incorporated under the laws of the Province of Ontario,

- and -

THE SUBSIDIARIES OF CELESTICA INC. SPECIFIED HEREIN AS DESIGNATED SUBSIDIARIES,

- and -

CANADIAN IMPERIAL BANK OF COMMERCE,
as Co-Lead Arranger, Sole Bookrunner and Administrative Agent

- and -

RBC CAPITAL MARKETS,
as Co-Lead Arranger and Co-Syndication Agent,

- and -

MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED,
as Co-Syndication Agent

- and -

THE FINANCIAL INSTITUTIONS NAMED IN SCHEDULE A, as Lenders.

WHEREAS Celestica Inc., the Subsidiaries of Celestica Inc. designated therein as Designated Subsidiaries, CIBC World Markets, as Co-Lead Arranger and Bookrunner, RBC Capital Markets, as Co-Lead Arranger and Co-Syndication Agent, and Canadian Imperial Bank of Commerce, as Administrative Agent, Banc of America Securities LLC, now known as Merrill Lynch Pierce Fenner & Smith Incorporated, as Co-Syndication Agent and the financial institutions named therein as the Lenders are parties to a Fifth Amended and Restated Revolving Term Credit Agreement dated as of April 7, 2009 (as amended by an Amendment to the Fifth Amended and Restated Revolving Term Credit Agreement dated as of March 10, 2010) (the "**Existing Credit Agreement**") which amended and restated a Fourth Amended and Restated Revolving Term Credit Agreement dated as of April 12, 2007 between Celestica Inc., the Subsidiaries of Celestica Inc designated therein as Designated Subsidiaries, 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, Bank of America Securities LLC, as Co-Syndication Agent and the financial institutions named therein as Lenders, which amended and restated a Third Amended and Restated Revolving Term Credit Agreement dated as of June 4, 2004 between Celestica Inc., the Subsidiaries of Celestica Inc. designated therein as Designated Subsidiaries, Canadian Imperial Bank of Commerce, as the Administrative Agent, CIBC World Markets as, Joint-Lead Arranger, RBC Capital Markets, as Joint-Lead Arranger and Co-Syndication Agent, Banc of America Securities LLC as Co-Syndication Agent, The Bank of Nova Scotia, as Documentation Agent, and the financial institutions named therein as the Lenders which amended and restated a Second Amended and Restated Revolving Term Credit Agreement dated as of December 17, 2002 (as amended by the First Amendment to Second Amended and Restated Revolving Term Credit Agreement dated as of October 31, 2003 and by the Second Amendment to Second Amended and Restated Revolving Term Credit Agreement dated as of March 30, 2004) between Celestica Inc., the Subsidiaries of Celestica Inc. designated therein as Designated Subsidiaries, The Bank of Nova Scotia as the Administrative Agent, CIBC World Markets, as Joint-Lead Arranger and Syndication Agent, RBC Capital Markets and Banc of America Securities LLC, as Joint-Lead Arrangers and Co-Documentation Agents, and the financial institutions named therein as the Lenders, which amended and restated an Amended and Restated Revolving Term Credit Agreement dated as of June 8, 2001 among Celestica Inc., the Subsidiaries of Celestica Inc. designated therein as Designated Subsidiaries, The Bank of Nova Scotia, as the Administrative Agent, the Canadian Facility Agent, the U.S. Facility Agent and the U.K. Facility Agent and the financial institutions named therein as the Lenders, which amended and restated a Credit Agreement dated as of April 22, 1999 among Celestica Inc., the Subsidiaries of Celestica Inc. designated therein as Designated Subsidiaries, The Bank of Nova Scotia as the Administrative Agent, the Canadian Facility Agent, the U.S. Facility Agent and the U.K. Facility Agent and the financial institutions named therein as the Lenders;

AND WHEREAS the parties hereto wish to amend and restate the Existing Credit Agreement on the terms set forth herein;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the premises, the covenants herein contained and other valuable consideration, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement:

"**Acceptance Note**" means a non-interest bearing promissory note of a Borrower substantially in the form of Schedule L delivered to a Lender in the circumstances set out in Section 4.7(a);

"**Acquired Indebtedness**" means Indebtedness of any Person (i) which is outstanding at the time that such Person becomes a Restricted Subsidiary or is amalgamated with, or merged with or into, a Borrower or a Restricted Subsidiary; or (ii) which is outstanding at the time that assets of a Person are acquired by a Borrower or a Restricted Subsidiary and the obligation for repayment

of which is assumed by such Borrower or Restricted Subsidiary in connection with the acquisition of such assets;

"**Additional Commitment**" has the meaning specified in Section 2.25(a);

"**Additional Compensation**" has the meaning specified in Section 5.2;

"**Additional Jurisdictions**" means each jurisdiction other than Canada and the United States of America identified on Schedule A in which the Other Jurisdiction Lenders listed as Lenders in such jurisdiction may make Advances;

"**Additional Lender**" has the meaning specified in Section 2.25(a);

"**Administrative Agent**" means Canadian Imperial Bank of Commerce when acting in its capacity as administrative agent hereunder;

"**Advance**" means a Prime Rate Advance, a Bankers' Acceptance Advance, a LIBOR Advance, a Base Rate Advance, a Base Rate Canada Advance made by the Lenders or a Lender, as applicable, or the issuance of a Letter of Credit and "**Advances**" means all of them;

"**Affected Lender**" has the meaning specified in Section 5.4(b);

"**Affiliate**" means an affiliated body corporate and, for the purposes of this Agreement, (i) one body corporate is affiliated with another body corporate if one such body corporate is the Subsidiary of the other or both are Subsidiaries of the same body corporate or each of them is controlled by the same Person and (ii) if two bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other; for greater certainty for the purposes of this definition, "**body corporate**" shall include a Canadian chartered bank;

"**Agents**" means the Administrative Agent and the Co-Syndication Agents and "**Agent**" shall mean any one of them;

"**Agreement**" means this agreement and all Schedules attached hereto as the same may be amended, restated, replaced or superseded from time to time;

"**Applicable Law**" means, with respect to any Person, property, transaction or event, all applicable laws, statutes, rules, regulations, codes, treaties, conventions, judgments, orders, awards or determinations of courts, arbitrators or mediators, and decrees in any applicable jurisdiction which are binding on such Person, property, transaction or event;

"**Applicable Margin**" shall have the meaning specified in Schedule C;

"**Approved Credit Rating Agency**" means any one of Standard & Poor's, Moody's and any other similar agency agreed to by Celestica and the Administrative Agent;

"**Arm's Length**" has the meaning ascribed thereto under the *Income Tax Act* (Canada) in effect as of the date hereof;

"**Assenting Lender**" has the meaning specified in Section 5.4(b);

"**Available Swing Line Commitment**" means the monetary amount which is the commitment of the Swing Line Lender as may be increased or decreased from time to time pursuant to Section 2.22(j);

"**Bankers' Acceptance**" means a draft or other bill of exchange in Canadian Dollars including, without limitation, a depository bill subject to the *Depository Bills and Notes Act* (Canada), drawn by Celestica or a Canadian Designated Subsidiary and accepted by a Canadian Lender in accordance with Article 4;

"**Bankers' Acceptance Advance**" means the advance of funds to Celestica or a Canadian Designated Subsidiary by way of creation and issuance of Bankers' Acceptances or by way of the issuance of an Acceptance Note, in each case in accordance with the provisions of Article 4;

"**Banking Day**" means a day, other than a Saturday or a Sunday and, where used in the context of a notice, delivery, payment or other communication addressed to the Administrative Agent, which is also a day on which banks are not required or authorized to close in Toronto, Canada and:

(i) in the case of Base Rate Advances or Base Rate Canada Advances in United States Dollars, which is also a day on which banks are not required or authorized to close in New York, New York; or

(ii) in the case of LIBOR Advances in United States Dollars, which is also a day on which banks are not required or authorized to close in New York, New York or London, England, or which is a day on which dealings are carried on in the London interbank market;

"**Base Rate**" means, on any day on which such rate is determined, the greater of (i) the variable rate of interest per annum, expressed on the basis of a year of 360 days established or quoted from time to time by the Administrative Agent as the reference rate of interest then in effect for determining interest rates on United States Dollar denominated commercial loans made by it in the United States; and (ii) the Federal Funds Effective Rate plus ½ of 1% per annum;

"**Base Rate Advance**" means a loan made by the U.S. Lenders to a U.S. Designated Subsidiary on which interest is payable based on the Base Rate plus the Applicable Margin;

"**Base Rate Canada**" means, on any day on which such rate is determined, the greater of (i) the variable rate of interest per annum, expressed on the basis of a year of 365 or 366 days, as the case may be, established or quoted from time to time by the Administrative Agent as the reference rate of interest then in effect for determining interest rates on United States Dollar denominated commercial loans made by it in Canada; and (ii) the Federal Funds Effective Rate plus ½ of 1% per annum;

"**Base Rate Canada Advance**" means a loan made by the Canadian Lenders to Celestica or to a Canadian Designated Subsidiary on which interest is payable based on the Base Rate Canada plus the Applicable Margin;

"**Borrowers' Counsel**" means Davies Ward Philips & Vineberg LLP, Toronto, Ontario or such other firm of legal counsel as the Borrowers may from time to time designate;

"**Borrowers**" means Celestica and each Designated Subsidiary from time to time and their respective permitted successors and assigns and "**Borrower**" means any of them;

"**Business**" means the business of:

(a) conducting a broad range of electronics manufacturing services, including front end design and product development, manufacturing, assembly and testing of printed circuit boards, printed circuit board assembly, backplanes, electro-mechanical sub-assembly, memory modules, photonics, opto-electronic assembly, full system assembly, product testing, quality assurance, failure analysis, packaging and direct order fulfilment, after market service and support, and other related manufacturing services;

(b) a full range of supply chain management services such as materials procurement, inventory management, logistics, packaging, distribution, after-market support and refurbishment;

(c) design services including concept and product design, product documentation and data management, prototype services, product qualification, design for manufacturability and new product introduction;

(d) the design, production, distribution and sale of reference designs and power products; and

(e) any incidental businesses conducted by businesses acquired by a Borrower or a Restricted Subsidiary whose principal business involves one or more of the businesses described in paragraphs (a) through (d) of this definition;

"**Canadian BA Rate**" means, for a particular term, the discount rate per annum, calculated on the basis of a year of 365 days, for Canadian Dollar Bankers' Acceptances having such term:

(a) in respect of the Bankers' Acceptances to be accepted by a Schedule I Lender, that appears as the CDOR average rate on the display page designated as the CDOR page (or any replacement page) by Reuters Money Market Service (or its successor) as of 10:00 a.m. (Toronto, Canada time) on the first day of such term; and

(b) in respect of the Bankers' Acceptances or Acceptance Notes to be accepted by a Non-Schedule I Lender, as are quoted by such Non-Schedule I Lender as of 10:00 a.m. (Toronto, Canada time) on the first day of such term, provided that such quoted rate shall in no event exceed the rate determined for Bankers' Acceptances accepted by a Schedule I Lender pursuant to paragraph (a) of this definition plus ten basis points, each as determined by the Administrative Agent;

"**Canadian Dollars**" and "**Cdn.$**" mean the lawful currency of Canada in immediately available funds;

"**Canadian Designated Subsidiary**" means a Designated Subsidiary, (a) which was incorporated, continued, amalgamated or otherwise created in accordance with and continues to

be governed by the laws of a Province of Canada or the federal laws of Canada and which is domiciled in Canada; and (b) which has satisfied and complied with the terms of Section 7.1(b);

"**Canadian Lenders**" means (i) the financial institutions set out in Schedule A.1 to this Agreement as such Schedule A.1 may be amended pursuant to Section 2.25(a) and (ii) all assignees under Transfer Notices sent pursuant to Section 13.11;

"**Canadian Outstanding Amount**" has the meaning specified in Section 2.3(c);

"**Capital Lease**" means any leasing or similar arrangement which, in accordance with GAAP, would be classified a capital lease;

"**Capital Lease Obligations**" means all monetary obligations of Celestica or a Subsidiary under a Capital Lease and for the purposes of this Agreement and each other Loan Document, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP;

"**Celestica**" means Celestica Inc., a corporation duly incorporated, organized and subsisting under the laws of the Province of Ontario, and any successor or continuing corporation;

"**Celestica International**" means Celestica International Inc., a corporation duly incorporated, organized and subsisting under the laws of the Province of Ontario, and any successor or continuing corporation;

"**Celestica LLC**" means Celestica LLC, a limited liability company duly incorporated, organized and subsisting under the laws of the State of Delaware, and any successor or continuing corporation;

"**CERCLA**" means the United States *Comprehensive Environmental Response, Compensation and Liability Act of 1980*;

"**CERCLIS**" means the United States Comprehensive Environmental Response Compensation Liability Information System List;

"**Chinese Material Restricted Subsidiary**" has the meaning specified in Section 9.1(m)(iv);

"**CIBC**" means Canadian Imperial Bank of Commerce, a Canadian chartered bank;

"**Claims**" has the meaning specified in Section 12.4(a);

"**Closing**" means the satisfaction of the conditions precedent set out in Section 6.1;

"**Closing Date**" means the date of Closing;

"**Co-Lead Arrangers**" means CIBC and RBC Capital Markets;

"**Code**" means the United States *Internal Revenue Code of 1986*;

"**Commitment**" means the commitment of each Lender to loan a portion of the aggregate amount of the Facility, in the amount set opposite its name in Schedule B, as such Schedule B

may be amended (a) pursuant to Section 2.3(g); (b) pursuant to Section 2.25(a); (c) pursuant to Section 7.1(d); (d) pursuant to Section 7.1(f); or (e) by a Transfer Notice sent pursuant to Section 13.11; provided, that each Lender may only have a Commitment in respect of (i) Celestica and the Canadian Designated Subsidiaries, (ii) the U.S. Designated Subsidiaries or (iii) the Consent Designated Subsidiaries domiciled in an Additional Jurisdiction;

"**Consent Designated Subsidiaries**" means a Designated Subsidiary (a) which was not incorporated, continued, amalgamated or otherwise created in accordance with (i) the laws of a Province of Canada or the federal laws of Canada, or (ii) the laws of a state of the United States of America; and (b) which has satisfied and complied with the terms of Section 7.1(c);

"**Consent Lender**" has the meaning specified in Section 7.1(c)(ii);

"**Contingent Liability**" means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable for the Indebtedness of any other Person, such Indebtedness being any of the types referred to in paragraphs (a), (b), (c), (e), (f) and (g) of the definition of Indebtedness (in the case of paragraphs (f) and (g), only to the extent that the Indebtedness described in such paragraphs comprises or relates to Indebtedness of the types referred to in paragraphs (a), (b), (c) and (e) of the definition of Indebtedness);

"**control**" means, with respect to control of a body corporate by a Person, the holding (other than by way of security only) by or for the benefit of that Person, or Affiliates of that Person of securities of such body corporate or the right to vote or direct the voting of securities of such body corporate to which, in the aggregate, are attached more than 50% of the votes that may be cast to elect directors of the body corporate, provided that the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;

"**Controlled Group**" means all members of a controlled group of corporations and all members of a controlled group of trades or business (whether or not incorporated) under common control which, together with the Borrowers, are treated as a single employer under Section 414(b) or Section 414(c) of the Code;

"**Conversion**" means the conversion of one type of Advance into another type of Advance pursuant to Section 2.15;

"**Conversion Notice**" means a notice substantially in the form set out in Schedule E;

"**Corporate Reorganization**" has the meaning specified in Section 13.12;

"**DB Receivables Purchase Agreement**" means the revolving trade receivables purchase agreement dated as of November 23, 2005 among Celestica, Celestica Corporation, Celestica Raječko s.r.o., Celestica Holdings Pte Ltd., Celestica Valencia S.A., Celestica Hong Kong Ltd., each of the purchasers listed therein and Deutsche Bank AG New York Branch, as the same may be amended, restated, supplemented or modified from time to time;

"**Debt Rating**" means, at any time, Celestica's issuer credit rating provided by Standard & Poor's, or Celestica's senior implied rating provided by Moody's, or the equivalent rating provided by any other Approved Credit Rating Agency;

"**Debt Rating Downgrade**" means the Debt Rating of Celestica being downgraded to below BB+ by Standard & Poor's or Ba1 by Moody's;

"**Debt Rating Upgrade**" means the Debt Rating of Celestica being upgraded (a) to BBB- or better by Standard & Poor's and (b) if Moody's provides a Debt Rating to Celestica, to Baa3 or better by Moody's;

"**Default**" means an event which, with the giving of notice or the passage of time or the making of any determination or any combination thereof as provided for herein, would constitute an Event of Default;

"**Defaulting Lender**" means any Lender that (i) has failed to fund any portion of any Advance, participations in Letters of Credit or participations in Swing Line Advances required to be funded by it hereunder within one (1) Banking Day of the date required to be funded by it hereunder, unless the subject of a good faith dispute (or a good faith dispute that is subsequently cured), (ii) has notified the Borrower, the Administrative Agent, the Issuing Bank or the Swing Line Lender in writing that it does not intend to comply with its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement, (iii) has failed, within two (2) Banking Days after written request by the Administrative Agent, to provide written confirmation that it will comply with the terms of this Agreement relating to its obligations to fund participations in then outstanding Letters of Credit or Swing Line Advances, (iv) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two (2) Banking Days of the date when due, unless the subject of a good faith dispute (or a good faith dispute that is subsequently cured) or (v) is unable to meet its obligations as they generally become due, becomes insolvent or generally fails to pay its debts as they generally become due, or that has applied for, assigned itself into, permitted, consented to or suffered to exist, any bankruptcy, insolvency, liquidation or winding up process in respect of itself;

"**Designated Account**" means an account of a Borrower of which the Administrative Agent is notified by such Borrower from time to time for the purposes of transactions under this Agreement;

"**Designated Subsidiary**" means a directly or indirectly wholly-owned Restricted Subsidiary of Celestica designated by Celestica as a Canadian Designated Subsidiary, a U.S. Designated Subsidiary or a Consent Designated Subsidiary in accordance with and which complies with the applicable terms of Section 7.1 of this Agreement;

"**Designated Subsidiary Agreement**" means an agreement substantially in the form set out in Schedule F;

"**Disbursement**" has the meaning specified in Section 3.4;

"**Disbursement Date**" has the meaning specified in Section 3.4;

"**Domestic Material Restricted Subsidiary**" means a Material Restricted Subsidiary that was incorporated, continued, amalgamated, merged or otherwise created in accordance with and

continues to be governed by the laws of a Province of Canada or the federal laws of Canada or the laws of any state of the United States of America;

"**Domestic Restricted Subsidiary**" means a Restricted Subsidiary that was incorporated, continued, amalgamated, merged or otherwise created in accordance with and continues to be governed by the laws of a Province of Canada or the federal laws of Canada or the laws of any state of the United States of America;

"**Drawdown**" means a drawdown of an Advance;

"**Drawdown Date**" means, in relation to any Advance, the date, which shall be a Banking Day, on which the Drawdown of such Advance is made by a Borrower pursuant to a Drawdown Notice;

"**Drawdown Notice**" means a notice substantially in the form set out in Exhibit 1 to Schedule G;

"**EBITDA**" means, for any particular period, the aggregate of:

(a) Net Income for such period;

(b) all amounts deducted in the calculation of Net Income in respect of Taxes, whether paid or deferred (in accordance with GAAP);

(c) all amounts deducted in the calculation of Net Income in respect of depreciation;

(d) all amounts deducted in the calculation of Net Income in respect of amortization;

(e) all amounts deducted in the calculation of Net Income in respect of Interest Expense, other than the implicit financing costs of synthetic leases;

(f) all amounts deducted in the calculation of Net Income in determining all non-recurring charges; and

(g) non-cash charges and purchase accounting deductions,

provided that, in the event of the acquisition by Celestica or a Restricted Subsidiary of (i) a corporation which becomes a new Restricted Subsidiary or (ii) any other entity or a group of assets or an operation, provided that such operation comprises a going concern which becomes a division or part of the business of Celestica or a Restricted Subsidiary (an "**operation**"), EBITDA will, subject to (x) and (y), include the EBITDA for the newly acquired Restricted Subsidiary or operation for its immediately preceding four fiscal quarters completed prior to such acquisition.

(x) If such newly acquired Restricted Subsidiary or operation was, immediately prior to such acquisition, accounted for on a stand-alone basis, EBITDA for such newly acquired Restricted Subsidiary or operation shall only be included in the above calculation if EBITDA for such newly acquired Restricted Subsidiary or operation, as the case may be, can be determined by reference to historical financial statements satisfactory to the Administrative Agent; and

(y) If such newly acquired Restricted Subsidiary or operation:

(A) was not, immediately prior to such acquisition, accounted for on a stand-alone basis; or

(B) was immediately prior to such acquisition, accounted for on a stand-alone basis but, in the determination of the Administrative Agent acting reasonably, the business of such newly acquired Restricted Subsidiary or operation will not be conducted by Celestica or its Restricted Subsidiary, as the case may be, in substantially the same form or the same manner as conducted by the vendor immediately prior to such acquisition,

then subject to the satisfaction of the Administrative Agent and the Majority Lenders with the method of determination thereof acting reasonably, EBITDA for such newly acquired Restricted Subsidiary or operation will be determined having regard to historical financial results together with, and having regard to, contractual arrangements and any other changes made or proposed to be made by Celestica or its Restricted Subsidiary, as the case may be, to the business of such newly acquired Restricted Subsidiary or operation;

"**EDC**" has the meaning specified in Section 2.22(i);

"**Eligible Hedging Agreement**" means any Hedging Agreement entered into between Celestica or any of its Subsidiaries and any Lender or any Affiliate of any Lender (collectively, the "**Hedge Lenders**"), provided that any Hedging Agreement entered into by Celestica or any of its Subsidiaries and any Person at the time that such Person was a "**Lender**" hereunder shall continue to be an Eligible Hedging Agreement (and such Person shall continue to be a Hedge Lender) notwithstanding that such Person ceases, at any time, to be a "**Lender**" hereunder;

"**Eligible Hedging Obligations**" means the obligations of Celestica or any of its Subsidiaries in respect of any Eligible Hedging Agreement;

"**Environmental Laws**" means applicable federal, provincial, state, municipal or other local law, statute, regulation or by-law, code, ordinance, decree, directive, standard, policy, guideline, rule, order, treaty, convention, judgment, award or determination for the protection of the environment or human health or relating to the manufacture, processing, distribution, use, treatment, storage, Release, transport or handling of Hazardous Materials;

"**Equivalent Amount**" on any given date in one currency (the "**first currency**") of any amount denominated in another currency (the "**second currency**") means the amount of the first currency which could be purchased with such amount of the second currency at the rate of exchange quoted by the Administrative Agent at 10:00 a.m. (Toronto, Canada time)) or, in the case of an Equivalent Amount to be determined in accordance with Article 3 hereof, by the Issuing Bank at 10:00 a.m. (local time in the jurisdiction where the applicable Letter of Credit is issued) on such date for the purchase of the first currency with the second currency;

"**ERISA**" means the United States *Employee Retirement Income Security Act of 1974*;

"**Euro**" means the single currency of the Participating Member States introduced on January 1, 1999;

"**Event of Default**" means any of the events described in Section 10.1;

"**Exempted Jurisdiction**" has the meaning specified in Section 13.12;

"**Existing Credit Agreement**" has the meaning specified in the first recital hereto;

"**Face Amount**" means, in respect of a Bankers' Acceptance, the amount payable to the holder thereof on the maturity thereof and means, in respect of a Letter of Credit, the maximum amount payable to a beneficiary thereunder;

"**Facility**" means the revolving term credit facility in an aggregate principal amount of U.S.$400,000,000 to be made available to the Borrowers as set forth in Article 2 as same may be increased subject to the terms set forth herein;

"**Facility Fee**" has the meaning specified in Section 2.14(a) and calculated in accordance with Schedule C;

"**Federal Funds Effective Rate**" means, for any particular day, the variable rate of interest per annum, calculated on the basis of a 360-day year as determined by the Administrative Agent for the actual number of days elapsed, equal to:

(a) the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers as published for such day (or, if such day is not a Banking Day, for the next preceding Banking Day) by the Federal Reserve Bank of New York, or

(b) for any Banking Day on which such rate is not so published by the Federal Reserve Bank of New York, the average of the quotations for such day for such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by the Administrative Agent in consultation with Celestica;

"**Fee Letter**" means the letter dated November 15, 2010 from CIBC to Celestica;

"**GAAP**" means those Canadian generally accepted accounting principles as now or hereafter established or adopted by the Canadian Institute of Chartered Accountants or any successor thereto, including the International Financial Reporting Standards;

"**Global Rateable Portion**" means, with respect to any Lender, at any time, the ratio, expressed as a decimal fraction, of:

(a) such Lender's Commitment at such time to

(b) the aggregate of the Commitments of all of the Lenders at such time;

"**Grantors**" means (i) each Borrower, and (ii) each Restricted Subsidiary with Material Assets located in Canada and/or the United States of America, and "**Grantor**" means any of them;

"**Gross Funded Debt**" of Celestica, on a consolidated basis, means at any particular time and without duplication, the aggregate of:

(a) the following amounts determined in accordance with GAAP:

(i) the outstanding monetary Obligations at such time;

(ii) the Capital Lease Obligations outstanding at such time;

(iii) any other obligations for borrowed money (including, without limitation and without duplication, all obligations (contingent or otherwise) in respect of bankers' acceptances and letters of credit) outstanding at such time but excluding Permitted Subordinated Indebtedness which, in accordance with GAAP as at the date of each determination, qualifies as equity; and

(iv) any Acquired Indebtedness outstanding at such time;

plus

(b) Contingent Liabilities of Celestica or any Restricted Subsidiary of the type referred to in paragraphs (i) to (iii) above, in existence at such time,

but excluding the outstanding amounts under any Permitted Securitization Transaction;

"**Guarantees**" means the guarantees of each of the Guarantors and the Grantors substantially in the form set forth in Schedule H;

"**Guarantor**" means each Person which, on the date of this Agreement, is or, after the date of this Agreement, becomes a Material Restricted Subsidiary and "**Guarantors**" means two or more of them;

"**Hazardous Material**" means any contaminant, pollutant, waste of any nature, hazardous or toxic substance or material or dangerous good as defined, judicially interpreted or identified in any Environmental Law or any substance that causes harm or degradation to the surrounding environment or injury to human health and, without restricting the generality of the foregoing, includes any pollutant, contaminant, waste, hazardous waste, deleterious substance or dangerous good present in such quantity or state that it contravenes any Environmental Laws or gives rise to any liability or obligation under any Environmental Law;

"**Hedge Lenders**" has the meaning specified in the definition of Eligible Hedging Agreements;

"**Hedging Agreements**" means, with respect to any Person, currency swap agreements, foreign exchange forward agreements, interest rate swap agreements, interest rate cap agreements, interest rate collar agreements and all such other agreements or arrangements entered into by such Person, designed to protect such Person against fluctuations in interest rates or currency exchange rates;

"**Hedging Obligations**" means, with respect to any Person, all liabilities of such Person under any Hedging Agreement;

"**Indebtedness**" of any Person means, without duplication:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(b) all obligations, contingent or otherwise, relative to the face amount of all letters of credit, whether drawn or undrawn, and bankers' acceptances issued for the account of such Person;

(c) all obligations of such Person as lessee under leases which have been or should be, in accordance with GAAP, recorded as Capital Leases, including liabilities in respect of Capital Leases incurred by such Person in connection with sale/leaseback transactions;

(d) net liabilities of such Person under all Hedging Obligations or net liabilities of such Person under currency, swap, forward or other foreign exchange hedging agreements;

(e) whether or not so included as liabilities in accordance with GAAP, all obligations of such Person to pay the deferred purchase price of property or services, and indebtedness (excluding prepaid interest thereon), secured by a lien on the property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Contingent Liabilities of such Person; and

(g) any Acquired Indebtedness.

For all purposes of this Agreement, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer;

"**Indemnified Person**" has the meaning specified in Section 5.5(b);

"**Indemnifying Party**" has the meaning specified in Section 12.4(c);

"**Indemnitee**" has the meaning specified in Section 12.4(a);

"**Interest Expense**" means, for any period, the aggregate consolidated interest expense of Celestica on a consolidated basis as determined in accordance with GAAP including the portions of any payment made in respect of Capital Leases allocable to interest expenses but excluding (i) interest expense incurred under any Permitted Securitization Transaction; and (ii) deferred financing costs and other non-cash interest expense;

"**Interest Payment Date**" shall have the meaning set out in Section 2.9;

"**Interest Period**" means relative to any LIBOR Advance, Bankers' Acceptance or Advance by way of an Acceptance Note, the period commencing on (and including) the date on which such

LIBOR Advance is made or continued as, or converted into, a LIBOR Advance or such Bankers' Acceptance or Acceptance Note is issued, and ending on (but excluding) the day which is, in the case of a Bankers' Acceptance or Acceptance Note, approximately 30, 60, 90 or 180 days thereafter, or which in the case of any LIBOR Advance, numerically corresponds to such date one, two, three or six months thereafter (or, if such month has no numerically corresponding date, on the last Banking Day of such month), in each case as the Borrower may select; provided, however, that:

(a) if such Interest Period would otherwise end on a day which is not a Banking Day, such Interest Period shall end on the next following Banking Day (unless, if such Interest Period applies to LIBOR Advances, and such next following Banking Day is the first Banking Day of a calendar month, in which case such Interest Period shall end on the Banking Day next preceding such numerically corresponding day);

(b) the Borrowers shall not be permitted to select, collectively or in the aggregate, Interest Periods to be in effect at any one time which have expiration dates occurring on more than ten different dates, unless otherwise previously consented to in writing by the Administrative Agent; and

(c) no Interest Period may end later than the Maturity Date;

"**Issuance Request**" means a request and certificate duly executed by an authorized officer of Celestica in substantially the form of Schedule K attached hereto;

"**Issuing Bank**" means CIBC or such other Canadian Lender as Celestica may designate with such Canadian Lender's agreement from time to time;

"**LC Fee**" has the meaning specified in Schedule C;

"**Lenders**" means, collectively, the Canadian Lenders, the U.S. Lenders and the Other Jurisdiction Lenders. "**Lender**" shall mean any such financial institution;

"**Lenders' Counsel**" means the firm of Osler, Hoskin & Harcourt LLP, Toronto, Ontario, or such other firm of legal counsel as the Administrative Agent may from time to time designate;

"**Letter of Credit**" means a standby letter of credit or a letter of guarantee issued by an Issuing Bank at the request of Celestica pursuant to Section 3.1;

"**Letter of Credit Availability**" means U.S.$125,000,000;

"**Letter of Credit Shortfall**" has the meaning specified in Section 2.23(b);

"**LIBO Rate**" means, relative to any LIBOR Advance:

(a) the rate of interest per annum of the offered quotations for deposits in United States Dollars for a period equal or comparable to the Interest Period in an amount comparable to the Advance as such rate is reported on the display designated as "Reuter Screen LIBOR1 Page" (or any replacement pages) by Reuters Money Market Service (or its successor) (or such other company or service as may be

nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association Interest Settlement Rates for deposits in United States Dollars) at or about 10:00 a.m. (London, England time) on the applicable Rate Fixing Day; or

(b) if a rate cannot be determined under paragraph (a) above, the rate determined by the Administrative Agent to be the arithmetic average (rounded up if necessary, to the nearest 1/16 of 1%) of such rates as reported on the LIBO page by Reuters Money Market Service (or its successor) for a period equal to or comparable to the Interest Period and in an amount comparable to the Advance at or about 10:00 a.m. (London, England time) on the applicable Rate Fixing Day provided that at least two such rates are reported on such page; or

(c) if a rate cannot be determined under either of paragraphs (a) and (b) above, the rate determined by the Administrative Agent for a particular Interest Period to be the arithmetic average of the rates per annum at which deposits in United States Dollars in immediately available funds are offered by prime London banks to the LIBOR Offices in the London interbank market for a period equal to or comparable to the Interest Period and an amount comparable to the Advance at or about 10:00 a.m. (London, England time) on the applicable Rate Fixing Day.

For the purposes of this definition, "**Rate Fixing Day**" means in respect of each Interest Period, the second Banking Day before the first day of such Interest Period;

"**LIBOR Advance**" means a loan made by the Lenders to a Borrower on which interest is payable at the LIBO Rate plus the Applicable Margin;

"**LIBOR Office**" means, relative to any Lender, the office of such Lender designated as such in Schedule A, if applicable, or designated in the Transfer Notice by which a financial institution becomes a Lender pursuant to Section 13.11, or such other office of a Lender (or any successor, assign or Affiliate of such Lender) as designated from time to time by notice from such Lender to Celestica and the Administrative Agent, whether or not outside Canada, which may be making or maintaining the LIBOR Advances of such Lender;

"**Liens**" means any security interest, mortgage, pledge, hypothec, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise) or charge against or interest in property to secure payment of a debt or performance of an obligation (including the interest of a vendor or lessor under any conditional sale agreement, or of a lessor under any lease including a Capital Lease or other title retention agreement);

"**Loan Documents**" means (i) this Agreement, (ii) the Guarantees, (iii) the other Security Documents, (iv) the Designated Subsidiary Agreements provided for herein, and (v) all other agreements, documents or instruments to be executed and delivered to the Administrative Agent, the Lenders or any of them by the Borrowers, the Grantors, the Guarantors or any of them hereunder or thereunder or pursuant hereto or thereto;

"**Losses**" has the meaning specified in Section 12.4(a);

"**Main Facility Commitment**" means, at any time, the amount, if any, by which the Commitment of the Swing Line Lender exceeds the Available Swing Line Commitment at that time;

"**Main Facility Rateable Portion**" means,

(a) with respect to any Canadian Lender, at any time, subject to adjustment by the Administrative Agent in accordance with Section 11.16 of this Agreement and also subject to Sections 2.3 and 4.1 of this Agreement, the ratio, expressed as a decimal fraction, of:

(i) such Canadian Lender's Commitment at such time (or, if such Canadian Lender is the Swing Line Lender, the Main Facility Commitment) to

(ii) the aggregate of the Commitments of all of the Canadian Lenders (other than the Swing Line Lender) at such time and the Main Facility Commitment at such time;

(b) with respect to any U.S. Lender, at any time, subject to adjustment by the Administrative Agent in accordance with Section 11.16 of this Agreement and also subject to Section 2.3 of this Agreement, the ratio, expressed as a decimal fraction, of:

(i) such U.S. Lender's Commitment at such time to

(ii) the aggregate of the Commitments of all of the U.S. Lenders at such time; and

(c) with respect to any Other Jurisdiction Lender, at any time, subject to adjustment by the Administrative Agent in accordance with Section 11.16 of this Agreement and also subject to Section 2.3 of this Agreement, the ratio, expressed as a decimal fraction, of:

(i) such Other Jurisdiction Lender's Commitment at such time to

(ii) the aggregate of the Commitments of all Other Jurisdiction Lenders that have committed to make Advances in the Relevant Additional Jurisdiction;

"**Majority Lenders**" means at any time, the Lenders (other than any Defaulting Lenders), the Commitments of which account in the aggregate for more than 51% of the aggregate amount of Commitments without regard to the Commitments of a Defaulting Lender at such time;

"**Mandatory Cost**" means, in relation to a LIBOR Advance, an amount determined in accordance with Schedule N;

"**Material Adverse Change**" means any change of circumstances or any event which would reasonably be likely to have a Material Adverse Effect;

"**Material Adverse Effect**" means a material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of Celestica and of the Restricted Subsidiaries taken as a whole, or (b) the ability of any Borrower to perform any of its Obligations, or (c) the rights of the Administrative Agent and the Lenders against the Obligors on a consolidated basis pursuant to the Loan Documents;

"**Material Assets**" means, in respect of a Borrower or a Restricted Subsidiary, assets owned by such Borrower or Restricted Subsidiary having an aggregate book value of more than U.S. $50,000,000, on the date referenced in the most recent set of financial statements delivered pursuant to Section 9.1(a)(i), and in the event that a Restricted Subsidiary has Material Assets located in Canada and/or the United States of America on the date referenced in such financial statements, Celestica shall set out the name of such Restricted Subsidiary in a Schedule to the Officer's Certificate to be delivered with such financial statements in accordance with Section 9.1(a)(iii);

"**Material Restricted Subsidiary**" means (i) each Designated Subsidiary and (ii) any other Restricted Subsidiary of Celestica whose assets total greater than U.S.$150,000,000 on an unconsolidated basis on the date referenced in the most recently delivered set of financial statements delivered pursuant to Section 9.1(a)(i); provided, however, that, subject to Section 9.1(m)(iv), the unconsolidated assets of all Restricted Subsidiaries which are not Material Restricted Subsidiaries shall not exceed on the date referenced in such financial statements, in the aggregate, ten per cent (10%) of the unconsolidated assets of the Borrowers and the Restricted Subsidiaries on such date, and in the event that (a) a Restricted Subsidiary has assets greater than U.S.$150,000,000 on the date referenced in such financial statements, or (b) the unconsolidated assets of all Restricted Subsidiaries which are not Material Restricted Subsidiaries exceed, on the date referenced in such financial statements, in the aggregate, ten percent (10%) of the unconsolidated assets of the Borrowers and Restricted Subsidiaries, Celestica shall set out in a Schedule to the Officer's Certificate to be delivered with such financial statements in accordance with Section 9.1(a)(iii): (x) the name of each Restricted Subsidiary whose assets total greater than U.S.$150,000,000 on such date; and (y) the Restricted Subsidiaries which it wishes to designate as Material Restricted Subsidiaries such that unconsolidated assets of all of the Restricted Subsidiaries which are not Material Restricted Subsidiaries shall not exceed ten percent (10%) of the unconsolidated assets of the Borrowers and Restricted Subsidiaries on such date;

"**Maturity Date**" means January 14, 2015;

"**Moody's**" means Moody's Investors Service, Inc.;

"**Net Income**" means, for any particular period, net income of Celestica for such period determined on a consolidated basis in accordance with GAAP;

"**Non-Defaulting Lender**" means a Lender that is not a Defaulting Lender;

"**Non-Domestic Material Restricted Subsidiary**" means a Material Restricted Subsidiary that is not a Domestic Material Restricted Subsidiary;

"**Non-Schedule I Lenders**" means Lenders which are not Canadian chartered banks that are listed on Schedule I to the *Bank Act* (Canada);

"**Notice of Amount**" has the meaning specified in Section 5.2;

"**Notice of Swing Line Borrowing**" means a notice substantially in the form set out in Exhibit 2 to Schedule G;

"**Notification Date**" has the meaning specified in Section 12.5(c);

"**Notional BA Proceeds**" means, with respect to a Bankers' Acceptance Advance, the aggregate Face Amount of the Bankers' Acceptances or principal amount of the Acceptance Notes comprising such Bankers' Acceptance Advance, if applicable, less the aggregate of:

(a) a discount from the aggregate face amount of such Bankers' Acceptances or principal amount of such Acceptance Notes, if applicable, calculated in accordance with normal market practices based on the Canadian BA Rate for the term of such Bankers' Acceptances or Acceptance Notes, if applicable; and

(b) the amount of the acceptance fees determined in accordance with Section 4.2 in respect of such Bankers' Acceptance Advance;

"**Obligations**" means all obligations (monetary and otherwise) arising under or in connection with this Agreement and each other Loan Document;

"**Obligors**" means, collectively, the Borrowers, the Grantors and the Guarantors and "**Obligor**" means any one of them;

"**Officer's Certificate**" means a certificate signed by any one of the Chairman of the Board, the President, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, any Senior Vice-President, any Vice-President, the Treasurer, the Controller, the Assistant Treasurer, the Secretary or the Assistant Secretary of Celestica;

"**Official Body**" means any national, federal or provincial government or any government of any political subdivision thereof, or any agency, authority, board, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury, mediator or arbitrator, whether foreign or domestic, or any non-governmental regulatory authority to the extent that the rules, regulations and orders of such body have the force of law;

"**Organic Document**" means, relative to any body corporate, its articles of incorporation, its by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its Shares;

"**Other Jurisdiction Lenders**" means the financial institutions set out in Schedule A to this Agreement, other than the Canadian Lenders and the U.S. Lenders, as such financial institutions may be added to Schedule A in accordance with Section 7.1(d) or Section 7.1(f) and all assignees of such financial institutions under Transfer Notices sent pursuant to Section 13.11;

"**Other Taxes**" means any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, any of the Loan Documents, or any other document in connection herewith;

"**Participating Member State**" means a member state of the European Communities that adopts or has adopted the Euro as its lawful currency under the legislation of the European Union for European Monetary Union;

"**PBGC**" means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA;

"**Pension Plan**" means:

(a) any plan, program, *agreement* or arrangement that is a pension plan for the purposes of any federal or provincial pension benefit law or under the *Income Tax Act* (Canada) (whether or not registered under such law) which is maintained or contributed to, or to which there is or may be an obligation to contribute by any of the Borrowers in respect of its employees in Canada; and

(b) a "**pension plan**", as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multi-employer plan as defined in Section 4001(a)(3) of ERISA), and to which the Borrowers or any of the *Subsidiaries* or any corporation, trade or business that is, along with the Borrowers, a member of a Controlled Group, may have liability;

"**Permitted Encumbrances**" means any one or more of the following with respect to the assets of Celestica or any Restricted Subsidiary:

(a) inchoate or statutory Liens for Taxes, assessments and other governmental charges or levies which are not delinquent (taking into account any relevant grace periods) or the validity of which are currently being contested in good faith by appropriate proceedings and in respect of which there shall have been set aside a provision or reserve (to the extent required by GAAP) in an amount which is adequate therefor;

(b) inchoate or statutory Liens of contractors, sub-contractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of construction, maintenance, repair or operation of assets of Celestica or the relevant Restricted Subsidiary, or otherwise arising in the ordinary course provided that such Liens are related to obligations not due or delinquent (taking into account any applicable grace or cure periods), are not registered as encumbrances against title to any of the assets of Celestica or the relevant Restricted Subsidiary and adequate holdbacks are being maintained as required by applicable legislation or such Liens are being contested in good faith by appropriate proceedings and in respect of which there shall have been set aside a provision or reserve (to the extent required by GAAP) in an amount which is adequate with respect thereto and provided further that such Liens do not, in the aggregate, materially detract from the value of the assets of Celestica or any Material Restricted Subsidiary or any Grantor encumbered thereby or materially interfere with the use thereof in the operation of the business of Celestica or any Material Restricted Subsidiary or any Grantor;

(c) easements, rights-of-way, servitudes, restrictions and similar rights in real property comprised in the assets of Celestica or the relevant Restricted Subsidiary or interests therein granted or reserved to other persons, provided that such rights do not, in the aggregate, materially detract from the value of the assets of Celestica or any Material Restricted Subsidiary or any Grantor or materially interfere with the use thereof in the operation of the business of Celestica or any Material Restricted Subsidiary or any Grantor;

(d) title defects or irregularities which are of a minor nature and which do not, in the aggregate, materially detract from the value of the assets of Celestica or any Material Restricted Subsidiary or any Grantor or materially interfere with the use thereof in the operation of the business of Celestica or any Material Restricted Subsidiary or any Grantor;

(e) Liens incidental to the conduct of the business or the ownership of the assets of Celestica or the relevant Restricted Subsidiary (other than those described in Clauses (f) and (g) of this definition) which were not incurred in connection with the borrowing of money or the obtaining of advances of credit (including, without limitation, unpaid purchase price), and which do not, in the aggregate, materially detract from the value of the assets of Celestica or any Material Restricted Subsidiary or any Grantor or materially interfere with the use thereof in the operation of the business of Celestica or any Material Restricted Subsidiary or any Grantor;

(f) Liens securing appeal bonds or other similar Liens arising in connection with court proceedings (including, without limitation, surety bonds, security for costs of litigation where required by law and letters of credit) or any other instrument serving a similar purpose;

(g) attachments, judgments and other similar Liens arising in connection with court proceedings; provided, however, that such Liens are in existence for less than 30 days after the entry thereof or the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings;

(h) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of the business or the ownership of the assets of Celestica or the relevant Restricted Subsidiary, provided that such Liens do not have a Material Adverse Effect;

(i) Purchase Money Obligations arising in the ordinary course of business, provided that such Lien is limited to the property so acquired and is created, issued or assumed substantially concurrently with the acquisition of such property;

(j) the right reserved to or vested in any Official Body by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of any of Celestica or the relevant Restricted Subsidiary, to terminate any such lease, licence, franchise,

grant or permit, or to require annual or other payments as a condition to the continuance thereof;

(k) the interests of lessors (including without limitation, security interests granted in favour of lessors) pursuant to all leases, including Capital Leases and synthetic leases, under which Celestica or the relevant Restricted Subsidiary is the lessee;

(l) the extension, renewal or refinancing of any Permitted Encumbrance, provided that the amount so secured does not exceed the original amount secured immediately prior to such extension, renewal or refinancing;

(m) Liens granted in connection with any Permitted Securitization Transaction to the extent required to permit the operation of such Permitted Securitization Transaction facility which, for greater certainty, includes the Liens granted in connection with the DB Receivables Purchase Agreement;

(n) Liens granted by Celestica and/or any Restricted Subsidiary pursuant to future subsidized financing by development entities on terms and conditions satisfactory to the Administrative Agent and the Majority Lenders;

(o) Liens granted to secure Acquired Indebtedness, to the extent that (i) such Liens exist at the time such person or the assets subject to such Lien are acquired by Celestica or a Restricted Subsidiary; (ii) such Liens were not created in contemplation of the transaction by which the subject Indebtedness became Acquired Indebtedness; and (iii) such Liens either (A) only extend to the assets acquired or the assets of the Person acquired, as applicable, in the transaction pursuant to which the Acquired Indebtedness became an obligation of a Borrower or a Restricted Subsidiary or (B) are discharged within 60 days of such acquisition;

(p) Liens granted in respect of Shares of Unrestricted Subsidiaries;

(q) Liens of the nature contemplated in (b), (c), (d), or (e) above, but exceeding the materiality thresholds specified therein, securing indebtedness in the aggregate not greater than U.S.$25,000,000;

(r) Liens in favour of the Administrative Agent, on behalf of any Issuing Bank, or any one of them, arising in connection with any collateral security provided in connection with the cash collateralization of Letters of Credit pursuant to the terms of this Agreement;

(s) Liens in favour of the Administrative Agent, on behalf of itself, the Lenders and the Hedge Lenders, granted pursuant to this Agreement or any other Loan Document; and

(t) Liens not of the nature contemplated in (a) to (p) above, securing indebtedness in the aggregate not greater than U.S.$15,000,000;

"**Permitted Encumbrance Certificate**" means a certificate in the form of Schedule P;

"**Permitted Securitization Transaction**" means the transactions contemplated under the DB Receivables Purchase Agreement and any transaction providing for the sale, securitization or other asset-backed financing (collectively, "**Securitization Transactions**") of trade accounts receivable of or owing to Celestica or any Restricted Subsidiary (and/or contractual rights relating thereto). The terms and conditions of all Permitted Securitization Transactions shall be on an Arm's Length basis and on commercially reasonable and usual terms (except any interim transfer or sale to an Unrestricted Subsidiary made in the course of a Permitted Securitization Transaction which results in a sale, securitization or other asset-backed financing by such Unrestricted Subsidiary on an Arm's Length basis and on commercially reasonable terms). Except to the extent mandated under any Permitted Securitization Transaction, no new assets may become Securitized Assets during the occurrence and continuance of a Default unless (a) there are no monetary Obligations outstanding under this Agreement or (b) the only monetary Obligations outstanding under this Agreement are one or more Letters of Credit and such Letters of Credit are cash collateralized by a Borrower;

"**Permitted Subordinated Indebtedness**" means all unsecured Indebtedness of Celestica, which, in respect of principal, is subordinated in right of payment to the payment in full in cash of all monetary Obligations and, in respect of interest, is only so subordinated upon the occurrence and during the continuance of a Default, in each case, on terms satisfactory to the Administrative Agent and the Majority Lenders, and the terms of which permit Celestica at Celestica's sole option in all circumstances to satisfy such indebtedness by the issue of Shares or other securities convertible in all circumstances at the sole option of Celestica into Shares of Celestica;

"**Person**" means an individual, company, partnership (whether or not having separate legal personality), corporation (including a business trust and a Canadian chartered bank), joint stock company, trust, unincorporated association, joint venture or other entity, or a government, state or political subdivision thereof or any agency of such government, state or political subdivision;

"**Pledge Agreement**" means (i) pledge agreements pledging all of the Pledged Shares of each Domestic Material Restricted Subsidiary directly held by the applicable Grantor, substantially in the form set forth in Schedule U, and (ii) subject to consultation with local legal counsel to the Administrative Agent and Lenders with respect to the pledge of any Pledged Shares of a Non- Domestic Material Restricted Subsidiary or by a Grantor that is not a Domestic Restricted Subsidiary, a pledge agreement governed by the laws of the jurisdiction of formation of such Non-Domestic Material Restricted Subsidiary and/or such Grantor (or, if such jurisdiction of formation is a state of the United States, such pledge agreement shall be governed by the laws of the State of New York), as the case may be, such pledge agreements to be in form and substance satisfactory to the Lenders' Counsel and such local legal counsel, each acting reasonably;

"**Pledged Shares**" means the Shares in the capital of a Material Restricted Subsidiary;

"**Pounds Sterling**" and "**£**" means the lawful currency of the United Kingdom;

"PRC" means the People's Republic of China;

"**Predecessor Corporation**" has the meaning described thereto in Section 13.12;

"**Predecessor Guarantee**" has the meaning described thereto in Section 13.12;

"**Prime Rate**" means the greater of (i) the variable rate of interest per annum, expressed on the basis of a year of 365 or 366 days, as the case may be, established or quoted from time to time by the Administrative Agent as the reference rate of interest then in effect for determining interest rates on Canadian Dollar denominated commercial loans made by it in Canada and (ii) the sum of (x) the rate per annum for Canadian Dollar bankers' acceptances having a term of 30 days that appears on the display page designated as the CDOR Page (or any replacement page) by Reuters Money Market Service (or its successor) as of 10:00 a.m. on the date of determination as reported by the Administrative Agent, and (y) ½ of 1% per annum;

"**Prime Rate Advance**" means a loan made by the Canadian Lenders to Celestica or a Canadian Designated Subsidiary in Canadian Dollars on which interest is payable based on the Prime Rate plus the Applicable Margin;

"**Property**" has the meaning ascribed thereto in Section 12.5;

"**Public Debt**" means any bonds, debentures, notes or similar debt instruments distributed to the public by Celestica with respect to which Celestica has obtained a Debt Rating;

"**Purchase Money Obligations**" means any Lien created, issued or assumed by Celestica or any Subsidiary to secure indebtedness assumed as part of, or issued or incurred to pay or provide funds to pay, all or a part of the purchase price of any property (other than the shares, stock or other securities of any Subsidiary or of any corporation which becomes a Subsidiary upon such purchase, except for an Unrestricted Subsidiary);

"**Reimbursement Obligation**" has the meaning specified in Section 3.4;

"**Related Lender**" means, in respect of a Lender, each Affiliate or branch of such Lender that is also a Lender;

"**Release**" has the meaning specified in Section 8.1(h)(i);

"**Relevant Additional Jurisdiction**" means, in respect of an Other Jurisdiction Lender, the Additional Jurisdiction in which such Other Jurisdiction Lender has committed to make Advances hereunder, as identified on Schedule A;

"**Relevant Lenders**" means, (i) for Celestica or a Canadian Designated Subsidiary, the Canadian Lenders, (ii) for a U.S. Designated Subsidiary, the U.S. Lenders and (iii) for a Consent Designated Subsidiary, the Other Jurisdiction Lenders that have agreed to make Advances in the Additional Jurisdiction in which such Consent Designated Subsidiary is domiciled;

"**Relevant Period**" has the meaning specified in Section 2.14(a);

"**Restricted Subsidiary**" means each and every Subsidiary of Celestica which is not at the time an Unrestricted Subsidiary. For greater certainty, a Subsidiary of an Unrestricted Subsidiary shall not be a Restricted Subsidiary;

"**Rollover**" means a rollover of a LIBOR Advance or a Bankers' Acceptance pursuant to and in accordance with Sections 2.12, 4.4 and 4.5;

"**Rollover Notice**" means a notice substantially in the form of Schedule I;

"**Schedule I Lenders**" means Lenders which are Canadian chartered banks that are listed on Schedule I to the *Bank Act* (Canada);

"**Schedule A**" means, collectively, Schedule A.1 and Schedule A.2 and any other sub-schedules added to Schedule A hereto;

"**Securitized Assets**" means assets securitized under Permitted Securitization Transactions and includes:

(a) an account receivable arising from a sale of goods by Celestica or a Subsidiary of Celestica which is the subject of a Permitted Securitization Transaction (a "**Securitized Receivable**");

(b) the interest of Celestica or any Subsidiary of Celestica 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 by Celestica or any Subsidiary of Celestica giving rise to such Securitized Receivable;

(c) all guarantees, indemnities, letters of credit, insurance and other agreements (including any and all contracts, understandings, instruments, agreements, leases, invoices, notes or other writings pursuant to such Securitized Receivable arises or which evidences such Securitized Receivable or under which the applicable customer becomes or is obligated to make payment to Celestica or a Subsidiary of Celestica in respect of such Securitized Receivable) or arrangements of whatever character from time to time supporting or securing payment of such Securitized Receivable;

(d) all collections and other proceeds received and payment or application by Celestica or a Subsidiary of Celestica of any amounts owed in respect of Securitized Receivables, including, without limitation, purchase price, finance charges, interests, and all other similar charges which are net proceeds of the sale or other disposition of repossessed goods or other collateral or property available to be applied thereon; and

(e) all proceeds of, and all amounts received or receivable under, any or all of the foregoing;

"**Security**" means the security interests granted by a Grantor in the assets and property of such Grantor in favour of the Administrative Agent on behalf of itself, the Lenders and the Hedge Lenders to secure the payment and performance of its Obligations and its Eligible Hedging Obligations, for so long as such security interests have not been released pursuant to Section 7.3, 9.1(p) or 13.12;

"**Security Agreement**" means the general security agreement substantially in the form set forth in Schedule T;

"**Security Documents**" means the guarantee and security documentation provided from time to time by each Grantor to the Administrative Agent on behalf of itself, the Lenders and the Hedge Lenders, pursuant to this Agreement to secure the payment and performance by such Grantor of

its Obligations and its Eligible Hedging Obligations, including (i) the Guarantee; (ii) the Security Agreement; (iii) the Pledge Agreement; and (iv) any hypothecs and other documentation necessary or desirable under the laws of Quebec;

"**Senior Funded Debt**" means Gross Funded Debt less (i) all Gross Funded Debt that does not rank in right of payment at least *pari passu* with the monetary Obligations plus (ii) all monetary obligations of Celestica on a consolidated basis under operating leases entered into in the context of sale lease back transactions with the amount of such obligations being the amount that would, had the lease been a Capital Lease, be the capitalized amount thereof determined in accordance with GAAP;

"**Shares**", as applied to the shares of any corporation or other entity, means the shares or other ownership interests of every class whether now or hereafter authorized, regardless of whether such shares or other ownership interests shall be limited to a fixed sum or percentage with respect to the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding-up of such corporation or other entity;

"**Standard & Poor's**" means Standard & Poor's Ratings Services (a division of The McGraw-Hill Companies, Inc.);

"**Stated Expiry Date**" has the meaning specified in Section 3.1(b);

"**Subsidiary**" means, with respect to any Person, any corporation, company or other similar business entity (including, for greater certainty, a Canadian chartered bank) of which more than fifty per cent (50%) of the outstanding Shares or other equity interests (in the case of Persons other than corporations) having ordinary voting power to elect a majority of the board of directors or the equivalent thereof of such corporation, company or similar business entity (irrespective of whether at the time Shares of any other class or classes of the Shares of such corporation, company or similar business entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person, by such Person and one or more other Subsidiaries of such Person, or by one or more other Subsidiaries of such Person;

"**Substitute Lenders**" has the meaning specified in Section 11.14;

"**Successor Agent**" has the meaning specified in Section 11.10;

"**Successor Corporation**" has the meaning specified in Section 13.12(a);

"**Super Majority Lenders**" means at any time, the Lenders (other than any Defaulting Lenders), the Commitments of which account in the aggregate for more than $66^{2/3}\%$ of the aggregate amount of the Commitments without regard to the Commitments of a Defaulting Lender at such time;

"**Swing Line Advance**" means an Advance made pursuant to the provisions of Section 2.22(a);

"**Swing Line Lender**" means CIBC or such other Canadian Lender as may have agreed to act as a Swing Line Lender and to which CIBC and Celestica may have agreed to acting as a Swing Line Lender from time to time;

"**Take-over Bid**" means an offer to acquire made by Celestica or any Restricted Subsidiary, alone or acting jointly or in concert with any other Person or Persons (collectively, the "**offeror**") to any holder of Shares or securities convertible, exchangeable or exercisable into Shares (the "**Target Shares**") of the offeree issuer, which has not been solicited by or made at the request of the board of directors of the offeree issuer or with respect to which the board of directors of the offeree issuer has not recommended acceptance, where the Target Shares subject to the offer to acquire, together with the Target Shares held by or on behalf of the offeror on the date of the offer, constitute, in aggregate, 20% (or such lesser percentage as would require compliance with the formal requirements governing take-over bids (such as the delivery of circulars or equivalent disclosure documents to shareholders under Applicable Law)) or more of the outstanding Target Shares at the date of the offer to acquire, but excluding any such offer which, under the Applicable Law of the jurisdiction in which such offer is made, would be exempt from such formal requirements;

"**Take-over Bid Notice**" has the meaning specified in Section 2.3(d);

"**Taxes**" includes all present and future income, corporation, capital gains, capital and value-added and goods and services taxes and all stamp, franchise and other taxes and levies, imposts, deductions, duties, charges and withholdings whatsoever together with interest thereon and penalties with respect thereto, if any, and charges, fees and other amounts made on or in respect thereof;

"**Toronto Office**" means the office of the Administrative Agent located at 40 Dundas Street West, 5th Floor, Toronto, Ontario, Canada M5G 2C2 (facsimile: 416-956-3830) or such other address as either of the Administrative Agent may designate by notice to Celestica;

"**Transfer Notice**" means a notice substantially in the form of Schedule J;

"**Trigger Event**" means the occurrence of a Debt Rating Downgrade after the Security has been released in accordance with Section 9.1(p)(v);

"**United States Dollars**" and "**U.S.$**" means the lawful currency of the United States of America in immediately available funds;

"**Unrestricted Subsidiary**" means a Subsidiary of Celestica designated by Celestica as such in accordance with Section 7.4 of this Agreement and any Subsidiary of an Unrestricted Subsidiary;

"**Upfront Fee**" has the meaning specified in Section 2.14(c);

"**U.S. Designated Subsidiary**" means a Designated Subsidiary (a) which was incorporated, continued, amalgamated or otherwise created in accordance with and continues to be governed by the laws of a state of the United States of America and which is domiciled in the United States of America and (b) which has satisfied and complied with the terms of Section 7.1(b);

"**US Grantor**" means a Grantor that was incorporated, continued, amalgamated, merged or otherwise created in accordance with and continues to be governed by the laws of any state of the United States of America;

"**U.S. Lenders**" means, (i) the financial institutions set out in Schedule A.2 to this Agreement as such Schedule A.2 may be amended pursuant to Section 2.25(a) and (ii) all assignees under Transfer Notices sent pursuant to Section 13.11;

1.2 Headings

The division of this Agreement into Articles and Sections and the insertion of an index and headings are for convenience of reference only and shall not affect the construction or interpretation hereof. The terms "**this Agreement**", "**hereof**", "**hereunder**" and similar expressions refer to this Agreement and not to any particular Article, Section, paragraph or other portion hereof and include any agreement supplemental hereto. Save as expressly provided herein, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Use of Defined Terms

Unless otherwise defined or the context otherwise requires, terms for which meanings are provided in this Agreement shall have such meanings when used in each Drawdown Notice, Conversion Notice, Rollover Notice, Loan Document, notice and other communication delivered from time to time in connection with this Agreement or any other Loan Document.

1.4 Extended Meanings

Words importing the singular number only shall include the plural and vice versa, and words importing any gender shall include all genders.

1.5 Cross References

Unless otherwise specified, references in this Agreement and in each other Loan Document to any Article or Section are references to such Article or Section of this Agreement or such other Loan Document, as the case may be, and unless otherwise specified references in the Article, Section or definition to any Clause are references to such Clause of such Article, Section or definition.

1.6 Reference to Agents or Lenders

Any reference in this Agreement to an Agent or a Lender shall be construed so as to include its permitted successors, transferees or assigns hereunder in accordance with their respective interests.

1.7 Accounting Terms

Unless otherwise specified, all accounting terms used herein or in any other Loan Document shall be interpreted, all accounting determinations and computations hereunder or thereunder shall be made, and all financial statements required to be delivered hereunder or thereunder shall be prepared in accordance with GAAP and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles, consistently applied; provided

that, if Celestica notifies the Administrative Agent that it wishes to amend any covenant in Section 9.3 to eliminate the effect of any change in GAAP or any change in the application of accounting policies on the operation of such covenant (or the Administrative Agent notifies Celestica that the Majority Lenders wish to amend Section 9.3 for such purpose), Celestica's compliance with such covenant shall be determined on the basis of GAAP or accounting policies in effect immediately before the relevant change in GAAP or change in accounting policies became effective, until either such notices are withdrawn or such covenant is amended in a manner satisfactory to Celestica, the Administrative Agent and the Majority Lenders.

1.8 Consolidated Financial Statements and Consolidated Accounts

Notwithstanding Section 1.7, wherever in this Agreement reference is made to a consolidated financial statement of Celestica or to a determination to be made on a consolidated basis, such reference shall be deemed to be to a consolidated financial statement or consolidated basis, determined in accordance with GAAP, which consolidates only the financial statements or accounts of Celestica and its Subsidiaries, excluding all Unrestricted Subsidiaries, with investments by Celestica or any Restricted Subsidiary in Unrestricted Subsidiaries accounted for using equity accounting. At any time that Celestica and all Restricted Subsidiaries have no Unrestricted Subsidiaries, all references to consolidated financial statements herein shall be deemed to be references to the fully consolidated financial statements of Celestica.

1.9 Non-Banking Days

Except as otherwise specified herein, whenever any payment to be made hereunder shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Banking Day, such payment shall be made or such action shall be taken on the next succeeding Banking Day and, in the case of the payment of any monetary amount, the extension of time shall be included for the purposes of computation of interest or fees thereon.

1.10 References to Time of Day

Except as otherwise specified herein, a time of day shall be construed as a reference to Toronto, Canada time.

1.11 Severability

In the event that one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any Applicable Law, the validity, legality or enforceability of the remaining provisions hereof shall not be affected or impaired thereby.

1.12 Currency

All monetary amounts in this Agreement refer to United States Dollars unless otherwise specified.

1.13 References to Statutes

Except as otherwise provided herein, any reference in this Agreement to a statute shall be construed to be a reference to such statute as the same may have been, or may from time to time be, amended, reformed or otherwise modified or re-enacted from time to time.

1.14 References to Agreements

Except as otherwise provided herein, any reference herein to this Agreement, any other Loan Document or any other agreement or document shall be construed to be a reference to this Agreement, such Loan Document or such other agreement or document, as the case may be, as the same may have been, or may from time to time be, amended, restated, extended, supplemented or replaced.

1.15 Consents and Approvals

Whenever the consent in writing or approval in writing of a party hereto is required in a particular circumstance, unless otherwise expressly provided for therein, such consent or approval shall not be unreasonably withheld or delayed by such party.

1.16 Schedules

The following are the Schedules attached hereto and incorporated by reference and deemed to be part hereof:

Schedule A.1	-	Canadian Lenders
Schedule A.2	-	U.S. Lenders
Schedule B	-	Lenders' Commitments
Schedule C	-	Applicable Margin, Facility Fee and LC Fee
Schedule D	-	Quarterly Certificate on Covenants
Schedule E	-	Conversion Notice
Schedule F	-	Designated Subsidiary Agreement
Schedule G	-	Drawdown Notice and Notice of Swing Line Borrowing
Schedule H	-	Guarantees
Schedule I	-	Rollover Notice
Schedule J	-	Transfer Notice
Schedule K	-	Issuance Request
Schedule L	-	Acceptance Note
Schedule M	-	Consent Lender Notice
Schedule N	-	Mandatory Cost Calculation
Schedule O	-	**[Intentionally deleted]**

Schedule P	-	Permitted Encumbrance Certificate
Schedule Q	-	**[Intentionally deleted]**
Schedule R	-	Permitted Dissolutions
Schedule S	-	Permitted Mergers
Schedule T	-	Security Agreement
Schedule U	-	Pledge Agreement
Schedule V	-	Commitment Notice
Schedule W	-	Consent Lender Notice
Schedule X	-	Other Jurisdiction Lender Commitment Notice
Schedule Y	-	Affiliate Lender Notice
Schedule Z	-	Affiliate Lender Commitment Notice

ARTICLE 2
THE FACILITY

2.1 Establishment of the Facility

Upon the terms and subject to the conditions hereof, each of the Lenders hereby severally agrees to make its Global Rateable Portion or its Main Facility Rateable Portion, as applicable, of the Facility available to the Borrowers as specified in Sections 2.2, 2.3 and 2.22.

2.2 Purpose, Nature and Term of the Facility

(a) The Facility is being made available to the Borrowers by the Lenders for the business and operations of the Borrowers and their respective Restricted Subsidiaries, including, without limitation and for greater certainty, to finance acquisitions of companies which, after the acquisition thereof, will become Restricted Subsidiaries or assets which, after the acquisition thereof, will be owned by Celestica or a Restricted Subsidiary.

(b) Advances under the Facility shall not be used by any Borrower to finance the acquisition of, investment in, loan to or to provide working capital to an Unrestricted Subsidiary. Letters of Credit shall not be available to support or secure any Indebtedness of an Unrestricted Subsidiary, including, without limitation, a loan or other advance to an Unrestricted Subsidiary.

(c) Subject to the terms and conditions of this Agreement (including, without limitation, Section 2.8) the Facility shall be a revolving credit facility and the Borrowers may borrow, repay and reborrow under the Facility as they see fit at

any time prior to the Maturity Date. The Facility shall terminate on the Maturity Date.

2.3 Availability of Advances

(a) The Facility shall be available for Drawdowns by the Borrowers, at the option of the Borrowers, as follows:

(i) to Celestica or any Canadian Designated Subsidiary, Drawdowns from Canadian Lenders, each in a minimum amount of Cdn.$5,000,000 and integral multiples of Cdn.$100,000 in excess thereof, in Canadian Dollars by way of Prime Rate Advances;

(ii) to Celestica or any Canadian Designated Subsidiary, Drawdowns from Canadian Lenders, each in a minimum amount of Cdn.$5,000,000 and integral multiples of Cdn.$100,000 in excess thereof, in Canadian Dollars by way of Bankers' Acceptance Advances;

(iii) to Celestica or any Canadian Designated Subsidiary, Drawdowns from Canadian Lenders, each in a minimum amount of U.S.$5,000,000 and integral multiples of U.S.$100,000 in excess thereof, in United States Dollars by way of Base Rate Canada Advances;

(iv) to Celestica or any Canadian Designated Subsidiary, Drawdowns from Canadian Lenders, each in a minimum amount of U.S.$5,000,000 and integral multiples of U.S.$100,000 in excess thereof, in United States Dollars by way of LIBOR Advances;

(v) to any U.S. Designated Subsidiary, Drawdowns from U.S. Lenders each in a minimum amount of U.S.$5,000,000 and integral multiples of U.S.$100,000 in excess thereof, in United States Dollars by way of Base Rate Advances;

(vi) to any U.S. Designated Subsidiary, Drawdowns from U.S. Lenders, each in a minimum amount of U.S.$5,000,000 and integral multiples of U.S.$100,000 in excess thereof, in United States Dollars by way of LIBOR Advances;

(vii) to any Consent Designated Subsidiary, Drawdowns from the Relevant Lenders, each in a minimum amount of U.S.$5,000,000 and integral multiples of U.S. $100,000 in excess thereof, in United Stated Dollars by way of LIBOR Advances; and

(viii) to Celestica, Letters of Credit from the Issuing Bank on behalf of the Canadian Lenders in, at the option of Celestica, Canadian Dollars, United States Dollars, Euros or Pounds Sterling or such other currency as Celestica may request, in accordance with Article 3.

(b) Each Drawdown of an Advance pursuant to Section 2.3(a)(i) to (vii) shall be made by irrevocable Drawdown Notice, which Drawdown Notice shall be given by the applicable Borrower to the Administrative Agent, not later than (x) 10:00 a.m. Toronto, Canada time on the Banking Day prior to the relevant Drawdown Date in the case of Prime Rate Advances, Bankers' Acceptance Advances, Base Rate Canada Advances and Base Rate Advances, (y) 10:00 a.m. New York, New York time on the third Banking Day prior to the relevant Drawdown Date in the case of a LIBOR Advance in United States Dollars requested by Celestica, a Canadian Designated Subsidiary or a U.S. Designated Subsidiary, and (z) 10:00 a.m. London, England time on the third Banking Day prior to the relevant Drawdown Date in the case of a LIBOR Advance in United States Dollars requested by a Consent Designated Subsidiary.

(c) The Borrowers shall have the right to convert one currency into another as they see fit, but subject to the terms of this Agreement, including, without limitation, those provisions set out in items (i) to (vii) of subsection (a) above if the Conversion relates to an Advance other than a Swing Line Advance, providing for the manner in which the Facility is available to each Borrower. Celestica or a Canadian Designated Subsidiary may not make a Drawdown under the Facility if, as a result of such Drawdown, the sum of (i) the Equivalent Amount, expressed in United States Dollars, of the aggregate principal amount of all Prime Rate Advances and Acceptance Notes outstanding under the Facility, plus (ii) the Equivalent Amount, expressed in United States Dollars, of the aggregate Face Amount of all Bankers' Acceptances outstanding under the Facility, plus (iii) the Equivalent Amount, expressed in United States Dollars, of the maximum amount which may be drawn under all Letters of Credit outstanding under the Facility, plus (iv) the aggregate principal amount of all Base Rate Canada Advances outstanding under the Facility, plus (v) the aggregate principal amount of all LIBOR Advances outstanding under the Facility to Celestica or a Canadian Designated Subsidiary (collectively, the "**Canadian Outstanding Amount**") would exceed the aggregate of all Commitments of the Canadian Lenders at such time (or such lesser amount as may be available following a cancellation in part of the Facility pursuant to Section 2.7). A U.S. Designated Subsidiary may not make a Drawdown under the Facility if, as a result of such Drawdown, the sum of (i) the aggregate principal amount of all Base Rate Advances outstanding under the Facility to a U.S. Designated Subsidiary, plus (ii) the aggregate principal amount of all LIBOR Advances outstanding under the Facility to a U.S. Designated Subsidiary would exceed the aggregate of all Commitments of the U.S. Lenders at such time (or such lesser amount as may be available following a cancellation in part of the Facility pursuant to Section 2.7). A Consent Designated Subsidiary may not make a Drawdown under the Facility if, as a result of such Drawdown, the sum of the aggregate principal amount of all LIBOR Advances outstanding under the Facility to a Consent Designated Subsidiary by the Relevant Lenders would exceed the aggregate of all Commitments of such Relevant Lenders at such time (or such lesser amount as may be available following a cancellation in part of the Facility pursuant to Section 2.7).

(d) If a Borrower wishes to make a Drawdown under the Facility for the purpose of financing a Take-over Bid, such Borrower shall deliver to the Administrative Agent a written notice (a "**Take-over Bid Notice**") thereof at least ten (10) Banking Days prior to the day on which it gives to the Administrative Agent a Drawdown Notice requesting such Drawdown. Such Take-over Bid Notice shall include the details of such Take-over Bid. As soon as possible, but in any event within five (5) Banking Days of the giving of the Take-over Bid Notice, each Relevant Lender shall, acting reasonably and in good faith, determine whether or not it wishes to fund its Main Facility Rateable Portion of such Drawdown. Notwithstanding any other provisions hereof, if any Relevant Lender determines that it does not wish to fund its Main Facility Rateable Portion of such Drawdown, such Relevant Lender shall not be required to fund its Main Facility Rateable Portion of such Drawdown and the Drawdown shall be reduced accordingly, and such Relevant Lender shall be considered to be acting reasonably and in good faith if it determines that it does not wish to fund such Drawdown based on any of its internal regulatory, take-over bid and credit policies and procedures.

(e) This Section 2.3 shall not apply to Swing Line Advances.

(f) An Other Jurisdiction Lender may only make Advances to Consent Designated Subsidiaries domiciled in one Additional Jurisdiction.

(g) Celestica may increase or decrease:

(i) the Commitments of the U.S. Lenders, in the aggregate, the Canadian Lenders, in the aggregate, and/or the Other Jurisdiction Lenders in respect of an Additional Jurisdiction, in the aggregate, by written notice set out in the Officer's Certificate of Celestica to be delivered by it quarterly pursuant to Section 9.1(a)(iii);

(ii) the Commitments of the U.S. Lenders, in the aggregate, and the Canadian Lenders, in the aggregate, upon 3 Banking Days' prior written notice, not more than two times per year, by delivery to the Administrative Agent of a notice in the form of Schedule V; and

(iii) the Commitments of the Other Jurisdiction Lenders in respect of an Additional Jurisdiction and their Related Lenders, in the aggregate, upon 5 Banking Days' prior written notice, not more than two times per year, by delivery to the Administrative Agent of a notice in the form of Schedule V;

provided that following any such increases or decreases: (A) there shall be no change in the aggregate Commitments of all Lenders; (B) the aggregate Commitments of the Lenders in respect of Canada, the U.S. and each Additional Jurisdiction shall not be less than the aggregate Advances of the Lenders that are outstanding to Borrowers in such jurisdictions immediately prior to such changes being made; and (C) the aggregate Other Jurisdiction Lenders' Commitments in respect of an Additional Jurisdiction shall not be greater than the aggregate

maximum Commitments of such Other Jurisdiction Lenders set out in Schedule B. Following receipt of such written notice, the Administrative Agent shall determine the revised Commitment of each Lender based on the revised aggregate Commitments of the U.S. Lenders, the Canadian Lenders and the Other Jurisdiction Lenders in respect of each Additional Jurisdiction, as applicable, and shall amend Schedule B to reflect such revised Commitments. For greater certainty, in any year, Celestica shall be entitled to effect increases or decreases in Commitments pursuant to all of paragraphs (i), (ii) and (iii) above cumulatively.

(h) In determining the revised Commitment of each Lender as a result of an increase or decrease in Commitments under Section 2.3(g), the Administrative Agent shall ensure that following the changes to the Commitments of each Lender: (A) the aggregate Commitments of a Lender and all of its Related Lenders shall be the same after giving effect to such changes in the Commitments; (B) a Lender's Commitment shall not be less than the aggregate Advances of such Lender that are outstanding immediately prior to such changes being made; and (C) an Other Jurisdiction Lender's Commitment shall not be greater than the maximum Commitment of such Other Jurisdiction Lender set out in Schedule B.

2.4 Lenders' Obligations

(a) The obligations of the Lenders hereunder are several and not joint.

(b) Save as otherwise specifically provided herein, each Lender shall participate in each applicable Advance (other than, for certainty, any Swing Line Advance) referred to in the applicable provisions of Section 2.3 in accordance with its Main Facility Rateable Portion.

(c) The failure of any Lender to make available its share of any Advance required to be made by it under this Agreement shall not relieve any other Lender of its obligation to make available its share of any Advance required to be made under this Agreement.

2.5 Repayment of Advances by Former Designated Subsidiaries

Provided that the Facility is not earlier accelerated in accordance with Article 10, a Subsidiary which is no longer a Designated Subsidiary by virtue of the delivery of a notice in writing to the Administrative Agent to that effect by Celestica in accordance with Section 7.1(g) of this Agreement shall repay to the Administrative Agent the principal amount of Advances made by the Lenders to such Subsidiary, together with all accrued and unpaid interest thereon, on the day which is five (5) Banking Days after the date of delivery of such notice by Celestica to the Administrative Agent in accordance with Section 7.1(g) of this Agreement.

2.6 Repayment of Facility

(a) In the event that, at any time, the Canadian Outstanding Amount exceeds the maximum amount allowed pursuant to Section 2.3 due to changes in exchange rates, then Celestica shall forthwith repay to the Administrative Agent or cause another Borrower to forthwith repay to the Administrative Agent that portion of

the Canadian Outstanding Amount which is in excess of the maximum amount allowed pursuant to Section 2.3; provided, however, that unless the Canadian Outstanding Amount exceeds One Hundred and Five Per Cent (105%) of the aggregate Commitments of the Canadian Lenders under the Facility, there shall be no such obligation to make a repayment hereunder until the earlier of (i) 15 days and (ii) the next following Interest Payment Date, Drawdown Date, date of Rollover or date of Conversion, in each case, following receipt of written notice of determination of such Canadian Outstanding Amount by the Administrative Agent to Celestica, and provided further that if such repayment would result in the repayment of a Bankers' Acceptance Advance prior to its maturity date or the repayment of an Acceptance Note or a LIBOR Advance prior to the last day of its Interest Period, Celestica may, or may cause another Borrower to, at its option and in lieu of repayment of such Advances, deposit with the Administrative Agent cash collateral in an amount equal to the required repayment amount to be held by the Administrative Agent for distribution to the Canadian Lenders as repayment of a Bankers' Acceptance Advance on its maturity date (or the last day of its then current Interest Period in the case of an Acceptance Note) or repayment of an Acceptance Note or a LIBOR Advance on the last day of its then current Interest Period, as the case may be.

(b) Provided that the Facility is not prepaid or accelerated in accordance with Article 10, each Borrower shall repay the principal amount of all Advances made to it outstanding under the Facility, together with accrued and unpaid interest thereon, on the Maturity Date to the Administrative Agent and, in the event that the expiry date of any Letter of Credit is after the Maturity Date, Celestica shall on or before the Maturity Date, deposit with the Administrative Agent, on behalf of the Issuing Bank, an amount equal to the undrawn Face Amount of any such issued and outstanding Letter of Credit. Such amount shall be held by the Administrative Agent in an interest-bearing account and shall be applied to satisfy Celestica's obligations pursuant to Section 3.4 in the event that the Issuing Bank is called upon by a beneficiary to honour a Letter of Credit. Following the expiry of all such Letters of Credit, the Administrative Agent shall pay to Celestica the amounts so deposited, together with any interest accrued thereon less any amount paid by the Administrative Agent to the Issuing Bank. At any time that any Letter of Credit shall be reduced in accordance with Section 3.1(c)(ii), Celestica's obligations under this Section 2.6(b) shall be reduced accordingly, subject to reinstatement in the event any payment in respect of such Letter of Credit is recovered by any beneficiary in any manner from the Issuing Bank.

(c) All repayments of the Facility by the Borrowers shall be in a minimum amount equal to the minimum amount of a Drawdown of each type of Advance set out in Section 2.3 and amounts in excess thereof in integral multiples of U.S.$100,000, or the Equivalent Amounts thereof in the currency in which each Advance is denominated except in the event of a Rollover of an Advance into a lesser amount than the Advance then outstanding or a repayment pursuant to paragraphs (a) and (b) of Section 2.6 which may be in any amount. Repayments of any Advance outstanding under the Facility shall be made in the currency in which such Advance is denominated.

2.7 Payments/Cancellation or Reduction

Celestica may at any time, upon giving at least three (3) Banking Days' prior notice to the Administrative Agent, repay, or cause another Borrower to repay and, in each case, cancel, any drawn portion of the Facility or cancel in full or, from time to time, in part, any undrawn portion of the Facility; provided, however, that:

(a) if any such repayment relates to Bankers' Acceptances, Acceptance Notes or Letters of Credit, which have not matured, the Borrower to which such Advance was made shall, at such time, deposit in a cash collateral account opened and maintained by the Administrative Agent such amount as may be required to yield an amount equal to the aggregate undiscounted Face Amount of such instruments on the maturity dates thereof;

(b) in the event that any such repayment relates to a LIBOR Advance other than on the scheduled last day of the applicable Interest Period, the Borrower to which such Advance was made shall contemporaneously pay to the Administrative Agent all applicable breakage costs, being any loss or expense incurred by the Relevant Lenders by reason of the resulting liquidation or re-employment of deposits of funds;

(c) any such reduction shall be in a minimum amount of U.S.$5,000,000 and cancellations in excess thereof shall be in increments of U.S.$100,000;

(d) in the case of a cancellation or reduction of the Facility, Celestica shall specify whether it wishes to reduce the aggregate Commitments of (i) the Canadian Lenders, (ii) the U.S. Lenders or (iii) Other Jurisdiction Lenders in respect of an Additional Jurisdiction and the amount by which it wishes to reduce the aggregate Commitments of each such group of Lenders;

(e) any cancellation of the aggregate Commitments of the Canadian Lenders shall reduce the Commitment of each Canadian Lender on a *pro rata* basis having regard to the Commitment of each Canadian Lender;

(f) any cancellation of the aggregate Commitments of the U.S. Lenders shall reduce the Commitment of each U.S. Lender on a *pro rata* basis having regard to the Commitment of each U.S. Lender;

(g) any cancellation of the aggregate Commitments of the Other Jurisdiction Lenders in respect of an Additional Jurisdiction shall reduce the Commitment of such Other Jurisdiction Lenders on a *pro rata* basis having regard to the Commitment of each such Other Jurisdiction Lender;

(h) consent of all Lenders shall be required in the event that a cancellation or reduction of the Commitments of the Canadian Lenders, the U.S. Lenders or the Other Jurisdiction Lenders pursuant to paragraph (d) above results in a non *pro rata* cancellation or reduction of the Commitments of the Lenders, considered as a whole; and

(i) any such cancellation shall permanently reduce the Facility and may not be reinstated.

2.8 Maturity Date

Subject to Section 2.7, Section 10.2 and Section 10.5, the Facility shall be available until the Maturity Date. Notwithstanding the termination of availability of the Facility, until all of the Obligations (other than contingent indemnity obligations) of the Borrowers shall have been fully and indefeasibly paid and satisfied and all financing arrangements among the Borrowers and the Lenders with respect to the Obligations shall have been cancelled or terminated, all of the rights and remedies of the Lenders and the Agents under this Agreement and the other Loan Documents shall survive.

2.9 Interest on Prime Rate Advances

Interest on each Prime Rate Advance shall accrue at a rate per annum equal to the Prime Rate in effect from time to time during the period of time that the Prime Rate Advance is outstanding plus the Applicable Margin. Such interest shall be payable to the Administrative Agent at its Toronto Office in Canadian Dollars monthly in arrears on the first Banking Day of the following month (each herein referred to as an "**Interest Payment Date**") in each year for the period from and including the Drawdown Date for such Advance (or, if applicable, the date on which such Advance was converted into a Prime Rate Advance) or the preceding Interest Payment Date for such Prime Rate Advance, as the case may be, to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the Prime Rate Advance from time to time outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 or 366 days (in the case of an Interest Payment Date occurring in a leap year). Changes in the Prime Rate shall cause an automatic and immediate adjustment of the interest rate payable on Prime Rate Advances without the necessity of any notice to the Borrowers.

2.10 Interest on Base Rate Canada Advances

Interest on each Base Rate Canada Advance shall accrue at a rate per annum equal to the Base Rate Canada in effect from time to time during the period of time that the Base Rate Canada Advance is outstanding plus the Applicable Margin. Such interest shall be payable to the Administrative Agent at its Toronto Office in United States Dollars monthly in arrears on each Interest Payment Date in each year for the period from and including the Drawdown Date for such Advance (or, if applicable, the date on which such Advance was converted into a Base Rate Canada Advance) or the preceding Interest Payment Date for such Base Rate Canada Advance, as the case may be, to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the Base Rate Canada Advance from time to time outstanding during such period and on the basis of the actual number of days elapsed and the number of days deemed to be included in a year by the definition of the rate used to set Base Rate Canada. Changes in the Base Rate Canada shall cause an automatic and immediate adjustment of the interest rate payable on Base Rate Canada Advances without the necessity of any notice to the Borrowers.

2.11 Interest on Base Rate Advances

Interest on each Base Rate Advance shall accrue at a rate per annum equal to the Base Rate in effect from time to time during the period of time that the Base Rate Advance is outstanding plus the Applicable Margin. Such interest shall be payable to the Administrative Agent at its Toronto Office in United States Dollars monthly in arrears on each Interest Payment Date in each year for the period from and including the Drawdown Date for such Advance (or, if applicable, the date on which such Advance was converted into a Base Rate Advance) or the preceding Interest Payment Date for such Base Rate Advance, as the case may be, to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the Base Rate Advance from time to time outstanding during such period and on the basis of the actual number of days elapsed in a year of 360 days. Changes in the Base Rate shall cause an automatic and immediate adjustment of the interest rate payable on Base Rate Advances without the necessity of any notice to the Borrowers.

2.12 LIBOR Advances

(a) LIBOR Advances shall be available for Drawdown, Conversion or Rollover in United States Dollars in minimum principal amounts of U.S.$5,000,000 and integral multiples of U.S.$100,000 in excess thereof. Each Drawdown Notice shall specify the applicable Interest Period for the LIBOR Advance. The duration of each such Interest Period shall be for a period of approximately one, two, three or six months, or any other period, if available and agreed to by the Administrative Agent on behalf of the Lenders, as the Borrower requesting such Drawdown, Conversion or Rollover may select in the applicable Drawdown Notice, Conversion Notice or Rollover Notice. No LIBOR Advance may have an Interest Period ending after the Maturity Date. If any Interest Period would end on a day which is not a Banking Day, such Interest Period shall be extended to the next succeeding Banking Day unless such next succeeding Banking Day falls in the next calendar month, in which case such Interest Period shall be shortened to end on the immediately preceding Banking Day.

(b) If a Lender determines that deposits of the necessary amount in the requested currency for the applicable Interest Period are not available in the London interbank market or if for any other reason the Administrative Agent, acting reasonably, is unable to determine the applicable LIBO Rate, then the relevant LIBOR Advance will not be made, and the Administrative Agent will discuss with such Borrower the particular circumstances and implications of such event. In the event that such determination is made by the Administrative Agent in the case of a proposed Rollover of an existing LIBOR Advance or a proposed Conversion of another type of Advance into a LIBOR Advance, the proposed LIBOR Advance will automatically be deemed to be a Base Rate Canada Advance if the Borrower delivering such Rollover Notice or Conversion Notice is Celestica or a Canadian Designated Subsidiary or a Base Rate Advance, if the Borrower delivering such Rollover Notice or Conversion Notice is a U.S. Designated Subsidiary or a Consent Designated Subsidiary.

(c) Interest on any LIBOR Advance shall be calculated at a rate per annum equal to the LIBO Rate plus the Applicable Margin, plus any applicable Mandatory Cost

then in effect, shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed (including the first day of each Interest Period but excluding the last day thereof) and divided by 360. Interest on any LIBOR Advance shall be payable to the Administrative Agent in United States Dollars in arrears on the last day of the Interest Period relating thereto; provided, however, that if the Interest Period is for a term of more than three months, interest shall be payable on the last Banking Day of the first three-month period and on the last Banking Day of each three-month period thereafter, as well as on the last day of the Interest Period.

(d) If a LIBOR Advance to a U.S. Designated Subsidiary is neither repaid on the last day of an Interest Period nor converted into another type of Advance on such date pursuant to Section 2.15, and if the Administrative Agent has not received a Rollover Notice or a Conversion Notice specifying the term of the next Interest Period for such LIBOR Advance at or before 10:00 a.m. (local time in New York, New York) on the third Banking Day prior to the last day of the then current Interest Period, then the outstanding LIBOR Advance shall be deemed to be converted, by way of Conversion on the last day of the then current Interest Period, into a Base Rate Advance.

(e) If a LIBOR Advance to Celestica or a Canadian Designated Subsidiary is neither repaid on the last day of an Interest Period nor converted into another type of Advance on such date pursuant to Section 2.15, and if the Administrative Agent has not received a Rollover Notice or a Conversion Notice specifying the term of the next Interest Period for such LIBOR Advance at or before 10:00 a.m. (Toronto, Canada) on the third Banking Day prior to the last day of the then current Interest Period, then the outstanding LIBOR Advance shall be deemed to be converted, by way of Conversion on the last day of the then current Interest Period, into a Base Rate Canada Advance.

(f) If a LIBOR Advance to a Consent Designated Subsidiary is not repaid on the last day of an Interest Period, and if the Administrative Agent has not received a Rollover Notice specifying the term of the next Interest Period for such LIBOR Advance at or before 10:00 a.m. (Toronto, Canada) on the third Banking Day prior to the last day of the then current Interest Period, then on the last day of the then current Interest Period there shall be a deemed Rollover of the outstanding LIBOR Advance into a LIBOR Advance with an Interest Period of one month.

(g) Except as otherwise provided herein, LIBOR Advances shall not be repaid, prepaid or converted into another type of Advance except on the last day of any Interest Period relating thereto.

(h) If the Majority Lenders determine in good faith that the LIBO Rate for any requested Interest Period with respect to a proposed LIBOR Advance does not adequately and fairly reflect the cost to such Lenders of funding such Advance, the Administrative Agent will promptly so notify the Borrower and each Lender in writing. Thereafter, the obligation of the Lenders to make or maintain LIBOR Advances shall be suspended until the Administrative Agent (upon the instruction of the Majority Lenders) revokes such notice; provided that, at any time and from

time to time, the Borrower shall have the right to request the Administrative Agent to request that the Lenders determine whether at such time the circumstances causing the suspension continue to exist and if the Majority Lenders determine, in good faith, that such circumstances no longer continue to exist then the Administrative Agent shall notify the Borrower in writing of such determination and immediately revoke such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a borrowing, conversion or continuation of LIBOR Advance or, failing that, in the case of Celestica or a Canadian Designated Subsidiary will be deemed to have converted such request into a request for a Base Rate Canada Advance and in the case of a U.S. Designated Subsidiary or a Consent Designated Subsidiary will be deemed to have converted such request into a request for a Base Rate Advance.

2.13 Method and Place of Payment

(a) Each payment to be made by a Borrower under this Agreement shall be made without deduction, set-off or counterclaim.

(b) Except as provided in Section 4.2 with respect to Acceptance Fees and Section 3.8 with respect to fees for Letters of Credit, all payments of principal, interest and fees hereunder shall be made for value at or before 12:00 noon (local time in Toronto, Canada) on the day such amount is due by deposit or transfer thereof to the account of the Administrative Agent maintained at its Toronto Office. Payments received after such time shall be deemed to have been made on the next following Banking Day.

(c) Subject to Section 11.16, each: (i) Canadian Lender shall be entitled to its Main Facility Rateable Portion of each repayment or prepayment of principal of a Prime Rate Advance (other than a Swing Line Advance), a LIBOR Advance, Acceptance Note, Base Rate Canada Advance (other than a Swing Line Advance) or payment of the Face Amount of Bankers' Acceptances made to Celestica or a Canadian Designated Subsidiary; (ii) U.S. Lender shall be entitled to its Main Facility Rateable Portion of each repayment or prepayment of principal of a LIBOR Advance or a Base Rate Advance made to a U.S. Designated Subsidiary; and (iii) Other Jurisdiction Lender shall be entitled to its Main Facility Rateable Portion of each repayment or prepayment of principal of a LIBOR Advance made to each Consent Designated Subsidiary that is its Borrower.

(d) Notwithstanding Section 2.12(c), in the event that a Borrower is required to pay Additional Compensation to a Lender, such Borrower may prepay all or any portion of the Advances made by such Lender to such Borrower, without any obligation to prepay any portion of the Advances made by other Lenders to whom the Borrower is not required to pay Additional Compensation; provided, however, that any prepayment of a Bankers' Acceptance Advance or LIBOR Advance shall be subject to the provisions of Section 12.2.

2.14 Fees

(a) During the period commencing on the date hereof and ending on the Maturity Date (in this Section 2.14, the "**Relevant Period**"), Celestica on behalf of itself and the other Borrowers shall pay to the Administrative Agent for the account of the Lenders a fee (the "**Facility Fee**") calculated at the rate per annum set forth in Schedule C on the sum of (i) the aggregate Commitments of the Non-Defaulting Lenders (after giving effect to any cancellation and reduction pursuant to Section 2.7) hereunder and (ii) the aggregate outstanding Advances of the Defaulting Lenders hereunder during the Relevant Period from day to day which fee shall be payable quarterly in arrears. Each Lender shall be entitled to its Global Rateable Portion of the Facility Fee provided that in circumstances where a Defaulting Lender has outstanding Advances, such Defaulting Lender shall, until such time as it again becomes a Non-Defaulting Lender, only be entitled to a portion of the Facility Fee calculated on the basis of such Advances only and not its Commitment.

(b) **Intentionally Deleted**

(c) On or prior to the Closing Date, Celestica on behalf of itself and the other Borrowers shall pay to the Administrative Agent for the account of the Lenders in accordance with each Lender's Global Rateable Portion a fee (the "**Upfront Fee**") in accordance with the Fee Letter.

2.15 Conversion Options

Subject to the provisions of this Agreement (including, without limitation, Section 4.5), provided that no Event of Default has occurred and is continuing, a Borrower may convert any type of Advance outstanding under the Facility as follows:

(a) provided that the relevant Borrower thereunder is Celestica or a Canadian Designated Subsidiary, a Prime Rate Advance or a portion thereof into a Bankers' Acceptance Advance by giving the Administrative Agent a Conversion Notice no later than 10:00 a.m. one (1) Banking Day prior to the date of the proposed Conversion;

(b) provided that the relevant Borrower thereunder is Celestica or a Canadian Designated Subsidiary, the Face Amount of a Bankers' Acceptance or the principal amount of any Acceptance Notes, as applicable, or a portion thereof into a Prime Rate Advance on the maturity date of the Bankers' Acceptance or the last day of the then current Interest Period of such Acceptance Note by giving the Administrative Agent a Conversion Notice no later than 10:00 a.m. one (1) Banking Day prior to the date of the proposed Conversion;

(c) provided that the relevant Borrower thereunder is Celestica or a Canadian Designated Subsidiary, a Base Rate Canada Advance or a portion thereof into a LIBOR Advance by giving the Administrative Agent a Conversion Notice no later than 10:00 a.m. three (3) Banking Days prior to the date of the proposed Conversion;

(d) provided that the relevant Borrower thereunder is Celestica or a Canadian Designated Subsidiary, a LIBOR Advance or a portion thereof into a Base Rate Canada Advance on the last day of the Interest Period of the relevant LIBOR Advance by giving the Administrative Agent a Conversion Notice no later than 10:00 a.m. one (1) Banking Day prior to the date of the proposed Conversion;

(e) provided that the relevant Borrower thereunder is a U.S. Designated Subsidiary, a Base Rate Advance or a portion thereof into a LIBOR Advance by giving the Administrative Agent a Conversion Notice no later than 10:00 a.m. three (3) Banking Days prior to the date of the proposed Conversion; and

(f) provided that the relevant Borrower thereunder is a U.S. Designated Subsidiary, a LIBOR Advance, or a portion thereof, denominated in United States Dollars into a Base Rate Advance on the last day of the Interest Period of the relevant LIBOR Advance by giving the Administrative Agent a Conversion Notice no later than 10:00 a.m. one (1) Banking Day prior to the date of the proposed Conversion.

An Advance may not be converted into an Advance denominated in a currency other than the currency in which the original Advance was made; however, an Advance denominated in one currency may be repaid concurrently with the Drawdown of an Advance denominated in another currency.

2.16 Execution of Notices

All Drawdown Notices, Conversion Notices, Rollover Notices and notices of repayment or cancellation and, unless otherwise provided herein, all other notices, requests, demands or other communications to be given to the Administrative Agent by a Borrower hereunder shall be executed by any one officer or director of the Borrower making each such Drawdown Notice, Conversion Notice, Rollover Notice or notice of repayment or cancellation.

2.17 Evidence of Indebtedness

The Administrative Agent shall open and maintain in accordance with its usual practice books of account evidencing all Advances and all other amounts owing by the Borrowers to the Administrative Agent and the Lenders hereunder. The Administrative Agent shall also enter in the foregoing accounts details of every Letter of Credit issued on behalf of Celestica, details of every Drawdown Date in respect of each Advance and all amounts from time to time owing or paid by a Borrower to the Administrative Agent for its own account or for the account of the Relevant Lenders hereunder, the amounts of principal, interest and fees payable from time to time hereunder and the unused portion of each Lenders' Commitment available to be drawn down by the Borrowers or in respect of which Advances may be made in connection with reimbursement of the Issuing Bank pursuant to calls on a Letter of Credit. The information entered in the foregoing accounts shall constitute, in the absence of manifest error, *prima facie* evidence of the obligations of the Borrowers to the Administrative Agent and the Relevant Lenders hereunder, the date the Relevant Lenders made each Advance available to the Borrowers, the date the Issuing Bank issued or was called to honour a Letter of Credit and the amounts the Borrowers have paid from time to time on account of the principal of and interest on the Advances.

2.18 Interest on Unpaid Costs and Expenses

Unless the payment of interest is otherwise specifically provided for herein, where a Borrower fails to pay any amount required to be paid by a Borrower hereunder when due, having received notice that such amount is due, such Borrower shall pay interest to the Administrative Agent on such unpaid amount, including overdue interest from the time such amount is due until paid at an annual rate equal to the sum of (i) 2%, plus (ii) the Prime Rate, in the case of overdue amounts payable in Canadian Dollars, or the Base Rate Canada, in the case of overdue amounts payable in United States Dollars. Such interest shall be determined daily, compounded quarterly in arrears on each Interest Payment Date in each year and payable on demand.

2.19 Criminal Rate of Interest

Notwithstanding the foregoing provisions of this Article 2, the Borrowers shall in no event be obliged to make any payments of interest or other amounts payable to the Lenders hereunder in excess of an amount or rate which would be prohibited by law or would result in the receipt by the Lenders of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

2.20 Compliance with the *Interest Act* (Canada)

For the purposes of this Agreement, whenever any interest 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 for the purposes of the *Interest Act* (Canada) 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 of such determination.

2.21 Nominal Rate of Interest

The parties acknowledge and agree that all calculations of interest under the Loan Documents are to be made on the basis of the nominal interest rate described herein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest. The parties acknowledge that there is a material difference between the stated nominal interest rates and the effective yearly rates of interest and that they are capable of making the calculations required to determine such effective yearly rates of interest.

2.22 Swing Line Facility

(a) **Swing Line Advances**. Subject to subsections (b) and (k), the Swing Line Lender hereby agrees, on the terms and conditions set forth in this Agreement, to make Swing Line Advances in Canadian Dollars or United States Dollars to Celestica or any Canadian Designated Subsidiary from time to time from the date hereof to the Maturity Date but in any event not later than the Maturity Date.

(b) **Limitation on Swing Line Advances**. No Swing Line Advance shall be made by the Swing Line Lender if:

(i) the sum of (A) the amount of such Swing Line Advance and (B) the aggregate principal amount of all Swing Line Advances outstanding on such day exceeds the Available Swing Line Commitment;

(ii) immediately after such Swing Line Advance is made, the aggregate outstanding principal amount of all Advances to Celestica and each Canadian Designated Subsidiary exceeds the aggregate Commitments of the Canadian Lenders; or

(iii) a Trigger Event has occurred, no Debt Rating Upgrade has ensued and is continuing following the Trigger Event, and the obligations set out in Sections 9.1(p)(i) and 9.1(p)(ii) have not been satisfied.

(c) **Amount of Each Swing Line Advance**. Each Swing Line Advance in Canadian Dollars and each Swing Line Advance in United States Dollars shall be in an aggregate principal amount of Cdn.$ 1,000,000 or U.S.$ 1,000,000, as the case may be, or any integral multiple thereof.

(d) **Interest Rates**. Each Swing Line Advance shall bear interest on the outstanding principal amount thereof, for each day from the date such Swing Line Advance is made until it becomes due, at a rate per annum equal to, in the case of Swing Line Advances in Canadian Dollars, the Prime Rate plus the Applicable Margin, and, in the case of Swing Line Advances in United States Dollars, the Base Rate Canada plus the Applicable Margin.

(e) **Procedure for Requesting Swing Line Advances**. The relevant Borrower shall give to the Administrative Agent telephonic notice no later than 10:00 a.m. (local time) on the date of each Swing Line Advance specifying (i) the date of such Swing Line Advance, which shall be a Banking Day in Toronto, Canada; and (ii) the currency and amount of such Swing Line Advance. Such telephonic notice shall be followed by delivery by the relevant Borrower by no later than 3:00 p.m. local time on the same day of a Notice of Swing Line Borrowing. Promptly after receiving such Notice of Swing Line Borrowing, the Administrative Agent shall notify the relevant Swing Line Lender of the contents thereof and such Notice of Swing Line Borrowing shall not thereafter be revocable by such Borrower.

(f) **Funding of Swing Line Advances**. On the date of each Swing Line Advance, the Swing Line Lender shall make available such Swing Line Advance no later than 12:00 noon, Toronto, Canada time.

(g) **Optional Prepayment of Swing Line Advances**. Any Borrower may prepay its Swing Line Advance in whole at any time or from time to time in part in a minimum principal amount of Cdn.$1,000,000 or U.S.$1,000,000, as the case may be, or any integral multiple thereof, by giving notice of such prepayment to the Administrative Agent not later than 10:00 a.m. Toronto, Canada time on the date of prepayment and paying the principal amount to be prepaid (together with interest accrued thereon to the date of prepayment) to the Administrative Agent for the account of the Swing Line Lender.

(h) **Maturity of Swing Line Advances**. Any Swing Line Advance outstanding on the seventh day after such Swing Line Advance, if not repaid by such Borrower on such seventh day, shall convert to, in the case of a Swing Line Advance in Canadian Dollars, a Prime Rate Advance or, in a case of a Swing Line Advance in United States Dollars, a Base Rate Canada Advance, as the case may be. If, prior to the seventh day after such Swing Line Advance was made, the Administrative Agent declares the Advances to be immediately due and payable or the Commitments automatically terminate, each as set out in Section 10.2, such Swing Line Advance shall be due and payable on the date of such declaration by the Administrative Agent or automatic termination.

(i) **Refunding Unpaid Swing Line Advances**. If any Swing Line Advance is converted, pursuant to subsection (h), to another form of Advance, the Swing Line Lender shall forthwith notify the Administrative Agent and the Administrative Agent shall, by notice to the Canadian Lenders (including the Swing Line Lender in its capacity as Lender), require the Canadian Lenders to pay to the Administrative Agent, for the account of the Swing Line Lender, their Main Facility Rateable Portion of the aggregate amount of such other form of Advance. Such other form of Advance shall constitute, in the case of a Swing Line Advance in Canadian Dollars, a Prime Rate Advance and, in the case of a Swing Line Advance in United States Dollars, a Base Rate Canada Advance, provided that if the Canadian Lenders are prevented from making such Advances by provisions of applicable bankruptcy laws or otherwise, the amount so paid by each Canadian Lender shall constitute a purchase by it of a participation in the unpaid principal amount of such converted Swing Line Advances. Any such notice to the Canadian Lenders shall specify the date on which such payments are to be made by them. No later than 12:00 noon Toronto, Canada time on the date so specified each Canadian Lender shall pay the amount so notified to it in immediately available funds to the Administrative Agent for the account of the Swing Line Lender. Each Canadian Lender's obligations to make payments for the account of the Swing Line Lender under this subsection shall be absolute and unconditional and shall not be affected by any circumstance provided that no Canadian Lender shall be obligated to make any payment to the Administrative Agent under this Section with respect to a Swing Line Advance made by the Swing Line Lender at a time when such Swing Line Lender had received written notice from Celestica or the Administrative Agent that a Default had occurred and was continuing. Notwithstanding the provisions of this Section 2.22(i), if Export Development Canada ("**EDC**") is prevented from making such Advances or from purchasing such participation by any Applicable Law, EDC's Main Facility Rateable Portion of such Swing Line Advance to be so converted shall not be converted and shall remain outstanding as a Swing Line Advance, and EDC shall provide to the Swing Line Lender a guarantee of payment of such amount, which guarantee shall be in form and substance satisfactory to the Swing Line Lender.

(j) **Increasing or Decreasing Available Swing Line Commitment**. At any time and from time to time, Celestica may, by written notice to the Administrative Agent, increase or decrease the Available Swing Line Commitment, provided that the Available Swing Line Commitment shall at no time exceed U.S.$ 25,000,000

less the amount, if any, that the Commitment of the Swing Line Lender has been reduced pursuant to Section 2.7 or be less than zero.

(k) **Take-over Bids.** If a Borrower wishes to make a Drawdown of a Swing Line Advance for the purpose of financing a Take-over Bid, such Borrower shall deliver to the Swing Line Lender a Take-over Bid Notice at least ten (10) Banking Days prior to the day on which it gives to the Swing Line Lender a telephonic notice or Notice of Swing Line Borrowing requesting such Drawdown. Such Take-over Bid Notice shall include the details of such Take-over Bid. As soon as possible, but in any event within five (5) Banking Days of the giving of the Take-over Bid Notice, the Swing Line Lender shall, acting reasonably and in good faith, determine whether or not it wishes to fund such Swing Line Advance. Notwithstanding any other provisions hereof, if the Swing Line Lender determines that it does not wish to fund such Swing Line Advance, the Swing Line Lender shall not be required to fund such Swing Line Advance, and the Swing Line Lender shall be considered to be acting reasonably and in good faith if it determines that it does not wish to fund such Swing Line Advance based on any of its internal regulatory, take-over bid and credit policies and procedures.

2.23 Defaulting Lender

Notwithstanding any other provision in this Agreement to the contrary, if at any time a Lender becomes a Defaulting Lender, then the following provisions shall apply so long as any Lender is a Defaulting Lender:

(a) If any Swing Line Advances are outstanding hereunder at any time that one or more Canadian Lenders is a Defaulting Lender upon two (2) Banking Days written notice by the Administrative agent, the Borrower shall, prepay such outstanding Swing Line Advances. For greater certainty, at any time that all Defaulting Lenders that are Canadian Lenders at such time cease to be Defaulting Lenders or are removed or replaced in accordance with the provisions of Section 2.24, so that there are no longer Defaulting Lenders that are Canadian Lenders, the Borrowers shall be entitled to resume requesting Swing Line Advances in accordance with Section 2.23.

(b) If any Letters of Credit are outstanding at any time that one or more Canadian Lenders is a Defaulting Lender (the Defaulting Lenders' participation in such Letters of Credit hereinafter referred to as the "**Letter of Credit Shortfall**"), upon two (2) Banking Days written notice by the Administrative Agent, Celestica shall cash collateralize the amount of the Letter of Credit Shortfall by depositing an amount equal to the Letter of Credit Shortfall with the Administrative Agent, on behalf of the Issuing Bank, at or before 1:00 p.m. Toronto, Canada time, on the date that is two (2) Banking Days following notice by the Administrative Agent. Any such amount received by the Administrative Agent, on behalf of the Issuing Bank, shall be held as collateral security for the repayment of all Obligations in connection with the applicable Letter of Credit and upon the drawing of such Letter of Credit, such amount shall be applied to reimburse the Issuing Bank. The Administrative Agent, on behalf of the Issuing Bank, shall return to Celestica the amount by which the aggregate cash collateral then on deposit with the

Administrative Agent pursuant to this Section 2.23(b) together with any interest thereon, exceeds the Letter of Credit Shortfall, if, at any time (i) the amount of the Letter of Credit Shortfall decreases as a result of the termination, reduction or cancellation of a Letter of Credit; (ii) the Defaulting Lender ceases to be a Defaulting Lender; or (iii) the Defaulting Lender is removed or replaced in accordance with the provisions of Section 2.24.

(c) The Swing Line Lender shall not be required to fund any Swing Line Advance, and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that any repayment required to be made in accordance with paragraph (a) above or any cash collateral required to be deposited in accordance with (b) above has been and/or will be provided by the Borrower or Celestica, as applicable, in accordance with this Section 2.23.

2.24 Replacement and Removal of Defaulting Lender

(a) Celestica shall be permitted to replace any Lender that becomes a Defaulting Lender (A) if the Defaulting Lender is a Defaulting Lender by reason of paragraph (v) of the definition thereof, without the consent of the Lenders, or (B) if for any other reason, with the consent of the Majority Lenders, acting reasonably, with a replacement lender; provided that (i) such replacement does not constitute a breach of Applicable Law, (ii) no Default shall have occurred and be continuing at the time of such replacement, (iii) the replacement lender shall purchase, at par (unless the replacement lender and the replaced Lender otherwise agree), all Advances and other amounts owing to such replaced Lender on or prior to the date of replacement, (iv) the Borrower shall be liable to such replaced Lender if any LIBOR Advance owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (v) the replacement lender shall be reasonably satisfactory to the Administrative Agent, the Swing Line Lender and the Issuing Bank, (vi) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 13.11 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to in Section 13.11(c)(iii)), and (vii) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender or that the replaced Lender shall have against any other Person.

(b) Celestica may (A) if the Defaulting Lender is a Defaulting Lender by reason of paragraph (v) of the definition thereof, without the consent of the Lenders, or (B) if for any other reason, with the consent of the Majority Lenders, acting reasonably, at any time, upon at least three (3) Banking Days' prior written notice to the Administrative Agent, repay, or cause another Borrower to repay, all amounts outstanding to a Defaulting Lender and thereupon the Commitment of such Defaulting Lender shall be permanently cancelled, the Commitment of each of the other Lenders shall remain the same and the Facility shall be permanently reduced by the amount of the Commitment of the Defaulting Lender; provided, however, that:

(i) If any such repayment relates to the Bankers' Acceptances or Acceptance Notes, which have not matured, the Borrower to which such Advance was made shall, at such time, deposit in a cash collateral account opened and maintained by the Administrative Agent such amount as may be required to yield an amount equal to the aggregate undiscounted Face Amount of such instruments on the maturity dates thereof; and

(ii) In the event that any such repayment relates to a LIBOR Advance other than on the scheduled last day of the applicable Interest Period, the Borrower to which such Advance was made shall contemporaneously pay to the Administrative Agent all applicable breakage costs, being any loss or expense incurred by the Lenders by reason of the resulting liquidation or re-employment of deposits of funds.

Upon the repayment of all amounts owing to any Defaulting Lender and the termination of such Defaulting Lender's Commitment, such Defaulting Lender shall no longer constitute a Lender for purposes of this Agreement; provided, that the removal of the Defaulting Lender shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against or in respect of the Defaulting Lender or that the Defaulting Lender shall have against or in respect of any other Person.

2.25 Increase in Aggregate Commitment Amount

(a) Notwithstanding any other provision of this Agreement, Celestica may, at any time and from time to time (provided that no Default or Event of Default has occurred and is continuing or would result therefrom), give notice in writing to the Administrative Agent that one or more Lenders or other financial institutions which are acceptable to each of the Administrative Agent and Celestica (such approval not to be unreasonably withheld or unduly delayed) (each an "**Additional Lender**") have agreed to make additional or new commitments in a minimum amount of U.S.$25,000,000 (each an "**Additional Commitment**") (provided, however, that (i) Celestica shall not be entitled to give such notice at any time at which the aggregate Commitments, together with any Additional Commitments, exceed U.S.$450,000,000 (or such lesser amount as may be available following a cancellation in part of the Facility pursuant to Section 2.7) and (ii) each Additional Lender shall comply with the requirement set out in Section 13.13 and for greater certainty, shall have a Related Lender that is a Canadian Lender if such Additional Lender is a U.S. Lender or a Related Lender that is a U.S. Lender if such Additional Lender is a Canadian Lender or Related Lenders that are a U.S. Lender and a Canadian Lender if such Lender is an Other Jurisdiction Lender). Celestica shall specify in such notice the amount of such Additional Commitment that will be allocated to each Additional Lender. Upon receipt of such written notice, each party hereto hereby irrevocably authorizes the Administrative Agent to:

(i) insert the name of each Additional Lender that is not an existing Lender on Schedule A;

(ii) amend Schedule B to reflect each Additional Commitment of each Additional Lender;

(iii) affix a signature page of each Additional Lender that is not an existing Lender to this Agreement; and

(iv) if Advances (other than Swingline Advances) are outstanding at the time such notice is given, then (A) each Additional Lender that is a Canadian Lender shall make available to the Administrative Agent an amount equal to its Main Facility Rateable Portion (calculated as if each Additional Commitment were a Commitment) of such Advances to Celestica and each Canadian Designated Subsidiary, (B) each Additional Lender that is a U.S. Lender shall make available to the Administrative Agent an amount equal to its Main Facility Rateable Portion (calculated as if each Additional Commitment were a Commitment) of such Advances to each U.S. Designated Subsidiary and (C) each Additional Lender that is an Other Jurisdiction Lender shall make available to the Administrative Agent an amount equal to its Main Facility Rateable Portion (calculated as if each Additional Commitment were a Commitment) of such Advances to Consent Designated Subsidiaries in the Relevant Additional Jurisdiction and the Administrative Agent shall distribute the amounts advanced (for certainty, other than to each Additional Lender) under (A) to the Canadian Lenders, the amounts advanced under (B) to the U.S. Lenders and the amounts advanced under (C) to the Other Jurisdiction Lenders that have agreed to make Advances in the Additional Lender's Relevant Additional Jurisdiction, in each instance in accordance with a Lender's Main Facility Rateable Portion;

whereupon each of the Borrowers, the Administrative Agent, each Lender and each Additional Lender shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had such Additional Lender been an original party hereto as Lender.

(b) Each of the parties hereto agrees that it will promptly execute and deliver all such documents, including, without limitation, all such additional conveyances, transfers and consents and other assurances, and do all such other acts and things as may from time to time be desirable in order to better evidence or give effect to this Section 2.25.

ARTICLE 3
LETTERS OF CREDIT

3.1 Issuance Request

By delivering to the Administrative Agent and the Issuing Bank an Issuance Request at or before 12:00 noon, Toronto, Canada time, Celestica may request, from time to time prior to the Maturity Date and on not less than three nor more than ten Banking Days' notice, that the Issuing Bank issue an irrevocable standby letter of credit or letter of guarantee in such form as may be requested by Celestica and approved by the Issuing Bank (each a "**Letter of Credit**") in support

of financial obligations of a Restricted Subsidiary incurred in such Restricted Subsidiary's ordinary course of business and which are described in such Issuance Request, provided that, if the form of the letter of credit requested by Celestica is in a language other than English, Celestica shall provide to the Administrative Agent and the Issuing Bank not less than ten nor more than twenty Banking Days notice. Upon receipt of an Issuance Request, the Administrative Agent shall, within twenty (20) days of the receipt thereof, notify the Canadian Lenders thereof. Each Letter of Credit shall, by its terms:

(a) be issued in a Face Amount which when aggregated with the Face Amounts of all other outstanding Letters of Credit does not exceed (or would not, upon its issuance, exceed) the then Letter of Credit Availability;

(b) be stated to expire on a date (its "**Stated Expiry Date**") not later than one year from the Maturity Date; and

(c) on or prior to its Stated Expiry Date:

(i) terminate immediately upon notice to the Issuing Bank thereof from the beneficiary thereunder that all obligations covered thereby have been terminated, paid or otherwise satisfied in full, and

(ii) reduce, in part, immediately and to the extent that the beneficiary thereunder has notified the Issuing Bank thereof that the obligations covered thereby have been paid or otherwise satisfied in part.

Celestica may request Letters of Credit to be denominated in Canadian Dollars, in United States Dollars, and in Pounds Sterling or, if the Issuing Bank in its sole and absolute discretion agrees, in Euros or such other currency as Celestica may request in the Issuance Request. In the event that the currency in which a Letter of Credit is expressed to be drawn is a currency other than United States Dollars or Canadian Dollars, for the purposes of determining whether the Face Amount of all outstanding Letters of Credit exceeds (or would, upon its issuance, exceed) the Letter of Credit Availability, the Face Amount payable under such Letter of Credit shall be deemed to be the Equivalent Amount in United States Dollars of such other currency on the date of such determination. The provisions of Section 6.2 shall apply to Letters of Credit issued contemporaneously on the first Drawdown Date and, thereafter, Section 6.3 (with the exception of Section 6.3(a)) shall apply at the time of issuance of any Letter of Credit as if such issuance were a Drawdown.

3.2 Issuances

On the terms and subject to the conditions of this Agreement, the Issuing Bank shall issue Letters of Credit in accordance with the Issuance Requests made therefor. The Issuing Bank will make available the original of each Letter of Credit which it issues in accordance with the Issuance Request therefor to the beneficiary thereof. The Issuing Bank shall notify the Administrative Agent of each issuance of or amendment to any Letter of Credit on the day upon which such issuance or amendment occurs and will promptly provide each of the Administrative Agent and the Lenders with a copy of such Letter of Credit or amendment thereof.

3.3 Other Lenders' Participation

Each Letter of Credit issued pursuant to Section 3.2 shall, effective upon its issuance and without further action, be issued on behalf of all Canadian Lenders (including the Issuing Bank) in their respective Main Facility Rateable Portions. Each Canadian Lender shall, to the extent of its Main Facility Rateable Portion, be deemed irrevocably to have participated in the issuance of the Letter of Credit and shall be deemed to have purchased from the Issuing Bank an interest in each Letter of Credit equal to its Main Facility Rateable Portion of the Face Amount of each Letter of Credit; provided, however, that in the event that any Letter of Credit is denominated in a currency other than United States Dollars, each of the Canadian Lenders, other than the Issuing Bank, shall be deemed to have purchased from the Issuing Bank an interest in each Letter of Credit equal to its Main Facility Rateable Portion of the Equivalent Amount, expressed in United States Dollars and determined on the date of issuance, of the Letter of Credit. Each Canadian Lender shall be responsible to reimburse promptly the Issuing Bank for Reimbursement Obligations which have not been reimbursed by Celestica in accordance with Section 3.4 or which have been reimbursed by Celestica but must be returned, restored or disgorged by the Issuing Bank for any reason and each Canadian Lender shall, to the extent of its Main Facility Rateable Portion, be entitled to receive from the Administrative Agent its Main Facility Rateable Portion of the fee received by the Administrative Agent with respect to each Letter of Credit payable pursuant to Section 3.8(b). In the event that Celestica shall fail to reimburse the Issuing Bank or if for any reason Advances shall not be made to fund any Reimbursement Obligation, all as provided in Section 3.4 and in an amount equal to the amount of any drawing on or by the Issuing Bank under a Letter of Credit, or in the event the Issuing Bank must, for any reason, return, restore or disgorge such reimbursement, the Issuing Bank shall promptly notify each Canadian Lender of the unreimbursed amount of such drawing and such Canadian Lender's respective Main Facility Rateable Portion of the Face Amount of such Letter of Credit. Each Canadian Lender shall make available to the Issuing Bank, whether or not any Default shall have occurred and be continuing, an amount equal to its respective Main Facility Rateable Portion of the Face Amount of such Letter of Credit in same day or immediately available funds at the office of the Issuing Bank specified in such notice not later than 10:00 a.m. local time on the Banking Day after the date notified by the Issuing Bank. In the event that any Canadian Lender fails to make available to the Issuing Bank the amount of such Canadian Lender's participation in such Letter of Credit as provided herein, the Issuing Bank shall be entitled to recover such amount on demand from such Canadian Lender together with interest at a daily rate consistent with market practice. Nothing in this Section shall be deemed to prejudice the right of any Canadian Lender to recover from the Issuing Bank any amounts made available by such Canadian Lender to the Issuing Bank pursuant to this Section in the event that it is determined by a court of competent jurisdiction in a final, non-appealable decision that the payment with respect to such Letter of Credit by the Issuing Bank in respect of which payment was made by such Canadian Lender constituted gross negligence or wilful misconduct on the part of the Issuing Bank. The Issuing Bank shall distribute to each other Canadian Lender which has paid all amounts payable by it under this Section with respect to any Letter of Credit issued by the Issuing Bank such other Canadian Lender's Main Facility Rateable Portion of all payments received by the Issuing Bank from Celestica in reimbursement of drawings honoured by the Issuing Bank under such Letter of Credit when such payments are received.

3.4 Reimbursement

The Issuing Bank will notify Celestica and the Administrative Agent promptly following the presentment for payment of any drawing under a Letter of Credit which notice shall include the date (a "**Disbursement Date**") such payment shall be made. Subject to the terms and provisions of such Letter of Credit, the Issuing Bank shall make such payment to the beneficiary (or its designee) of such Letter of Credit (each, a "**Disbursement**"). Unless Celestica has made alternative arrangements with the Issuing Bank with respect to payment to the Administrative Agent of an amount sufficient to permit the Issuing Bank to discharge its obligations under the Letter of Credit together with that amount equal to any and all charges and expenses which the Issuing Bank may pay or incur in respect to such Letter of Credit, at or prior to 12:00 noon, Toronto, Canada time on the Disbursement Date, Celestica will reimburse the Issuing Bank for all amounts disbursed under the Letter of Credit together with that amount equal to any and all charges and expenses which the Issuing Bank may pay or incur in respect of such drawing under such Letter of Credit, failing which any such payment so payable shall be deemed to be (i) a Drawdown of a Prime Rate Advance if payment under such Letter of Credit was made in Canadian Dollars; (ii) a Drawdown of a Base Rate Canada Advance if payment under such Letter of Credit was made in United States Dollars; or (iii) a Drawdown of a Base Rate Canada Advance in the Equivalent Amount in United States Dollars on the date of such Disbursement of the aggregate of the amount so disbursed and all such charges and expenses if payment under such Letter of Credit was made in a currency other than United States Dollars or Canadian Dollars; provided that the provisions of Section 6.3 regarding conditions for subsequent Drawdowns shall not apply to such Advances. In the event that any amount so payable by the Issuing Bank exceeds the amount available to be drawn down by Celestica under the Facility, then forthwith upon receipt of such notice, Celestica shall provide to the Issuing Bank an amount equal to such excess amount. Celestica's obligation (a "**Reimbursement Obligation**") to reimburse the Issuing Bank with respect to each Disbursement, and each Canadian Lender's obligation to make participation payments in each drawing which has not been reimbursed by Celestica, shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim, or defence to payment which Celestica may have or have had against any Canadian Lender or any beneficiary of a Letter of Credit, including any defence based upon the occurrence of any Default, any draft, demand or certificate or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient, the failure of any Disbursement to conform to the terms of the applicable Letter of Credit (if, in the Issuing Bank's good faith opinion, such Disbursement is determined to be appropriate) or any non-application or misapplication by the beneficiary of the proceeds of such Disbursement, or the legality, validity, form, regularity, or enforceability of such Letter of Credit; provided, however, that nothing herein shall adversely affect the right of Celestica to commence any proceeding against the Issuing Bank for any wrongful Disbursement made by the Issuing Bank under a Letter of Credit as a result of gross negligence or wilful misconduct (as determined by a final, non-appealable decision of a court of competition jurisdiction) on the part of the Issuing Bank.

3.5 Deemed Disbursements

Upon the declaration by the Administrative Agent that all Advances are immediately due and payable or are due and payable on demand pursuant to Section 10.2, Celestica shall immediately deposit with the Administrative Agent, on behalf of the Issuing Bank, an amount equal to the undrawn Face Amount of all issued and outstanding Letters of Credit. If such deposit is not

received by the Administrative Agent, on behalf of the Issuing Bank, within 15 days of such declaration by the Administrative Agent, the Administrative Agent may, with the consent of the Majority Lenders, deem a Drawdown Notice to have been delivered by Celestica requesting (i) a Drawdown of a Prime Rate Advance in an amount equal to the undrawn Face Amount of outstanding Letters of Credit denominated in Canadian Dollars, (ii) a Drawdown of a Base Rate Canada Advance in an amount equal to the undrawn Face Amount of outstanding Letters of Credit denominated in U.S. Dollars, and (iii) a Drawdown of a Base Rate Canada Advance in the Equivalent Amount in United States Dollars (on the date preceding the date that such Drawdown Notice is deemed to have been delivered by Celestica and from time to time thereafter) of the undrawn Face Amount of outstanding Letters of Credit denominated in a currency other than United States Dollars or Canadian Dollars. Such Advances shall be made and the Canadian Lenders shall fund such Advances in accordance with Section 11.2 notwithstanding the provisions of Section 6.3. Any amounts so received by the Administrative Agent, on behalf of the Issuing Bank, from Celestica pursuant to this Section shall be held as collateral security for the repayment of all Obligations in connection with the Letters of Credit issued by the Issuing Bank. At any time when such Letters of Credit shall terminate pursuant to Section 3.1(c)(i) or be reduced pursuant to Section 3.1(c)(ii), the obligations of Celestica under this Section shall be reduced accordingly (subject, however, to reinstatement in the event any payment in respect of such Letters of Credit is recovered by any beneficiary in any manner from the Issuing Bank), and the Administrative Agent, on behalf of the Issuing Bank, will return to Celestica the amount, if any, by which the aggregate amount deposited by Celestica with the Administrative Agent, together with any interest accrued thereon, exceeds the aggregate amount paid by the Administrative Agent for application by the Issuing Bank to any Reimbursement Obligation of Celestica and the aggregate amount of any unpaid Reimbursement Obligations of Celestica.

If, pursuant to Section 10.2, the Administrative Agent withdraws its declaration that all Advances are immediately due and payable or are due and payable on demand, or at such time when all Events of Default shall have been cured or waived, the Administrative Agent, on behalf of the Issuing Bank, shall return to Celestica all amounts then on deposit with the Administrative Agent (together with any interest thereon) pursuant to this Section 3.5.

3.6 Nature of Reimbursement Obligations

Celestica shall assume all risks of the acts, omissions, or misuse of any Letter of Credit it has requested by the beneficiary thereof. Neither the Issuing Bank nor any Lender (except to the extent of its own gross negligence or wilful misconduct, as determined by a final, non-appealable decision of a court of competent jurisdiction) shall be responsible for:

(a) the form, validity, sufficiency, accuracy, genuineness, or legal effect of any Letter of Credit or any document submitted by any party in connection with the application for or issuance of a Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent, or forged;

(b) the form, validity, sufficiency, accuracy, genuineness, or legal effect of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof in whole or in part, which may prove to be invalid or ineffective for any reason;

(c) failure of the beneficiary to comply fully with conditions required in order to demand payment under a Letter of Credit;

(d) errors, omissions, interruptions, or delays in transmission or delivery of any messages, by mail, telecopier, or otherwise; or

(e) any loss or delay in the transmission or otherwise of any document or draft required in order to make a Disbursement under a Letter of Credit or of the proceeds thereof.

None of the foregoing shall affect, impair, or prevent the vesting of any of the rights or powers granted to the Issuing Bank or any Lender hereunder. Any action taken or omitted to be taken by the Issuing Bank in good faith shall be binding upon Celestica and shall not subject the Issuing Bank to any resulting liability to Celestica.

3.7 Indemnity for Costs

Celestica shall indemnify the Issuing Bank against any and all costs, damages, expenses, taxes (other than taxes on overall net income, assets or capital), claims and demands which the Issuing Bank may incur or sustain by reason of or arising in any way whatsoever in connection with the operating, establishing or paying of the amounts payable under a Letter of Credit or arising in connection with any amounts payable by the Issuing Bank thereunder.

3.8 Fees

(a) At the time of issuance of a Letter of Credit, Celestica shall pay to the Administrative Agent, for the account of the Issuing Bank, an issuing fee in an amount equal to the product of (i) the Face Amount of the Letter of Credit, (ii) 0.1%, and (iii) a fraction, the numerator of which is the number of days in the term of the Letter of Credit and the denominator of which is 365 (or 366 in the case of a leap year).

(b) Celestica shall pay to the Administrative Agent for the rateable account of the Canadian Lenders who are Non-Defaulting Lenders, in respect of each Letter of Credit issued hereunder, a quarterly fee calculated daily on each day in each fiscal quarter during the term of such Letter of Credit in an amount equal to the sum of the products obtained on each such day by multiplying (i) the undrawn portion of the Face Amount of the Letter of Credit on such day less the amount of any cash collateral deposited by Celestica in respect of such Letter of Credit pursuant to Section 2.23, (ii) the LC Fee and (iii) a fraction, the numerator of which is one (1) and denominator of which is 365 (or 366 in the case of a day occurring in a leap year). Such fee shall be payable by Celestica to the Administrative Agent on the first Business Day of the next following fiscal quarter. The fee shall in turn be distributed by the Administrative Agent to the Canadian Lenders who are Non-Defaulting Lenders on the first Business Day of each fiscal quarter in accordance with the Canadian Lenders' respective Main Facility Rateable Portions as at the last day of the prior fiscal quarter.

(c) Celestica shall pay to the Administrative Agent, for the account of the Issuing Bank, an amendment fee in United States Dollars in respect of each amendment to any Letter of Credit in such amount as is usual and customary for the Issuing Bank to charge its customers, and such fee shall be payable by Celestica to the Administrative Agent, for the account of the Issuing Bank, at the time of request for such amendment.

(d) In the event that the currency in which a Letter of Credit is expressed to be drawn is a currency other than United States Dollars or Canadian Dollars, for the purposes of assessing the fees payable under this Section 3.8, the Face Amount payable under the Letter of Credit shall be deemed to be the Equivalent Amount in United States Dollars of such other currency on the date on which such fee is to be assessed.

ARTICLE 4
BANKERS' ACCEPTANCES AND ACCEPTANCE NOTES

4.1 Funding of Bankers' Acceptances

If the Administrative Agent receives from Celestica or a Canadian Designated Subsidiary a Drawdown Notice or a Rollover Notice or a Conversion Notice requesting an Advance or a Rollover or a Conversion into a Bankers' Acceptance Advance, the Administrative Agent shall notify each of the Canadian Lenders, prior to 11:30 a.m. (Toronto, Canada time) on the first Banking Day prior to the date of such Advance, of such request and each Canadian Lender's Main Facility Rateable Portion of such Advance except that, if the Face Amount of a draft which would otherwise be accepted by a Canadian Lender would not be Cdn.$100,000, or an integral multiple thereof, such Face Amount shall be increased or reduced by the Administrative Agent in its sole and unfettered discretion to the nearest integral multiple of Cdn.$100,000. Each Canadian Lender shall, not later than 11:30 a.m. (Toronto, Canada time) on the date of each Advance by way of Bankers' Acceptance under the Facility (whether in respect of a Drawdown or pursuant to a Rollover or Conversion), accept drafts of such Borrower who has delivered such Drawdown Notice, Rollover Notice or Conversion Notice which are presented to it for acceptance and which have an aggregate face amount equal to such Canadian Lender's Main Facility Rateable Portion of the total Advance being made by way of Bankers' Acceptances on such date. With respect to each Drawdown of or Rollover of or Conversion into Bankers' Acceptances, each Canadian Lender shall not be required to accept any draft which has a Face Amount which is not an integral multiple of Cdn.$100,000. Subject to this Section and Section 2.3, each Canadian Lender shall purchase its Main Facility Rateable Portion of any Bankers' Acceptances. Concurrently with the acceptance of drafts of such Borrower as aforesaid, each Canadian Lender shall make available to the Administrative Agent its Main Facility Rateable Portion of the Notional BA Proceeds with respect to such Advance. The Administrative Agent shall, upon fulfilment by such Borrower of the conditions set out in Section 6.2 or Section 6.3, as applicable, make such Notional BA Proceeds available to such Borrower on the date of such Advance by crediting the Designated Account of such Borrower.

4.2 Acceptance Fees

With respect to each draft of Celestica or a Canadian Designated Subsidiary accepted pursuant hereto, such Borrower shall pay to the Administrative Agent for the account of the Canadian

Lenders, as the case may be, in advance, an acceptance fee calculated at the rate per annum, on the basis of a year of 365 days or 366 days in the case of a leap year, equal to the Applicable Margin pertaining to the Canadian BA Rate on the Face Amount of such Bankers' Acceptance or the principal amount of an Acceptance Note, as applicable for its term, being the actual number of days in the period commencing on the date of acceptance of such Borrower's draft or the date of such Acceptance Note and ending on but excluding the maturity date of the Bankers' Acceptance or Acceptance Note. Such acceptance fees shall be non-refundable and shall be fully earned on the first day of the Interest Period of the Acceptance Note. Such acceptance fees shall be paid by the Borrower whose draft has been accepted by the Administrative Agent deducting the amount thereof on behalf of the Canadian Lenders from what would otherwise be Notional BA Proceeds funded pursuant to Section 4.1.

4.3 Presigned Draft Forms

(a) Subject to paragraph (b) of this Section 4.3, in order to enable the Canadian Lenders to create Banker's Acceptances or Acceptance Notes in the manner specified in this Article 4, Celestica and each Canadian Designated Subsidiary shall supply each Canadian Lender with such number of drafts as it may reasonably request, duly signed on behalf of such Borrower. Each Canadian Lender hereby indemnifies each such Borrower from and against any damages, losses, costs, expenses or other claims incurred by such Borrower and arising by reason of or resulting from any loss or improper use thereof by such Canadian Lender, will exercise and cause its agents to exercise such care in the custody and safekeeping of such drafts as it would exercise in the custody and safekeeping of similar property owned by it and will, upon request by any such Borrower, promptly advise such Borrower of the number and designations, if any, of uncompleted drafts held by it for and on behalf of such Borrower. The signature of any officer of the applicable Borrower on a draft may be mechanically reproduced by the applicable Borrower and any Banker's Acceptance or Acceptance Note bearing a facsimile signature of a duly authorized officer of a Borrower shall be binding upon the applicable Borrower as if it had been manually signed by such person even if such person no longer holds office on the date of its acceptance by the Canadian Lender or at any time after such date. No Canadian Lender shall be liable for its failure to accept a draft as required hereby if the cause of such failure is, in whole or in part, due to the failure of the applicable Borrower to provide drafts to such Canadian Lender on a timely basis in accordance with the terms hereof.

(b) Each of Celestica and each Canadian Designated Subsidiary hereby irrevocably appoints each Canadian Lender as its attorney to sign and endorse on its behalf, manually or by facsimile or mechanical signature, any Banker's Acceptance or Acceptance Note necessary to enable each Canadian Lender to make Advances in the manner specified in this Article 4. All Banker's Acceptances or Acceptance Notes signed or endorsed on behalf of the applicable Borrower by a Canadian Lender shall be binding on such Borrower, all as if duly signed or endorsed by such Borrower. Each Canadian Lender shall (i) maintain a record with respect to any Banker's Acceptance or Acceptance Note completed in accordance with this Section 4.3(b), voided by it for any reason, accepted and purchased or purchased

or exchanged, and cancelled at its respective maturity; and (ii) retain such records in the manner and for the statutory periods provided by Applicable Law and make such records available to Celestica and each Canadian Designated Subsidiary acting reasonably. On request by Celestica or any Canadian Designated Subsidiary, a Canadian Lender shall cancel and return to the possession of such Borrower all Banker's Acceptances or Acceptance Notes which have been pre-signed or pre-endorsed on behalf of such Borrower and which are held by such Canadian Lender and are not required to make Advances in accordance with this Article 4.

4.4 Term and Interest Periods

The Interest Period of any Bankers' Acceptance shall be specified in the draft and in the Drawdown Notice, Conversion Notice or Rollover Notice related thereto and the Interest Period for any Acceptance Note shall be specified in the Drawdown Notice, Conversion Notice or Rollover Notice related thereto and Interest Period of any Bankers' Acceptance and the Interest Period of an Acceptance Note shall be for periods of approximately 30, 60, 90 or 180 days, unless otherwise agreed to by the Administrative Agent. The Interest Period of each Bankers' Acceptance shall mature, and the Interest Period of an Acceptance Note shall end, on a Banking Day. Each Borrower who delivers a Drawdown Notice, Rollover Notice or Conversion Notice shall ensure that no Bankers' Acceptance issued pursuant thereto shall have an Interest Period ending after the Maturity Date and that no Acceptance Note issued pursuant thereto shall have an Interest Period ending after the Maturity Date.

4.5 Payment on Maturity

A Borrower which has received a Bankers' Acceptance Advance shall pay to the Administrative Agent, for the account of the Canadian Lenders, on the maturity date of such Bankers' Acceptance and the last day of the Interest Period of an Acceptance Note an amount equal to the Face Amount of such maturing Bankers' Acceptance or the principal amount of such Acceptance Note, as the case may be; provided that such Borrower may, at its option, so reimburse the Canadian Lenders, in whole or in part, by delivering to the Administrative Agent no later than 10:00 a.m. two (2) Banking Days prior to the maturity date of a maturing Bankers' Acceptance or the last day of the Interest Period of an Acceptance Note, as the case may be, a Rollover Notice specifying the term of the Bankers' Acceptances or the next Interest Period for such Acceptance Note, as the case may be, and presenting drafts or Acceptance Notes to the Canadian Lenders for acceptance and purchase having, in the case of reimbursement in whole by replacement Bankers' Acceptances or Acceptance Notes, an aggregate Face Amount equal to the Face Amount of the maturing Bankers' Acceptances or principal amount of the Acceptance Notes. In the event that a Borrower fails to deliver a Conversion Notice or Rollover Notice and fails to make payment to the Administrative Agent in respect of the maturing Bankers' Acceptance Advance, the Face Amount of the maturing Bankers' Acceptances and the principal amount of the Acceptance Notes forming part of such Bankers' Acceptance Advance shall be deemed to be converted to a Prime Rate Advance on the relevant maturity date.

4.6 Waiver of Days of Grace

Each of Celestica and any Canadian Designated Subsidiary Borrower renounces and shall not claim any days of grace for the payment of any Bankers' Acceptance or Acceptance Notes.

4.7 Special Provisions Relating to Acceptance Notes

(a) Each Borrower and each Canadian Lender hereby acknowledges and agrees that from time to time certain Canadian Lenders which are Non-Schedule I Lenders may not be authorized to or may, as a matter of general corporate policy, elect not to accept or purchase Bankers' Acceptance drafts, and the Borrowers and each Lender agree that any such Canadian Lender may purchase Acceptance Notes of any of Celestica or any Canadian Designated Subsidiary in accordance with the provisions of Section 4.7(b) in lieu of creating Bankers' Acceptances for its account.

(b) In the event that any Canadian Lender described in Section 4.7(a) above is unable to, or elects as a matter of general corporate policy not to, accept or purchase Bankers' Acceptances hereunder, such Lender shall not be required to accept or purchase Bankers' Acceptances hereunder, but rather, if Celestica or any Canadian Designated Subsidiary requests the acceptance of such Bankers' Acceptances, that Borrower shall deliver to such Canadian Lender an Acceptance Note or Acceptance Notes of such Borrower having the same maturity as the Bankers' Acceptances to be accepted and in an aggregate principal amount equal to the face amount of such Bankers' Acceptances. Each such Canadian Lender hereby agrees to purchase Acceptance Notes from such Borrower at a purchase price equal to the Notional BA Proceeds which would have been applicable if a Bankers' Acceptance draft had been accepted by it and such Acceptance Notes shall be governed by the provisions of this Article 4 as if they were Bankers' Acceptances.

4.8 No Market

If the Administrative Agent determines in good faith and notifies Celestica in writing that, by reason of circumstances affecting the Canadian money market, there is no market for Bankers' Acceptances, then the right of Celestica or any Canadian Designated Subsidiary to request Bankers' Acceptance Advances shall be suspended until the Administrative Agent, acting reasonably, determines that the circumstances causing such suspension no longer exists and the Administrative Agent so notifies Celestica. In such circumstances, any Drawdown Notice for a Bankers' Acceptance Advance which is outstanding shall be cancelled and the Drawdown requested therein shall, at the option of Celestica or any Canadian Designated Subsidiary delivering such Drawdown Notice, either not be made or be made as a Prime Rate Advance.

ARTICLE 5
CHANGE OF CIRCUMSTANCES
AND INDEMNIFICATION

5.1 Intentionally Deleted

5.2 Increased Costs

In the event of (i) any Applicable Law coming into force after the date hereof, (ii) any change in any Applicable Law, or in the interpretation or application thereof by any court or by any governmental, regulatory, other authority or central bank charged with the administration

thereof, or (iii) compliance by any Lender with any direction, request or requirement (whether or not having the force of law but, if not having the force of law, one with which a responsible bank acting reasonably would comply) of any government, monetary authority, central bank or comparable agency which now or hereafter:

(a) subjects a Lender to any Tax or changes the basis of taxation, or increases any existing Tax (in each case, except for the coming into force of any Tax or change in the basis of taxation in respect of or the change in the rate of Tax charged on net income as a whole, on franchises or capital applicable to the relevant jurisdictions of the Lender), on payments of principal, interest or other amounts payable by the Borrowers to such Lender under any Loan Document or on or by reference to the amount of any Advances made or to be made by any Lender hereunder or on or by reference to the Commitment of any Lender, or

(b) imposes, modifies or deems applicable any reserve, liquidity, cash margin, deposit, deposit insurance, assessment, ratio or similar requirements against assets held by, or deposits in or for the account of, or loans by, or otherwise imposes any cost on, any Lender in agreeing to make or making, funding or maintaining all or any of the Advances or its Commitment (including, without limitation, any such requirement imposed by the Board of Governors of the United States Federal Reserve System or by the Bank of England or The Financial Services Authority), or

(c) has the effect of increasing the amount of overall capital required to be maintained by a Lender or any corporation controlling such Lender, taking into account the existence of such Lender's participation in any Advance or any of its obligations under any Loan Document (including, without limitation, all or any part of its Commitment),

and the result of any of the foregoing is to increase the cost to a Lender, reduce the income receivable by it or reduce the effective return on the capital of such Lender in respect of any Advances and/or its Commitment to an extent which such Lender believes to be material (after consultation with Celestica), the Lender shall give notice thereof to the Administrative Agent and the Administrative Agent shall give notice thereof to the Borrowers (herein called a "**Notice of Amount**") stating the event by reason of which it believes it is entitled to Additional Compensation (as hereinafter defined), such cost and/or such reduction in such return (or such proportion of such reduction as is, in the reasonable and *bona fide* opinion of such Lender, attributable to its obligations hereunder), the amount of such Additional Compensation (as hereinafter defined) incurred by such Lender and supplying reasonable supporting evidence (including, in the event of change of Applicable Law, a photocopy of the Applicable Law evidencing such change together with a certificate of a duly authorized officer of the Lender setting forth the Additional Compensation and the basis for calculation of such Additional Compensation and an opinion in writing of such Lender's counsel confirming such change); provided that the Lender shall not be required to disclose any information required to be kept confidential by Applicable Law (in which case the requirement of such confidentiality shall be supported by an opinion of such Lender's counsel) within ten (10) Banking Days of the date of receipt of any Notice of Amount, the amount set out therein (in this Article 5 referred to as "**Additional Compensation**") shall be paid to the Lender by (i) Celestica and the Canadian Designated Subsidiaries, if the Lender is a Canadian Lender; (ii) the U.S. Designated

Subsidiaries, if the Lender is a U.S. Lender or (iii) the Consent Designated Subsidiaries in the Relevant Additional Jurisdiction, if the Lender is an Other Jurisdiction Lender. In the event such Lender subsequently recovers all or part of the Additional Compensation paid by the Borrowers, it shall repay an equal amount to such Borrowers.

5.3 Illegality

If, with respect to any Lender, the implementation of any existing provision of Applicable Law or the adoption of any Applicable Law, or any change therein or in the interpretation or application thereof by any court or by any statutory board or commission now or hereafter makes it unlawful for such Lender to make, fund or maintain all or any portion of an outstanding Advance, to maintain all or any part of its Commitment hereunder or to give effect to its obligations in respect of all or any portion of an outstanding Advance, such Lender may, by written notice thereof to the Borrowers and the other Lenders through the Administrative Agent (supported, at the request and expense of the Borrowers, by an opinion of such Lender's counsel), declare the obligations of such Lender under this Agreement to be terminated whereupon the same shall forthwith terminate, and the Borrowers to whom such Lender has made Advances shall repay within the time required by such law (or as promptly as practicable if already unlawful or at the end of such longer period, if any, as such Lender in its *bona fide* opinion may agree) the principal of the Advances made by such Lender. If any such change shall affect only that portion of such Lender's obligations under this Agreement that is, in the *bona fide* opinion of such Lender, severable from the remainder of this Agreement so that the remainder of this Agreement may be continued in full force and effect without otherwise affecting any of the obligations of such Lender or the Borrowers hereunder, such Lender shall declare its obligations under only that portion so terminated.

5.4 Mitigation

(a) If, in respect of any Lender, circumstances arise which would result, upon the giving of notice, in:

(i) Additional Compensation being paid by a Borrower to a Lender under Section 5.2; or

(ii) a reduction of all or any of an Advance by such Lender or the Lender's Commitment pursuant to Section 5.3; or

(iii) the prepayment of the portion of the Advances outstanding to it pursuant to Section 5.3; or

(iv) the payment of any amount by an Obligor under Section 5.5;

then such Lender, promptly upon becoming aware of the same and the possible results thereof, shall notify the Administrative Agent thereof and the Administrative Agent shall notify the Borrowers thereof and, in consultation with the Borrowers shall take such steps, if any, as such Lender in its *bona fide* opinion considers appropriate to mitigate the effects of such circumstances. Without limiting the generality of the foregoing, if it is commercially reasonable, such Lender shall make reasonable efforts to limit the incidence of any such Additional

Compensation and seek recovery for the account of the Borrowers upon the Borrower's request and at the Borrower's expense; provided that such Lender in its reasonable determination suffers no appreciable economic, legal, regulatory or other disadvantage. In all events, the Lenders shall promptly co-operate with the Borrowers to the extent possible, to rearrange the affected availment to one that may not be affected by such change, but failure to effect a change in availment shall not relieve the relevant Borrower of its obligation to pay the Additional Compensation. Notwithstanding the foregoing provisions, a Lender shall only be entitled to rely upon the provisions of Section 5.2 if and for so long as it is not treating the Borrowers in any materially different or in any less favourable manner than is applicable to any other customers of any relevant Lender, where such other customers are bound by similar provisions to the foregoing provisions of Section 5.2.

(b) If any Lender seeks Additional Compensation pursuant to Section 5.2 hereof (the "**Affected Lender**"), then the relevant Borrowers may indicate to the Administrative Agent in writing that they desire to (i) replace the Affected Lender with one or more of the other Lenders, and/or (ii) amend a Drawdown Notice or Notice of Swing Line Borrowing to reduce the amount sought to be borrowed to reflect the reduced amount hereunder, and the Administrative Agent shall then forthwith give notice to the other Lenders that any Lender or Lenders may, in the aggregate, advance all or part of the Affected Lender's Main Facility Rateable Portion of such Advance and, in the aggregate, assume all or part of the Affected Lender's Commitment and obligations hereunder and acquire all or part of the rights of the Affected Lender and assume all or part of the obligations of the Affected Lender under each of the other Loan Documents (but in no event shall any other Lender or the Administrative Agent be obliged to do so). If a Lender shall so agree in writing (herein collectively called the "**Assenting Lenders**" and individually called an "**Assenting Lender**") with respect to such advance, acquisition and assumption, the Main Facility Rateable Portion of such Advance of each Assenting Lender (other than a Swing Line Advance) and the Commitment and the obligations of such Assenting Lender under this Agreement and the rights and obligations of such Assenting Lender under each of the other Loan Documents shall be increased accordingly on a date mutually acceptable to such Assenting Lender and the Borrowers. On such date, the Assenting Lender shall advance to the relevant Borrowers the relevant portion of the Affected Lender's Main Facility Rateable Portion of the outstanding Advances (other than Swing Line Advances) and the relevant Borrowers shall prepay to the Affected Lender the Advances of the Affected Lender then outstanding, together with all interest accrued thereon and all other amounts owing to the Affected Lender hereunder, and, upon such advance and prepayment, the Affected Lender shall cease to be a "Lender" for purposes of this Agreement and shall no longer have any obligations hereunder. Upon the assumption of the Affected Lender's Commitment as aforesaid by an Assenting Lender, Schedule B hereto shall be deemed to be amended to increase the Commitment of such Assenting Lender by the amount of such assumption and to reduce the Commitment of the Affected Lender by a like amount. If no Assenting Lender is found, then in such event, the

relevant Borrower is entitled to repay the Affected Lender and reduce its obligations hereunder by such amount so repaid.

5.5 Taxes

(a) All payments by any Obligor under this Agreement, the Guarantees or any other Loan Document shall be made free and clear of and without deduction or withholding for any and all Taxes, unless required by law. If an Obligor shall be required by law, rule, regulation or the interpretation thereof by the relevant governmental authority to deduct or withhold any such Taxes from or in respect of any sum payable under this Agreement,

(i) the sum payable shall be increased by such additional amount as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional amounts paid under this Section 5.5), the relevant Lenders or the Administrative Agent, as applicable, receive a net amount equal to the full amount they would have received if no deduction or withholding had been made;

(ii) the Obligor shall make such required deductions or withholdings;

(iii) the Obligor shall pay the full amount deducted or withheld to the relevant taxation or other authority in accordance with Applicable Law; and

(iv) such Obligor shall deliver to the relevant Lender or Administrative Agent, as applicable, as soon as practicable after it has made such payment to the applicable authority (x) a copy of such receipt as is issued by such authority evidencing the deduction or withholding of all amounts required to be deducted or withheld from the sum payable hereunder or (y) if such a receipt is not available from such authority, notice of the payment of such amount deducted or withheld;

provided that the obligations of an Obligor to pay additional amounts pursuant to this Section 5.5 shall not apply with respect to Taxes arising solely by reason of a Lender or the Administrative Agent, as applicable, having a connection with the jurisdiction that imposes the Taxes other than merely by the execution of this Agreement, receipt of payments under this Agreement, the holding and disposition of Advances, the performance of its obligations or the enforcement of its rights under this Agreement.

(b) Without prejudice to the foregoing provisions of this Section 5.5, if the Administrative Agent or any Lender (in this Section 5.5, an "**Indemnified Person**") is required at any time (whether before or after any Obligor has discharged all of its other obligations hereunder) to make any payment on account of any Tax which an Obligor is required to withhold in accordance with Section 5.5(a) hereof or for which an Obligor is otherwise required to indemnify a Lender or the Administrative Agent pursuant to Sections 5.5(a), (c) or (d) hereof, or if any liability in respect of any such payment is asserted, imposed, levied or assessed against such Indemnified Person, the Obligor in respect of which such

sum was received or receivable shall, within 30 days of written demand of the Administrative Agent or Lender, promptly indemnify such Indemnified Person against such payment or liability, together with interest, penalties and expenses payable or incurred in connection therewith including, without limitation, any Tax imposed by any jurisdiction on or in relation to any amounts paid to or for the account of such Indemnified Person pursuant to this Section 5.5. An Indemnified Person intending to make a claim pursuant to this Section 5.5 shall notify the Obligor of the event in respect of which it believes it is entitled to make such claim and supply reasonable supporting evidence including a copy of the relevant portion of any written assessment, provided that any such Indemnified Person shall not be required to disclose any information required to be kept confidential by regulation or contract (in which case the basis of such confidentiality, at the request and expense of the Borrowers, shall be supported by an opinion of counsel of reputable standing).

(c) If an Obligor fails to pay any Taxes required to be paid by it pursuant to this Section 5.5 when due to the appropriate taxing authority or fails to remit to the Administrative Agent, for the account of the respective Lenders, for the account of the Administrative Agent or for the Administrative Agent's own account, as applicable, the required receipts or other documentary evidence required by Section 5.5(a)(ii), the Obligor shall indemnify the Lenders or the Administrative Agent, as applicable, for any incremental Taxes, interest or penalties that may become payable by any Lender or the Administrative Agent as a result of any such failure. For purposes of this Section 5.5, a distribution by the Administrative Agent or any Lender to or for the account of any Lender shall be deemed a payment by the Obligor.

(d) Each Obligor will indemnify the Lenders and the Administrative Agent for the full amount of Taxes imposed by any jurisdiction and paid by such Lender or the Administrative Agent, as applicable with respect to any amounts payable pursuant to this Section 5.5, and any liability arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally asserted. This indemnification shall be made within 30 days from the date such Lender or the Administrative Agent, as applicable makes written demand therefor which demand shall identify the nature and amount of Taxes for which indemnification is being sought and shall include a copy of the relevant portion of any written assessment from the relevant taxing authority demanding payment of such Taxes.

(e) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 5.5 shall survive the payment in full of principal, interest, fees and any other amounts payable hereunder and the termination of this Agreement, the Guarantees and the other Security Documents.

5.6 Tax Refund

(a) If, following the imposition of any Tax on any payment by any Obligor in consequence of which such Obligor pays an additional amount under Section 5.5(a), any Lender receives or is granted a refund of any Tax actually paid by it

which in such Lender's sole opinion (acting in good faith) is attributable to such additional amount paid by such Obligor and is both identifiable and quantifiable by it without requiring such Lender or its professional advisers to expend a material amount of time or incur a material cost in so identifying or quantifying (any of the foregoing, to the extent so identifiable and quantifiable, being referred to as a "**refund**"), such Lender shall, to the extent that it can do so without prejudice to the retention of the relevant refund and subject to such Obligor's obligation to repay promptly on demand by the Lender the amount to such Lender if the relevant refund is subsequently disallowed or cancelled, reimburse such Obligor promptly after receipt of such refund by such Lender with such amount as such Lender shall in its sole opinion but in good faith have concluded to be the amount or value of the relevant refund.

(b) Nothing contained in this Agreement shall interfere with the right of any Lender to arrange its Tax and other affairs in whatever manner it thinks fit. No Lender shall be required to disclose any confidential information relating to the organization of its affairs.

ARTICLE 6
CONDITIONS PRECEDENT

6.1 Conditions for Closing

The following conditions shall be satisfied on or prior to Closing:

(a) each Grantor shall have duly authorized, executed and delivered to the Administrative Agent each of the Loan Documents to which it is a party including: (i) (x) a confirmation of its Guarantee if such Grantor has previously provided a Guarantee or, (y) a Guarantee; (ii) confirmation of all Security Documents required to be delivered pursuant to the terms of the Existing Credit Agreement; and (iii) in the case of the Borrowers, this Agreement;

and each such Loan Document shall constitute a legal, valid and binding obligation of such Grantor, enforceable against such Grantor in accordance with its terms;

(b) each Grantor shall have delivered to the Administrative Agent:

(i) a certified copy of its Organic Documents;

(ii) a certified copy of the resolutions authorizing it to enter into, execute and deliver the Loan Documents to which it is a party and to perform its obligations thereunder;

(iii) a certificate as to the incumbency of its officers signing the Loan Documents to which it is a party; and

(iv) a certificate of status, good standing or like certificate with respect to such Grantor issued by the appropriate government officials of the jurisdiction of its incorporation;

(c) there shall have been no Material Adverse Change since December 31, 2009;

(d) no Default or Event of Default shall have occurred and be continuing;

(e) opinions of Borrowers' Counsel and local counsel, as applicable, to each Grantor, in form and substance satisfactory to the Lenders' Counsel and the Administrative Agent, each acting reasonably, shall have been delivered to the Administrative Agent;

(f) none of the undertaking, property or assets of any of the Grantors shall be subject to any Liens other than (i) Permitted Encumbrances or (ii) Liens with respect to which the Administrative Agent shall have received satisfactory evidence of the repayment of the underlying obligation and fully executed discharges and releases thereof (in registrable form where appropriate), and each of the Grantors shall have delivered to the Administrative Agent a Permitted Encumbrance Certificate if any of the undertaking, property or assets of such Grantor is subject to any registered Liens;

(g) the Borrowers shall have paid all fees and expenses relating to the Facility provided for in this Agreement as set out in Section 2.14 and any other Loan Document, to the extent then owing;

(h) each Security Document required to be delivered or remain in place on the Closing Date shall have been registered, filed, recorded or otherwise perfected in the manner required by the law applicable to such Security Document to the satisfaction of the Administrative Agent and Lenders' Counsel, each acting reasonably. Each of the Grantors shall have delivered to the Administrative Agent all certificates evidencing all of the Pledged Shares required to be pledged pursuant to the provisions of the Existing Credit Agreement, together with such stock powers, powers of transfer or such other instruments or documents and such actions taken as the Administrative Agent shall deem necessary or desirable, acting reasonably, to perfect its first priority security interest in such Pledged Shares, provided such Pledged Shares are in certificated form or, if such Pledged Shares are not in certificated form, the issuer of such Pledged Shares shall have entered into a securities control agreement with the Administrative Agent, in form and substance satisfactory to the Administrative Agent and Lenders' Counsel, each acting reasonably; and

(i) Celestica shall have delivered to the Administrative Agent an Officer's Certificate certifying as of the Closing Date:

(i) as to the matters in Section 6.1(c) and 6.1(d); and

(ii) that the applicable schedule attached to such Officer's Certificate sets out a complete list of (A) all Material Restricted Subsidiaries and the jurisdiction of formation for each such Material Restricted Subsidiary; (B) all Restricted Subsidiaries (other than Material Restricted Subsidiaries) and the jurisdiction of formation of each such Restricted Subsidiary; and (C) all Grantors and (x) the jurisdiction of formation of each such Grantor,

and (y) each province and/or state in which each such Grantor's tangible assets in Canada and the United States of America are located.

The conditions set forth in this Section 6.1 are inserted for the sole benefit of the Lenders and may be waived by the Administrative Agent on behalf of the Lenders in whole or in part, with or without terms or conditions. Prior to waiving any condition set forth in this Section 6.1, the Administrative Agent shall consult with the Co-Lead Arrangers and shall act reasonably given the views of each of the Co-Lead Arrangers with respect of such waiver.

6.2 Conditions for First Drawdown

The following conditions shall be satisfied by the Borrowers on or prior to the earlier of the first Drawdown Date and the first deemed Drawdown pursuant to Section 3.4 or 3.5:

(a) the representations and warranties set forth in Section 8.1 shall be true and correct in all material respects on and as of the Drawdown Date, both before and after giving effect to the Drawdown of such Advance and to the application of proceeds therefrom on the Drawdown Date;

(b) no Default or Event of Default shall have occurred and be continuing, nor shall any such event occur as a result of making the Advances or the application of proceeds therefrom on the Drawdown Date;

(c) any Borrower which intends to make a Drawdown shall have given the appropriate Drawdown Notice to the Administrative Agent in accordance with the provisions of Section 2.3;

(d) each Domestic Material Restricted Subsidiary that is not a Grantor shall have executed and delivered to the Administrative Agent (i) a confirmation of its Guarantee if previously provided in connection with the Existing Credit Agreement, or (ii) a Guarantee;

(e) opinions of Borrowers' Counsel or local counsel, as applicable, to each Domestic Material Restricted Subsidiary that is not a Grantor, in form and substance satisfactory to the Lenders' Counsel and the Administrative Agent, each acting reasonably, shall have been delivered to the Administrative Agent;

(f) none of the undertaking, property or assets of any Domestic Material Restricted Subsidiary that is not a Grantor shall be subject to any Liens other than (i) Permitted Encumbrances or (ii) Liens with respect to which the Administrative Agent shall have received satisfactory evidence of the repayment of the underlying obligation and fully executed discharges and releases thereof (in registrable form where appropriate), and each such Domestic Material Restricted Subsidiary shall have delivered to the Administrative Agent a Permitted Encumbrance Certificate if any of the undertaking, property or assets of such Domestic Material Restricted Subsidiary is subject to any registered Liens;

(g) if, as at the first Drawdown Date, the Trigger Event has occurred and no Debt Rating Upgrade has ensued and is continuing following the Trigger Event, the

obligations set out in Sections 9.1(p)(i) and 9.1(p)(ii) shall have been satisfied, provided that if such obligations have not been satisfied, the Issuing Bank shall issue each Letter of Credit in accordance with any Issuance Request made therefor upon (i) satisfaction of all other requirements in this Section 6.2, and (ii) receipt by the Administrative Agent, on behalf of the Issuing Bank, of an amount equal to the undrawn Face Amount of such requested Letter of Credit to be held as collateral security for the repayment of all Obligations arising under or in connection with such Letter of Credit; and

(h) the aggregate book value of the trade accounts receivable owing to Celestica or any Restricted Subsidiary (and/or contractual rights relating thereto) that are subject to any Securitization Transaction does not exceed the limit set out in Section 9.1(o).

6.3 Conditions for Subsequent Drawdowns

The following conditions shall be satisfied by the Borrower requesting an Advance at or prior to the time of each Drawdown of an Advance under the Facility (other than a deemed Drawdown pursuant to the provisions of Section 3.4 or 4.5) subsequent to the first Drawdown after the date hereof:

(a) a Borrower shall have given to the Administrative Agent a Drawdown Notice in accordance with the provisions of Section 2.3;

(b) the representations and warranties set forth in Section 8.1 shall be, *mutatis mutandis*, true and correct in all material respects on and as of the Drawdown Date, both before and after giving effect to the Drawdown of such Advance and to the application of proceeds therefrom on the Drawdown Date;

(c) no Default or Event of Default shall have occurred and be continuing, nor shall any such event occur as a result of making the Advances or the application of proceeds therefrom on the Drawdown Date;

(d) if the Borrower requesting the Advance is a Restricted Subsidiary that has become a Designated Subsidiary, the Guarantee required by Section 9.1(m) to have been delivered by that Designated Subsidiary shall have been delivered to the Administrative Agent notwithstanding that the 45 day period referred to therein may not have expired;

(e) if, as at such Drawdown Date, the Trigger Event has occurred and no Debt Rating Upgrade has ensued following the Trigger Event, the obligations set out in Sections 9.1(p)(i) and 9.1(p)(ii) shall have been satisfied, provided that if such obligations have not been satisfied, the Issuing Bank shall issue each Letter of Credit in accordance with any Issuance Request made therefor upon (i) satisfaction of all other requirements in this Section 6.3, and (ii) receipt by the Administrative Agent, on behalf of the Issuing Bank, of an amount equal to the undrawn Face Amount of such requested Letter of Credit to be held as collateral security for the repayment of all Obligations arising under or in connection with such Letter of Credit; and

(f) the aggregate book value of the trade accounts receivable owing to Celestica or any Restricted Subsidiary (and/or contractual rights relating thereto) that are subject to any Securitization Transaction does not exceed the limit set out in Section 9.1(o).

6.4 Conditions for Certain Material Restricted Subsidiaries and Restricted Subsidiaries

Within 45 days after the Closing Date, or such later date as Celestica and the Administrative Agent, for and on behalf of the Lenders, may agree, each Non-Domestic Material Restricted Subsidiary that is not a Grantor shall have executed and delivered to the Administrative Agent (i) a confirmation of its Guarantee if previously provided in connection with the Existing Credit Agreement, or (ii) a Guarantee.

The conditions set forth in this Section 6.4 are inserted for the sole benefit of the Lenders and may be waived by the Administrative Agent on behalf of the Lenders in whole or in part, with or without terms or conditions. Prior to waiving any condition set forth in this Section 6.4, the Administrative Agent shall consult with the Co-Lead Arrangers and shall act reasonably given the views of each of the Co-Lead Arrangers with respect of such waiver.

ARTICLE 7
PROVISIONS RELATING TO SUBSIDIARIES

7.1 Designated Subsidiaries

(a) The Administrative Agent and the Lenders acknowledge and agree and Celestica hereby confirms: (i) that Celestica has designated Celestica International as a Canadian Designated Subsidiary and (ii) Celestica LLC as a U.S. Designated Subsidiary and that there are not, on the date hereof, any other Designated Subsidiaries.

(b) Celestica may, from time to time and at any time hereafter, designate any other wholly-owned qualifying Restricted Subsidiary as a Canadian Designated Subsidiary or a U.S. Designated Subsidiary provided that:

(i) all Lenders shall have previously consented in writing to the designation of such Subsidiary as a Designated Subsidiary;

(ii) in the case of (A) a Canadian Designated Subsidiary, such Subsidiary was incorporated, continued, amalgamated or otherwise created in accordance with and continues to be governed by the laws of a province of Canada or the federal laws of Canada and which is domiciled in Canada, and (B) a U.S. Designated Subsidiary, such Subsidiary was incorporated, amalgamated or otherwise created in accordance with and continues to be governed by the laws of a state in the United States of America and which is domiciled in the United States of America;

(iii) such Restricted Subsidiary, prior to becoming a Designated Subsidiary, shall have executed and delivered to the Administrative Agent: (A) a Designated Subsidiary Agreement; (B) if it has not already done so, a

Guarantee substantially in the form of Schedule H; and (C) unless a Debt Rating Upgrade has occurred and no Trigger Event has ensued following such Debt Rating Upgrade, if it has not already done so, the other applicable Security Documents; and

(iv) the Restricted Subsidiary which is proposed to become a Designated Subsidiary shall have delivered to the Administrative Agent:

(A) a certified copy of the proposed Designated Subsidiary's Organic Documents;

(B) a certified copy of the resolutions authorizing it to enter into, execute and deliver the Designated Subsidiary Agreement, the Guarantee and the other applicable Security Documents, if applicable, and to perform its obligations thereunder;

(C) a certificate as to the incumbency of its officers signing the Designated Subsidiary Agreement, the Guarantee and the other applicable Security Documents, if applicable;

(D) a certificate of status, good standing or like certificate with respect to such Designated Subsidiary issued by appropriate government officials of the jurisdiction of its incorporation; and

(E) an opinion of counsel to the Designated Subsidiary in form and substance satisfactory to the Lenders' Counsel and the Administrative Agent, each acting reasonably;

(c) Celestica may, from time to time and at any time hereafter, concurrently with the delivery of the Officer's Certificate pursuant to Section 9.1(a)(iii) and at any two other times per year, designate any other wholly-owned Restricted Subsidiary which does not fall within the definition of "**Canadian Designated Subsidiary" or "U.S. Designated Subsidiary**" as a Consent Designated Subsidiary, provided that:

(i) all Lenders shall have previously consented in writing to the designation of such Subsidiary as a Consent Designated Subsidiary;

(ii) if such Restricted Subsidiary is not domiciled in a jurisdiction previously designated as an Additional Jurisdiction hereunder, Celestica shall have obtained the agreement in writing of one or more Lenders, to utilize, subject to the terms of this Agreement, a portion of the Commitment of such Lenders to make Advances in the jurisdiction in which such Restricted Subsidiary is domiciled and each such Lender shall have delivered a notice to the Administrative Agent in the form of Schedule M setting out, among other things, the name of the Affiliate of the Lender (each a "**Consent Lender**") that will make Advances available in the Restricted Subsidiary's jurisdiction and the Commitment of the Affiliate to be available hereunder;

(iii) if such Restricted Subsidiary is not domiciled in a jurisdiction previously designated as an Additional Jurisdiction hereunder, Celestica shall have delivered a notice in the form of Schedule W to the Administrative Agent in which it confirms the Commitment of each Consent Lender and reallocates the Commitments of the Related Lenders of each Consent Lender; such that following the addition of the Consent Lender as a Lender hereunder, the aggregate Commitments of the Consent Lender and its Related Lenders (after giving effect to the addition of the Consent Lender as a Lender) shall be equal to the aggregate Commitments of the Related Lenders prior to the addition of the Consent Lender;

(iv) such Restricted Subsidiary, prior to becoming a Consent Designated Subsidiary, shall have executed and delivered to the Administrative Agent: (A) a Designated Subsidiary Agreement substantially in the form of Schedule F; (B) if it has not already done so, a Guarantee substantially in the form of Schedule H, with such changes as the Administrative Agent and the Consent Designated Subsidiary may reasonably require on the advice of their respective counsel to reflect local legal requirements; and (C) unless a Debt Rating Upgrade has occurred and no Trigger Event has ensued following such Debt Rating Upgrade, if it has not already done so, the other applicable Security Documents, with such changes as the Administrative Agent and the Consent Designated Subsidiary may reasonably require on the advice of their respective counsel to reflect local legal requirements; and

(v) the Restricted Subsidiary which is proposed to be designated as a Consent Designated Subsidiary shall have provided to the Administrative Agent such number of copies as the Administrative Agent may request of:

(A) a certified copy of the proposed Consent Designated Subsidiary's Organic Documents;

(B) the resolutions authorizing it to enter into, execute and deliver the Designated Subsidiary Agreement, the Guarantee and the other applicable Security Documents, if applicable, and to perform its obligations thereunder;

(C) a certificate to the incumbency of its officers signing the Consent Designated Subsidiary Agreement, the Guarantee and other applicable Security Documents, if applicable;

(D) a certificate of status, good standing or like certificate with respect to such Consent Designated Subsidiary issued by appropriate government officials of the jurisdiction of its incorporation; and

(E) an opinion of counsel to the Consent Designated Subsidiary in form and substance satisfactory to the Lenders' Counsel and the Administrative Agent, each acting reasonably; and

(d) If a notice(s) in the form of Schedule M has been delivered pursuant to Section 7.1(c)(ii) and the Restricted Subsidiary referred to therein is designated as a Consent Designated Subsidiary, each party hereto hereby irrevocably authorizes the Administrative Agent to:

(i) insert the name of each Consent Lender identified in such notice(s) on Schedule A (who shall thereafter be an Other Jurisdiction Lender hereunder) and identify on Schedule A the jurisdiction in which such Consent Lender shall make Advances hereunder (which shall thereafter be an Additional Jurisdiction hereunder);

(ii) amend Schedule B to set out the Commitment of each Consent Lender and the revised Commitment of its Related Lenders (as set out in the applicable notice delivered by Celestica pursuant to Section 7.1(c)(iii));

(iii) amend Schedule B to identify the maximum Commitment of each Consent Lender, which shall be equal to the Consent Lender's initial Commitment; and

(iv) affix an execution page to this Agreement which has been executed and delivered by each Consent Lender.

(e) Celestica may, from time to time, in conjunction with the delivery of the Officer's Certificate pursuant to Section 2.3(g)(i) or the notice pursuant to Section 2.3(g)(iii), obtain the agreement of an Other Jurisdiction Lender and its Related Lenders to increase the maximum Commitment of the Other Jurisdiction Lender set out in Schedule B, which agreement shall be evidenced by the delivery by such Other Jurisdiction Lender and its Related Lenders to the Administrative Agent of a notice in the form of Schedule X. Upon receipt of such notice, each party hereto irrevocably authorizes the Administrative Agent to amend Schedule B to identify the revised maximum Commitment of such Other Jurisdiction Lender.

(f) Celestica may, from time to time, in conjunction with the delivery of the Officer's Certificate pursuant to Section 2.3(g)(i) or the notice pursuant to Section 2.3(g)(iii), obtain the agreement of one or more Lenders, to utilize, subject to the terms of this Agreement, a portion of the Commitment of such Lender(s) to make Advances in an Additional Jurisdiction, which agreement shall be evidenced by the delivery by each such Lender of a notice in the form of Schedule Y setting out, among other things, the name of the Affiliate of the Lender that will make Advances available in the Additional Jurisdiction and the Commitment of the Affiliate to be available hereunder. In conjunction with the delivery of such notice, Celestica shall deliver a notice in the form of Schedule Z to the Administrative Agent in which it confirms the Commitment of each such Affiliate and reallocates the Commitments of the Related Lenders of each Affiliate; such that following the addition of each Affiliate as a Lender hereunder, the aggregate Commitments of each Affiliate and its Related Lenders (after giving effect to the addition of the Affiliate as a Lender) shall be equal to the aggregate Commitments of the Related Lenders prior to the addition of the Affiliate. Upon receipt of such

notices, each party hereto hereby irrevocably authorizes the Administrative Agent to:

(i) insert the name of each Affiliate identified in such notice(s) on Schedule A (who shall thereafter be an Other Jurisdiction Lender hereunder) and identify on Schedule A the Additional Jurisdiction in which such Affiliate shall make Advances hereunder;

(ii) amend Schedule B to set out the Commitment of each Affiliate and the revised Commitment of its Related Lenders (as set out in the applicable notice delivered by Celestica);

(iii) amend Schedule B to identify the maximum Commitment of each Affiliate, which shall be equal to the Affiliate's initial Commitment; and

(iv) affix an execution page to this Agreement which has been executed and delivered by each Affiliate.

(g) Celestica may, from time to time and at any time hereafter, terminate the designation of a Designated Subsidiary as such by the delivery of written notice to the Administrative Agent and from and after the day which is five (5) Banking Days after receipt of such notice, the subject Subsidiary shall no longer be a Designated Subsidiary and shall have no further right or ability to obtain further Advances under the Facility.

7.2 Intentionally Deleted

7.3 Material Restricted Subsidiaries to Provide Guarantees

(a) Each Subsidiary of Celestica which is or becomes a Material Restricted Subsidiary shall comply with the requirements of Section 9.1(m).

(b) In the event that a Material Restricted Subsidiary ceases to be a Material Restricted Subsidiary as a result of the diminution of the value of its assets such that the aggregate value thereof does not meet the applicable threshold set out in the definition of Material Restricted Subsidiary under this Agreement, Celestica may request and the Administrative Agent shall, in its reasonable discretion, release the Guarantee executed by such Material Restricted Subsidiary unless such Guarantee is required to render the Security granted by such Material Restricted Subsidiary valid and enforceable; provided that any Security granted by such Material Restricted Subsidiary shall be released in accordance with Section 9.1(p)(vi) if it also ceases to be a Grantor.

7.4 Unrestricted Subsidiaries

Celestica may, from time to time and at any time hereafter, designate any Subsidiary as an Unrestricted Subsidiary so long as:

(a) (i) such Subsidiary shall not be a Subsidiary existing as at the date of this Agreement; (ii) such Subsidiary shall never have been a Designated Subsidiary; and (iii) such Subsidiary shall never have been a Restricted Subsidiary;

(b) neither Celestica nor any of its Subsidiaries (other than Unrestricted Subsidiaries) shall be liable, contingently or otherwise, for any indebtedness or other liability or obligation of the Unrestricted Subsidiary, except for guarantees provided by the immediate parent of such Unrestricted Subsidiary in respect of indebtedness of such Unrestricted Subsidiary, where such guarantees are:

(i) made solely for the purpose of facilitating a pledge by the guarantor of Shares of such Unrestricted Subsidiary; and

(ii) the recourse under such guarantees are limited to such pledged Shares; and

(c) neither Celestica nor any of its Restricted Subsidiaries shall have applied the proceeds of any Advance under the Facility to fund the equity of, or otherwise capitalize the Unrestricted Subsidiary.

Provided that an Event of Default has not occurred and is not continuing, Celestica may from time to time and at any time hereafter, designate an Unrestricted Subsidiary as a Restricted Subsidiary provided that:

(i) immediately upon giving effect to such designation, Celestica shall remain in compliance with all covenants set out in Section 9.3 on a pro-forma (four quarter) basis; and

(ii) the designation of such Unrestricted Subsidiary as a Restricted Subsidiary would not otherwise result in the occurrence of a Default or an Event of Default.

ARTICLE 8
REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties

Each Borrower represents and warrants as follows to the Administrative Agent and the Lenders and acknowledges and confirms that the Administrative Agent and the Lenders are relying upon such representations and warranties:

(a) **Organization, etc.** Each Obligor is validly organized and existing and in good standing under the laws of the jurisdiction of its incorporation, creation or continuance, is duly qualified to do business and is qualified as a foreign corporation, company or other entity in each jurisdiction where the nature of its business requires such qualification, except where the failure to be so qualified would not reasonably be likely to have Material Adverse Effect, and has full power and authority and holds all requisite governmental licences, permits and other approvals to enter into and perform its obligations under the Loan Documents to which it is a party and except where failure to hold such licenses,

permits or approvals would not reasonably be likely to have a Material Adverse Effect to own or hold under lease its property and to conduct its business substantially as currently conducted by it.

(b) **Validity, etc.** Each Obligor has duly executed and delivered each Loan Document to which it is a party and each such Loan Document, other than any Loan Document executed and delivered by a Chinese Material Restricted Subsidiary (in respect of which no representation is made hereunder), constitutes a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms.

(c) **Due Authorization, Non-contravention etc.** The execution, delivery and performance by each Obligor of each Loan Document to which it is a party are within its corporate powers, have been duly authorized by all necessary corporate action by it, and do not

(i) contravene its Organic Documents;

(ii) contravene any Applicable Law or contractual restriction; or

(iii) result in, or require the creation or imposition of, any Lien on any of its properties.

(d) **Government Approval, Regulation, etc.** Other than in respect of a Loan Document executed and delivered by a Chinese Material Restricted Subsidiary (in respect of which no representation is made hereunder), no authorization or approval or other action by, and no consent from, notice to or filing with, any Official Body or other Person is required for the due execution, delivery or performance by any Obligor of any Loan Document to which it is a party or in order to render any such Loan Document legal, valid, binding or enforceable against such Obligor.

(e) **Financial Statements.** The consolidated audited financial statements of Celestica and its Subsidiaries as at December 31, 2009 fairly present the financial condition of Celestica and its Subsidiaries as at such date and the results of their operations for the fiscal year then ended, in accordance with GAAP consistently applied. Since December 31, 2009 there has been no Material Adverse Change.

(f) **Litigation, Labour Controversies, etc.** There is no pending or, to the knowledge of Celestica and the Restricted Subsidiaries, threatened litigation, action, proceeding, or labour controversy affecting Celestica or any of the Restricted Subsidiaries, or any of their respective properties, businesses, assets or revenues, which would reasonably be likely to have a Material Adverse Effect or purports to affect the legality, validity or enforceability of any Loan Document.

(g) **Licences, etc. and Compliance with Laws.** All material licences, franchises, certificates, consents, rights, approvals, authorizations, registrations, orders and permits required under Applicable Law (other than Environmental Laws) to enable each of the Borrowers and each Restricted Subsidiary to carry on their

respective businesses as now conducted by them and to own or lease their respective properties have been duly obtained and are currently subsisting. Each of the Borrowers and each Restricted Subsidiary have complied in all material respects with the terms and provisions presently required to be complied with by them in all such material licences, franchises, certificates, consents, rights, approvals, authorizations, registrations, orders and permits and with Applicable Law (other than Environmental Laws) and are not in violation of any of the respective provisions thereof if such non-compliance or violation would reasonably be likely to have a Material Adverse Effect.

(h) **Compliance with Environmental Laws.** Each of the Borrowers and the Subsidiaries and all facilities and property now or formerly owned, operated or leased by them:

(i) are and have been in compliance with all Environmental Laws, including, without limitation, with respect to the release, spill, leak, pumping, pouring, emptying, injection, escape, leaching, dumping, spraying, burial, abandonment, incineration, seepage, placement, emission, deposit, issuance, discharge, transportation or disposal ("**Release**") of any Hazardous Material in or over the water, atmosphere or soil other than for non-compliance with Environmental Laws which would not reasonably be likely to have a Material Adverse Effect;

(ii) have no contingent liabilities in connection with any Release or likely Release of Hazardous Materials and have not Released or caused or permitted the Release of Hazardous Materials, and have no knowledge of Releases by others, at, on or under any property now or previously owned, operated or leased by Celestica and its Material Restricted Subsidiaries that, with respect to any of the foregoing, singly or in the aggregate, would reasonably be likely to have a Material Adverse Effect;

(iii) have not received notice of and are not aware of any pending or threatened claims, complaints, notices, orders, directions, instructions or requests for information with respect to any alleged violation of or potential liability under any Environmental Law which would reasonably be likely to have a Material Adverse Effect;

(iv) have been issued and are in compliance with all permits, certificates, approvals, licences and other authorizations relating to environmental matters and necessary or desirable for the Business other than for any such non-issuances and non-compliances which would not reasonably be likely to have a Material Adverse Effect and each such permit, certificate, approval, licence or other authorization the absence of which would reasonably be likely to have a Material Adverse Effect is in good standing and there are no proceedings pending or, to the knowledge of the Borrowers, threatened to revoke, amend or limit in any material respect any such permit, certificate, approval, licence or other authorization;

(v) have no underground storage tanks, active or, to the knowledge of the Borrowers, abandoned, including petroleum storage tanks, on or under any such property that, singly or in the aggregate, would reasonably be likely to have a Material Adverse Effect;

(vi) have not directly transported or directly arranged for the transportation of any Hazardous Substances in violation of Environmental Laws or to any location which would reasonably be likely to lead to claims against them for any remedial work, damage to the environment or natural resources or personal injury, including claims under CERCLA, which in any such case would reasonably be likely to have a Material Adverse Effect;

(vii) have no polychlorinated biphenyls or friable asbestos present at any such property that, singly or in the aggregate, would reasonably be likely to have a Material Adverse Effect;

(viii) have no conditions which exist at, on or under any such property which, with or without the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Laws which would reasonably be likely to have a Material Adverse Effect; and

(ix) is not listed or proposed for listing on the National Priorities List pursuant to CERCLA, on the CERCLIS or on any similar state list of sites or Persons requiring investigation or clean up where the liability imposition and allocation regime provided for in the applicable state Environmental Law is similar to CERCLA, including, without limitation, the ability of governments and other parties to recover costs from other responsible or potentially responsible persons, except for any such listing or proposed listing which would not reasonably be likely to have a Material Adverse Effect.

(i) **Encumbrances.** There are no Liens on any of the assets or undertaking of the Borrowers or any Restricted Subsidiary other than Permitted Encumbrances.

(j) **No Default or Event of Default.** No Default or Event of Default has occurred and is continuing.

(k) **Accuracy of Information.** All factual information heretofore or contemporaneously furnished by or on behalf of Celestica in writing to the Administrative Agent for the purposes of or in connection with this Agreement is true and accurate in every material respect on the date as of which such information is dated or certified and as of the date of execution and delivery of this Agreement, and such information is not incomplete by omitting to state any material fact necessary to make such information not misleading.

(l) **No Action for Winding-Up or Bankruptcy.** There has been no involuntary action taken against any of the Borrowers or any Restricted Subsidiary for any such corporation's winding-up, dissolution, liquidation, bankruptcy, receivership,

administration or similar or analogous events in respect of such corporation or all or any material part of its assets or revenues.

(m) **Taxes.** Each Borrower and each of its Subsidiaries have duly filed on a timely basis all tax returns required to be filed by them except where such failure to file would not reasonably be likely to have a Material Adverse Effect and have paid all Taxes which are due and payable by them, and all assessments and re-assessments, and all other Taxes, governmental charges, governmental royalties, penalties, interest and fines claimed against them, other than those for which liability is being contested by them in good faith by appropriate proceedings and for which adequate provision has been made where required in accordance with GAAP or in respect of which such failure to pay would not reasonably be likely to have a Material Adverse Effect, and all required instalment payments have been made in respect of Taxes payable for the current period for which returns are not yet required to be filed except where such failure to pay would not reasonably be likely to have a Material Adverse Effect; there are no agreements, waivers or other arrangements providing for an extension of time with respect of the filing of any tax returns by them or the payment of any Taxes except where such agreements, waivers or other arrangements would not reasonably be likely to have a Material Adverse Effect; there are no actions or proceedings to be taken by any taxation authority of any jurisdiction to enforce the payment of any Taxes by them other than those which are being contested by them in good faith by appropriate proceedings and which proceedings have been stayed for the duration of such contestation.

(n) **Pension Plans.** Except as would not be reasonably likely to have a Material Adverse Effect, (i) all Pension Plans are duly established, registered, qualified, administered and invested in compliance with the terms thereof, any applicable collective agreements and Applicable Law; (ii) no events have occurred and no action has been taken by any Person which would reasonably be likely to result in the termination or partial termination of any Pension Plan, whether by declaration of any Superintendent of Pensions or otherwise; (iii) none of the Borrowers have withdrawn any assets held in respect of any Pension Plan except as permitted under the terms thereof and Applicable Laws; (iv) no Pension Plan has a "**solvency deficiency**" or "**going concern unfunded liability**" as defined in the *Pension Benefits Act* (Ontario) and the regulations enacted thereunder, as amended; (v) all contributions, premiums and other payments required to be paid to or in respect of each Pension Plan have been paid in a timely fashion in accordance with the terms thereof and Applicable Law and no taxes, penalties or fees are owing or exigible in respect of any Pension Plan; and (vi) no actions, suits, claims, or proceedings are pending or, to the knowledge of the Borrower, threatened in respect of any Pension Plan or its assets, other than routine claims for benefits. For the purposes of this section, and for greater certainty, "**Applicable Law**" shall include, without limitation, any federal or provincial pension benefits legislation and the *Income Tax Act* (Canada).

(o) **Regulations U and X.** No Borrower is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock. None of the

proceeds from the Facility will be used for the purpose of purchasing or carrying directly or indirectly margin stock or for any other purpose that would constitute this transaction a "**Purpose Credit**" within the meaning of Regulations U and X of the Board of Governors of the Federal Reserves System, as any of them may be amended from time to time.

(p) ***Investment Company Act.*** No Obligor is an "***investment company***" within the meaning of, or subject to regulations under, the United States Investment *Company Act of 1940*.

(q) ***Public Utility Holding Company Act.*** No Obligor is an "affiliate" or a "subsidiary company" of a "public utility company" for a "holding company" or an "affiliate" or a "subsidiary company" of a "public utility company" as such terms are defined in the United States *Public Utility Holding Company Act of 1935*.

8.2 Survival of Representations and Warranties

The representations and warranties set out in this Article 8 and in any Loan Document shall survive the execution and delivery of this Agreement and the making of any Advances to the Borrowers, notwithstanding any investigations or examinations which may be made by the Administrative Agent or any Lender or any counsel to any of them.

8.3 Deemed Repetition of Representations and Warranties

Each of the representations set out in Section 8.1 and in any Security Document shall be true and correct in all material respects and shall be deemed to be given on the occurrence of (i) the Drawdown, Conversion or Rollover of an Advance, (ii) the acceptance of drafts presented for acceptance as Bankers' Acceptances or Acceptance Notes, and (iii) the issuance of a Letter of Credit, in each case by reference to the facts and circumstances existing on the date of such Drawdown or acceptance or issuance.

ARTICLE 9
COVENANTS

9.1 Affirmative Covenants

Celestica covenants and agrees with each of the Lenders that, unless the Majority Lenders otherwise consent in writing, so long as any amount payable hereunder or under the Loan Documents is outstanding or any of the Lenders has any Commitment hereunder:

(a) Financial Reporting. Celestica shall deliver to the Administrative Agent, with sufficient copies for distribution to each of the Administrative Agent and each of the Lenders:

(i) within 60 days after the end of each of its fiscal quarters in each fiscal year, commencing with the fiscal quarter ending December 31, 2010, the unaudited financial statements of Celestica on a consolidated basis, each consisting of a balance sheet, statement of income and statement (in the

form customarily prepared by Celestica for internal reporting purposes) of changes in financial position as at the end of such fiscal quarter and for the period commencing with the end of the previous fiscal quarter and ending with the end of such fiscal quarter, together with the figures for the year-to-date and setting forth, in each case, in comparative form to the figures for the corresponding fiscal quarter of the previous fiscal year;

(ii) within 120 days after the end of each fiscal year of Celestica, the audited consolidated financial statements of Celestica for such year setting forth the corresponding figures for the previous fiscal year in comparative form, together with the report thereon of an independent auditor of recognized national standing, each consisting of a balance sheet, statement of income and statement of changes in financial position;

(iii) within 60 days after the end of each fiscal quarter of Celestica in each fiscal year, commencing with the fiscal quarter ending December 31, 2010, an Officer's Certificate of Celestica substantially in the form of Schedule D stating that:

(A) Celestica is in compliance with the covenants set forth in this Article 9 and that no Default or Event of Default has occurred and is continuing (or specifying such non-compliance or Default or Event of Default and stating what action, if any, Celestica is taking or is causing to be taken in connection therewith) and providing: (x) a calculation of the ratios referred to in Sections 9.3(a) and (b), in each case as at the last day of the relevant period; and (y) a calculation of the available disposition allowance referred to in Section 9.2(b)(vii) as at the last day of such fiscal quarter; and

(B) Celestica has determined that the unconsolidated assets of all Restricted Subsidiaries which are not Material Restricted Subsidiaries do not, or will not, after giving effect to the Guarantees delivered by the Restricted Subsidiaries listed in a schedule thereto, exceed ten per cent (10%) of the unconsolidated assets of the Borrowers and the Restricted Subsidiaries on the date referenced in the most recently delivered set of financial statements delivered pursuant to Section 9.1(a)(i);

(iv) in the event that Celestica delivers filings other than the financial statements referred to in clauses (i) to (iii) above to any securities commission, stock exchange or similar regulatory authority, such filings concurrently with the delivery of such filings to the securities commission, stock exchange or similar regulatory authority; and

(v) such other information respecting the condition or operations, financial or otherwise, of Celestica or any Subsidiary (other than an Unrestricted Subsidiary) as any Lender through the Administrative Agent may from time to time reasonably request.

(b) **Corporate Status.** Subject to transactions undertaken in compliance with Section 13.12, Celestica shall remain a corporation duly incorporated and validly subsisting under the laws of the Province of Ontario or the federal laws of Canada and each of the Restricted Subsidiaries shall remain validly organized and existing and in good standing under the laws of its jurisdiction of formation or continuance.

(c) **Maintenance of Business and Properties.** Each of Celestica and each Restricted Subsidiary shall, and shall cause each of its Subsidiaries (except for Unrestricted Subsidiaries) to, continue its business, maintain, preserve, protect and keep its properties in good repair, working order and condition, reasonable wear and tear excepted, and make necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times unless Celestica or such Restricted Subsidiary determines in good faith that the continued maintenance of any of its properties is no longer desirable.

(d) **Notice of Event of Default.** Celestica shall deliver to the Administrative Agent, forthwith upon becoming aware of any Default or Event of Default, a certificate of an officer of Celestica specifying such Default or Event of Default together with a statement of an officer of Celestica setting forth details of such Default or Event of Default and the action which has been, or is proposed to be, taken with respect thereto.

(e) **Other Notifications.** Celestica shall at any time upon request of the Administrative Agent, acting reasonably, provide to the Administrative Agent an up to date corporate chart showing Celestica and all of its Subsidiaries and shall promptly notify the Administrative Agent of:

(i) (x) any change in the name or organization of any Obligor; and; (y) any change in the location of the registered office or executive office of any Obligor;

(ii) the non-compliance with any Environmental Law or any environmental claim, complaint, notice or order issued to any of the Borrowers, or any of the Subsidiaries, or any other environmental condition or event where such non-compliance, condition or event would reasonably be likely to have a Material Adverse Effect. As soon as practicable thereafter, Celestica shall advise the Administrative Agent as to the actions which the Borrowers or any such Subsidiary intends to take in connection with any such claim, complaint, notice or order;

(iii) the institution of any steps by the Borrower or any other Person to terminate any Pension Plan which would reasonably be likely to have a Material Adverse Effect, failure to make a required contribution to any Pension Plan if such failure is sufficient to give rise to a Lien under Section 3.02(f) of ERISA, the taking of any action with respect to a Pension Plan which could reasonably be expected to result in the requirement that a Borrower furnish a bond or other security to the PBGC or such Pension Plan, the occurrence of any event with respect to any

Pension Plan which would reasonably be likely to have a Material Adverse Effect and copies of all documentation relating thereto; and

(iv) the entering into by Celestica or any Restricted Subsidiary of any Permitted Securitization Transaction (together with such information regarding such Permitted Securitized Transaction as the Administrative Agent may reasonably request).

(f) **Compliance with Laws, etc.** Each of Celestica and the Restricted Subsidiaries will, and will cause each of its Subsidiaries to, comply in all material respects with Applicable Laws, such compliance to include (without limitation) its qualification as a foreign corporation in all jurisdictions in which such qualification is legally required for the conduct of its business.

(g) **Payment of Taxes.** The Borrowers shall, and the Borrowers shall cause each of the Subsidiaries to, pay or cause to be paid, when due, all Taxes including, property taxes, business taxes, social security premiums, assessments and governmental charges or levies imposed upon it or upon its income, sales, capital or profit or any property belonging to it unless any such Tax, social security premiums, assessment, charge or levy is contested by it in good faith with adequate provision or reserve, where required by GAAP and to withhold and remit when due all payroll and withholding taxes.

(h) **Insurance.** Each of Celestica and the Restricted Subsidiaries will, and will cause each of its Subsidiaries (except for Unrestricted Subsidiaries) to, maintain or cause to be maintained insurance with responsible insurance companies with respect to its properties and business against such casualties and contingencies, of such types, and in such amounts as is customary in the case for similar businesses operating in similar geographic locations. Notwithstanding the foregoing, Celestica and each of the Restricted Subsidiaries shall be permitted to self-insure only where self-insurance is usual and customary for the type of risk, and for companies in substantially the same line of business and operating in the same geographic location as Celestica or the Restricted Subsidiary, as applicable, and where customary and usual reserves or provisions are taken in respect of such self-insurance by Celestica or the Restricted Subsidiary, as applicable. Upon request of the Administrative Agent, Celestica will furnish to the Administrative Agent for distribution to the Lenders at reasonable intervals a certificate of an authorized officer of Celestica setting forth the nature and extent of all insurance maintained by Celestica and the Restricted Subsidiaries in accordance with this Section which certificate shall specify the risks for which Celestica or any Restricted Subsidiary have self-insured and the amount of the provisions or reserves, if any, held or made in respect of such self-insurance.

(i) **Books and Records.** Celestica and each Restricted Subsidiary will, and will cause each of its Subsidiaries to, keep books and records which accurately reflect all of its business affairs and transactions. Celestica will permit the Administrative Agent and each Lender or any of their respective representatives, at reasonable times and customary intervals during normal business hours, to visit Celestica's offices and to discuss its financial matters with Celestica's financial officers.

Upon the occurrence of and during the continuation of a Default, Celestica and each Restricted Subsidiary shall permit the Administrative Agent and each Lender or any of their respective representatives at any time to visit all of its offices, to discuss its financial matters with its officers and its independent chartered accountant (and each of Celestica and each Restricted Subsidiary hereby authorizes such independent chartered accountant to discuss their financial matters with the Administrative Agent and each Lender or its representatives whether or not any representative of Celestica or the Restricted Subsidiary is present) and to examine (and, at the expense of the Borrowers, photocopy extracts from) any of its books or corporate records. The Borrowers shall pay any fees of such independent chartered accountant incurred in connection with the Administrative Agent's or any Lender's exercise of its rights pursuant to this Section.

(j) **Designated Subsidiaries to Remain Subsidiaries.** Each Designated Subsidiary (or its Successor Corporation within the meaning of Section 13.12) shall remain a directly or indirectly wholly-owned Subsidiary of Celestica, except where the laws of the jurisdiction of incorporation of such Designated Subsidiary require qualifying shares of such Designated Subsidiary to be owned by another Person.

(k) **Punctual Payment.** Celestica will, and will cause each Obligor to duly and punctually pay or cause to be paid all amounts due under this Agreement and the other Loan Documents at the dates and places, in the currencies and in the manner provided in this Agreement and any other Loan Documents.

(l) **Ratings Maintenance.** At any time that Celestica has any Public Debt outstanding, Celestica shall maintain a Debt Rating and shall forthwith notify the Administrative Agent in the event that any such Debt Rating is downgraded or in the event that Celestica's Debt Rating shall have been placed under review by an Approved Credit Rating Agency.

(m) **Material Restricted Subsidiary Guarantees.**

(i) Subject to clauses (ii), (iii) and (iv), Celestica shall:

(A) within 45 days of the acquisition or incorporation of a Subsidiary which is a Restricted Subsidiary, whose assets total greater than U.S.$150,000,000 on an unconsolidated basis on the date of such acquisition or incorporation; and

(B) upon the designation of a Restricted Subsidiary as a Material Restricted Subsidiary on the Schedule to the Officer's Certificate delivered pursuant to Section 9.1(a)(iii) within 45 days of such delivery of the Officer's Certificate making such designation,

cause such Material Restricted Subsidiary to: (I) authorize, execute and deliver a Guarantee to the Administrative Agent substantially in the form of Schedule H with such changes as the Administrative Agent and the Material Restricted Subsidiary may necessarily require on the advice of

their respective counsel to reflect local legal requirements; (II) deliver to the Administrative Agent certified copies of its Organic Documents and a resolution authorizing the Guarantee, a certificate of its officers signing the Guarantee and a certificate of status, good standing or like certificate with respect to it issued by appropriate government officials of its jurisdiction of incorporation; and (III) cause to be delivered an opinion of counsel to such Material Restricted Subsidiary in form and substance satisfactory to the Lenders' Counsel and the Administrative Agent, each acting reasonably.

(ii) In the event that any Material Restricted Subsidiary is not a wholly-owned Subsidiary of Celestica, on the later of (i) the date of execution of a Guarantee or (ii) the date of acquisition by any Person which is not Celestica or a Subsidiary of Celestica of any Share of such Material Restricted Subsidiary, Celestica shall deliver an acknowledgement addressed by such Person to the Administrative Agent acknowledging the Guarantee executed by such Material Restricted Subsidiary and the enforceability thereof against the Material Restricted Subsidiary to the full extent set out in the Guarantee (subject to the same qualifications as set out in the opinion of legal counsel to such Material Restricted Subsidiary with respect to such Guarantee) notwithstanding the ownership of Shares of the Material Restricted Subsidiary by such Person and any agreement between such Person and Celestica or any Subsidiary of Celestica.

(iii) The Borrowers and Guarantors shall, and the Borrowers shall cause each of its Subsidiaries to, take all such steps and do such things as may be necessary, in the opinion of the Administrative Agent, to ensure the continuous enforceability of each Guarantee granted by each Borrower and each Material Restricted Subsidiary.

(iv) Notwithstanding anything to the contrary contained herein, a Guarantee shall not be required from a Material Restricted Subsidiary established under the Applicable Laws of the PRC (a "**Chinese Material Restricted Subsidiary**"). For the purpose of the proviso in the definition of Material Restricted Subsidiary, the unconsolidated assets of any Chinese Material Restricted Subsidiary that has not provided a Guarantee or any confirmation, change, amendment or modification of a Guarantee which has been provided prior to the date hereof, shall be considered to be unconsolidated assets of a Restricted Subsidiary that is not a Material Restricted Subsidiary, until such time as such Guarantee or any such confirmation, change, amendment or modification has been provided, together with evidence of the necessary verification and approval of, and registration with, the relevant local branch of the State Administration of Foreign Exchange in respect of any currency conversions and any payments out of the PRC or any payments to foreign-invested financial institutions in the PRC pursuant to any such Guarantee or any such confirmation, change, amendment or modification.

(n) **Accuracy of Information.** All factual information hereafter furnished by or on behalf of Celestica in writing to the Administrative Agent for the purposes of or in connection with this Agreement shall be true and accurate in every material respect on the date as of which such information is dated or certified and shall not be incomplete by the omission to state any material fact necessary to make such information not misleading.

(o) **Securitization Transactions.** On the date of any Permitted Securitization Transaction, the aggregate book value of the trade accounts receivable of or owing to Celestica or any Restricted Subsidiary (and/or contractual rights relating thereto) that are subject to any Securitization Transaction will not exceed:

(i) 30% of the aggregate book value of the trade accounts receivable of or owing to Celestica and its Restricted Subsidiaries determined on a consolidated basis, before giving effect to prior Securitization Transactions of trade accounts receivable that have not been collected, on or prior to the date on which the relevant Securitization Transaction is completed; or

(ii) as long as (A) there are no Advances (other than Letters of Credit) outstanding under this Agreement and no advances (other than letters of credit) under any other credit agreement under which Celestica or any Restricted Subsidiary is a borrower (excluding, for greater certainty, overdraft facilities and Acquired Indebtedness), and (B) at any time that Celestica has any Public Debt outstanding, the Debt Rating of Celestica is BB- by Standard & Poor's or Ba3 by Moody's or better, 50% of the aggregate book value of the trade accounts receivable of or owing to Celestica and its Restricted Subsidiaries determined on a consolidated basis, before giving effect to prior Securitization Transactions of trade accounts receivable that have not been collected, on or prior to the date on which the relevant Securitization Transaction is completed.

(p) **Security Documents.**

(i) Each Borrower shall, and each Borrower shall cause each other Grantor to, grant to the Administrative Agent on behalf of itself, the Lenders and the Hedge Lenders:

(A) within 30 days after the date of a Trigger Event, (unless a Debt Rating Upgrade has ensued and is continuing prior to the granting of such security interest) a first priority (subject to Permitted Encumbrances) perfected security interest in (i) its personal property located in Canada and/or the United States of America (other than (x) Pledged Shares which are directly held by such Grantor (except as provided in (ii) below), and (y) Securitized Assets; provided that the security interest will attach to any amounts owing to such Grantor pursuant to any Permitted Securitization Transaction, other than any deferred purchase price payable pursuant to the DB Receivables Purchase Agreement), and

(ii) the Pledged Shares of each Domestic Material Restricted Subsidiary which are directly held by such Grantor;

(B) to the extent permitted by Applicable Law, within 60 days after the date of a Trigger Event (unless a Debt Rating Upgrade has ensued and is continuing prior to the granting of such security interest), a first priority (subject to Permitted Encumbrances) perfected security interest (or its substantive equivalent) in the Pledged Shares in each Non-Domestic Material Restricted Subsidiary which are directly held by such Grantor; provided that, in the case of a US Grantor, the Pledged Shares shall be limited to that number of Pledged Shares representing not more than 65% of the then issued and outstanding Shares of each such Non-Domestic Material Restricted Subsidiary;

(C) upon the designation of a Restricted Subsidiary as a Grantor on the Schedule to the Officer's Certificate delivered pursuant to Section 9.1(a)(iii) (unless a Debt Rating Upgrade has occurred and no Trigger Event has ensued following such Debt Rating Upgrade): (i) as soon as reasonably practicable and, in any event, within 30 days after the date on which the Officer's Certificate making such designation is delivered to the Administrative Agent, a first priority (subject to Permitted Encumbrances) perfected security interest in the personal property of such Grantor described in Section 9.1(p)(i)(A) above; and (ii) as soon as reasonably practicable and, in any event, within 60 days after the date on which the Officer's Certificate making such designation is delivered to the Administrative Agent, a first priority (subject to Permitted Encumbrances) perfected security interest (or its substantive equivalent) in the personal property of such Grantor described in Section 9.1(p)(i)(B) above;

(D) with respect to any Pledged Shares acquired by any Grantor after the date hereof (unless a Debt Rating Upgrade has occurred and no Trigger Event has ensued following such Debt Rating Upgrade): (i) as soon as reasonably practicable and, in any event, within 30 days after such Grantor becomes the direct holder of any Pledged Shares in any Domestic Material Restricted Subsidiary, a first priority (subject to Permitted Encumbrances) perfected security interest in such Pledged Shares; and (ii) as soon as reasonably practicable and, in any event, within 60 days after such Grantor becomes the direct holder of any Pledged Shares in any Non-Domestic Material Restricted Subsidiary, a first priority (subject to Permitted Encumbrances) perfected security interest (or its substantive equivalent) in such Pledged Shares; provided that, in the case of a US Grantor, the Pledged Shares shall be limited to that number of Pledged Shares representing not more than 65% of

the then issued and outstanding Shares of each such Non-Domestic Material Restricted Subsidiary.

(ii) (A) The applicable Security Documents shall be delivered to the Administrative Agent, on behalf of itself, the Lenders and the Hedge Lenders, and all filings and registrations in all applicable jurisdictions shall be completed in accordance with foregoing clause (i). In addition, within 30 days after the date of a Trigger Event (unless a Debt Rating Upgrade has ensued and is continuing prior to delivery of such guarantee), each Grantor that has not already provided a Guarantee as a Material Restricted Subsidiary shall deliver a guarantee, substantially in the form of Schedule H, if such guarantee is required to render the Security granted by such Grantor valid and enforceable. In the event that any such Grantor is not a Material Restricted Subsidiary, the recourse of the Administrative Agent pursuant to the guarantee granted by such Grantor shall be limited to enforcement of the Security, and the Administrative Agent shall have no right to sue such Grantor on the covenant of such guarantee, except to the extent necessary in connection with the enforcement of the Security. The Security Documents shall be accompanied by opinions of counsel to the applicable Grantor, in form and substance satisfactory to Lenders' Counsel and the Administrative Agent, acting reasonably.

(B) Each Borrower shall, and each Borrower shall cause each other Grantor to, promptly, and from time to time on demand, execute and deliver or cause to be executed and delivered all such other and further documents, agreements, certificates and instruments which in the opinion of the Administrative Agent or Lenders' Counsel, acting reasonably, may be necessary or reasonably desirable in connection with the grant of the Security.

(iii) Any Security granted by a Grantor in favour of the Administrative Agent on behalf of itself and the Lenders in any asset, property or investment that is disposed of by such Grantor in accordance with the terms of this Agreement shall be released by the Administrative Agent, at the expense of Celestica, following the receipt by the Administrative Agent of a written request for same by Celestica.

(iv) Assets which become Securitized Assets following attachment of the Liens under a Permitted Securitization Transaction shall be automatically released from the Security such that all such assets shall be securitized under such Permitted Securitization Transaction free and clear of the Security.

(v) The Security shall be released without the requirement for further consent within 30 days after the date of a Debt Rating Upgrade, provided that a Debt Rating Downgrade has not occurred after such Debt Rating Upgrade and prior to such release.

(vi) In the event that a Grantor ceases to be a Grantor as a result of the diminution of the value of its assets such that the aggregate value thereof does not meet the applicable threshold set out in the definition of Material Assets under this Agreement, Celestica may request and the Administrative Agent shall, in its reasonable discretion, release any Security granted by such Grantor.

(q) **Lien Acknowledgments.** Upon written request from the Administrative Agent delivered to Celestica, Celestica shall use all commercially reasonable efforts to obtain and deliver to the Administrative Agent estoppel certificates or acknowledgements in respect of Lien registrations effected by the secured parties identified by the Administrative Agent in such request.

9.2 Negative Covenants

Celestica covenants and agrees with each of the Lenders that, unless the Majority Lenders otherwise consent in writing, so long as any amount payable hereunder is outstanding or the Lenders shall have any Commitment hereunder:

(a) **No Merger, Amalgamation, etc.** None of the Borrowers or any Restricted Subsidiary shall, directly or indirectly, merge, amalgamate or enter into any similar or other business combination pursuant to statutory authority or otherwise with any other Person except upon compliance with Section 13.12.

(b) **Restriction on Disposition of Assets.** None of the Borrowers or any Restricted Subsidiary shall sell, assign, transfer, lease, convey or otherwise dispose of any property, assets or investments, (in each case a "**sale**") other than:

(i) sales made in compliance with Section 13.12; or

(ii) sales of obsolete equipment in the ordinary course of business; or

(iii) sales, assignments and transfers pursuant to a Permitted Securitization Transaction; or

(iv) sale/leaseback transactions:

(A) any real property owned by a Borrower or Restricted Subsidiary; and

(B) any property or assets acquired by a Borrower or Restricted Subsidiary, as the case may be, which is completed within six months of the date on which such property or assets were acquired, provided that any Borrowing made to finance such acquisition shall be repaid within two Banking Days of the completion of such sale/leaseback transaction; or

(v) sales of Shares of any Unrestricted Subsidiary; or

(vi) sales of assets and property, including inventory, in the ordinary course of business; or

(vii) sales of any fixed assets together with associated intellectual property not otherwise permitted in clauses (i) to (vi) above, subject to an aggregate limit of sales under this clause and sales under Sections 9.2(b), (ix)(C) and 9.2(b)(ix)(D) by the Borrowers and Restricted Subsidiaries in any fiscal year in an amount equal to 10% of the aggregate net book value of the fixed assets plus 10% of the aggregate net book value of intellectual property of Celestica on a consolidated basis (the "**disposition allowance**") and provided that, in any fiscal year commencing with fiscal year ending on December 31, 2011 in which the Borrowers and Restricted Subsidiaries do not sell fixed assets and associated intellectual property under this clause (vii) and Shares and assets under Sections 9.2(b)(ix)(C) and 9.2(b)(ix)(D) having aggregate net book values totalling the disposition allowance, the Borrowers and Restricted Subsidiaries may carry forward into the following fiscal years the unused disposition allowance, which unused disposition allowance is deemed to be U.S.$201,724,100 as at September 30, 2010, and further provided that none of the Borrowers or Restricted Subsidiaries shall sell any intellectual property under this clause (vii) unless such sale is incidental to a sale of fixed assets;

(viii) sales of assets, property or investments from a Borrower or Restricted Subsidiary to another Borrower or Restricted Subsidiary provided that no Borrower or Restricted Subsidiary shall so sell assets, property or investments during the occurrence and continuance of a Default or where such sale, alone or as part of a series of previously or concurrently occurring sales, would reasonably be likely to have a Material Adverse Effect; or

(ix) (A) the sale of the Shares of a Material Restricted Subsidiary or the sale of all or substantially all of the undertaking, property and assets of a Material Restricted Subsidiary used in conducting a business, with the consent of the Super Majority Lenders; (B) the sale of the Shares of a Domestic Restricted Subsidiary (other than a Material Restricted Subsidiary) with Material Assets or the sale of all or substantially all of the undertaking, property and assets of such a Domestic Restricted Subsidiary used in conducting a business, with the consent of the Majority Lenders; (C) subject to compliance with the disposition allowance provisions set out in Section 9.2(b)(vii), the sale of the Shares in the capital of a Domestic Restricted Subsidiary (other than a Material Restricted Subsidiary) that does not have Material Assets or the sale of all or substantially all of the undertaking, property and assets of such a Restricted Subsidiary used in conducting a business; and (D) subject to compliance with the disposition allowance provisions set out in Section 9.2(b)(vii), the sale of the Shares of a Restricted Subsidiary (other than a Material Restricted Subsidiary or a

Domestic Restricted Subsidiary) or the sale of all or substantially all of the undertaking, property and assets of such a Restricted Subsidiary.

(c) **Restriction on Certain Inter-Company Transactions.** Except as otherwise permitted by this Section 9.2, none of the Borrowers or any Restricted Subsidiary shall enter into any agreement or complete any transaction with any other Borrower or any Restricted Subsidiary during the occurrence and continuance of a Default or where such agreement or transaction, alone or as part of a series of previously or concurrently occurring agreements or transactions, would reasonably be likely to have a Material Adverse Effect.

(d) **Negative Pledge/*Pari Passu* Ranking.** None of the Borrowers or any of the Restricted Subsidiaries shall create, incur, assume or permit to exist any Lien, other than Permitted Encumbrances, on any of its property, undertaking or assets now owned or hereafter acquired. Each Obligor's monetary Obligations shall rank at least *pari passu* with all unsecured Indebtedness (or other unsecured Indebtedness during such time as the Obligations are unsecured) of such Obligor and no Obligor shall, or shall agree with any other Person to, pay any other Indebtedness in priority to payment of all monetary Obligations as and when due.

(e) **Restriction on Non-Arm's Length Transactions.** The Borrowers shall not, and shall not permit any Restricted Subsidiary to, enter into any transaction or agreement with any Person which is not at Arm's Length with the Borrowers or such Restricted Subsidiary (other than other Borrowers, Restricted Subsidiaries or Unrestricted Subsidiaries) unless,

(i) such transaction or agreement is in the ordinary course of business and is on terms no less favourable to the Borrowers or such Restricted Subsidiary as would be obtainable in a comparable transaction with a Person which is at Arm's Length with the Borrower or such Restricted Subsidiary, and

(ii) such transaction or agreement complies with the terms of Section 9.2(c).

(f) **Restriction on Change of Business.** None of the Borrowers or the Restricted Subsidiaries shall, either directly or indirectly, enter into any business other than the Business without the prior written consent of the Majority Lenders.

(g) **No Change in Accounting Treatment or Reporting Practices.** Subject to the provisions of Section 1.7, none of the Borrowers nor any Restricted Subsidiary shall make any material change in its accounting or reporting or financial reporting practices, except as consistent with GAAP or Applicable Law, which changes shall be disclosed to the Lenders.

(h) **Restrictions on Transactions with Unrestricted Subsidiaries.** No Borrower shall, or shall permit any Restricted Subsidiary to:

(i) sell assets or lend monies to any Unrestricted Subsidiary unless such sale (A) meets the criteria set out in the second sentence of the definition of Permitted Securitization Transaction in Section 1.1; (B) is permitted

pursuant to Section 9.2(b)(vi) and such sale or loan is in the ordinary course of business and is on terms no less favourable to such Borrower or such Restricted Subsidiary as would be obtainable in a comparable transaction with a Person which is at Arm's Length with the Borrower or such Restricted Subsidiary; (C) is permitted pursuant to Section 9.2(b)(vii); or (D) is permitted pursuant to Section 9.2(b)(ix); or

(ii) provide financial assistance by means of a guarantee to an Unrestricted Subsidiary unless the financial assistance is in the form of a guarantee granted by the immediate parent of such Unrestricted Subsidiary, where such guarantee is (A) made solely for the purpose of facilitating a pledge by the guarantor of Shares of such Unrestricted Subsidiary; and (B) the recourse thereunder is limited to the Shares of the Unrestricted Subsidiary; and (C) a pledge of the Shares of the Unrestricted Subsidiary.

(i) **Hedging Agreements.** No Borrower shall, or shall permit any Subsidiary to, enter into any Hedging Agreement for speculative purposes.

9.3 Financial Covenants

(a) **Minimum EBITDA:Interest Expense Ratio.** Celestica shall maintain an EBITDA:Interest Expense ratio, calculated on a rolling four quarter basis, of at least 3.25:1.0.

(b) **Maximum Gross Funded Debt:EBITDA Ratio.** Celestica shall maintain a Gross Funded Debt:EBITDA ratio, calculated on a rolling four quarter basis, of not more than 4.0:1.0.

(c) **Calculation of Financial Ratios.** For the purposes of Sections 9.3(a) and (b), all of the calculations shall be made on a consolidated basis in accordance with the provisions of Sections 1.7 and 1.8.

ARTICLE 10
DEFAULT AND ACCELERATION

10.1 Events of Default

The occurrence of any one or more of the following events (each such event and the expiry of the cure period, if any, provided in connection therewith, being herein referred to as an "**Event of Default**") shall constitute a default under this Agreement:

(a) if any Borrower shall default in (i) the payment when due of any principal of any Advance; (ii) the payment when due of any interest on any Advance (and such default shall continue unremedied, in the case of interest, for a period of three (3) days); or (iii) the payment when due of any fee or any other Obligation (and any of such defaults described in item (iii) shall continue unremedied for a period of five (5) days);

(b) any representation or warranty made or deemed to be made hereunder or in any other Loan Document or any other writing or certificate furnished by or on behalf of an Obligor to the Administrative Agent for the purposes of or in connection with this Agreement or any such other Loan Document is or shall be incorrect when made in any material respect;

(c) any Obligor shall default in the observance or performance of any agreement, covenant or condition contained in Sections 9.1(p)(i) or 9.1(p)(ii);

(d) any Obligor shall default in the service or performance of any agreement, covenant or condition contained herein or in any other Loan Document (other than as set forth above) and such failure shall remain unremedied for a period of thirty (30) days after notice in writing has been given by the Administrative Agent to Celestica;

(e) if, on, prior to or in connection with any Indebtedness having a principal amount, individually or in the aggregate, in excess of U.S.$50,000,000 becoming Acquired Indebtedness, (i) a default shall have occurred in the payment when due, whether by acceleration or otherwise, of any such Acquired Indebtedness, or (ii) a default shall occur or shall have occurred in the performance or observance of any obligation or condition with respect to such Indebtedness or as a result of such Indebtedness becoming Acquired Indebtedness, if the effect of such default is to accelerate the maturity of such Acquired Indebtedness or such default shall continue unremedied and unwaived for any applicable grace period of time sufficient to permit the holder or holders of such Acquired Indebtedness, or any trustee or agent for such holders, to have the right to cause such Acquired Indebtedness to become due and payable prior to its expressed maturity; provided that where such Acquired Indebtedness has a principal amount individually or in the aggregate, of up to and including U.S.$100,000,000, a default described in clauses (i) or (ii) shall only be an Event of Default under this Agreement if unremedied for 60 days from the date such Indebtedness becomes Acquired Indebtedness;

(f) a default shall occur in the payment when due, whether by acceleration or otherwise, of any Indebtedness (other than as set forth in Sections 10.1(a) and (e) above) of any Borrower or any Restricted Subsidiary having a principal amount, individually or in the aggregate, in excess of U.S.$50,000,000, or a default shall occur in the performance or observance of any obligation or condition with respect to any such Indebtedness if the effect of such default is to accelerate the maturity of any such Indebtedness or such default shall continue unremedied and unwaived for any applicable grace period of time sufficient to permit the holder or holders of such Indebtedness, or any trustee or agent for such holders, to have the right to cause such Indebtedness to become due and payable prior to its expressed maturity;

(g) any judgment or order for the payment of money in excess of U.S.$25,000,000, which is not covered by insurance, shall be rendered against any Borrower or any Restricted Subsidiary and either:

(i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order; or

(ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect and such judgment shall not have been paid or otherwise satisfied;

(h) any Borrower or any Restricted Subsidiary shall:

(i) become (or be deemed by any Applicable Law to be) insolvent or generally fail to pay, or admit in writing its inability or unwillingness to pay its debts as they generally become due;

(ii) apply for, consent to, or acquiesce in, the appointment of a trustee, receiver, receiver and manager, liquidator, sequestrator, administrator or other custodian in connection with the insolvency of a Borrower or a Restricted Subsidiary or any property of any thereof except as permitted under Section 13.12, or make a general assignment for the benefit of creditors;

(iii) in the absence of an application referred to in Section 10.1(h)(ii), consent or acquiescence, permit or suffer to exist the appointment of a trustee, receiver, receiver and manager, liquidator, sequestrator, administrator or other custodian for a Borrower or a Restricted Subsidiary or for a substantial part of the property of any of them except as permitted under Section 13.12, and such trustee, receiver, receiver and manager, liquidator, sequestrator, administrator or other custodian shall not be discharged within 60 days, provided that the Borrowers hereby expressly authorize the Administrative Agent and each Lender to appear in any court conducting any relevant proceeding relating to any of them or any Restricted Subsidiary during such 60-day period to preserve, protect and defend their rights under the Loan Documents;

(iv) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement, administration or other case or proceeding under any bankruptcy, insolvency or similar law, or any dissolution, winding up, administration or liquidation proceeding, in respect of any Borrower or any Restricted Subsidiary (except as permitted under Section 13.12), and, if any such case or proceeding is not commenced by such Borrower or such Restricted Subsidiary, such case or proceeding shall be consented to or acquiesced in by such Borrower or such Restricted Subsidiary or shall result in the entry of an order for relief or shall remain for 60 days undismissed, provided that each Borrower and each Restricted Subsidiary is hereby deemed to expressly authorize the Administrative Agent and each Lender to appear in any court conducting any such case or proceeding relating to any of them or any Restricted Subsidiary during such 60-day period to preserve, protect and defend their rights under the Loan Documents; or

(v) take any corporate action authorizing, or in furtherance of, any of the matters referred to in clauses (ii), (iii) or (iv) above;

(i) Onex Corporation shall cease to control Celestica unless the Shares of Celestica 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, provided that any Person or group of Persons acting jointly or in concert which owns or controls securities of Celestica to which are attached more than 20% of the votes that may be cast to elect the directors of Celestica shall, in the absence of evidence satisfactory to the Administrative Agent, acting reasonably, be deemed to control Celestica;

(j) any Loan Document shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of any Obligor that is a party thereto; or any Obligor shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability of any Loan Document; or any Security shall, in whole or in part, cease to be a perfected, first priority (subject to Permitted Encumbrances) Lien and such failure shall remain unremedied for a period of 10 days after the Borrower becomes aware that such Security has ceased to be a perfected, first priority (subject to Permitted Encumbrances) Lien;

(k) any Borrower or any governmental authority declares, orders or proposes to order a full or partial wind up of any Pension Plan which, in either case, would reasonably be likely to have a Material Adverse Effect or if any of the following events shall occur with respect to a Pension Plan:

(i) the institution of any step by a Borrower, any member of its Controlled Group or any other Person to terminate a Pension Plan if, as a result of such termination, the Borrowers or any such member of its Controlled Group would reasonably be likely to be required to make a contribution to such Pension Plan or could reasonably expect to incur a liability or obligation to such Pension Plan which, in either case, would reasonably be likely to have a Material Adverse Effect; or

(ii) a contribution failure occurs with respect to any Pension Plan sufficient to give rise to a Lien under Section 302(f) of ERISA.

10.2 Acceleration

Upon the occurrence of an Event of Default (other than as set forth in Section 10.1(h) or (i)) and at any time thereafter while an Event of Default is continuing, the Administrative Agent may, in consultation with the Lenders (and, if so instructed by the Majority Lenders, shall) by written notice to the Borrowers:

(a) declare the Advances made to the Borrowers to be immediately due and payable (whereupon the same shall become so payable together with accrued interest thereon and any other sums then owed by the Borrowers hereunder or under any

other Loan Document) or declare such Advances to be due and payable on demand of the Administrative Agent; and/or

(b) if not theretofore terminated, declare that all of the Commitments shall be cancelled, whereupon the same shall be cancelled and the Commitment of each Lender shall be reduced to zero.

If, pursuant to this Section 10.2, the Administrative Agent declares any Advances made to the Borrowers to be due and payable on demand, then, and at any time thereafter, the Administrative Agent may (and, if so instructed by the Majority Lenders, shall) by written notice to the Borrowers call for repayment of such Advances on such date or dates as it may specify in such notice (whereupon the same shall become due and payable on such date together with accrued interest thereon and any other sums then owed by the Borrowers hereunder or under any other Loan Document and the provisions of Section 10.4 shall apply) or withdraw its declaration with effect from such date as it may specify in such notice.

Upon the occurrence of an Event of Default set forth in Section 10.1(h) or (i), the Commitments shall automatically terminate and the outstanding principal amount of all outstanding Advances (together with accrued interest thereon and any other sums then owed by the Borrowers hereunder or under any other Loan Document and the provisions of Section 10.4 shall apply) shall automatically be and become immediately due and payable, without notice or demand.

10.3 Remedies with Respect to Bankers' Acceptance Advances and Letters of Credit

If any Event of Default shall occur and be continuing such that the entire principal amount of the Advances then outstanding and all accrued and unpaid interest thereon and all other payments due hereunder or under any other Loan Document which are unpaid shall become immediately due and payable in accordance with the provisions of Section 10.2, then the Administrative Agent may (and, if so instructed by the Majority Lenders shall), by written notice to the Borrowers, require the Borrowers to pay to the Administrative Agent (i) on behalf of the Lenders, an amount equal to the Face Amount of outstanding Bankers' Acceptances and the principal amount of all outstanding Acceptance Notes and (ii) on behalf of the Issuing Bank, an amount equal to the undrawn Face Amount of any Letters of Credit issued and outstanding under the Letter of Credit Facility.

10.4 Remedies Cumulative and Waivers

It is expressly understood and agreed that the rights and remedies of the Lenders, the Administrative Agent and each of them hereunder or under any other Loan Document or other instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lenders, the Administrative Agent or any of them of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or any other Loan Document shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lenders, the Administrative Agent or any of them may be lawfully entitled for such default or breach. Any waiver by the Lenders, the Administrative Agent or any of them of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein or in any other Loan Document and any indulgence granted, either expressly or by course of conduct, by the

Lenders, the Administrative Agent or any of them shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lenders, the Administrative Agent or any of them under this Agreement or any other Loan Document as a result of any other default or breach hereunder or thereunder.

10.5 Suspension of Lenders' Obligations

Without prejudice to the rights which arise out of this Agreement or by law, the occurrence of an Event of Default shall, while such Event of Default shall be continuing, relieve the Lenders of all obligations to make any Advances hereunder (whether or not any Drawdown Notice in respect of any such Advance shall have been received by the Administrative Agent prior to the occurrence of an Event of Default) or to accept or comply with any Drawdown Notice, Conversion Notice or Rollover Notice or accept or purchase drafts or Bankers' Acceptances or Acceptance Notes in replacement of maturing Bankers' Acceptances or Acceptance Notes. Without prejudice to the rights which arise out of this Agreement or by law, the occurrence of an Event of Default shall, while such Event of Default is continuing, relieve the Issuing Lender of all obligations to issue Letters of Credit hereunder (whether or not any Issuance Request in respect of any such Letter of Credit shall have been received by the Administrative Agent and the Issuing Bank prior to the occurrence of an Event of Default) or to comply with any Issuance Request.

10.6 Application of Payments After an Event of Default

If any Event of Default shall occur and be continuing, all payments made by the Borrowers hereunder, payments made pursuant to any of the provisions of any of the Guarantees or the other Security Documents or from the proceeds of realization of the Security shall be applied in the following order:

(a) to amounts due hereunder or under any other Loan Document as costs and expenses of the Administrative Agent;

(b) to amounts due hereunder or under any other Loan Document as costs and expenses of the Lenders;

(c) to amounts due hereunder or under any other Loan Document as fees;

(d) to any other amounts (other than amounts in respect of interest or principal) due hereunder or under any other Loan Document;

(e) to amounts due hereunder or under any other Loan Document as interest or pursuant to any Eligible Hedging Agreement (other than in connection with an early termination of any Eligible Hedging Agreement); and

(f) to amounts due hereunder or under any other Loan Document as principal or payable in connection with an early termination of any Eligible Hedging Agreement.

ARTICLE 11
THE ADMINISTRATIVE AGENT AND ADMINISTRATION OF THE FACILITY

11.1 Authorization of Action

Each Lender hereby irrevocably appoints and authorizes the Administrative Agent to be its agent in its name and on its behalf and to exercise such rights or powers granted to the Administrative Agent under this Agreement and the Loan Documents to the extent specifically provided herein and therein and on the terms hereof and thereof, together with such rights, powers and discretions as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement or the Loan Documents, the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected as against the Lenders in so acting or refraining from acting) upon the instructions of the Majority Lenders or the Super Majority Lenders, as applicable, and such instructions shall be binding upon all Lenders; provided, however, that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to liability in such capacity, which could result in the Administrative Agent incurring any costs and expenses or which is contrary to this Agreement or Applicable Law.

11.2 Procedure for Making Advances

(a) The Administrative Agent shall make Advances available to the relevant Borrowers as required hereunder by debiting the account of the Administrative Agent to which the Relevant Lenders' Main Facility Rateable Portions of such Advances have been credited in accordance with Section 11.2(b) (or causing such account to be debited) and, in the absence of other arrangements agreed to by the Administrative Agent and Celestica in writing, by transferring (or causing to be transferred) like funds in accordance with the instructions of the Borrower as set forth in the Drawdown Notice in respect of each Advance; provided that the obligation of the Administrative Agent hereunder shall be limited to taking such steps as are commercially reasonable to implement such instructions, which steps once taken shall constitute conclusive and binding evidence that such funds were advanced hereunder in accordance with the provisions relating thereto and the Administrative Agent shall not be liable for any damages, claims or costs which may be suffered by the Borrower and occasioned by the failure of such Advance to reach the designated destination, except to the extent such damages, claims or costs are the result of the gross negligence or wilful misconduct (as determined by a final, non-appealable decision of a court of competent jurisdiction) of the Administrative Agent.

(b) Unless the Administrative Agent has been notified by a Relevant Lender on the Banking Day prior to the Drawdown Date requested by a Borrower that such Relevant Lender will not make available to the Administrative Agent its Main Facility Rateable Portion of such Advance, the Administrative Agent may assume that such Relevant Lender has made such portion of the Advance available to the Administrative Agent on the Drawdown Date in accordance with the provisions hereof and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to

the extent such Relevant Lender shall not have so made its Main Facility Rateable Portion of the Advance available to the Administrative Agent, then such Relevant Lender shall pay to the Administrative Agent forthwith on demand such Relevant Lender's Main Facility Rateable Portion of the Advance and all reasonable costs and expenses incurred by the Administrative Agent in connection therewith together with interest thereon (at the rate payable thereunder by the Borrower in respect of such Advance) for each day from the date such amount is made available to the Borrower until the date such amount is paid to the Administrative Agent; provided, however, that notwithstanding such obligation, if such Relevant Lender fails to so pay, the Borrower covenants and agrees that without prejudice to any rights such Borrower may have against such Relevant Lender, it shall reimburse such amount to the Administrative Agent forthwith after demand therefor by the Administrative Agent. The amount payable to the Administrative Agent pursuant hereto shall be as set forth in a certificate delivered by the Administrative Agent to such Relevant Lender and such Borrower (which certificate shall contain reasonable details of how the amount payable is calculated) and shall be conclusive and binding, for all purposes, in the absence of manifest error. If such Relevant Lender makes the payment to the Administrative Agent required herein, such Relevant Lender shall be considered to have made its Main Facility Rateable Portion of the Advance for purposes of this Agreement and the Administrative Agent shall make appropriate entries in the books of account maintained by the Administrative Agent.

(c) The failure of any Lender to make its Main Facility Rateable Portion of any Advance shall not relieve any other Lender of its obligation, if any, hereunder to make its Main Facility Rateable Portion of such Advance on the Drawdown Date, but no Lender shall be responsible for the failure of any other Lender to make the Main Facility Rateable Portion of the Advance to be made by such other Lender on the date of any Advance.

(d) Where a Drawdown under the Facility and a repayment of an Advance under the Facility are to occur on the same day, the Administrative Agent shall not make available to the relevant Borrower the amount of the Advance to be drawn down until the Administrative Agent is satisfied that it has received irrevocable and irreversible payment of the amount to be prepaid or repaid. Notwithstanding the foregoing, in the absence of gross negligence or wilful misconduct (as determined by a final, non-appealable decision of a court of competent jurisdiction) on the part of the Administrative Agent, the risk of non-receipt of the amount to be repaid is that of the Relevant Lenders and not of the Administrative Agent.

(e) This Section 11.2 shall not apply to Swing Line Advances.

(f) Any amount payable to a Defaulting Lender under this Agreement (whether on account of principal, interest, fees or otherwise) shall, in lieu of being distributed to such Defaulting Lender, be retained by the Administrative Agent in a segregated account and, subject to any applicable requirements of law, be applied at such time or times as may be determined by the Administrative Agent,

(i) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder;

(ii) second, to the payment of any amounts owing by such Defaulting Lender to the Issuing Bank hereunder;

(iii) third, to the funding of any Advance or the funding or cash collateralization of any participating interest in any Letter of Credit or Swing Line Advance; and

(iv) fourth, held in such account as cash collateral for future funding obligations of the Defaulting Lender under this Agreement.

11.3 Remittance of Payments

Forthwith after receipt of any repayment of principal or payment of interest or fees pursuant to any provision of this Agreement, the Administrative Agent which has received such repayment or payment shall, subject to adjustment in accordance with Section 11.16, remit to each Relevant Lender its Main Facility Rateable Portion thereof; provided, however, that the Administrative Agent shall be entitled to set off against and deduct from any amount payable to a Relevant Lender any outstanding amounts payable by such Relevant Lender to the Administrative Agent pursuant to Section 11.2(b). Forthwith after receipt of any payment of Facility Fees pursuant to Section 2.14(a), the Administrative Agent shall remit to each Lender its portion of such payment as determined in accordance with Section 2.14(a). If the Administrative Agent, on the assumption that it will receive on any particular date a payment of principal, interest or fees hereunder, remits such payment to the Lenders and the Borrowers fail to make such payment, each of the Lenders agrees to repay to the Administrative Agent forthwith on demand the amount received by it together with all reasonable costs and expenses incurred by the Administrative Agent in connection therewith to the extent not reimbursed by the Borrower and interest thereon at the rate and calculated in the manner applicable to the Advance in respect of which such payment was made for each day from the date such amount is remitted to the Lenders, the exact amount of the repayment required to be made by the Lenders pursuant hereto to be as set forth in a certificate delivered by the Administrative Agent to each Relevant Lender, which certificate shall be conclusive and binding for all purposes in the absence of manifest error. The Administrative Agent shall make appropriate entries in the register maintained by it to reflect the foregoing.

11.4 Redistribution of Payment

(a) If any Lender receives or recovers (whether by payment or combination of accounts or otherwise) an amount owed to it by a Borrower under this Agreement otherwise than through the Administrative Agent, then such Lender shall, within two Banking Days following such receipt or recovery, notify the Administrative Agent (who shall in turn notify the other Lenders) of such fact.

(b) Subject to the other terms and conditions of this Agreement, if at any time the proportion which any Relevant Lender (a "**Recovering Lender**") has received or recovered (whether by payment or combination of accounts or otherwise) in respect of its portion of any payment to be made under this Agreement by a

Borrower for the account of such Recovering Lender and one or more other Relevant Lenders is greater (the amount of the excess being in this Section 11.4 called the "**excess amount**") than the proportion thereof received or recovered by the Relevant Lender or Relevant Lenders receiving or recovering the smallest proportion thereof, then:

(i) the Recovering Lender shall, within two Banking Days following such receipt or recovery, pay to the Administrative Agent an amount equal to the excess amount; and

(ii) the Administrative Agent shall treat the amount received by it from the Recovering Lender pursuant to paragraph (i) above as if such amount had been received by it from such Borrower pursuant to its obligations under this Agreement and shall pay the same to the Persons entitled thereto (including such Recovering Lender) *pro rata* to their respective entitlements thereto in which event, for all purposes in connection herewith, the Recovering Lender shall be deemed only to have received or recovered from such Borrower that portion of the excess amount which is actually paid to the Recovering Lender by the Administrative Agent pursuant to this Section 11.4(b)(ii).

(c) If a Relevant Lender that has paid an excess amount to the Administrative Agent in accordance with Section 11.4(b)(i) is required to refund the whole (or a portion) of such excess amount to the Borrower, then each of the other Relevant Lenders shall pay to the Administrative Agent for the account of that Lender the whole (or that proportion) of the amount received by it as a result of the distribution in respect of that excess amount made by the Administrative Agent pursuant to Section 11.4(b)(ii).

11.5 Duties and Obligations

(a) None of the Agents nor any of their respective directors, officers, agents or employees (and, for purposes hereof, each of the Agents shall be deemed to be contracting for and on behalf of such Persons) shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement except for its or their own gross negligence or wilful misconduct, as determined by a final, non-appealable decision of a court of competent jurisdiction. Without limiting the generality of the foregoing, each Agent:

(i) may assume that there has been no assignment or transfer by any means by any Lender of its rights hereunder, unless and until the Administrative Agent has received a duly completed and executed assignment in form satisfactory to it;

(ii) may consult with legal counsel (including the Lenders' Counsel), independent public accountants and other experts of reputable standing selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts;

(iii) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing believed by it to be genuine and signed or sent by the proper party or parties or by acting upon any representation or warranty of the Borrowers or any Guarantor made or deemed to be made hereunder;

(iv) may assume that no Event of Default has occurred and is continuing unless an appropriate officer charged with the administration of this Agreement has actual notice or knowledge to the contrary;

(v) may rely as to any matters of fact which might reasonably be expected to be within the knowledge of any Person upon a certificate signed by or on behalf of such Person; and

(vi) shall incur no liability for its failure to distribute to any Lender the financial statements or other information provided to the Administrative Agent by the Borrowers or any Guarantor.

Further, each Agent (a) shall not have any duty to ascertain or to enquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of any of the Borrowers or any Guarantor or to inspect the property (including the books and records) of any of the Borrowers or any Guarantor and (b) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any instrument or document furnished pursuant hereto.

(b) No Agent makes any warranty or representation to any Lender nor shall any Agent be responsible to any Lender for the accuracy or completeness of the data made available to any of the Lenders in connection with the negotiation of this Agreement, or for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement.

(c) Except as otherwise provided for herein, an Agent may, but is not obligated to, seek the approval of the Majority Lenders to any consents required to be given by an Agent hereunder.

11.6 Prompt Notice to the Lenders

Subject to the provisions of Section 11.5(a)(vi), the Administrative Agent agrees to provide to the Lenders, copies where appropriate, of all information, notices and reports required to be given to the Administrative Agent by the Borrowers and the Guarantors hereunder or pursuant to any other Loan Document, promptly upon receipt of same, excepting therefrom information and notices relating solely to the role of the Administrative Agent hereunder.

11.7 Agent's Authority

With respect to its Commitment and the Advances made by it as a Lender, an Agent shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not an Agent. An Agent may accept deposits from, lend money to, and

generally engage in any kind of business with the Borrowers and the Subsidiaries or any corporation or other entity owned or controlled by any of them and any Person which may do business with any of them, all as if the Agent was not an Agent hereunder and without any duties to account therefor to the Lenders.

11.8 Lender's Independent Credit Decision

It is understood and agreed by each Lender that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Borrowers and its Subsidiaries. Accordingly, each Lender confirms with the Agents that it has not relied, and will not hereafter rely, on the Agents (i) to check or enquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Borrowers or any other Person under or in connection with this Agreement, the other Loan Documents or the transactions herein or therein contemplated (whether or not such information has been or is hereafter distributed to such Lender by an Agent), or (ii) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of the Borrowers or any Subsidiary. Each Lender acknowledges that a copy of this Agreement has been made available to it for review and each Lender acknowledges that it is satisfied with the form and substance of this Agreement.

11.9 Indemnification

Each Lender hereby agrees to indemnify the Agents (to the extent not reimbursed by the Borrowers) in its Global Rateable Portion, from and against any and all liabilities, obligations, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against an Agent (in its capacity as agent for the Lenders) in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or admitted by an Agent under or in respect of this Agreement or any other Loan Documents; provided that no Lender shall be liable for any portion of such liabilities, obligations, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or wilful misconduct, as determined by a final, non-appealable decision of a court of competent jurisdiction. Without limiting the generality of the foregoing, each Lender agrees to reimburse such Agent promptly upon demand in the proportion specified herein in respect of any out-of-pocket expenses (including counsel fees) incurred by such Agent in connection with the preservation of any rights of the Agents or the Lenders under, or the enforcement of, or legal advice in respect of the rights or responsibilities under, this Agreement or any other Loan Documents, to the extent that the Agent is not reimbursed for such expenses by the Borrowers.

11.10 Successor Agent

The Administrative Agent may, as hereinafter provided, resign at any time by giving not less than 30 days' written notice thereof to the Lenders and the Borrowers. The Administrative Agent may, as hereinafter provided, be removed at any time on not less than 30 days' written notice thereof by the Majority Lenders provided that the Majority Lenders have designated a successor who is prepared to act hereunder and which is acceptable to Celestica, acting reasonably. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor agent (the "**Successor Agent**") which shall be a Lender and which shall be acceptable to the Borrowers, acting reasonably. Upon the acceptance of any appointment hereunder by a

Successor Agent, such Successor Agent shall thereupon become Administrative Agent hereunder and shall succeed to and become vested with all the rights, powers, privileges and duties of CIBC and CIBC shall thereupon be discharged from its further duties and obligations as Administrative Agent under this Agreement. After any resignation or removal of CIBC under this Section 11.10, the provisions of this Article 11 shall continue to enure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent hereunder.

11.11 Taking and Enforcement of Remedies

(a) Each of the Lenders hereby acknowledges that, to the extent permitted by Applicable Law, the remedies provided hereunder or under the Security Documents to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder and thereunder are to be exercised not severally, but collectively by the Administrative Agent upon the decision of the Lenders, the Majority Lenders or the Super Majority Lenders, as applicable, regardless of whether declaration or acceleration was made pursuant to Section 10.2; accordingly, notwithstanding any of the provisions contained herein and therein, each of the Lenders hereby covenants and agrees that it shall not be entitled to take any action with respect to the Facility, including, without limitation, any declaration or acceleration under Section 10.2, but that any such action shall be taken only by the Administrative Agent with the prior written consent of the Lenders, the Majority Lenders or the Super Majority Lenders, as applicable, provided that, notwithstanding the foregoing:

(i) in the absence of instructions from the Lenders, from the Majority Lenders or from the Super Majority Lenders, as applicable, and where in the sole opinion of the Administrative Agent the exigencies of the situation warrant such action, the Administrative Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the interest of the Lenders; and

(ii) the commencement of litigation before any court shall be made in the name of each Lender individually unless the laws of the jurisdiction of such court permit such litigation to be commenced in the name of the Administrative Agent on behalf of the Lenders (whether pursuant to a specific power of attorney in favour of the Administrative Agent or otherwise) and the Administrative Agent agrees to commence such litigation in its name;

each of the Lenders hereby further covenants and agrees that upon any such written consent being given by the Lenders, the Majority Lenders or the Super Majority Lenders, as applicable, they shall co-operate fully with the Administrative Agent to the extent requested by the Administrative Agent in the collective realization including, without limitation, the appointment of a receiver and manager to act for their collective benefit; and each Lender covenants and agrees to do all acts and things and to make, execute and deliver all agreements and other instruments, including, without limitation, any instruments necessary to effect any registrations, so as to fully carry out the intent and purpose of this

Section 11.11; and each of the Lenders hereby covenants and agrees that, other than as provided in this Agreement, it has not heretofore and shall not seek, take, accept or receive any security for any of the obligations and liabilities of the Borrowers or any Guarantor hereunder or under any other document, instrument, writing or agreement ancillary hereto and shall not enter into any agreement with any of the parties hereto or thereto relating in any manner whatsoever to the Facility, unless all of the Lenders shall at the same time obtain the benefit of any such agreement.

(b) Notwithstanding any other provision contained in this Agreement, no Lender shall be required to be joined as a party to any litigation commenced against any Obligor by the Administrative Agent, the Majority Lenders or the Super Majority Lenders, as applicable, hereunder (unless otherwise required by any court of competent jurisdiction) if it elects not to be so joined in which event any such litigation shall not include claims in respect of the rights of such Lender against the Obligors hereunder until such time as such Lender does elect to be so joined; provided that if at the time of such subsequent election it is not possible or practicable for such Lender to be so joined, then such Lender may commence proceedings in its own name in respect of its rights against the Obligors hereunder.

11.12 Reliance Upon Lenders

The Administrative Agent shall be entitled to rely upon any certificate, notice or other document provided to it by a Lender on behalf of all financial institutions and Affiliates which together constitute a Lender pursuant to this Agreement and the Administrative Agent shall be entitled to deal with the Lenders with respect to the matters under this Agreement which are such Administrative Agent's responsibilities without any liability whatsoever to the Lenders for relying upon any certificate, notice or other document provided to it by such Lender notwithstanding any lack of authority of the Lender to provide the same or to bind the other financial institutions and Affiliates which together constitute a Lender.

11.13 Reliance upon Administrative Agent

The Obligors shall be entitled to rely upon any certificate, notice or other document provided to any of them by the Administrative Agent pursuant to this Agreement or any other Loan Document and the Obligors shall be entitled to deal with the Administrative Agent (and, except as otherwise specifically provided, not to deal with any Lender prior to an Event of Default) with respect to all matters under this Agreement and the other Loan Documents without any liability whatsoever to the Lenders for relying upon any certificate, notice or other document provided to any of them by the Administrative Agent, notwithstanding any lack of authority of the Administrative Agent to provide the same. Without limiting the generality of the foregoing, but subject as herein otherwise specifically provided, none of the Lenders shall have any right to enforce directly any of the provisions of this Agreement or any other Loan Document or to communicate with the Obligors except through the Administrative Agent in accordance with the terms of this Agreement or as otherwise specifically provided in this Agreement. The provisions of this Article 11 are for the benefit of the Agents and the Lenders and, except for the provisions of Sections 11.2, 11.13, 11.14 and 11.15, may not be relied upon by the Obligors.

11.14 Replacement of Cancelled Commitments

If, at any time prior to the Maturity Date, the Commitment of any Lender or Lenders is cancelled, or any Lender fails to perform its obligations hereunder, the Administrative Agent may, and at the request of the Borrowers, provided that no Default or Event of Default has occurred and is continuing, shall use its reasonable efforts to locate one or more other Persons ("**Substitute Lenders**") satisfactory to the Borrowers (who may be an existing Lender) to become a Lender and to assume all or a portion of the Commitment so cancelled, provided that the Administrative Agent shall not be under any obligation to assume such cancelled Commitment itself if the Administrative Agent is unable to locate any Substitute Lenders. Upon locating one or more Substitute Lenders, the Administrative Agent (on behalf of each of the parties hereto other than the Borrowers and the Lender or Lenders whose Commitment has been cancelled), the Borrowers and the Substitute Lender or Lenders shall make any appropriate amendments to this Agreement which are required to incorporate such Substitute Lender or Lenders hereunder. If any Substitute Lender is not an existing Lender, then Celestica shall pay to the Administrative Agent an administration fee of U.S.$3,500.

11.15 Disclosure of Information

The Administrative Agent and each of the Lenders acknowledges the confidential nature of this Agreement, the financial, operational and other information and data provided and to be provided to it by the Borrowers pursuant hereto that is not at the time it is so provided or (other than through a breach of this Agreement) thereafter in the public domain and agrees not to disclose such information; provided, however, that:

(a) the Administrative Agent and each Lender may disclose all or any part of such information to any proposed assignee or transferee or participant of any Lender or to any potential direct or indirect swap counterparty and its counsel, provided that such Person has executed and delivered to the Administrative Agent or such Lender a confidentiality agreement in a form satisfactory to the Administrative Agent or such Lender, which terms shall include an agreement to comply with this Section 11.15;

(b) the Administrative Agent and each Lender may disclose all or any part of such information if, (A) in the sole reasonable opinion (stated in writing) of the Lenders' Counsel, such disclosure is compellable by Applicable Law in connection with any threatened judicial, administrative or governmental proceeding or is required in connection with any actual judicial, administrative or governmental proceeding or (B) such disclosure is compellable by Applicable Law, provided that in any such event the Administrative Agent or the relevant Lender will make reasonable efforts to provide Celestica with prompt written notice of any such compellable disclosure so that Celestica may seek a protective order or other appropriate remedy or relief to prevent such disclosure from being made. The failure to deliver such notice or, where applicable, the giving of such notice, shall not preclude disclosure by the Administrative Agent or the Lender where legally required in the opinion of Lenders' Counsel. In any event, the Administrative Agent or Lender will furnish only that portion of such information which, in the reasonable opinion of the Lenders' Counsel, it is legally required to

disclose and will request that confidential treatment will be accorded such information;

(c) it shall incur no liability in respect of any disclosure of such information to any, or pursuant to the requirements of any, judicial authority, law enforcement agency, tax or regulatory authority which it is required to make in accordance with Applicable Law;

(d) it shall inform the Borrowers, as soon as is practicable, of any disclosure of such information made by it unless such disclosure is in the ordinary course of its business or such tax or regulatory authority or such judicial authority or law enforcement agency requires the Administrative Agent or such Lender not to inform the Borrowers of the disclosure of such information to it;

(e) the Administrative Agent and each Lender may disclose all or any part of such information to its auditors or to Lenders' Counsel or other counsel of reputable standing for the purpose of seeking or obtaining accounting or legal advice, provided that any such auditors (except where such auditor is the Auditor General of Canada, in which case such disclosure may be made on a non-confidential basis) or counsel are bound by a professional duty of confidentiality;

(f) the Administrative Agent and each Lender may disclose such information to any employees, agents, officers and directors of the Administrative Agent or any Lender, and of any Subsidiary or Affiliate of the Administrative Agent or any Lender (a "**Representative**"), if such disclosure is required in connection with the administration of the Facility, provided that the Administrative Agent or such Lender shall be responsible for a breach by any of its Representatives of the obligation not to disclose such information;

(g) the Administrative Agent and each Lender may disclose such information to any nationally recognized rating agency that requires access to information about the Administrative Agent's or such Lender's investment portfolio in connection with ratings issued with respect to the Administrative Agent or such Lender, provided that the Administrative Agent or such Lender will request that confidential treatment will be accorded such information; and

(h) the Administrative Agent and each Lender may disclose all or any part of such information with the prior written consent of Celestica.

11.16 Adjustments of Rateable Portions

(a) In connection with any Drawdown (other than a Drawdown of a Swing Line Advance), Conversion or Rollover or any reimbursement or repayment of an Obligation, the Administrative Agent shall, in its sole and unfettered discretion, have the right (but not the obligation) to make adjustments of the amount of such Drawdown, Conversion or Rollover advanced or paid by such Lender or the amount of such reimbursement or repayment to be received by such Lender in order to maintain the balances of the Advances made by each Lender in the same portion as the Main Facility Rateable Portion of each Lender.

(b) Upon the occurrence of an acceleration under Section 10.1(h), 10.1(i) or 10.2, if, with respect to any Lender, the aggregate of all outstanding Advances made by such Lender is less than its Global Rateable Portion (after giving effect to any adjustment made pursuant to Subsection 11.16(a)) of the aggregate of all outstanding Advances, the Administrative Agent may, by written notice, require such Lender to pay to the Administrative Agent, for the credit of the other Lenders, in such currency or currencies as the Administrative Agent may in its discretion determine, such amount as may be required so as to bring the aggregate of all outstanding Advances made by such Lender equal to its Global Rateable Portion of the aggregate of all outstanding Advances. The Administrative Agent shall credit the funds received from such Lender to any other Lender or Lenders, as it may determine in its discretion, so as to render the aggregate of the outstanding Advances made by each Lender equal to the Global Rateable Portion of each Lender of all outstanding Advances.

ARTICLE 12
COSTS, EXPENSES AND INDEMNIFICATION

12.1 Costs and Expenses

Each Borrower shall pay promptly, upon request by the Administrative Agent accompanied by reasonable supporting documentation or other evidence, all reasonable costs and expenses in connection with the due diligence pertaining to or the preparation, printing, execution and delivery of this Agreement and the other documents to be delivered hereunder including, without limitation, the reasonable fees and out-of-pocket expenses of the Lenders' Counsel with respect thereto. Except for ordinary expenses of the Administrative Agent relating to the day-to-day administration of this Agreement, each Borrower further agrees to pay all reasonable out-of-pocket costs and expenses (including reasonable fees and expenses of counsel, accountants and other experts) in connection with the syndication of the Facility and the interpretation, preservation or enforcement of rights of the Administrative Agent and the Relevant Lenders under this Agreement and the Loan Documents including, without limitation, all reasonable costs and expenses sustained by them as a result of any failure by any of the Borrowers or Guarantors to perform or observe its obligations contained in any of this Agreement and the Loan Documents and including the costs and expenses of any waivers, consents, amendments, discharges, releases or similar requirements related to any Loan Document. The Borrowers further agree to pay all reasonable out-of-pocket expenses of the Issuing Bank with respect to the issuance and administration of Letters of Credit.

12.2 Indemnification by the Borrowers

In addition to any liability of each Borrower to any Relevant Lender or any Agent under any other provision hereof, each Borrower shall indemnify the Lenders and the Agents and hold each Lender and each Agent harmless against any reasonable costs or expenses incurred by a Lender or an Agent as a result of (i) any failure by such Borrower to fulfil any of its obligations hereunder or under any Loan Document in the manner provided herein including, without limitation, any cost or expense incurred by reason of the liquidation or re-employment in whole or in part of deposits or other funds required by any Lender to fund or maintain any Advance as a result of the failure of such Borrower to complete a Drawdown or to make any repayment or other payment on the date required hereunder or specified by it in any notice given hereunder; or

(ii) the failure of such Borrower to pay any other amount including, without limitation, any interest or fee due hereunder on its due date; or (iii) the prepayment or repayment by such Borrower of any LIBOR Advance or Bankers' Acceptance Advance prior to its date of maturity or the last day of the then current Interest Period for such Advance; or (iv) any failure by a Borrower or Designated Subsidiary to fulfill any of its obligations under any interest rate swap agreements entered into during the term of this Agreement by such Borrower or Designated Subsidiary with any Person who was, at the time such interest rate swap agreement was entered into, a Lender. The indemnity in Section 12.2, to the extent that it relates to clause (iv), shall survive the termination of this Agreement and the Commitments hereunder and shall remain in full force and effect until such time as the parties to such interest rate swap agreements have no obligations thereunder.

12.3 Funds

Each amount advanced, made available, disbursed or paid hereunder shall be advanced, made available, disbursed or paid, as the case may be, in immediately available funds or, after notice from the Administrative Agent, in such other form of funds as may from time to time be customarily used in the jurisdiction in which the Advance is advanced, made available, disbursed or paid in the settlement of banking transactions similar to the banking transactions required to give effect to the provisions of this Agreement on the day such advance, disbursement or payment is to be made.

12.4 General Indemnity

(a) **Indemnity.** Subject to paragraphs (b), (c) and (d) below, the Borrowers agree to indemnify and save harmless the Agents, the Lenders, their respective Affiliates involved in the syndication or administration of the Facility, their respective officers, directors, employees and agents (collectively, the "**Indemnitees**" and individually, an "**Indemnitee**") from and against any and all liabilities, claims, damages and losses (including reasonable legal fees and disbursements of counsel but excluding loss of profits and special or consequential damages) (collectively, the "**Losses**") as a result of any claims, actions or proceedings ("**Claims**") asserted against the Indemnitees, by a Person other than the Indemnitees in connection with the agreement of the Lenders to provide the Facility, the Commitments of the Lenders and the Advances made by the Lenders including, without limitation: (i) the costs of defending and/or counterclaiming or claiming over against third parties in respect of any Claim; and (ii) subject to the provisions set forth in paragraph (d) below, any Losses arising out of a settlement of any Claim made by the Indemnitees.

(b) **Limitations to Indemnity.** The foregoing obligations of indemnification shall not apply to (i) any Losses suffered by the Indemnitees or any of them or to any Claim asserted against the Indemnitees or any of them to the extent such Loss or Claim has resulted from the gross negligence or wilful misconduct (as determined by a final, non-appealable decision of a court of competent jurisdiction) of the Indemnitees or any of them; or (ii) any Losses with respect to Taxes for which an Indemnitee may claim an indemnity from an Obligor pursuant to Section 5.5(b) of this Agreement.

(c) **Notification.** Whenever a Lender or an Agent shall have received notice that a Claim has been commenced or threatened, which, if successful, would subject a Borrower (the "**Indemnifying Party**") to the indemnity provisions of this Section 12.4, the Lender or the Agent shall as soon as reasonably possible notify (to the extent permitted by law) the Indemnifying Party in writing of the Claim and of all relevant information the Lender or the Agent possesses relating thereto; provided, however, that failure to so notify the Indemnifying Party shall not release it from any liability which it may have on account of the indemnity set forth in this Section 12.4, except to the extent that the Indemnifying Party shall have been materially prejudiced by such failure.

(d) **Defence and Settlement.** The Indemnifying Party shall have the right, but not the obligation, to assume the defence of any Claim in any jurisdiction with legal counsel of reputable standing in order to protect the rights and interest of the Indemnitees. In such respect, (i) the Indemnifying Party shall require the consent of the Indemnitees to the choice of legal counsel in connection with the Claim, which consent shall not be unreasonably withheld or delayed; and (ii) without prejudice to the rights of the Indemnitees to retain counsel and participate in the defence of the Claim, the Indemnifying Party and the Indemnitees shall make all reasonable efforts to co-ordinate their course of action in connection with the defence of such Claim. The related costs and expenses sustained in such respect by the Indemnitees shall be at the expense of the Indemnifying Party, provided that the Indemnifying Party shall only be liable for the costs and expenses of one firm of separate counsel in addition to the cost of any local counsel that may be required. If the Indemnifying Party fails to assume defence of the Claim, the Indemnitees will (upon further notice to the Borrowers) have the right to undertake, at the expense of the Indemnifying Party, the defence, compromise or settlement of the Claim on behalf and for the account and risk of the Indemnifying Party, subject to the right of the Indemnifying Party to assume the defence of the Claim at any time prior to settlement, compromise or final determination thereof.

Notwithstanding the foregoing, in the event the Indemnitee, acting reasonably, does not agree with the manner or timeliness in which the legal counsel of the Indemnifying Party is carrying on the defence of the Claim, or, pursuant to the opinion of a reputable counsel retained by the Indemnitee, there may be one or more legal defences available different from the one carried on by the legal counsel of the Indemnifying Party, the Indemnitee shall have the right to assume its own defence in the Claim by appointing its own legal counsel. The costs and the expenses sustained by the Indemnitee shall be at the expense of the Indemnifying Party provided that the Indemnifying Party shall only be liable for the costs and expenses of one firm of separate counsel, in addition to the costs of any local counsel that may be required.

The Indemnifying Party shall not be liable for any settlement of any Claim effected without its written consent (which shall not be unreasonably withheld or delayed). In addition, the Indemnifying Party will not, without the prior written consent of the Indemnitee (which consent shall not be unreasonably withheld or delayed), settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any Claim or threatened Claim in respect of which indemnification or contribution may be sought hereunder.

If an offer for settlement made to any Indemnitee which the Indemnifying Party has recommended for acceptance is rejected by the Indemnitee and the final liability of the Indemnitee in respect of such action and all related damages is greater than such offer, the liability of the Indemnifying Party will only be to indemnify the Indemnitee up to the amount of such offer.

12.5 Environmental Claims

(a) **Indemnity.** Subject to paragraphs (b), (c) and (d) below, the Borrowers agree to indemnify and save harmless the Indemnitees from and against any and all Losses as a result of any Claims asserted against the Indemnitees by a Person other than the Indemnitees with respect to any material presence or Release on, into, onto, under or from any property owned, leased or operated by any of the Borrowers or any Subsidiary (the "**Property**") of any Hazardous Material regardless of whether caused by, or within the control of, the Borrower or any Subsidiary or which arises out of or in connection with any action of, or failure to act by, the Borrowers or any Subsidiary or any predecessor or successor thereof in contravention of any present or future applicable Environmental Laws, whether or not having the force of law, including, without limitation: (i) the costs of defending and/or counterclaiming or claiming over against third parties in respect of any such Claim; and (ii) subject to the provisions set forth in paragraph (d) below, any Losses arising out of a settlement made by the Indemnitees of any Claim.

(b) **Limitations to Indemnity.** The foregoing obligations of indemnification shall not apply to any Losses suffered by the Indemnitees or any of them or to any Claim asserted against the Indemnitees or any of them which relates directly to any action or omission taken by any of the Indemnitees while in possession or control of the Property which is grossly negligent or constitutes wilful misconduct (as determined by a final, non-appealable decision of a court of competent jurisdiction) but shall apply to any Claim occurring during such period that relates to a continuation of conditions previously in existence or of a practise previously employed by any Obligor.

(c) **Notification.** Whenever an Indemnitee shall have received notice that a Claim has been commenced or threatened, which, if successful, would subject the Borrowers to the indemnity provisions of this Section 12.5, the Indemnitee shall as soon as reasonably possible and in any event on or before the expiry of the date (the "**Notification Date**") which is the earlier of (i) the tenth Banking Day after the receipt of such notice by the Indemnitee, and (ii) such date as will afford sufficient time for the Borrowers to prepare and file a timely answer to the Claim, notify the Borrowers of the Claim and of all relevant information the Indemnitee possesses relating thereto. If the Indemnitee shall fail to so notify the Borrowers and provide it with such information on or before the Notification Date, the Borrowers shall not have any liability hereunder in respect of any Losses suffered by the Indemnitee in respect of such Claim to the extent such Losses may be reasonably attributable to such failure by the Indemnitee.

(d) **Defence and Settlement.** The provisions of Section 12.4(d) shall apply to any Claims under this Section 12.5.

ARTICLE 13
GENERAL

13.1 Term

The Facility shall expire on the Maturity Date.

13.2 Survival

All covenants, agreements, representations and warranties made herein or in certificates delivered in connection herewith by or on behalf of each Obligor shall survive the execution and delivery of this Agreement and the making of the Drawdowns hereunder and shall continue in full force and effect so long as there is any obligation of an Obligor to the Agents and the Lenders hereunder or under any other Loan Document.

13.3 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of the Borrowers and the successors and permitted assigns of the Agents and the Lenders.

13.4 Notices

All notices, requests, demands or other communications to or from the parties hereto shall be in writing and shall be given by overnight delivery service, by hand delivery or by telecopy to the addressee as follows:

(a) If to the Borrowers:

844 Don Mills Road
Toronto, Ontario, Canada
M3C 1V7

Attention: Vice President and Corporate Treasurer
Telecopier: 416-448-2280

with a copy to:

844 Don Mills Road
Toronto, Ontario
M3C 1V7

Attention: Executive Vice President, Chief Legal and Administrative Officer
Telecopier: 416-448-2817

(b) If to the Administrative Agent:

Canadian Imperial Bank of Commerce
40 Dundas Street West
5th Floor
Toronto, Ontario
M5G 2C2

Attention: Director, Agency
Telecopier: (416) 956-3830

(c) if to a Lender, at the addresses set out in Schedule A or in the relevant Transfer Notice;

or at such other address or to such other individual as the Borrowers may designate by notice to the Administrative Agent and as the Administrative Agent or a Lender may designate by notice to the Borrowers and the Lenders or the Administrative Agent, as the case may be.

13.5 Amendment and Waiver

This Agreement and any Loan Documents collateral hereto may be modified or amended and a waiver of any breach of any term or provision of this Agreement shall be effective only if the Borrowers, the Administrative Agent and the Majority Lenders so agree in writing, provided that in all cases the Borrowers shall be entitled to rely upon the Administrative Agent, without further inquiry in respect of any amendments or waivers agreed to by the Administrative Agent and which the Administrative Agent has confirmed have been agreed to by the Majority Lenders; provided further, however, that:

(a) no amendment, waiver or consent, unless in writing and signed by all of the Lenders that are not, as at the effective date of the amendment, waiver or consent a Defaulting Lender, shall: (i) increase the Commitment of any Lender or subject any Lender to any additional obligation, provided however, that in no event shall any Lender have the ability to increase the Commitment of a Defaulting Lender; (ii) reduce the principal of, or interest on, the Advances or reduce any fees hereunder; (iii) postpone any date fixed for any payment of principal of, or interest on, the Advances or any other amounts payable hereunder; (iv) amend the definition of Majority Lenders or Super Majority Lenders; (v) amend this Section 13.5; or (vi) release, in one transaction or a series of transactions, all or substantially all of the Guarantees or the Security (other than in accordance with Section 9.1(p)(v)); except that to the extent the Commitment of a Lender is increased in accordance with Section 2.3(g), Section 7.1(d) or Section 7.1(f), neither the consent of the Lenders nor the Administrative Agent will be required;

(b) except as otherwise expressly provided herein, the amendment at any time of any Security Document or the release at any time of any Guarantee or Security, in each case where Section 13.5(a)(vi) does not apply, by the Administrative Agent, on behalf of itself and the Lenders, will require the consent of the Super Majority Lenders, except that: (i) to the extent that a release of a Guarantee or any Security, as applicable, may be effected pursuant to a transaction subject to Section 13.12 only, the consent of the Administrative Agent and the Majority Lenders will be required; (ii) to the extent that a release of a Guarantee or any Security, as

applicable, may be effected pursuant to Section 7.3(b) only, the consent of the Administrative Agent will be required; (iii) the consent to the release of a Guarantee or any Security, as applicable, granted by a Material Restricted Subsidiary shall be deemed to have been given by the Super Majority Lenders or the Majority Lenders, as applicable, if the Super Majority Lenders or the Majority Lenders, as applicable, provided consent to the sale of the Shares of a Material Restricted Subsidiary or a Domestic Restricted Subsidiary or the sale of all or substantially all of the undertaking, property and assets of a Material Restricted Subsidiary or Domestic Restricted Subsidiary used in conducting a business, as applicable, pursuant to Section 9.2(b)(ix); and (iv) to the extent that an amendment, as determined by the Administrative Agent and Lenders' Counsel, each acting reasonably, does not materially impair the enforceability or unconditionality of such Guarantee or such Security, the consent of the Administrative Agent is required; and

(c) no amendment, waiver or consent, unless in writing and signed by the Administrative Agent, Swing Line Lender or Issuing Bank, as applicable, in addition to the Lenders required herein above to take such action, affects the rights or duties of the Administrative Agent, Swing Line Lender or Issuing Bank, as applicable, under this Agreement or any Advance.

A waiver of any breach of any term or provision of this Agreement shall be limited to the specific breach waived.

13.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Agents, Lenders and Borrowers agree that any legal suit, action or proceeding arising out of this Agreement or any Loan Document may be instituted in the courts of Ontario, and the Agents, Lenders and Borrowers hereby accept and irrevocably submit to the nonexclusive jurisdiction of said courts and acknowledge their competence and agree to be bound by any judgment thereof.

13.7 Further Assurances

Each Obligor shall promptly cure any default in its execution and delivery of this Agreement or in any of the other instruments referred to or contemplated herein to which it is a party. Each Obligor, at its expense, will promptly execute and deliver, or cause to be executed and delivered, to the Administrative Agent, upon request, all such other and further documents, agreements, certificates and instruments in compliance with, or accomplishment of the covenants and agreements of such Obligor hereunder or more fully to state the obligations of such Obligor as set out herein or to make any recording, file any notice or obtain any consents, all as may be necessary or appropriate in connection therewith.

13.8 Enforcement and Waiver by the Lenders

Subject to Section 11.11, the Administrative Agent and the Lenders shall have the right at all times to enforce the provisions of this Agreement and the other Loan Documents in strict accordance with the terms hereof and thereof, notwithstanding any conduct or custom on the part

of the Administrative Agent or the Lenders in refraining from so doing at any time or times. The failure of the Administrative Agent or the Lenders at any time or times to enforce their rights under such provisions, strictly in accordance with the same, shall not be construed as having created a custom in any way or manner, modified or waived the same. All rights and remedies of the Administrative Agent and the Lenders are cumulative and concurrent and the exercise of one right or remedy shall not be deemed a waiver or release of any other right or remedy.

13.9 Execution in Counterparts

This Agreement may be executed in counterparts, each of which shall be considered an original and all of which taken together shall constitute a single agreement.

13.10 Assignment by the Borrowers

The rights and obligations of the Borrowers under this Agreement are not assignable to any other Person, except in accordance with Article 7, without the prior written consent of all of the Lenders, which consent shall not be unreasonably withheld.

13.11 Assignments and Transfers by a Lender

(a) With the prior written consent of the Administrative Agent and Celestica, such consent not to be unreasonably withheld or delayed, any Lender may, at any time, assign all or any of its rights and benefits hereunder or transfer in accordance with Section 13.11(b) all or any of its rights, benefits and obligations hereunder; provided that in the event that such assignment would give rise to a claim for increased costs pursuant to Article 5, it shall not be unreasonable for Celestica to withhold its consent to such assignment. Any assignment or transfer shall be with respect to a minimum Commitment of U.S.$10,000,000 and integral multiples of U.S.$1,000,000 in excess thereof. A lesser amount may be assigned or transferred by any Lender if such amount represents the remaining balance of such Lender's Commitment. Notwithstanding the foregoing, the consent of the Administrative Agent and Celestica is not required in connection with the assignment or transfer of all or any of the rights, benefits and obligations hereunder (i) to any Subsidiary or Affiliate of a Lender or to any other Lender hereunder provided that notice is given to the Administrative Agent and Celestica, and provided that, in either case, any such assignment or transfer does not give rise to a claim for increased costs pursuant to Article 5 or any obligation on the part of an Obligor to deduct or withhold any Taxes from or in respect of any sum payable hereunder to the Administrative Agent or the Lenders, in either case, in excess of what would have been the case without such assignment, or such assignee waives the rights to any benefits under Section 5.5; or (ii) to any Person if an Event of Default has occurred and is continuing.

(b) If any Lender assigns all or any of its rights and benefits hereunder in accordance with Section 13.11(a), then, unless and until the assignee has agreed with the Administrative Agent and the other Lenders (in a Transfer Notice or otherwise) that it shall be under the same obligations towards each of them as it would have been under if it had been an original party hereto as a Lender, none of the Administrative Agent or any of the other Lenders or the Borrowers shall be

obliged to recognize such assignee as having the rights against each of them which it would have had if it had been such a party hereto.

(c) If any Lender wishes to assign all or any of its rights, benefits and/or obligations hereunder as contemplated in Section 13.11(a), then such transfer may be effected upon:

(i) receipt of the written consent of the Administrative Agent and Celestica as referred to in Section 13.11(a) delivered to the relevant assignee by the Administrative Agent unless an Event of Default has occurred and is continuing in which case consent of Celestica shall not be required;

(ii) the delivery to and countersignature by the relevant Lender of a duly completed and duly executed Transfer Notice; and

(iii) if any Lender wishes to assign any of its rights, benefits and/or obligations hereunder to a financial institution which is not a Lender or a Subsidiary or Affiliate of a Lender, such Lender shall have paid to the Administrative Agent a fee in the amount of U.S.$3,500;

in which event, on the later of the effective date, if any, specified in such Transfer Notice and the fifth Banking Day after the date of delivery of such Transfer Notice to the Administrative Agent (unless the Administrative Agent agrees to a shorter period):

(iv) to the extent that in such Transfer Notice the Lender party thereto seeks to transfer its rights and obligations hereunder, each of the Obligors and such Lender shall be released from further obligations towards one another hereunder and their respective rights against one another shall be cancelled (such rights and obligations being referred to in this Section 13.11(c) as "**discharged rights and obligations**");

(v) each of the Obligors and the assignee party thereto shall assume obligations towards one another and/or acquire rights against one another which differ from such discharged rights and obligations only insofar as such Obligor and such Assignee have assumed and/or acquired the same in place of such Obligor and such Lender; and

(vi) the Administrative Agent, such assignee and the other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had such assignee been an original party hereto as a Lender with the rights and/or obligations acquired or assumed by it as a result of such transfer.

(d) Each of the parties hereto confirms that:

(i) the delivery to an assignee of a Transfer Notice signed by a Lender constitutes an irrevocable offer (subject to the conditions of

Section 13.11(c)) by each of the parties hereto to accept such transferee (subject to

the conditions set out herein) as a Lender party hereto with the rights and obligations so expressed to be transferred;

(ii) such offer may be accepted by such assignee by the execution of such Transfer Notice by such assignee and upon fulfilment of the conditions set forth in Section 13.11(c); and

(iii) the provisions of this Agreement shall apply to the contract between the parties thereto arising as a result of acceptance of such offer.

(e) The Administrative Agent shall not be obliged to accept any Transfer Notice received by it hereunder and no such Transfer Notice may take effect on any day on or after the receipt by the Administrative Agent of a Drawdown Notice and prior to the date for the making of the proposed Advance.

(f) No transfer pursuant to this Section 13.11 shall, unless the Administrative Agent otherwise decides in its absolute discretion and notifies the parties to such transfer accordingly, be effective if the date for effectiveness of such transfer on the day on which the Administrative Agent receives the applicable Transfer Notice is on, or less than five Banking Days before, the day for the payment of any interest or fee hereunder.

(g) Any Lender may participate all or any part of its interest hereunder, provided that any such participation does not give rise to a claim for increased costs pursuant to Article 5 or any obligation on the part of an Obligor to deduct or withhold any Taxes from or in respect of any sum payable hereunder to an Agent or the Lenders, or such Lender and participant waive the right to any benefits under Section 5.5 and, in such case, notice of such participation has been given to the Administrative Agent and Celestica. Such participant shall not be entitled to any vote as a Lender. The Borrowers shall not be obligated to deal with any participant and shall be entitled to deal solely with the Lender and the Lender shall not be released from any of its obligations to the Borrowers as a result of such participation except to the extent that the participant has fulfilled such obligations. Such participants shall be bound to the same confidentiality provisions with respect to the Facility, the Borrowers and the Subsidiaries as are applicable to the Lenders.

13.12 Certain Requirements in Respect of Merger, Etc

No Borrower shall, and the Borrowers shall not permit any Restricted Subsidiary (in each case, a "**Predecessor Corporation**") to, enter into any transaction (whether by way of liquidation, dissolution, amalgamation, merger, transfer, sale or otherwise) whereby all or substantially all of its undertaking, property and assets would become the property of any other Person other than in accordance with Section 9.2(b)(vii) or Section 9.2(b)(ix) or, in the case of any such amalgamation or merger, of the continuing company resulting therefrom, or whereby the obligation of the Predecessor Corporation to pay amounts under this Agreement would become subject to novation or assumed or undertaken by any other such Person or continuing company (a "**Corporate Reorganization**"), provided that it may do so (and if the Predecessor Corporation is a Borrower or a Material Restricted Subsidiary or a Grantor such Person or continuing

company shall become a party to this Agreement or to the Guarantee provided by such Material Restricted Subsidiary or the other Security Documents, as applicable, provided by such Grantor as the case may be) if:

(a) such other Person or continuing company (herein referred to as a "**Successor Corporation**") is a Borrower or Restricted Subsidiary;

(b) where required in the reasonable opinion of Lenders' Counsel, a Successor Corporation which is a Borrower or Material Restricted Subsidiary or Grantor shall execute and/or deliver to the Administrative Agent an agreement supplemental hereto or to the Guarantee or Guarantees or the Security Documents, as applicable, executed by a Predecessor Corporation or Predecessor Corporations, as the case may be, in form reasonably satisfactory to the Administrative Agent and execute and/or deliver such other instruments, if any, which to the reasonable satisfaction of the Administrative Agent and in the opinion of Lenders' Counsel are necessary to evidence (i) the assumption by the Successor Corporation of liability under each Loan Document to which the Predecessor Corporation is a party for the due and punctual payment of all money payable by the Predecessor Corporation thereunder, (ii) the covenant of the Successor Corporation to pay the same, (iii) the agreement of the Successor Corporation to observe and perform all the covenants and obligations of the Predecessor Corporation under each Loan Document to which the Predecessor Corporation was a party and to be bound by all the terms of each such Loan Document so far as they relate to the Predecessor Corporation, and (iv) if applicable, that the Security granted by the Predecessor Corporation continues to secure all of the Obligations and Eligible Hedging Obligations of the Successor Corporation pursuant to or in connection with any Loan Document, which instruments, if any, shall be in form reasonably satisfactory to the Administrative Agent;

(c) such transaction would not have a Material Adverse Effect;

(d) all Other Taxes payable as a result of such transaction have been paid;

(e) such transaction will not result in any claim for increased costs pursuant to Section 5.2 or result in any Tax being levied on or payable by the Administrative Agent or any Lender (except for Taxes on the overall net income or capital of the Administrative Agent or a Lender provided there is no increase in such Taxes as a result of such transaction);

(f) such transaction will not cause, or have the result of the Administrative Agent, the Lenders or any of them being in default under, noncompliance with, or violation of, any Applicable Law;

(g) an opinion of Borrowers' counsel, substantially in the form and as to matters addressed in the opinion of Borrowers' Counsel delivered pursuant to Section 6.1 and as to the matters addressed in the opinion of the Borrowers' Counsel delivered pursuant to Section 9.1(p)(ii), as applicable, shall have been delivered to the Administrative Agent;

(h) each of the covenants set forth in Section 9.3 shall be satisfied on an actual and pro forma basis after giving effect to such transaction;

(i) evidence of the due registration, recording and/or filing of the Security Documents in all jurisdictions necessary to protect, perfect and preserve as first ranking security (subject to Permitted Encumbrances) the Security created thereby; and

(j) no Default or Event of Default shall have occurred and be continuing or will occur as a result of such transaction.

Sections 13.12(a), (b) and (g) shall not apply (i) to the liquidation or dissolution of the Restricted Subsidiaries listed in Schedule R; (ii) to the merger of the Restricted Subsidiaries listed in Schedule S; and (iii) in connection with the reorganization of the Celestica Liquidity Management Hungary Limited Liability Company holding structure, to the dissolution of Celestica Liquidity Management Hungary Limited Liability Company, Celestica (Gibraltar) Limited, Celestica (Luxembourg) S.ar.l and 3250297 Nova Scotia Company through a series of transactions with the ultimate effect of transferring the assets of such entities to Celestica.

This Section 13.12 shall not apply to permit any consolidation, amalgamation or merger by or of Celestica unless, as the result thereof, the Successor Corporation is Celestica.

A Successor Corporation shall not be required to comply with Section 13.12(b), (g) and (i) in respect of a Corporate Reorganization where (i) no Security Document has been delivered by a Predecessor Corporation or is required to be delivered by a Successor Corporation, and (ii) one or more of the participants in the subject Corporate Reorganization is a Predecessor Corporation which is a Borrower or Restricted Subsidiary existing under the laws of an Exempted Jurisdiction and which, prior to the completion of such Corporate Reorganization, delivered a Guarantee in accordance with Section 9.1(m)(i) and the Guarantee delivered by such Predecessor Corporation (the "**Predecessor Guarantee**") has not been terminated or released. In this paragraph, "**Exempted Jurisdiction**" means:

(i) the Province of Ontario, unless, following the date hereof, the laws of such Province change in a manner that would adversely affect the enforceability of the Predecessor Guarantee against the Successor Corporation;

(ii) Canada, unless following the date hereof, the laws of Canada or the laws of the Province of Canada which govern such Guarantee change in a manner that would adversely affect the enforceability of the Predecessor Guarantee against the Successor Corporation; and

(iii) the State of Delaware, unless, following the date hereof, the laws of such State change in a manner that would adversely affect the enforceability of the Predecessor Guarantee against the Successor Corporation.

13.13 Location of Lenders

Unless otherwise agreed between the Administrative Agent and Celestica, each Lender shall be resident in, or have a Related Lender in each of Canada and the United States of America. In

respect of any Lender which assigns or shares part of its Commitment with a Related Lender, the provisions of Article 11 relating to the appointment and authorization of the Administrative Agent and the indemnification of the Agents shall apply equally to each such Related Lender.

13.14 Set-Off

If an Event of Default has occurred, the Administrative Agent and each Lender shall have the right to set off against any accounts, credits or balances maintained by the Obligors with the Administrative Agent or any Lender, any amount due hereunder.

13.15 Time of the Essence

Time shall be of the essence in this Agreement.

13.16 Advertisements

The Administrative Agent and the Lenders agree that prior to any advertisement with respect to this transaction, the Administrative Agent shall obtain the written consent of Celestica as to the form and content of such advertisement, such consent not to be reasonably withheld and to be provided as soon as practicable.

13.17 Judgement Currency

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due to the Administrative Agent or a Lender in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Administrative Agent or such Lender could purchase the Original Currency with the Other Currency on the Banking Day preceding the day on which final judgment is given or, if permitted by Applicable Law, on the day on which the judgment is paid or satisfied.

The obligations of an Obligor in respect of any sum due in the Original Currency from it to the Administrative Agent or any Lender under any of the Loan Documents shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Banking Day following receipt by the Administrative Agent or such Lender of any sum adjudged to be so due in the Other Currency, the Administrative Agent or such Lender may, in accordance with normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Administrative Agent or such Lender in the Original Currency, such Borrower agrees, as a separate obligation and notwithstanding the judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against any loss, and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Administrative Agent or such Lender in the Original Currency, the Administrative Agent or such Lender shall remit such excess to such Borrower.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

CELESTICA INC.

By: /s/ Paul Nicoletti
Name: Paul Nicoletti
Title: Chief Financial Officer

By: _____
Name:
Title:

DESIGNATED SUBSIDIARIES

CELESTICA INTERNATIONAL INC.

By: /s/ Paul Nicoletti
Name: Paul Nicoletti
Title: Chief Financial Officer

By: _____
Name:
Title:

CELESTICA LLC

By: /s/ Todd C. Melendy
Name: Todd C. Melendy
Title: Vice President and Secretary

By: _____
Name:
Title:

CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

By: /s/ David Evelyn
Name: David Evelyn
Title: Assistant General Manager

By: /s/ Blair Kissack
Name: Blair Kissack
Title: General Manager

CANADIAN IMPERIAL BANK OF COMMERCE, as Canadian Lender

By: /s/ Steve Nishimura
Name: Steve Nishimura
Title: Managing Director

By: /s/ Brian Mullan
Name: Brian Mullan
Title: Director

CIBC INC., as U.S. Lender

By: /s/ Eoin Roche
Name: Eoin Roche
Title: Executive Director

By: /s/ Dominic J. Sorresso
Name: Dominic J. Sorresso
Title: Executive Director

BANK OF AMERICA N.A., CANADA BRANCH, as Canadian Lender

By: /s/ Medina Sales De Andrade
Name: MEDINA SALES DE ANDRADE
Title: VICE PRESIDENT

By: _____
Name:
Title:

BANK OF AMERICA N.A., as U.S. Lender

By: /s/ Sugeet Manchanda Madan
Name: Sugeet Manchanda Madan
Title: Director

By: _____
Name:
Title:

ROYAL BANK OF CANADA, as Canadian Lender

By: /s/ Thomas E. Paton
Name: Thomas E. Paton
Title: Authorized Signatory

By: _____
Name:
Title:

ROYAL BANK OF CANADA, as U.S. Lender

By: /s/ Dustin Craven
Name: Dustin Craven
Title: Attorney-in-Fact

By: _____
Name:
Title:

EXPORT DEVELOPMENT CANADA, as Canadian Lender

By: /s/ Lena Trickey
Name: Lena Trickey
Title: Financing Manager

By: /s/ Olivier Bouchard
Name: Olivier Bouchard
Title: Financing Manager

EXPORT DEVELOPMENT CANADA, as U.S. Lender

By: /s/ Lena Trickey
Name: Lena Trickey
Title: Financing Manager

By: /s/ Olivier Bouchard
Name: Olivier Bouchard
Title: Financing Manager

DEUTSCHE BANK AG, CANADA BRANCH, as Canadian Lender

By: /s/ Rod O'Hara
Name: ROD O'HARA
Title: DIRECTOR

By: /s/ Marcellus Leung
Name: MARCELLUS LEUNG
Title: Assistant Vice President

DEUTSCHE BANK AG, NEW YORK BRANCH, as U.S. Lender

By: /s/ Paul O'Leary
Name: Paul O'Leary
Title: Director

By: /s/ Omayra Laucella
Name: Omayra Laucella
Title: Vice President

CITIBANK N.A., CANADIAN BRANCH, as Canadian Lender

By: /s/ Ashwin Natarajan
Name: Ashwin Natarajan
Title: Authorized Signatory

By: _____
Name:
Title:

CITIBANK, N.A., as U.S. Lender

By: /s/ Andrew L. Kreeger
Name: Andrew L. Kreeger
Title: Vice President

By: _____
Name:
Title:

MORGAN STANLEY BANK, N.A., as Canadian Lender

By: /s/ Sherrese Clarke
Name: Sherrese Clarke
Title: Authorized Signatory

By: _____
Name:
Title:

MORGAN STANLEY BANK, N.A., as U.S. Lender

By: /s/ Sherrese Clarke
Name: Sherrese Clarke
Title: Authorized Signatory

By: _____
Name:
Title:

BANK OF NOVA SCOTIA, as Canadian Lender

By: /s/ Daniel P Grouix
Name: Daniel P Grouix
Title: Managing Director

By: /s/ Eddy Popp
Name: Eddy Popp
Title: Associate Director

BANK OF NOVA SCOTIA, as U.S. Lender

By: /s/ Daniel P. Grouix
Name: Daniel P. Grouix
Title: Managing Director

By: /s/ Eddy Popp
Name: Eddy Popp
Title: Associate Director

SCHEDULE A.1

CANADIAN LENDERS

CANADIAN IMPERIAL BANK OF COMMERCE

161 Bay Street
8th Floor
Toronto, ON M5J 2S8

Attn.: Steve Nishimura
Tel: (416) 956-3837
Fax: (416) 956-3816

Attn.: Ben Fallico
Tel: (416) 594-8953
Fax: (416) 956-3816

BANK OF AMERICA, N.A., CANADA BRANCH

200 Front Street West
Suite 2700
Toronto, ON M5V 3L2

Attn.: Medina Sales de Andrade, Vice President
Tel: (416) 349-5466
Fax: (416) 349-5283

Attn.: Ms. Sugeet Manchanda Madan, Director
Tel: (415) 913-2798
Fax: (415) 913-2358

ROYAL BANK OF CANADA

200 Bay Street
4th Floor, South Tower
Royal Bank Plaza
Toronto, ON M5J 2W7

Attn.: Tom Paton
Tel: (416) 842-3767
Fax: (416) 842-5320

EXPORT DEVELOPMENT CANADA

151 O'Connor
Ottawa, ON, K1A 1K3

Attn.: Loans Services
Tel: (613) 598-2789
Fax: (613) 598-2514

Attn.: Asset Management
Tel: (613) 597-8653
Fax: (613) 597-3186

DEUTSCHE BANK AG, CANADA BRANCH

199 Bay Street
Suite 4700
Toronto, ON M5L 1E9

Attn.: Rod O'Hara, Director
Tel: (416) 682-8413
Fax: (416) 682-8484

With a copy to**:**

Deutsche Bank Trust Company Americas
Leveraged Loan Portfolio
60 Wall Street, MS NYC60-0208
New York, NY 10005, U.S.A.

Attn.: Paul J. O'Leary, Director
Tel: (212) 250-6133
Fax: (212) 797-5690

CITIBANK N.A., CANADIAN BRANCH

Citibank Place
123 Front Street West
Toronto, ON M5J 2M3

Attn.: David Spivak, Managing Director
Tel: (416) 947-5391
Fax: (416) 915-6341

Attn.: Samin Atique, Vice President
Tel: (416) 947-4124
Fax: (416) 915-6290

BANK OF NOVA SCOTIA

Scotia Capital
Corporate Banking — Communications, Media & Technology
62nd Floor
Scotia Plaza
40 King Street West
Toronto, ON M5W 2X6

Attn.: Dan Grouix, Managing Director
Tel: (416) 866-4572
Fax: (416) 866-2010

Attn.: Eddy Popp, Associate Director
Tel: (416) 866-3756
Fax: (416) 866-2010

MORGAN STANLEY BANK, N.A.

One Utah Center
201 South Main Street, 5th Floor
Salt Lake City, Utah 84111

Attn.: Carrie D. Johnson
Tel: (801) 236-3655
Fax: (718) 233-0967

Attn.: Allen J. Chang
Tel: (212) 762-2771
Fax: (212) 797-5690

SCHEDULE A.2

U.S. LENDERS

CIBC INC.

425 Lexington Avenue, 4th Floor
New York, NY 10017

Attn.: Dominic Sorresso, Executive Director
Tel: (212) 856-4133
Fax: (212) 856-3761

BANK OF AMERICA N.A.

315 Montgomery Street, 6th Floor
CA5-704-06-37
San Francisco CA 94104

Attn.: Ms. Sugeet Manchanda Madan, Director
Tel: (415) 913-2798
Fax: (415) 913-2358

ROYAL BANK OF CANADA

One Liberty Plaza, 4th Floor
New York, NY 10006-1401

Attn.: Dustin Craven
Tel: (212) 428-6394
Fax: (212) 428-2319

EXPORT DEVELOPMENT CANADA

151 O'Connor
Ottawa, ON, K1A 1K3

Attn.: Loans Services
Tel: (613) 598-2789
Fax: (613) 598-2514

Attn.: Asset Management
Tel: (613) 597-8653
Fax: (613) 597-3186

DEUTSCHE BANK AG, NEW YORK BRANCH

60 Wall Street, MS NYC60-4305
New York, NY 10005

Attn.: Paul J. O'Leary, Director
Tel: (212) 250-6133
Fax: (212) 797-5690

CITIBANK, N.A.

399 Park Avenue
16th Floor 5
New York, NY 10043

Attn.: David Spivak, Managing Director
Tel: (416) 947-5391
Fax: (416) 915-6341

Attn.: Samin Atique, Vice President
Tel: (416) 947-4124
Fax: (416) 915-6290

BANK OF NOVA SCOTIA

Scotia Capital
Corporate Banking — Communications, Media & Technology
62nd Floor
Scotia Plaza
40 King Street West
Toronto, ON M5W 2X6

Attn.: Dan Grouix, Managing Director
Tel: (416) 866-4572
Fax: (416) 866-2010

Attn.: Eddy Popp, Associate Director
Tel: (416) 866-3756
Fax: (416) 866-2010

MORGAN STANLEY BANK, N.A.

One Utah Center
201 South Main Street, 5th Floor
Salt Lake City, Utah 84111

Attn.: Carrie D. Johnson
Tel: (801) 236-3655
Fax: (718) 233-0967

Attn.: Allen J. Chang
Tel: (212) 762-2771
Fax: (212) 797-5690

SCHEDULE B

LENDERS' COMMITMENTS

Commitments of Canadian Lenders

1.	Canadian Imperial Bank of Commerce	U.S.$	31,250,000.00
2.	Bank of America, N.A., Canada Branch	U.S.$	31,250,000.00
3.	Royal Bank of Canada	U.S.$	31,250,000.00
4.	Export Development Canada	U.S.$	31,250,000.00
5.	Deutsche Bank AG, Canada Branch	U.S.$	31,250,000.00
6.	Citibank N.A., Canadian Branch	U.S.$	31,250,000.00
7.	Bank of Nova Scotia	U.S.$	31,250,000.00
8.	Morgan Stanley Bank, N.A.	U.S.$	31,250,000.00
Total:		U.S.$	250,000,000.00

Commitments of U.S. Lenders

1.	CIBC Inc.	U.S.$	18,750,000.00
2.	Bank of America, N.A.	U.S.$	18,750,000.00
3.	Royal Bank of Canada	U.S.$	18,750,000.00
4.	Export Development Canada	U.S.$	18,750,000.00
5.	Deutsche Bank AG, New York Branch	U.S.$	18,750,000.00
6.	Citibank, N.A.	U.S.$	18,750,000.00
7.	Bank of Nova Scotia	U.S.$	18,750,000.00
8.	Morgan Stanley Bank, N.A.	U.S.$	18,750,000.00
Total:		U.S.$	150,000,000.00

SCHEDULE C

APPLICABLE MARGIN, FACILITY FEE AND LC FEE

	LEVEL I	LEVEL II	LEVEL III	LEVEL IV
Gross Funded Debt to EBITDA Ratio ®	® < 1.0X	1.0X < = ® < 2.0X	2.0X < = ® < 3.0X	® > = 3.0x
LIBOR/BA Applicable Margin(1)/LC Fee	200.0 bps	220.0 bps	240.0 bps	280.0 bps
Prime/Base Rate Canada/Base Rate Applicable Margin	100.0 bps	120.0 bps	140.0 bps	180.0 bps
Facility Fee(2)	50.0 bps	55.0 bps	60.0 bps	70.0 bps

(1) "Applicable Margin" expressed as basis points per annum.

(2) Facility Fee is payable on the sum of (i) the aggregate Commitments of the Non-Defaulting Lenders (after giving effect to any cancellation, reduction or increase of the Facility) regardless of usage, and (ii) the aggregate outstanding Advances of the Defaulting Lenders under the Facility and shall be calculated in accordance with Section 2.14(a).

SCHEDULE D

QUARTERLY CERTIFICATE ON COVENANTS

Reference is made to the sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among Celestica Inc. ("Celestica"), the subsidiaries of Celestica designated in the Credit Agreement, the financial institutions named in Schedule "A" to the Credit Agreement (the "Lenders"), and Canadian Imperial Bank of Commerce, as Administrative Agent. Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein which are defined in the Credit Agreement have the respective meanings provided in the Credit Agreement.

The undersigned, **[name]** in my capacity as **[designated officer]** of Celestica and not personally, after making due enquiry, hereby certify to the Administrative Agent and to each of the Lenders that the following is true and correct as of the date hereof:

1. Celestica is in compliance with the covenants set forth in Article 9 of the Credit Agreement.

2. As of , , the date of the last day of the most recent fiscal quarter (the "Quarter End Date") **[no Default or Event of Default has occurred and is continuing]** or **[specify such non-compliance or Default or Event of Default and state what action, if any Celestica is taking or causing to be taken in connection therewith].**

3. EBITDA of Celestica as at the Quarter End Date is U.S.$, calculated in accordance with the Credit Agreement, such calculation summarized in Exhibit 1 attached hereto. The Interest Expense of Celestica for the four fiscal quarters ended as at the Quarter End Date is U.S.$, calculated in accordance with the Credit Agreement. The Ratio of EBITDA to Interest Expense is .

4. The Gross Funded Debt of Celestica for the four fiscal quarters as at the Quarter End Date is U.S.$, calculated in accordance with the Credit Agreement, such calculation summarized in Exhibit 2 attached hereto.

5. The ratio of Gross Funded Debt to EBITDA as at the Quarter End Date is .

6. Attached as Exhibit 3 is a calculation of the available disposition allowance referred to in Section 9.2(b)(vii) as at the Quarter End Date.

7. Attached as Exhibit 4 is a list of all Material Restricted Subsidiaries as at the Quarter End Date.

8. Attached as Exhibit 5 is a list of all Grantors as at the Quarter End Date.

9. The unconsolidated assets of all Restricted Subsidiaries which are not Material Restricted Subsidiaries do not, or will not, after giving effect to the Guarantees delivered by the Restricted Subsidiaries listed in Exhibit 6, exceed ten per cent (10%) of the unconsolidated assets of the Borrowers and the Restricted Subsidiaries on the date referenced in the most recently delivered set of financial statements delivered pursuant to Section 9.1(a)(i).

10. [Attached as Exhibit 7 are revised aggregate Commitments for the U.S. Lenders, the Canadian Lenders [and the Other Jurisdiction Lenders in respect of each Additional Jurisdiction].]

Certified this day of , 20 .

Name:
Title:

EXHIBIT 1

EBITDA

1.	Net Income for such period	$
2.	All amounts deducted in the calculation of Net Income in respect of Taxes, whether paid or deferred (in accordance with GAAP)	$
3.	All amounts deducted in the calculation of Net Income in respect of depreciation	$
4.	All amounts deducted in the calculation of Net Income in respect of amortization	$
5.	All amounts deducted in the calculation of Net Income in respect of Interest Expense, other than the implicit financing costs of synthetic leases	$
6.	All amounts deducted in the calculation of Net Income in determining all non-recurring charges	$
7.	Non-cash charges and purchase accounting deductions	$
	EBITDA	$

EXHIBIT 2

Gross Funded Debt

The sum of:

1.	Outstanding monetary Obligations	$
2.	Outstanding Capital Lease Obligations	$
3.	Other obligations for borrowed money (including, without limitation and without duplication, all obligations (contingent or otherwise) in respect of bankers' acceptances and letters of credit) outstanding at such time but excluding Permitted Subordinated Indebtedness which, in accordance with GAAP, qualifies as equity **[Note: Provide detailed breakdown of such obligations and Permitted Subordinated Indebtedness.]**	$
4.	Outstanding Acquired Indebtedness	$
5.	Contingent liabilities of Celestica or any Restricted Subsidiary of the type referred to in 1 to 3 above.	$
	Gross Funded Debt	$

EXHIBIT 3

Calculation of Available Disposition Allowance Pursuant to Section 9.2(b)(vii)

EXHIBIT 4

List of Material Restricted Subsidiaries

EXHIBIT 5

List of Grantors

EXHIBIT 6

List of Guarantees Delivered by Restricted Subsidiaries

EXHIBIT 7

LENDERS' COMMITMENTS

Aggregate Commitments of Canadian Lenders

-

Aggregate Commitments of U.S. Lenders

-

[Aggregate Commitments of Other Jurisdiction Lenders in respect of [insert Additional Jurisdiction]]

-

[Aggregate Commitments of Other Jurisdiction Lenders in respect of [insert Additional Jurisdiction]]

-

SCHEDULE E

CONVERSION NOTICE

TO: Canadian Imperial Bank of Commerce
40 Dundas Street West
5th Floor
Toronto, Ontario M5G 2C2

Attention: Director, Agency

Dear Sirs & Mesdames:

This Conversion Notice is delivered to you pursuant to Section 2.15 of the sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among Celestica Inc. ("Celestica"), the subsidiaries designated in the Credit Agreement, the financial institutions named in Schedule "A" to the Credit Agreement (the "Lenders"), and Canadian Imperial Bank of Commerce as Administrative Agent. Unless otherwise defined herein or the context otherwise requires capitalized terms used herein which are defined in the Credit Agreement have the respective meanings provided in the Credit Agreement.

The undersigned hereby requests that on • , • ,

1. [currency $] • of the presently outstanding principal amount of the Advance originally made on • , • [and [currency $] • of the presently outstanding principal amount of the Advance originally made on • , •]

2. and all presently being maintained as [Prime Rate Advance], [Bankers' Acceptance Advance], [LIBOR Advance], [Base Rate Advance] or [Base Rate Canada Advance]

3. be converted into

4. [Prime Rate Advance], [Bankers' Acceptance Advance having a maturity date of •], [LIBOR Advance with an Interest Period ending • in United States Dollars], [Base Rate Advance] or [Base Rate Canada Advance], in accordance with the provisions of the Credit Agreement.

The undersigned hereby:

(a) certifies and warrants, for itself and on behalf of all other Borrowers, that no Event of Default has occurred and is continuing and that on the occurrence of such Advances, the representations set out in Section 8.1 of the Credit Agreement are true and correct in all material respects; and

(b) agrees that if prior to the time of such conversion any matter certified to herein by it will not be true and correct at such time as if then made, it will immediately so notify the Administrative Agent.

Except to the extent, if any, that prior to the time of the conversion requested hereby the Administrative Agent shall receive written notice to the contrary from the undersigned, each matter certified to herein shall be deemed to be certified at the date of such conversion as if then made.

The undersigned has caused this Conversion Notice to be executed and delivered, and the certification and warranties contained herein to be made, by its authorized officer this day of , 20 .

[CELESTICA INC. OR ANY DESIGNATED SUBSIDIARY]

By: _____
Name:
Title:

SCHEDULE F

DESIGNATED SUBSIDIARY AGREEMENT

THIS DESIGNATED SUBSIDIARY AGREEMENT made as of .

AMONG:

CELESTICA INC.
(the "Designated Borrower")

- and -

[NAME OF SUBSIDIARY]
(the "Designated Subsidiary")

- and -

CANADIAN IMPERIAL BANK OF COMMERCE,
(the "Agent") as Administrative Agent

For value received the undersigned agree as follows:

1. Reference is hereby made to Section 7.1 of the sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among Celestica Inc. ("Celestica"), the subsidiaries of Celestica specified in the Credit Agreement as Designated Subsidiaries, the financial institutions named in Schedule "A" to the Credit Agreement (the "Lenders"), and Canadian Imperial Bank of Commerce, as Administrative Agent. Unless otherwise defined herein or the context otherwise requires capitalized terms used herein which are defined in the Credit Agreement have the respective meanings provided in the Credit Agreement.

2. (a) The Designated Subsidiary hereby acknowledges, confirms and agrees that on and as of the date of this Agreement the Designated Subsidiary has become a Designated Subsidiary and is included in the definition of "Borrower" under the Credit Agreement and the other Loan Documents for all purposes thereof, and as such shall be severally liable, as provided in the Loan Documents, for all of its Obligations thereunder (whether incurred or arising prior to, on, or subsequent to the date hereof) and otherwise bound by all of the terms, provisions and conditions thereof.

   (b) Without in any way implying any limitation on any of the provisions of this Agreement, the Designated Subsidiary, for itself and on behalf of all other Borrowers, hereby represents and warrants that all of the representations and warranties contained in the Credit Agreement are true and correct in all material respects on and as of the date hereof, both before and after giving effect to this Agreement, and that no Event of Default or Default has occurred and is continuing or exists or would occur or exist after giving effect to this Agreement.

(c) Without in any way implying any limitation on any of the provisions of this Agreement, the Designated Subsidiary, for itself and on behalf of all other Borrowers, hereby represents and warrants that each of the Designated Borrower and the Designated Subsidiary are, on and as of the date hereof, both before and after giving effect to this Agreement, in compliance in all material respects with all of the covenants, other than the financial covenants set out in Section 9.3 of the Credit Agreement.

(d) The Designated Subsidiary hereby represents and warrants that it is incorporated, continued, amalgamated or otherwise created in accordance with, continues to be governed by the laws of, and is domiciled in, •.

3. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

4. This Agreement shall enure to the benefit of and be binding upon the respective successors and assigns of each of the parties hereto.

5. Each party agrees to make and do all such acts and things and execute and deliver all such instruments, agreements and documents as may be reasonably required from time to time by the other parties hereto to more fully implement the true intent of this Agreement.

6. Each of the parties hereby irrevocably submits to the non-exclusive jurisdiction of any court in the Province of Ontario for the purposes of any legal or equitable suit, action or proceeding in connection with this Agreement.

7. If any term, covenant, obligation or agreement contained in this Agreement, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant, obligation or agreement to persons or circumstances other than those held to be invalid or unenforceable, shall not be affected thereby and each term, covenant, obligation or agreement herein contained shall be separately valid and enforceable to the fullest extent permitted by law.

WITNESS the due execution hereof as of the day and year first written above.

CELESTICA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

[Designated Subsidiary]

By: _____
Name:
Title:

By: _____
Name:
Title:

CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE G

Exhibit 1

DRAWDOWN NOTICE

TO: Canadian Imperial Bank of Commerce, as Administrative Agent
40 Dundas Street West
5th Floor
Toronto, Ontario M5G 2C2

Attention: Director, Agency

Dear Sirs & Mesdames:

This Drawdown Notice is delivered to you pursuant to Section 2.3 of the sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among Celestica Inc. ("Celestica"), the subsidiaries designated in the Credit Agreement, the financial institutions named in Schedule "A" to the Credit Agreement (the "Lenders"), and Canadian Imperial Bank of Commerce, as Administrative Agent. Unless otherwise defined herein or the context otherwise requires capitalized terms used herein which are defined in the Credit Agreement have the respective meanings provided in the Credit Agreement.

The undersigned hereby requests that a **[Prime Rate Advance] [Bankers' Acceptance Advance] [Base Rate Canada Advance] [Base Rate Advance]** or **[LIBOR Advance]** be made in the aggregate principal amount of **[specify currency]** on •, • as a **[LIBOR Advance having an Interest Period of • months] [Bankers' Acceptance having a term of • days][Prime Rate Advance] [Base Rate Advance]** or **[Base Rate Canada Advance]**.

The undersigned hereby acknowledges that, pursuant to Section 8.3 of the Credit Agreement, the delivery of this Drawdown Notice and the acceptance by the undersigned of the proceeds of the Advances requested hereby, constitutes a representation and warranty by the undersigned, for itself and on behalf of all other Borrowers, that on the occurrence of such Advances the representations set out in Section 8.1 of the Credit Agreement are true and correct in all material respects.

The undersigned agrees that if prior to the time of the Drawdown requested hereby any matter certified to herein by it will not be true and correct at such time as if then made, it will immediately so notify the Administrative Agent. Except to the extent, if any, that prior to the time of the Drawdown requested hereby the Administrative Agent shall receive written notice to the contrary from the undersigned, each matter certified to herein shall be deemed once again to be certified as true and correct at the date of such Drawdown as if then made.

Please wire transfer the proceeds of the Drawdown to the accounts of the following persons at the financial institutions indicated respectively:

Amount to be Transferred	Name of Person to be paid	Designated Account No.	Name, Address, etc. of Transferee
[Cdn./U.S.]$•			
		Attention:	
[Cdn./U.S.]$•			
		Attention:	
Balance of the undersigned of such proceeds			
		Attention:	

The undersigned has caused this Drawdown Notice to be executed and delivered, and the certification and warranties contained herein to be made, by its duly authorized officer this day of , 20 .

[CELESTICA INC. OR ANY DESIGNATED SUBSIDIARY]

By: _____
Name:
Title:

By: _____
Name:
Title:

Exhibit 2

NOTICE OF SWING LINE BORROWING

TO: Canadian Imperial Bank of Commerce, as Administrative Agent
40 Dundas Street West
5th Floor
Toronto, Ontario M5G 2C2

Attention: Director, Agency

Dear Sirs & Mesdames:

This Notice of Swing Line Borrowing is delivered to you pursuant to Section 2.22(e) of the sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among Celestica Inc. ("Celestica"), the subsidiaries designated in the Credit Agreement, the financial institutions named in Schedule "A" to the Credit Agreement (the "Lenders"), and Canadian Imperial Bank of Commerce, as Administrative Agent. Unless otherwise defined herein or the context otherwise requires capitalized terms used herein which are defined in the Credit Agreement have the respective meanings provided in the Credit Agreement.

The undersigned hereby requests that a Canadian Swing Line Advance, be made in the principal amount of **[Cdn. $/U.S. $] [specify amount]**.

The undersigned hereby acknowledges that, pursuant to Section 8.3 of the Credit Agreement, the delivery of this Notice of Swing Line Borrowing and the acceptance by the undersigned of the proceeds of the Advance requested hereby constitutes a representation and warranty by the undersigned, for itself and on behalf of all other Borrowers, that on the occurrence of such Advance the representations set out in Section 8.1 of the Credit Agreement are true and correct in all material respects.

The undersigned agrees that if prior to the time of the Drawdown requested hereby any matter certified to herein by it will not be true and correct at such time as if then made, it will immediately so notify the Administrative Agent. Except to the extent, if any, that prior to the time of the Drawdown requested hereby the Administrative Agent shall receive written notice to the contrary from the undersigned, each matter certified to herein shall be deemed once again to be certified as true and correct at the date of such Drawdown as if then made.

Please make the proceeds of the Drawdown available to the following account(s) of the undersigned:

Amount of Drawdown	**Designated Account No.**
[Cdn./U.S.]$•	
	Attention:
[Cdn./U.S.]$•	
	Attention:

The undersigned has caused this Notice of Swing Line Borrowing to be executed and delivered, and the certification and warranties contained herein to be made, by its duly authorized officer this day of , 20 .

[CELESTICA INC. OR ANY DESIGNATED SUBSIDIARY]

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE H

GUARANTEES

Exhibit 1 -	Canadian Upstream Guarantee
Exhibit 2 -	Canadian Downstream Guarantee

Exhibit 1
Canadian Upstream Guarantee(3)

GUARANTEE

TO: **CANADIAN IMPERIAL BANK OF COMMERCE**, as Administrative Agent for and on behalf of (a) the Lenders, as defined below; and (b) the Hedge Lenders, as defined in the Credit Agreement described below.

FOR VALUE RECEIVED and in consideration of advances made or to be made, or credit given or to be given, or other financial accommodation afforded or to be afforded from time to time to Celestica Inc. (the "Debtor") by the Lenders under a sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among the Debtor, the subsidiaries designated in the Credit Agreement, Canadian Imperial Bank of Commerce in its capacity as administrative agent (the "Administrative Agent"), and the financial institutions named in Schedule "A" to the Credit Agreement (the "Lenders"), the undersigned (the "Guarantor") hereby agrees and covenants that:

1. The Guarantor hereby unconditionally and irrevocably guarantees to the Administrative Agent, for the benefit of (a) the Lenders and their respective successors and permitted assigns (as permitted under the Credit Agreement and hereafter, the "Permitted Assigns"); and (b) the Hedge Lenders and their respective successors, the full and prompt payment to the Administrative Agent (for the benefit of the Lenders and their respective successors and Permitted Assigns and the Hedge Lenders and their respective successors) of: (i) all of the monetary Obligations of the Debtor, including those monetary obligations arising under or in connection with the guarantee of the Debtor dated April 22, 1999, as confirmed, in favour of the Administrative Agent of the obligations of the Designated Subsidiaries (such guarantee of the Debtor aforesaid, together with all amendments, replacements, restatements, extensions, renewals or supplements thereto, the "Designated Subsidiary Guarantee"); and (ii) all of the Eligible Hedging Obligations of the Debtor (such obligations described in the foregoing (i) and (ii), collectively, the "Debtor Obligations")

2. Except as otherwise provided in Sections 3 and 8, the Guarantor hereby waives notice of demand for payment of all or any part of the Debtor Obligations, protest, notice of protest and notice of default to the Guarantor or any other party with respect to the Debtor Obligations, any right that the Guarantor may have to require that an action be brought

(3) Form of Guarantee to be provided by Canadian Material Restricted Subsidiaries and Grantors. Guarantees to be provided by other Material Restricted Subsidiaries and Grantors to be substantially in the same form with such changes thereto as agreed upon by Lenders' Counsel and Borrowers' Counsel; provided that in the event that a Grantor is not a Material Restricted Subsidiary, the recourse of the Administrative Agent pursuant to the guarantee granted by such Grantor shall be limited to enforcement of the Security, and the Administrative Agent shall have no right to sue such Grantor on the covenant of such guarantee, except to the extent necessary in connection with the enforcement of the Security.

against the Debtor or any other person or that the Administrative Agent realize on any security that it may hold as a condition of the Guarantor's liability hereunder, and any and all other notices and legal or equitable defences to which the Guarantor may be entitled.

3. The Guarantor shall unconditionally render any payment guaranteed hereunder upon written demand made upon it by the Administrative Agent in accordance with the terms hereof, if the Debtor does not punctually make such payment.

4. The liability of the Guarantor hereunder shall in no way be affected or impaired by (and the Administrative Agent is hereby expressly authorized to make from time to time, without notice to anyone unless required by the Credit Agreement, the Designated Subsidiary Guarantee, any other Loan Document or any Eligible Hedging Agreement, as applicable) any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or other disposition of any of the Debtor Obligations, either express or implied, or of any contract or contracts evidencing any thereof, or of any security or collateral therefor. The liability of the Guarantor hereunder shall also in no way be affected or impaired by any acceptance by the Administrative Agent, any Lender or any Hedge Lender of any security for or other guarantee of any of the Debtor Obligations, or by any failure, neglect or omission on the part of the Administrative Agent to realize upon or protect any of the Debtor Obligations, or any collateral or security or other guarantee therefor, or to exercise any lien upon or right of appropriation of any moneys, credits or property of the Debtor possessed by the Administrative Agent toward the liquidation of the Debtor Obligations, or by any application of payments or credits thereon. Subject to the terms of the Credit Agreement, the Administrative Agent shall have the exclusive right to determine how, when and what application of payments and credits, if any, shall be made on the Debtor Obligations, or any part thereof. There shall be no obligation on the part of the Administrative Agent, at any time, to resort for payment to the Debtor or to any other guarantor, or to any other person or corporation, their properties or estate, or resort to any collateral, security, property, liens or other rights or remedies whatsoever and the Administrative Agent shall have the right to enforce this Guarantee irrespective of whether or not other proceedings or steps are pending seeking resort to or realization upon or from any of the foregoing.

5. Except as provided in the Credit Agreement, nothing but payment in full of the Debtor Obligations shall release the Guarantor from its obligations hereunder.

6. The Guarantor hereby represents and warrants to each of the Lenders and the Hedge Lenders that the representations and warranties contained in Article 8 of the Credit Agreement, insofar as the representations and warranties contained therein are applicable to such Guarantor and its properties, are true and correct in all material respects, each such representation and warranty set forth in such Article (insofar as applicable as aforesaid) and all other terms of the Credit Agreement to which reference is made therein, together with all related definitions and ancillary provisions, being hereby incorporated into this Guarantee by reference as though specifically set forth in this Section, and all such representations and warranties shall, for purposes hereof, survive the execution and delivery of this Guarantee.

7. The Guarantor covenants and agrees that the Guarantor will perform, comply with and be bound by all of the agreements, covenants and obligations contained in Sections 9.1 and 9.2 of the Credit Agreement or in any other document that is applicable to it in connection with the Credit Agreement. Each such agreement, covenant and obligation contained in such Sections, and all other terms of the Credit Agreement and the documents to which reference is made therein, together with all related definitions and ancillary provisions are hereby incorporated into this Guarantee by reference as though specifically set forth in this Guarantee.

8. The Administrative Agent may make demand in writing to the Guarantor, from time to time, each such written demand to be accepted by the Guarantor as complete and satisfactory evidence of any default by the Debtor and the extent thereof, and of the obligations of the Guarantor to make a payment hereunder and the amount thereof.

9. Every notice, consent, demand and other communication in connection with this Guarantee and all legal process in regard hereto shall be validly given, made or served if in writing and delivered to, or mailed, postage prepaid or telecopied to the Guarantor at 844 Don Mills Road,, Toronto, Ontario, M3C 1V7 (Fax No. (416) 448-2280), and to the Administrative Agent at 40 Dundas Street West, 5th Floor, Toronto, Ontario, M5G 2C2 (Fax No. (416) 956-3830). Every notice, consent, demand and other communication, if delivered on a Banking Day, and if delivered prior to 3:00 p.m. (local time) on such Banking Day, shall be deemed to have been given or made on the day on which it was delivered, and otherwise on the next following Banking Day, and if sent by facsimile shall be deemed to have been given or made on the Banking Day next following the Banking Day on which it was so sent, and if mailed shall be deemed to have been given or made on the fifth Banking Day following the day on which it was so mailed. The Guarantor or the Administrative Agent may give written notice of a change of address in the same manner in which case any notice shall thereafter be given to it as above provided at such changed address.

10. In the event of the bankruptcy, winding-up, liquidation or dissolution of the Debtor, the Guarantor or of any other guarantor, or in the event of the distribution of the assets of the Debtor, the Guarantor or of any other guarantor, the rights of the Administrative Agent shall not be affected or impaired by its omission to prove its claim or to prove its full claim and it may prove such claim as it sees fit and may refrain from proving any claim; and the Administrative Agent shall be entitled to receive all amounts payable in respect thereof, such amounts to be applied, subject to the terms of the Credit Agreement, on such part or parts of the monies payable from time to time on account of the Debtor Obligations as the Administrative Agent shall in its absolute discretion see fit until the whole of the same shall have been paid in full and thereafter the Guarantor shall be entitled to the balance, if any, of such amounts; all of which the Administrative Agent may do without in any way releasing, reducing or otherwise affecting the Guarantor's liability to the Administrative Agent hereunder.

11. On the occurrence and during the continuance of a Default under the Credit Agreement, all of the Debtor Obligations then existing shall, at the option of the Administrative Agent, immediately become payable by the Guarantor and, during such continuance, all dividends or other payments received from the Debtor, or on account of the Debtor from whatsoever source, (and which if received by the Guarantor, shall be held in trust by the

Guarantor for the Administrative Agent for and on behalf of the Lenders and the Hedge Lenders) shall be taken and applied as payment in gross, and this Guarantee shall apply to and secure any ultimate balance that shall remain owing to the Administrative Agent for and on behalf of the Lenders and the Hedge Lenders.

12. Upon the occurrence and during the continuance of a Default, all debts and claims against the Debtor now or hereafter held by the Guarantor and all rights of subrogation of the Guarantor shall be for the security of the Administrative Agent, for and on behalf of the Lenders and the Hedge Lenders, and, as between the Guarantor and the Administrative Agent, for and on behalf of the Lenders and the Hedge Lenders, the same are hereby postponed to the repayment and performance of the Debtor Obligations. Upon the occurrence and during the continuance of a Default, until all of the Debtor Obligations shall have been paid in full, any money received by the Guarantor in respect of any such debts or claims shall be received by the Guarantor in trust for the Administrative Agent, for and on behalf of the Lenders and the Hedge Lenders, and shall be paid forthwith to the Administrative Agent, for and on behalf of the Lenders and the Hedge Lenders, to be applied against, or held as security for, payment of the Debtor Obligations, all without prejudice to and without in any way affecting, relieving, limiting or lessening the liability of the Guarantor hereunder.

13. The Guarantor acknowledges that it shall not have any rights of subrogation or indemnification and shall not prove a claim in the bankruptcy of the Debtor unless and until the Debtor Obligations are paid in full.

14. The Guarantor's obligations shall be continuing, absolute, unconditional and irrevocable and binding upon the Guarantor irrespective of: the enforceability, unenforceability, validity, perfection and effect of perfection or non-perfection of any security interest securing the Debtor Obligations or the validity or unenforceability of any of the Debtor Obligations; the termination of any Debtor Obligations by operation of law or otherwise; the bankruptcy, insolvency, dissolution or liquidation of the Debtor; or any reorganization of the Debtor or the Guarantor or the amalgamation of the Debtor or the Guarantor with one or more other corporations or the sale of the Debtor's or the Guarantor's business in whole or in part to one or more other persons or parties. In addition to the guarantee contained herein, the Guarantor hereby covenants and agrees to indemnify and save the Administrative Agent, the Lenders and the Hedge Lenders harmless from and against all costs, losses, expenses and damages which any of them may suffer as a result of the default by the Debtor in the payment of any of the Debtor Obligation, including without limitation, legal fees (on a substantial indemnity basis) incurred by or on behalf of the Administrative Agent, the Lenders and the Hedge Lenders resulting from any action instituted on the basis of this Guarantee. The Guarantor acknowledges that it is providing this Guarantee at the request of the Debtor and that it has satisfied itself and is not relying upon the Administrative Agent, any Lender or any Hedge Lender in respect of all or any information with respect to the transaction under or related to the Credit Agreement, this Guarantee, any other Loan Document or any Eligible Hedging Agreement. The Guarantor agrees that the Administrative Agent or any Lender or any Hedge Lender has no obligation to provide or disclose information to the Guarantor with respect to any dealings it has with or in respect of the Debtor at any time or from time to time.

15. The Administrative Agent is expressly authorized to amend the documents creating or evidencing the Debtor Obligations (including, without limitation, all modifications, extensions, replacements, amendments, renewals, restatements or supplements of or to such documents) and to waive compliance by the Debtor with the terms thereof, without notice to the Guarantor and without in any manner affecting the liability of the Guarantor.

16. Subject to the terms of the Credit Agreement, the Administrative Agent may apply any moneys received from the Debtor or others, or from the enforcement of security, to such part of the Debtor's liabilities to the Lenders and to the Hedge Lenders, whether or not guaranteed hereby, as it deems appropriate without prejudice to or in any way limiting or reducing the obligations of the Guarantor hereunder.

17. The Guarantor shall give such further assurances and do, execute and perform all such acts, deeds, documents (including assignments) and things as may be required in the sole and absolute discretion of the Administrative Agent to give the Administrative Agent the full benefit and effect of, or intended by, this Guarantee.

18. No term, condition or provision hereof or any right hereunder, or in respect thereof, shall be, or shall be deemed to have been waived by the Administrative Agent, except by express written waiver signed by the Administrative Agent, all such waivers to extend only to the particular circumstances therein specified. No agreement or undertaking purporting to amend or modify this Guarantee or any of its terms, conditions or provisions or any rights or liabilities hereunder shall be effective or binding unless in writing and signed by the Administrative Agent.

19. No action or omission on the part of the Administrative Agent in exercising or failing to exercise its rights hereunder or in connection with or arising from the Debtor Obligations or any part thereof shall make the Administrative Agent, any Lender or any Hedge Lender liable to the Guarantor for any loss thereby occasioned to the Guarantor.

20. The Lenders may, in accordance with the terms of the Credit Agreement, sell, assign, or transfer all of the Debtor Obligations, or any part thereof, and in that event each and every immediate and successive assignee or transferee, of all or any part of the Debtor Obligations, shall have the right to enforce this Guarantee, by suit or otherwise, for the benefit of such assignee or transferee, as fully as if such assignee or transferee were herein by name specifically given such rights, powers and benefits.

21. If any payment applied by the Administrative Agent to the Debtor Obligations is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of the Debtor or any other obligor), the Debtor Obligations to which such payment was applied shall for the purposes of this Guarantee be deemed to have continued in existence, notwithstanding such application, and this Guarantee shall be enforceable as to such of the Debtor Obligations as fully as if such application had never been made.

22. This Guarantee is in addition to and not in substitution for any other undertakings, guarantees or security held or which hereafter may be held by or for the benefit of any Administrative Agent, any Lender or any Hedge Lender.

23. Any provision of this Guarantee prohibited by law or otherwise ineffective shall be ineffective only to the extent of such prohibition or ineffectiveness and be severable without invalidating or otherwise affecting the remaining provisions hereof.

24. All payments to be made by the Guarantor hereunder shall be payable to the Administrative Agent at 40 Dundas Street West, 5th Floor, Toronto, Ontario, M5G 2C2, Attention: Director, Agency (or at such other place for the account of the Administrative Agent as it may from time to time specify to the Guarantor) in immediately available and freely transferable funds at the place of payment, all such payments to be paid without setoff, counterclaim or reduction and, subject to the terms of the Credit Agreement, without deduction for, and free from, any and all present or future taxes, levies, imposts, duties, fees, charges, deductions, withholding or liabilities with respect thereto or any restrictions or conditions of any nature. Subject to the terms of the Credit Agreement, if the Guarantor is required by law to make any deduction or withholding on account of any tax or other withholding or deduction from any sum payable by the Guarantor hereunder, the Guarantor shall pay any such tax or other withholding or deduction and shall pay such additional amount necessary to ensure that, after making any payment, deduction or withholding, the Administrative Agent shall receive and retain (free of any liability in respect of any payment, deduction or withholding) a net sum equal to what it would have received and so retained hereunder had no such deduction, withholding or payment been required to have been made.

25. The payment by the Guarantor of any amount or amounts due to the Administrative Agent hereunder shall be made in the same currency (the "Relevant Currency") and funds in which the underlying Debtor Obligations are payable. To the fullest extent permitted by law, the obligation of the Guarantor in respect of any amount due in the Relevant Currency under this Guarantee shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the Relevant Currency that the Administrative Agent may, in accordance with normal banking procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the Banking Day immediately following the day on which the Administrative Agent receives such payment. If the amount in the Relevant Currency that may be so purchased for any reason falls short of the amount originally due, the Guarantor shall pay such additional amounts, in the Relevant Currency, as may be necessary to compensate for the shortfall. Any obligations of the Guarantor not discharged by such payment shall, to the fullest extent permitted by Applicable Law, be due as a separate and independent obligation and, until discharged as provided herein, shall continue in full force and effect.

26. The Guarantor waives any and all defences, claims and discharges of the Debtor, or any other obligor, pertaining to the Debtor Obligations, except the defense of discharge by payment in full and complete satisfaction of same. The Guarantor agrees that the undersigned shall be and remain liable for any deficiency remaining after foreclosure of any mortgage or security interest securing the Debtor Obligations, whether or not the liability of the Debtor or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

27. This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Guarantor

agrees that any legal suit, action or proceeding arising out of or relating to this Guarantee may be instituted in the courts of the Province of Ontario and the Guarantor hereby accepts and irrevocably submits to the non-exclusive jurisdiction of the said courts and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit the Administrative Agent's right to bring proceedings against the Guarantor elsewhere.

28. This Guarantee shall not be subject to or affected by any promise or condition affecting or limiting the liability of the Guarantor hereunder except as set forth herein, and no statement, representation, agreement or promise on the part of the Administrative Agent or any officer, employee or agent thereof, unless contained herein forms any part of this Guarantee or shall be deemed in any way to affect the Guarantor's liability hereunder.

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29. The Guarantor acknowledges that this Guarantee has been delivered free of any conditions.

30. This Guarantee (a) shall extend to and enure to the benefit of (i) the successors and Permitted Assigns of the Administrative Agent and the Lenders, and (ii) the successors of the Hedge Lenders; and (b) shall be binding upon the Guarantor and the successors and assigns of the Guarantor.

31. Any word herein contained importing the singular number shall include the plural and vice versa, and any word importing any gender will include the masculine, feminine, and neuter genders and any word importing a person will include a corporation, a partnership and any other entity.

32. All capitalized terms used and not otherwise defined herein which are defined in the Credit Agreement shall have the respective meanings ascribed to them in the Credit Agreement.

SIGNED and sealed this day of , .

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Per: _____
Name:
Title:

Exhibit 2
Canadian Downstream Guarantee

GUARANTEE

TO: **CANADIAN IMPERIAL BANK OF COMMERCE**, as Administrative Agent for and on behalf of (a) the Lenders, as defined below; and (b) the Hedge Lenders as defined in the Credit Agreement described below.

FOR VALUE RECEIVED and in consideration of advances made or to be made, or credit given or to be given, or other financial accommodation afforded or to be afforded from time to time to the Designated Subsidiaries (collectively, the "Subsidiary Credit Agreement Debtors") by the Lenders under a sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among Celestica Inc. ("Celestica"), the subsidiaries of Celestica Inc. specified in the Credit Agreement as Designated Subsidiaries, Canadian Imperial Bank of Commerce in its capacity as administrative agent (the "Administrative Agent"), and the financial institutions named in Schedule "A" to the Credit Agreement (the "Lenders"), the undersigned (the "Guarantor") in its capacity as guarantor hereby agrees and covenants that:

1. "The Guarantor hereby unconditionally and irrevocably guarantees to the Administrative Agent, for the benefit of (a) the Lenders and their respective successors and permitted assigns (as permitted under the Credit Agreement and hereafter, the "**Permitted Assigns**"); and (b) the Hedge Lenders and their respective successors, the full and prompt payment to the Administrative Agent (for the benefit of the Lenders and their respective successors and Permitted Assigns and the Hedge Lenders and their respective successors,) of: (i) all of the monetary Obligations of the Subsidiary Credit Agreement Debtors; and (ii) all of the Eligible Hedging Obligations of the Subsidiaries of the Guarantor (the "**Subsidiary Eligible Hedging Agreement Debtors**" **and together with the Subsidiary Credit Agreement Debtors, the** "**Debtors**") (such obligations described in the foregoing (i) and (ii), collectively, the "**Debtor Obligations**")."

2. Except as otherwise provided in Sections 3 and 8, the Guarantor hereby waives notice of demand for payment of all or any part of the Debtor Obligations, protest, notice of protest and notice of default to the Guarantor or any other party with respect to the Debtor Obligations, any right that the Guarantor may have to require that an action be brought against any one or more of the Debtors or any other person or that the Administrative Agent realize on any security that it may hold as a condition of the Guarantor's liability hereunder, and any and all other notices and legal or equitable defences to which the Guarantor may be entitled.

3. The Guarantor shall unconditionally render any payment guaranteed hereunder upon written demand made upon it by the Administrative Agent in accordance with the terms hereof, if any one or more of the Debtors do not punctually make such payment.

4. The liability of the Guarantor hereunder shall in no way be affected or impaired by (and the Administrative Agent is hereby expressly authorized to make from time to time, without notice to anyone unless required by the Credit Agreement, any other Loan

Document or any Eligible Hedging Agreement, as applicable) any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or other disposition of any of the Debtor Obligations, either express or implied, or of any contract or contracts evidencing any thereof, or of any security or collateral therefor. The liability of the Guarantor hereunder shall also in no way be affected or impaired by any acceptance by the Administrative Agent, any Lender or any Hedge Lender of any security for or other guarantee of any of the Debtor Obligations, or by any failure, neglect or omission on the part of the Administrative Agent to realize upon or protect any of the Debtor Obligations, or any collateral or security or other guarantee therefor, or to exercise any lien upon or right of appropriation of any moneys, credits or property of the Debtors possessed by the Administrative Agent toward the liquidation of the Debtor Obligations, or by any application of payments or credits thereon. Subject to the terms of the Credit Agreement, the Administrative Agent shall have the exclusive right to determine how, when and what application of payments and credits, if any, shall be made on the Debtor Obligations, or any part thereof. There shall be no obligation on the part of the Administrative Agent, at any time, to resort for payment to any one or more of the Debtors or to any other guarantor, or to any other person or corporation, their properties or estate, or resort to any collateral, security, property, liens or other rights or remedies whatsoever and the Administrative Agent shall have the right to enforce this Guarantee irrespective of whether or not other proceedings or steps are pending seeking resort to or realization upon or from any of the foregoing.

5. Except as provided in the Credit Agreement, nothing but payment in full of the Debtor Obligations shall release the Guarantor from its obligations hereunder.

6. The Guarantor hereby represents and warrants to each of the Lenders and the Hedge Lenders that the representations and warranties contained in Article 8 of the Credit Agreement, insofar as the representations and warranties contained therein are applicable to such Guarantor and its properties, are true and correct in all material respects, each such representation and warranty set forth in such Article (insofar as applicable as aforesaid) and all other terms of the Credit Agreement to which reference is made therein, together with all related definitions and ancillary provisions, being hereby incorporated into this Guarantee by reference as though specifically set forth in this Section, and all such representations and warranties shall, for purposes hereof, survive the execution and delivery of this Guarantee.

7. The Guarantor covenants and agrees that the Guarantor will perform, comply with and be bound by all of the agreements, covenants and obligations contained in Sections 9.1 and 9.2 of the Credit Agreement or in any other document that is applicable to it in connection with the Credit Agreement. Each such agreement, covenant and obligation contained in such Sections, and all other terms of the Credit Agreement and the documents to which reference is made therein, together with all related definitions and ancillary provisions are hereby incorporated into this Guarantee by reference as though specifically set forth in this Guarantee.

8. The Administrative Agent may make demand in writing to the Guarantor, from time to time, each such written demand to be accepted by the Guarantor as complete and satisfactory evidence of any default by the Debtors and the extent thereof, and of the obligations of the Guarantor to make a payment hereunder and the amount thereof.

9. Every notice, consent, demand and other communication in connection with this Guarantee and all legal process in regard hereto shall be validly given, made or served if in writing and delivered to, or mailed, postage prepaid or telecopied to the Guarantor at 844 Don Mills Road, Toronto, Ontario, M3C 1V7 (Fax No. (416) 448-2280), and to the Administrative Agent at 40 Dundas Street West, 5th Floor, Toronto, Ontario, M5G 2C2 (Fax No. (416) 956-3830). Every notice, consent, demand and other communication, if delivered on a Banking Day, and if delivered prior to 3:00 p.m. (local time) on such Banking Day, shall be deemed to have been given or made on the day on which it was delivered, and otherwise on the next following Banking Day, and if sent by facsimile shall be deemed to have been given or made on the Banking Day next following the Banking Day on which it was so sent, and if mailed shall be deemed to have been given or made on the fifth Banking Day following the day on which it was so mailed. The Guarantor or the Administrative Agent may give written notice of a change of address in the same manner in which case any notice shall thereafter be given to it as above provided at such changed address.

10. In the event of the bankruptcy, winding-up, liquidation or dissolution of any one or more of the Debtors, the Guarantor or of any other guarantor, or in the event of the distribution of the assets of any one or more of the Debtors, the Guarantor or of any other guarantor, the rights of the Administrative Agent shall not be affected or impaired by its omission to prove its claim or to prove its full claim and it may prove such claim as it sees fit and may refrain from proving any claim; and the Administrative Agent shall be entitled to receive all amounts payable in respect thereof, such amounts to be applied, subject to the terms of the Credit Agreement, on such part or parts of the monies payable from time to time on account of the Debtor Obligations as the Administrative Agent shall in its absolute discretion see fit until the whole of the same shall have been paid in full and thereafter the Guarantor shall be entitled to the balance, if any, of such amounts; all of which the Administrative Agent may do without in any way releasing, reducing or otherwise affecting the Guarantor's liability to the Administrative Agent hereunder.

11. On the occurrence and during the continuance of a Default under the Credit Agreement, all of the Debtor Obligations then existing shall, at the option of the Administrative Agent, immediately become payable by the Guarantor and, during such continuance, all dividends or other payments received from any one or more of the Debtors, or on account of any one or more of the Debtors from whatsoever source, (and which if received by the Guarantor, shall be held in trust by the Guarantor for the Administrative Agent for and on behalf of the Lenders and the Hedge Lenders) shall be taken and applied as payment in gross, and this Guarantee shall apply to and secure any ultimate balance that shall remain owing to the Administrative Agent for and on behalf of the Lenders and the Hedge Lenders.

12. Upon the occurrence and during the continuance of a Default, all debts and claims against any one or more of the Debtors now or hereafter held by the Guarantor and all rights of subrogation of the Guarantor shall be for the security of the Administrative Agent, for and on behalf of the Lenders and the Hedge Lenders, and, as between the Guarantor and the Administrative Agent, for and on behalf of the Lenders and the Hedge Lenders, the same are hereby postponed to the repayment and performance of the Debtor Obligations. Upon the occurrence and during the continuance of a Default, until all of the Debtor

Obligations shall have been paid in full, any money received by the Guarantor in respect of any such debts or claims shall be received by the Guarantor in trust for the Administrative Agent, for and on behalf of the Lenders and the Hedge Lenders, and shall be paid forthwith to the Administrative Agent, for and on behalf of the Lenders and the Hedge Lenders, to be applied against, or held as security for, payment of the Debtor Obligations, all without prejudice to and without in any way affecting, relieving, limiting or lessening the liability of the Guarantor hereunder.

13. The Guarantor acknowledges that it shall not have any rights of subrogation or indemnification and shall not prove a claim in the bankruptcy of any one or more of the Debtors unless and until the Debtor Obligations are paid in full.

14. The Guarantor's obligations shall be continuing, absolute, unconditional and irrevocable and binding upon the Guarantor irrespective of: the enforceability, unenforceability, validity, perfection and effect of perfection or non-perfection of any security interest securing the Debtor Obligations or the validity or unenforceability of any of the Debtor Obligations; the termination of any Debtor Obligations by operation of law or otherwise; the bankruptcy, insolvency, dissolution or liquidation of any one or more of the Debtors; or any reorganization of any one or more of the Debtors or the Guarantor or the amalgamation of any one or more of the Debtors or the Guarantor with one or more other corporations or the sale of any one or more of the Debtors' or the Guarantor's business in whole or in part to one or more other persons or parties. In addition to the guarantee contained herein, the Guarantor hereby covenants and agrees to indemnify and save the Administrative Agent, the Lenders and the Hedge Lenders harmless from and against all costs, losses, expenses and damages which any of them may suffer as a result of the default by any one or more of the Debtors in the payment of any of the Debtor Obligations, including without limitation, legal fees (on a substantial indemnity basis) incurred by or on behalf of the Administrative Agent, the Lenders and the Hedge Lenders resulting from any action instituted on the basis of this Guarantee. The Guarantor acknowledges that it is providing this Guarantee at the request of the Debtors and that it has satisfied itself and is not relying upon the Administrative Agent, any Lender or any Hedge Lender in respect of all or any information with respect to the transaction under or related to the Credit Agreement, this Guarantee, any other Loan Document or any Eligible Hedging Agreement. The Guarantor agrees that the Administrative Agent or any Lender or any Hedge Lender has no obligation to provide or disclose information to the Guarantor with respect to any dealings it has with or in respect of the Debtors at any time or from time to time.

15. The Administrative Agent is expressly authorized to amend the documents creating or evidencing the Debtor Obligations (including, without limitation, all modifications, extensions, replacements, amendments, renewals, restatements or supplements of or to such documents) and to waive compliance by any one or more of the Debtors with the terms thereof, without notice to the Guarantor and without in any manner affecting the liability of the Guarantor.

16. Subject to the terms of the Credit Agreement, the Administrative Agent may apply any moneys received from any one or more of the Debtors or others, or from the enforcement of security, to such part of any one or more of the Debtors' liabilities to the Lenders and to the Hedge Lenders, whether or not guaranteed hereby, as it deems appropriate without

prejudice to or in any way limiting or reducing the obligations of the Guarantor hereunder.

17. The Guarantor shall give such further assurances and do, execute and perform all such acts, deeds, documents (including assignments) and things as may be required in the sole and absolute discretion of the Administrative Agent to give the Administrative Agent the full benefit and effect of, or intended by, this Guarantee.

18. No term, condition or provision hereof or any right hereunder, or in respect thereof, shall be, or shall be deemed to have been waived by the Administrative Agent, except by express written waiver signed by the Administrative Agent, all such waivers to extend only to the particular circumstances therein specified. No agreement or undertaking purporting to amend or modify this Guarantee or any of its terms, conditions or provisions or any rights or liabilities hereunder shall be effective or binding unless in writing and signed by the Administrative Agent.

19. No action or omission on the part of the Administrative Agent in exercising or failing to exercise its rights hereunder or in connection with or arising from the Debtor Obligations or any part thereof shall make the Administrative Agent, any Lender or any Hedge Lender liable to the Guarantor for any loss thereby occasioned to the Guarantor.

20. The Lenders may, in accordance with the terms of the Credit Agreement, sell, assign, or transfer all of the Debtor Obligations, or any part thereof, and in that event each and every immediate and successive assignee or transferee, of all or any part of the Debtor Obligations, shall have the right to enforce this Guarantee, by suit or otherwise, for the benefit of such assignee or transferee, as fully as if such assignee or transferee were herein by name specifically given such rights, powers and benefits.

21. If any payment applied by the Administrative Agent to the Debtor Obligations is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of any one or more of the Debtors or any other obligor), the Debtor Obligations to which such payment was applied shall for the purposes of this Guarantee be deemed to have continued in existence, notwithstanding such application, and this Guarantee shall be enforceable as to such of the Debtor Obligations as fully as if such application had never been made.

22. This Guarantee is in addition to and not in substitution for any other undertakings, guarantees or security held or which hereafter may be held by or for the benefit of any Administrative Agent, any Lender or any Hedge Lender.

23. Any provision of this Guarantee prohibited by law or otherwise ineffective shall be ineffective only to the extent of such prohibition or ineffectiveness and be severable without invalidating or otherwise affecting the remaining provisions hereof.

24. All payments to be made by the Guarantor hereunder shall be payable to the Administrative Agent at 40 Dundas Street West, 5th Floor, Toronto, Ontario, M5G 2C2, Attention: Director, Agency (or at such other place for the account of the Administrative Agent as it may from time to time specify to the Guarantor) in immediately available and freely transferable funds at the place of payment, all such payments to be paid without

setoff, counterclaim or reduction and, subject to the terms of the Credit Agreement, without deduction for, and free from, any and all present or future taxes, levies, imposts, duties, fees, charges, deductions, withholding or liabilities with respect thereto or any restrictions or conditions of any nature. Subject to the terms of the Credit Agreement, if the Guarantor is required by law to make any deduction or withholding on account of any tax or other withholding or deduction from any sum payable by the Guarantor hereunder, the Guarantor shall pay any such tax or other withholding or deduction and shall pay such additional amount necessary to ensure that, after making any payment, deduction or withholding, the Administrative Agent shall receive and retain (free of any liability in respect of any payment, deduction or withholding) a net sum equal to what it would have received and so retained hereunder had no such deduction, withholding or payment been required to have been made.

25. The payment by the Guarantor of any amount or amounts due the Administrative Agent hereunder shall be made in the same currency (the "Relevant Currency") and funds in which the underlying Debtor Obligations are payable. To the fullest extent permitted by law, the obligation of the Guarantor in respect of any amount due in the Relevant Currency under this Guarantee shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the Relevant Currency that the Administrative Agent may, in accordance with normal banking procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the Banking Day immediately following the day on which the Administrative Agent receives such payment. If the amount in the Relevant Currency that may be so purchased for any reason falls short of the amount originally due, the Guarantor shall pay such additional amounts, in the Relevant Currency, as may be necessary to compensate for the shortfall. Any obligations of the Guarantor not discharged by such payment shall, to the fullest extent permitted by Applicable Law, be due as a separate and independent obligation and, until discharged as provided herein, shall continue in full force and effect.

26. The Guarantor waives any and all defences, claims and discharges of any one or more of the Debtors, or any other obligor, pertaining to the Debtor Obligations, except the defense of discharge by payment in full and complete satisfaction of same. The Guarantor agrees that the undersigned shall be and remain liable for any deficiency remaining after foreclosure of any mortgage or security interest securing the Debtor Obligations, whether or not the liability of any one or more of the Debtors or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

27. This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this Guarantee may be instituted in the courts of the Province of Ontario and the Guarantor hereby accepts and irrevocably submits to the non-exclusive jurisdiction of the said courts and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit the Administrative Agent's right to bring proceedings against the Guarantor elsewhere.

28. This Guarantee shall not be subject to or affected by any promise or condition affecting or limiting the liability of the Guarantor hereunder except as set forth herein, and no

statement, representation, agreement or promise on the part of the Administrative Agent or any officer, employee or agent thereof, unless contained herein forms any part of this Guarantee or shall be deemed in any way to affect the Guarantor's liability hereunder.

29. The Guarantor acknowledges that this Guarantee has been delivered free of any conditions.

30. This Guarantee (a) shall extend to and enure to the benefit of (i) the successors and Permitted Assigns of the Administrative Agent and the Lenders, and (ii) the successors of the Hedge Lenders; and (b) shall be binding upon the Guarantor and the successors and assigns of the Guarantor.

31. Any word herein contained importing the singular number shall include the plural and vice versa, and any word importing any gender will include the masculine, feminine, and neuter genders and any word importing a person will include a corporation, a partnership and any other entity.

32. All capitalized terms used and not otherwise defined herein which are defined in the Credit Agreement shall have the respective meanings ascribed to them in the Credit Agreement.

SIGNED and sealed this day of , .

CELESTICA INC.

Per: _____
Name:
Title:

SCHEDULE I

ROLLOVER NOTICE

TO: **CANADIAN IMPERIAL BANK OF COMMERCE** (the "Administrative Agent")

FROM: **[Celestica Inc. or any Designated Subsidiary]**

DATE: •

1. This Rollover Notice is delivered to you pursuant to the a sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among the Debtor, the subsidiaries designated in the Credit Agreement, the financial institutions named in Schedule "A" to the Credit Agreement (the "Lenders"), and Canadian Imperial Bank of Commerce as Administrative Agent. Unless otherwise defined herein or the context otherwise requires capitalized terms used herein which are defined in the Credit Agreement have the respective meanings provided in the Credit Agreement.

2. We hereby request a Rollover pursuant to either:

   (i) Section 2.12 , or

   (ii) Section 4.5 , of

   the Credit Agreement as follows:

   (a) Date of Rollover:

   (b) Currency and Amount of Rollover:

   (c) Type of Loan:

   (d) Interest Period:

   (e) Maturity Date:

   (f) Payment Instructions:

   (if any)

3. We have understood the provisions of the Credit Agreement which are relevant to the furnishing of this Rollover Notice. To the extent that this Rollover Notice evidences, attests or confirms compliance with any covenants or conditions precedent provided for in the Credit Agreement, we have made such examination or investigation as was, in our opinion, necessary to enable us to express an informed opinion as to whether such covenants or conditions have been complied with.

4. THE UNDERSIGNED HEREBY CERTIFIES, for itself and on behalf of all other Borrowers, as of the date of hereof:

a. all of the representations and warranties contained in Section 8.1 of the Credit Agreement are true and correct in all material respects on and as of the date hereof; and,

b. no Default or Event of Default has occurred and is continuing.

[CELESTICA INC. OR ANY DESIGNATED SUBSIDIARY]

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE J

TRANSFER NOTICE

TO: CELESTICA INC.

TO: CANADIAN IMPERIAL BANK OF COMMERCE (the "Administrative Agent")

CELESTICA INC.

Dear Sirs & Mesdames:

We refer to Section 13.11 of the a sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among Celestica Inc. ("Celestica"), the subsidiaries designated in the Credit Agreement, the financial institutions named in Schedule "A" to the Credit Agreement (the "Lenders"), and Canadian Imperial Bank of Commerce as Administrative Agent. Unless otherwise defined herein or the context otherwise requires capitalized terms used herein which are defined in the Credit Agreement have the respective meanings provided in the Credit Agreement.

This agreement is delivered to you pursuant to Section 13.11 of the Credit Agreement and also constitutes notice to each of you, pursuant to Section 13.11 of the Credit Agreement, of the assignment to (the "Assignee") of % of the Advances and Commitments of (the "Assignor") under the Credit Agreement on the date hereof. After giving effect to the foregoing transfer, the Assignor's and the Assignee's percentages for the purposes of the Credit Agreement are set forth opposite such person's name on the signature pages hereof.

The Assignee hereby acknowledges and confirms that it has received a copy of the Credit Agreement and the exhibits related thereto, together with copies of the documents which were required to be delivered under the Credit Agreement as a condition to the making of the Advances thereunder. The Assignee agrees to be bound by the terms of the Credit Agreement and to perform its obligations as a Lender thereunder. The Assignee further confirms and agrees that in becoming a Lender and in making its Commitments and Advances under the Credit Agreement, such actions have and will be made without recourse to, or representation or warranty by the Administrative Agent.

Except as otherwise provided in the Credit Agreement, effective as of the date of acceptance hereof by the Administrative Agent,

(a) the Assignee:

(i) shall be deemed automatically to have become a party to the Credit Agreement, have all the rights and obligations of a "Lender" under the Credit Agreement and the other Loan Documents as if it were an original signatory thereto to the extent specified in the second paragraph hereof; and

(ii) agrees to be bound by the terms and conditions set forth in the Credit Agreement and the other Loan Documents as if it were an original signatory thereto; and

(b) the Assignor shall be released from its obligations under the Credit Agreement and the other Loan Documents to the extent specified in the second paragraph hereof.

The Assignor hereby agrees to pay to the Administrative Agent on the date of acceptance hereof by the Administrative Agent the processing fee referred to in Section 13.11(c)(iii) of the Credit Agreement upon the delivery hereof.

The Assignee hereby advises each of you of the following administrative details with respect to the assigned Advances and Commitments and requests the Administrative Agent to acknowledge receipt of this document:

(i) Institution Name:

Address for Notices:

Attention:

Domestic Office:

Telephone:

Facsimile:

Telex (Answerback):

LIBOR Office:

Telephone:

Facsimile:

Telex (Answerback):

(ii) Payment Instructions:

This Agreement may be executed by the Assignor and the Assignee in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

Adjusted Percentage

%

[ASSIGNOR], as Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

Percentage

%

[ASSIGNEE], as Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

Accepted and Acknowledged this day of , 20 .

CANADIAN IMPERIAL BANK OF COMMERCE,
as Administrative Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

CELESTICA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE K

ISSUANCE REQUEST

CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent
40 Dundas Street West
5th Floor
Toronto, Ontario M5G 2C2

Attention: Director, Agency
Telecopier: (416) 956-3830

[Issuing Bank]
[address]

Dear Sirs & Mesdames:

Re: A Sixth Amended and Restated Revolving Term Credit Agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among Celestica Inc. ("Celestica"), the subsidiaries designated in the Credit Agreement, the financial institutions named in Schedule "A" to the Credit Agreement (the "Lenders"), and Canadian Imperial Bank of Commerce as Administrative Agent. Unless otherwise defined herein or the context otherwise requires capitalized terms used herein which are defined in the Credit Agreement have the respective meanings provided in the Credit Agreement.

This Issuance Request is delivered to you pursuant to Section 3.1 of the Credit Agreement. Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein which are defined in the Credit Agreement have the respective meanings provided in the Credit Agreement.

The undersigned hereby requests that on , (the "Date of Issuance"), the **[Issuing Bank]** (the "Issuer") **[issue an irrevocable standby letter of credit/letter of guarantee on , in the initial Face Amount of (specify currency) with a Stated Expiry Date of ,] [extend the Stated Expiry Date (as defined under Irrevocable Standby Letter of Credit/Letter of Guarantee No. , issued on , , in the initial Face Amount of) to a revised Stated Expiry Date of ,].**

The beneficiary of the requested letter of credit/letter of guarantee will be (1) , and such letter of credit/letter of guarantee will be in support of (2).

---

(1) Insert name and address of beneficiary.

The undersigned hereby acknowledges that, pursuant to Section 8.3 of the Credit Agreement, the **[issuance] [extension]** of the letter of credit/letter of guarantee requested hereby constitutes a representation and warranty by the undersigned that, on such date of **[issuance] [extension]** all representations set forth in Section 8.1 are true and correct in all material respects.

The undersigned agrees that if, prior to the time of the **[issuance] [extension]** of the letter of credit/letter of guarantee requested hereby, any matter certified to herein by it will not be true and correct at such time as if then made, it will immediately so notify the Administrative Agent. Except to the extent, if any, that prior to the time of the issuance or extension requested hereby the Administrative Agent and the Issuer shall receive written notice to the contrary from the undersigned, each matter certified to herein shall be deemed to be certified at the date of such issuance or extension.

IN WITNESS WHEREOF, the undersigned has caused this Issuance Request to be executed and delivered by its duly authorized officer this day of , 20 .

CELESTICA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

(2) Insert description of supported indebtedness or other obligations and name of agreement to which it relates.

SCHEDULE L

ACCEPTANCE NOTE

TO: **[Lender]**

DATE: •

FOR VALUE RECEIVED, the undersigned, • , hereby unconditionally promises to pay to the order of **[Lender]** (the "Lender") the principal amount of • CANADIAN DOLLARS (Cdn.$•). The undiscounted principal amount hereof shall be repaid on •(1). The undersigned agrees that interest shall be paid herein, in advance, by the Lender discounting the face amount of this Note in the manner described in Section 4.7 of the Credit Agreement described below.

This Acceptance Note is one of the Acceptance Notes delivered to you pursuant to Section 4.7 of the a sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among Celestica Inc. ("Celestica"), the subsidiaries designated in the Credit Agreement, the financial institutions named in Schedule "A" to the Credit Agreement (the "Lenders"), and Canadian Imperial Bank of Commerce as Administrative Agent. Unless otherwise defined herein or the context otherwise requires capitalized terms used herein which are defined in the Credit Agreement have the respective meanings provided in the Credit Agreement.

All parties hereto, whether as makers, endorsers, or otherwise, severally waive presentment for payment, demand, protest, notice of protest, notice of non-payment and notice of dishonour.

(1) Insert maturity date for Bankers' Acceptances created simultaneously herewith.

THIS NOTE HAS BEEN DELIVERED IN TORONTO, ONTARIO AND SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

[CELESTICA INC. OR ANY CANADIAN DESIGNATED SUBSIDIARY]

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE M

CONSENT LENDER NOTICE

TO: CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

RE: Subsection 7.1(c)(ii) of the sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among Celestica Inc. ("Celestica"), the subsidiaries designated in the Credit Agreement, the financial institutions named in Schedule "A" to the Credit Agreement, and Canadian Imperial Bank of Commerce as Administrative Agent.

Further to the designation by Celestica Inc. of **[name of Consent Designated Subsidiary]** as a consent designated subsidiary (the "Consent Designated Subsidiary") on and the satisfaction of all of the terms and provisions of subsection 7.1(c) of the Credit Agreement, the undersigned **[consents/refuses]** to make available a portion of its Commitment in order to make Advances in **[insert jurisdiction of the Consent designated Subsidiary]** (the "Jurisdiction"), the jurisdiction in which the Consent Designated Subsidiary is domiciled

[The undersigned allocates [portion to be specified] of the Commitment of the undersigned to make Advances in the Jurisdiction. All Advances in the Jurisdiction shall be made by [insert name of Affiliate of the undersigned that will make Advances in the Jurisdiction].

Unless otherwise defined herein or the context otherwise requires, terms used herein which are defined in the Credit Agreement have the meanings provided in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

By: _____
Name:
Title:

[NAME OF CONSENT LENDER]

By: _____
Name:
Title:

By: _____

Name:
Title:

SCHEDULE N

CALCULATION OF THE MANDATORY COST

1. General

The Mandatory Cost is the weighted average of the rates for each Lender calculated below by the Administrative Agent on the first day of an Interest Period. The Administrative Agent must distribute each amount of Mandatory Cost among the Lenders on the basis of the rate for each Lender. Any determination by the Administrative Agent, pursuant to this Schedule will be, in the absence of manifest error, conclusive and binding on all the parties to this Agreement.

2. For a Lender lending from a lending office in the U.K.

(a) The relevant rate for a Lender lending from a lending office in the U.K. is calculated in accordance with the following formulae:

for a Loan in Sterling:

$$\frac{AB + C(B-D) + E \times 0.01}{100-(A + C)} \text{ per cent. per annum}$$

for any other Loan:

$$\frac{E \times 0.01}{300} \text{ per cent. per annum}$$

where on the day of application of the formula:

(A) is the percentage of that Lender's eligible liabilities (in excess of any stated minimum) which the Bank of England requires it to hold on a non-interest-bearing deposit account in accordance with its cash ratio requirements;

(B) is LIBOR for that Interest Period;

(C) is the percentage of that Lender's eligible liabilities which the Bank of England requires it to place as a special deposit;

(D) is the interest rate per annum allowed by the Bank of England on a special deposit; and

(E) is calculated by the Administrative Agent as being the average of the rates of charge supplied by the Lenders to the Administrative Agent under paragraph (d) below and expressed in pounds per £1 million.

(b) For the purposes of this paragraph 2:

(i) **eligible liabilities** and **special deposit** have the meanings given to them at the time of application of the formula by the Bank of England;

(ii) **fees rules** means the then current rules on periodic fees in the Supervision Manual of the FSA Handbook; and

(iii) **tariff base** has the meaning given to it in the fees rules.

(c) (i) In the application of the formulae, A, B, C and D are included as figures and not as percentages, e.g. if A = 0.5% and B = 15%, AB is calculated as 0.5 x 15. A negative result obtained by subtracting D from B is taken as zero.

(ii) Each rate calculated in accordance with a formula is, if necessary, rounded upward to four decimal places.

(d) (i) Each Lender must supply to the Administrative Agent the rate of charge payable by that Lender to the Financial Services Authority under the fees rules (calculated by that Lender as being the average of the rates of charge applicable to that Lender but, for this purpose, applying any applicable discount and ignoring any minimum fee required under the fees rules) and expressed in pounds per £1 million of the tariff base of that Lender.

(ii) Each Lender must promptly notify the Administrative Agent of any change to the rate of charge.

(e) (i) Each Lender must supply to the Administrative Agent the information required by it to make a calculation of the rate for that Lender. The Administrative Agent may assume that this information is correct in all respects.

(ii) If a Lender fails to do so, the Administrative Agent may assume that the Lender's obligations in respect of cash ratio deposits, special deposits and the fees rules are the same as those of a typical bank from its jurisdiction of incorporation with a lending office in the U.K.

(iii) The Administrative Agent has no liability to any party to this Agreement if its calculation over or under compensates any Lender.

3. For a Lender lending from a lending office in a Participating Member State

(a) The relevant rate for a Lender lending from a lending office in a Participating Member State is the percentage rate per annum notified by that Lender to the Administrative Agent as its cost of complying with the minimum reserve requirements of the European Central Bank.

(b) If a Lender fails to specify a rate under paragraph (a) above, the Administrative Agent will assume that the Lender has not incurred any such cost.

4. Changes

The Administrative Agent may, after consultation with Celestica and the Lenders, notify all the parties to this Agreement of any amendment to this Schedule which is required to reflect:

(a) any change in law or regulation; or

(b) any requirement imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any successor authority).

If the Administrative Agent, after consultation with Celestica, determines that the Mandatory Cost for a Lender lending from a lending office in the U.K. can be calculated by a reference to a screen, the Administrative Agent may notify all the parties to this Agreement of any amendment to this Agreement which is required to reflect this.

Any notification will be, in the absence of manifest error, conclusive and binding on all the parties to this Agreement.

SCHEDULE O

[INTENTIONALLY DELETED]

SCHEDULE P

PERMITTED ENCUMBRANCE CERTIFICATE

[CORPORATION]

TO: CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

AND TO: The Lenders now or hereafter party to the Credit Agreement (defined below)

AND TO: Osler, Hoskin & Harcourt LLP

PURSUANT TO the sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "Credit Agreement") among Celestica Inc. ("Celestica"), the subsidiaries designated in the Credit Agreement, the financial institutions named in Schedule "A" to the Credit Agreement (the "Lenders"), and Canadian Imperial Bank of Commerce as Administrative Agent, (the "Corporation") is required to provide this Certificate.

I, , a **[director/officer]** of the Corporation, do hereby certify as a **[director/officer]** of the Corporation, and not in my personal capacity, the matters set out below after having made or caused to be made such inquiries as were necessary in the circumstances that:

1. Osler, Hoskin & Harcourt LLP, as Ontario counsel to the Administrative Agent has provided to the Corporation a Personal PSRS Enquiry Certificate with a currency date indicated thereon, indicating outstanding *Personal Property Security Act* (Ontario) registrations (collectively, the "PPSA Registrations") with respect to the Corporation (the "PPSA Report"), a copy of which is attached as Schedule "A" hereto. **[[Law Firm], as special counsel to the** Administrative Agent **has provided to the Corporation reports (together with the PPSA Report, the "Report") indicating the outstanding tax, judgment and U.C.C. lien registrations, (collectively, with the PPSA Registrations, the "Registrations") with respect to the Corporation, a copy of which is attached as Schedule "B" hereto.]**

2. Each of the Registrations against the Corporation as disclosed in the Report relates to a Permitted Encumbrance (as such term is defined in the Credit Agreement).

DATED as of the day of , 20 .

_____
Name

SCHEDULE Q

[INTENTIONALLY DELETED]

SCHEDULE R

PERMITTED DISSOLUTIONS

1. Celestica Industries Limited
2. Celestica (Telford) Limited
3. NDB Industrial Ltda.
4. IMS International Manuafacturing Sevices de Monterrey, S. de R.L. de C.V.
5. MSL Midwest Operations, Inc.
6. MSL Offshore Finance B.V.
7. MSL SPV Spain, Inc.
8. MSL Overseas Finance B.V.
9. Celestica do Brasil Ltda.
10. Celestica do Brasil Technologia de Produtos e Servicos Ltda.
11. Celestica France SAS
12. Celestica Ireland Holdings
13. Celestica Cayman Holdings 2 Limited
14. Celestica Barcelona, S.L.
15. 1593289 Ontario Inc.
16. Celestica (Swords) Limited
17. EMS Manufacturing Services Limited
18. Celestica Laguna, Inc.
19. Celestica de Puerto Rico, Inc.
20. Celestica Services Singapore Pte. Ltd.
21. Celestica Services Limited
22. Celestica (PM1) LLC
23. Celestica (PMII) LLC
24. Celestica (India) Private Limited

25. Celestica (Hyderabad) Electronics Private Limited
26. 1334607 Ontario Inc.
27. Celestica Philippines, Inc.
28. Celestica Employee Nominee Corporation
29. Celestica Liquidity Management Hungary Limited Liability Company
30. Celestica (US Holdings) LLC
31. Celestica (USA) Inc.

SCHEDULE S

PERMITTED MERGERS

Celestica Asia Pte Limited and Celestica Holdings Pte Limited

SCHEDULE T

GENERAL SECURITY AGREEMENT(4)

THIS AGREEMENT is made as of • .

TO: **CANADIAN IMPERIAL BANK OF COMMERCE**, in its capacity as administrative agent (the "**Agent**") on behalf of (i) itself as Agent, (ii) the financial institutions named in Schedule A to the Sixth Amended and Restated Revolving Term Credit Agreement and (iii) the Hedge Lenders ((i), (ii) and (ii) are collectively, the "**Lenders**"), as the same may be amended, supplemented, restated, extended, renewed or superseded from time to time (the "**Credit Agreement**"), dated as of January 14, 2011 between the Agent, the Lenders, Celestica Inc. and the subsidiaries specified as designated subsidiaries, 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 and Merrill Lynch Pierce Fenner & Smith Incorporated, as Co-Syndication Agent.

GRANTED BY: • , a corporation incorporated under the laws of • (the "**Grantor**").

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless the context otherwise requires or unless otherwise specified, all the terms used in this Agreement without initial capitals, which are defined in the PPSA or the STA (each as defined below) have the same meanings in this Agreement as in the PPSA or the STA, as applicable, and all terms used in this Agreement with initial capitals and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement. In addition, the following terms shall have the following meanings:

"Account Debtor" means any Person who is or becomes obligated to pay under any of the Accounts, Chattel Paper, Contracts and Instruments;

"Accounts" means all debts, accounts, claims, rents, monies and choses in action which are now or which may at any time hereafter be due and owing to or owned by the Grantor or in which the Grantor now or hereafter has any other interest, or any part thereof;

(4) Note: Form of General Security Agreement to be provided by Canadian Grantors. General Security Agreements to be provided by other Grantors to be substantially in the same form with such changes thereto as agreed upon by Lenders' Counsel and Borrowers' Counsel and as are otherwise reasonable or necessary to grant the Agent a perfected security interest in such other Grantors' personal property.

"Agreement" means this agreement entitled "General Security Agreement" including any recitals and schedules to this Agreement, as may be amended, supplemented or restated in writing from time to time;

"Chattel Paper" means all chattel paper in which the Grantor now or hereafter has an interest, and any part thereof;

"Contracts" means any contracts, agreements, indentures, licences, commitments, entitlements, engagements or other arrangements, including any investment with or interest in any Person which does not constitute Investment Property, whether written or unwritten, to which the Grantor is now or hereafter a party or has a benefit, right, or in which the Grantor now or hereafter has an interest;

"Control Agreement" means any present or future agreement or agreements entered into by the Grantor, the Agent and the applicable issuer, securities intermediary or futures intermediary, whereby the parties intend for the Agent to obtain control of Investment Property;

"Deficiency" has the meaning given to it in Section 5.1(j);

"Documents of Title" means all documents of title, whether negotiable or non-negotiable, including, without limitation, all warehouse receipts and bills of lading, in which the Grantor now or hereafter has an interest, and any part thereof;

"Equipment" means all goods in which the Grantor now or hereafter has an interest other than Inventory or consumer goods and any part thereof, including, without limitation, all tools, apparatus, fixtures, plant, machinery and furniture;

"Futures Account" means all of the present or future futures accounts maintained for the Grantor by a futures intermediary, including all futures contracts carried in such futures accounts and the agreements between the Grantor and the futures intermediary governing such futures accounts;

"Instruments" means all letters of credit, advices of credit, bills of exchange, depository notes, depository bills, banker's acceptances and other instruments in which the Grantor now or hereafter has an interest, and any part thereof;

"Intangibles" means all intangibles of whatever kind in which the Grantor now or hereafter has an interest, including, without limitation, all of the Grantor's rights under Contracts, Intellectual Property Rights, Technical Information, permits and quotas;

"Intellectual Property Rights" means all trade-marks, trade-names, brands, trade dress, business names, uniform resource locators ("URL"), domain names, tag lines, designs, graphics, logos and other commercial symbols and indicia of origin, goodwill, patents and inventions, copyrights, industrial designs, and other intellectual property rights, whether registered or not or the subject of a pending application for registration, owned by or licensed to the Grantor, including, without limiting the generality of the foregoing, the intellectual property owned by or licensed to the Grantor;

"Inventory" means all inventory of whatever kind and wherever situate in which the Grantor now or hereafter has an interest, including, without limitation, all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property held for sale, lease, resale or exchange or furnished or to be furnished under contracts for service or that are used or consumed in the business of the Grantor, and any part thereof;

"Investment Property" means all or any part of any present or future interest of the Grantor in present and after acquired investment property, including all securities, Securities Accounts and Futures Accounts, all of the present and future security entitlements of the Grantor as an entitlement holder of such security entitlements, all of the present and future futures contracts of the Grantor as a futures customer in respect of such futures contracts, and all proceeds of any such property;

"Money" means all money in which the Grantor now or hereafter acquires an interest, and any part thereof;

"Obligations" has the meaning specified in Section 3.1;

"PPSA" means the *Personal Property Security Act*, R.S.O. 1990, c.P.10, as amended from time to time;

"Places of Business" means the Borrower's places of business specified in Section **4.1(h)**, and "**Place of Business"** means any one of them;

"Proceeds" means all proceeds and personal property in any form derived directly or indirectly from any dealing with the Secured Property or any part thereof and any insurance or payment that indemnifies or compensates for such property lost, damaged or destroyed, and proceeds of proceeds and any part thereof;

"Secured Parties" means the Agent and the Lenders, together with their respective successors and assigns;

"Secured Property" means all of the Grantor's undertaking, personal property, rights and assets of every nature and kind, now owned or subsequently acquired and at any time and from time to time existing or in which the Grantor has or acquires an interest, wherever situate, including all personal property, insurance policies, annuities, financial assets, Accounts, Chattel Paper, Contracts, Documents of Title, Equipment, Intangibles, Instruments, Inventory, Investment Property, Money and Proceeds, together with all increases, additions and accessions to any of them, and all substitutions or any replacements of any of them but does not include any real property;

"Securities Account" means all of the present or future securities accounts maintained for the Grantor by a securities intermediary, including all of the financial assets credited to such securities accounts, all related securities entitlements and the agreements between the Grantor and the securities intermediary governing such securities accounts.

"Security Interest" means the security interest granted under Section 2.1;

"STA" means the *Securities Transfer Act,* 2006, S.O. 2006, c. 8, as amended from time to time; and

"Technical Information" means all know-how and information owned by or licensed to the Grantor, confidential or otherwise, including, without limitation, and any information of a scientific, technical, financial or business nature regardless of its form.

1.2 Governing Law

This Agreement is made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Grantor may be found.

1.3 Headings

Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Number and Gender

Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.5 Paramountcy

If there is a conflict, inconsistency, ambiguity or difference between any provision of this Agreement and the Credit Agreement, the provisions of the Credit Agreement shall prevail, and such provision of this Agreement shall be amended to the extent only to eliminate any such conflict, inconsistency, ambiguity or difference. Any right or remedy in this Agreement which may be in addition to the rights and remedies contained in the Credit Agreement shall not constitute a conflict, inconsistency, ambiguity or difference.

1.6 Severability

If, in any jurisdiction, any provision of this Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

1.7 No Strict Construction

The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

1.8 Time

Time is of the essence in the performance of the parties' respective obligations.

ARTICLE 2
SECURITY INTEREST

2.1 Security Interest

Subject to Sections 2.4 and 2.5, as continuing security for the due and timely payment and performance by the Grantor of each of the Obligations, the Grantor hereby grants to the Agent a continuing security interest in the Secured Property.

2.2 Fixed Nature of Security Interest

The Security Interest is intended to operate as a fixed and specific charge of all of the Secured Property presently existing, and with respect to all future Secured Property, to operate as a fixed and specific charge of such future Secured Property.

2.3 Attachment and Value

The Grantor acknowledges:

(a) receipt of a copy of this Agreement;

(b) that value has been given for the granting of the Security Interest;

(c) that the Security Interest attaches to the Secured Property immediately upon execution and delivery of this Agreement to the Agent and that the Agent and the Grantor have not agreed to postpone the time of attachment of the Security Interest;

(d) if the Grantor does not acquire rights or interests in any of the Secured Property until after the execution and delivery of this Agreement, the Security Interest shall attach to such Secured Property when the Grantor acquires rights in such Secured Property;

(e) that neither the execution of, nor filing with respect to, this Agreement shall obligate any Secured Party to make any advance or loan or further advance, or bind any Secured Party to grant or extend any credit to the Grantor; and

(f) that the Security Interest shall be effective whether all or part of the Obligations shall be advanced before, upon or after the date of execution of this Agreement.

2.4 Leases

The last day of any term reserved by any real property lease, written or unwritten, or any agreement to lease real property, now held or hereafter acquired by the Grantor is hereby excepted out of the Security Interest. As further security for the payment of the Obligations, the Grantor agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Agent for the purpose of this Agreement. The Grantor shall assign and dispose of the same in such manner as the Agent may from time to time direct in writing without cost or expense to any Secured Party. Upon any sale, assignment, sublease or other disposition of such lease or agreement to lease, the Agent shall, for the purpose of vesting the residue of any

such term in any purchaser, assignee, sublessee or such other acquirer of the real property lease, agreement to lease or any interest therein, be entitled by deed or other written instrument to assign to such other Person, the residue of any such term in place of the Grantor and to vest the residue freed and discharged from any obligation whatsoever respecting the same.

2.5 Consent

Nothing herein shall constitute an assignment or attempted assignment of any Contract which by the provisions thereof or by law is not assignable or which requires the consent of a third party to its assignment unless such consent has been obtained. In each such case, the Grantor shall, unless the Agent otherwise agrees in writing, forthwith, upon written request by the Agent, use commercially reasonable efforts to obtain the consent of any necessary third party to its assignment hereby and to its further assignment by the Agent to any third party who may acquire same as a result of the exercise by the Agent of remedies after demand. Upon such consent being obtained or waived, this Agreement shall apply to the applicable Contract without regard to this section and without the necessity of any further assurance to effect the assignment thereof. Unless and until the consent to assignment is obtained as provided above, the Grantor shall, to the extent it may do so by law or pursuant to the provisions of the Contract or interest referred to therein, hold all benefit to be derived from the applicable Contracts in trust for the Agent (including, without limitation, the Grantor's beneficial interest in any Contract which may be held in trust for the Grantor by a third party), as additional security for payment of Obligations and shall deliver up all such benefit to the Agent, forthwith upon demand by the Agent.

2.6 Transfers of Secured Property

(a) If any personal property which forms part of the Secured Property (i) is sold, assigned, transferred, leased, conveyed or otherwise disposed of (in each case, "**Disposed**"; and "**Disposition**" has a correlative meaning thereto) or encumbered by the Grantor in accordance with the Credit Agreement, and/or (ii) otherwise becomes a Securitized Asset during the term of this Agreement, the interests of the Grantor in such personal property that has been so Disposed of or encumbered or in such Securitized Asset shall, without further act (subject to the satisfaction of the conditions contained in Section 9.1(p)(iii) of the Credit Agreement, if applicable) and concurrently with such encumbrance or Disposition, cease to form part of the Secured Property and shall not be subject to this Agreement, shall automatically and without further act be released from and no longer be subject to the Security Interest, and the Security Interest shall cease to be attached to such interests in such personal property.

(b) Securitized Assets which cease to be Securitized Assets shall, without further act, immediately become part of the Secured Property and subject to this Agreement and the Security Interest shall, and shall be deemed to, attach to such personal property unless provided otherwise herein.

(c) The Agent agrees, at the Grantor's expense, to execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence the release of such item of Secured Property from the Security Interest.

ARTICLE 3
OBLIGATIONS SECURED

3.1 Obligations

The Secured Property constitutes and will constitute continuing security for the following obligations (the "**Obligations**") of the Grantor to the Secured Parties:

(a) **Indebtedness** - The prompt payment, as and when due and payable, of all amounts now or hereafter owing by the Grantor to any Secured Party pursuant to the Credit Agreement, this Agreement, any other Loan Document or any Eligible Hedging Agreement, including, without limitation, by way of guarantee or indemnity, whether now existing or hereafter incurred, matured or unmatured, direct, indirect or contingent, including any amendments, restatements, supplements, extensions, renewals and replacements thereof; and

(b) **Performance of Agreements** - The strict performance and observance by the Grantor of all agreements, warranties, representations, covenants and conditions of the Grantor made by the Grantor pursuant to the Credit Agreement, this Agreement, any other Loan Document or any Eligible Hedging Agreement, in each case as now in effect or as hereafter entered into, amended, restated, supplemented, renewed, extended or replaced from time to time.

ARTICLE 4
GRANTOR'S REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Representations and Warranties

The Grantor represents and warrants to the Agent the matters set out below:

(a) **Ownership of Secured Property Free of Charges** - The Grantor is the owner of or has rights in the Secured Property and there are no Liens on the Secured Property other than Permitted Encumbrances;

(b) **Due Authorization, Non-contravention etc.** - The execution, delivery and performance by the Grantor of each Loan Document to which it is a party are within its corporate powers, have been duly authorized by all necessary corporate action by it, and do not:

(i) contravene its Organic Documents;

(ii) contravene any Applicable Law or contractual restriction; or

(iii) result in, or require the creation or imposition of, any Lien on any of its properties except the Security Interest;

(c) **Account Debtor** - Each of the Accounts, Chattel Paper, Contracts and Instruments constituting Secured Property is genuine and bona fide and the amount represented thereunder from time to time as owing to the Grantor, unless disclosed in writing by the Guarantor to the Agent, will be owed free of any

dispute, set-off or counterclaim, and, to the Grantor's knowledge, enforceable in accordance with its terms against the applicable Account Debtor or counterparty;

(d) **Amounts Due From Account Debtor** - The amount represented by the Grantor to the Agent from time to time as owing by each Account Debtor or by all Account Debtors, to the best of the Grantor's knowledge, is the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, save and except for normal cash discounts where applicable and a reasonable reserve for bad debts;

(e) **Accounts with Financial Intermediaries** — Each of the Securities Accounts and Futures Accounts, to the Grantor's knowledge, is enforceable in accordance with its terms against the applicable securities intermediary or futures intermediary without any security interest or other Lien held by such securities intermediary or futures intermediary or right of set-off, netting or consolidation other than for normal charges applicable to the maintenance of such accounts and brokerage fees incurred in the ordinary course of business;

(f) **Insurance** - The Secured Property is insured in accordance with the terms of Section 4.2(h);

(g) **No Other Corporate Names or Styles** - The Grantor does not carry on business under or use any name or style other than the name(s) specified in this Agreement including, without limitation, any names in the French language;

(h) **Place of Business of Grantor** - The following is/are the Grantor's Place(s) of Business:

-

The Grantor's chief executive office is located at **[●]** and its registered or head office under the laws of Canada or of a Canadian territory or province, if any, is located at **[●]**.

(i) **Reliance and Survival** - All representations and warranties of the Grantor made in this Agreement or in any certificate or other document delivered by or on behalf of the Grantor to or for the benefit of the Agent in connection with this Agreement are material, shall survive and shall not merge upon the execution and delivery of this Agreement and shall continue in full force and effect for so long as any obligation of an Obligor to the Agents or any lenders shall remain outstanding. The Agent shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of the Agent at any time.

4.2 Covenants

Unless compliance with the following covenants is waived by the Agent in writing or unless non-compliance with any such covenants is otherwise consented to by the Agent in writing, the Grantor covenants and agrees that:

(a) **Notification to Agent** -The Grantor shall promptly notify the Agent of:

(i) **Claims and Liens** - any material claim or Lien made or asserted against any of the Secured Property, other than Permitted Encumbrances;

(ii) **Proceedings** - any material suit, action or proceeding affecting any of the Secured Property or which could affect the Grantor;

(iii) **Loss or Damage** - all material loss or damage to or loss of possession of all or any part of the Secured Property other than by disposition in accordance with the terms of this Agreement or the Credit Agreement; and

(iv) **Account Debtor Non-Performance** - any material failure of any Account Debtor, any securities intermediary in respect of a Securities Account or any futures intermediary in respect of a Futures Account in payment or performance of obligations due to the Grantor which may affect the Secured Property;

and the Grantor shall, at its own expense, use commercially reasonable efforts to defend the Secured Property against any and all such claims or Liens and against any and all such suits, actions or proceedings;

(b) **No Accessions or Fixtures** - The Grantor shall prevent the Secured Property from becoming an accession to any property other than the Secured Property or from becoming a fixture unless the Security Interest ranks prior to the interests of all other Persons in the real property;

(c) **Marking the Secured Property** - The Grantor shall, at the request of the Agent, mark, or otherwise take appropriate steps to identify, the Secured Property to indicate clearly that it is subject to the Security Interest;

(d) **Encumbrances** - The Grantor shall not create, incur, assume, permit or suffer to exist any Lien, on or with respect to any of the Secured Property, except for Permitted Encumbrances;

(e) **Payment of Taxes** — The Grantor shall pay or cause to be paid, when due, all Taxes including, property taxes, business taxes, social security premiums, assessments and governmental charges or levies imposed upon it or upon its income, sales, capital or profit or any property belonging to it unless any such Tax, social security premiums, assessment, charge or levy is contested by it in good faith with adequate provision or reserve, where required by GAAP, and to withhold and remit when due all payroll and withholding taxes;

(f) **Maintenance of Secured Property and Books** - The Grantor shall at all times keep accurate and complete records with respect to the Secured Property as well as proper books of account for its business all in accordance with GAAP, consistently applied, and shall maintain the currency of registration of its Intellectual Property Rights;

(g) **Delivery of Documents** - The Grantor shall deliver to the Agent promptly upon reasonable request:

(i) **Documents** - any Chattel Paper, Instruments and Documents of Title, and upon such delivery, where applicable, duly endorse the same for transfer in blank or as the Agent may direct;

(ii) **Books of Account** - all material computer software, tapes, discs, drums and cards, all Securities Accounts, Future Accounts, books of account and all material records, ledgers, reports, schedules, documents, statements, lists and other writings relating to the Secured Property or the Grantor's business for the purpose of inspecting, auditing or copying the same;

(iii) **Contracts and Agreements** - all material Contracts and all other material agreements, licenses, permits and consents relating to the Secured Property and the Grantor's business; and

(iv) **Other Information** - such information concerning the Secured Property, the Grantor and the Grantor's business and affairs as the Agent may reasonably request;

(h) **Risk and Insurance** - The Grantor bears the sole risk of any loss, damage, destruction or confiscation of or to the Secured Property during the Grantor's possession of the Secured Property or otherwise. The Grantor will maintain or cause to be maintained insurance with responsible insurance companies with respect to its properties and business as is customary in the case for similar businesses operating in similar geographic locations. Notwithstanding the foregoing, the Grantor shall be permitted to self-insure only where self-insurance is usual and customary for the type of risk, and for companies in substantially the same line of business and operating in the same geographic location as the Grantor and where customary and usual reserves or provisions are taken in respect of such self-insurance by the Grantor. The Grantor shall cause property insurance policies to name the Agent as a named insured and with loss payable to the Agent as its interest may appear. The Grantor shall also obtain such other insurance coverage as the Agent may reasonably require from time to time. All such policies of insurance shall provide that such insurance coverage shall not be changed or cancelled except on thirty (30) days' notice to the Agent. If the Grantor fails to so insure, the Agent may, acting reasonably, insure the Secured Property and the premiums for such insurance shall be added to the balance of the Obligations secured under this Agreement as they exist at the date of the payment of such premium by the Agent;

(i) **Changes and Other Names** - The Grantor shall not, without at least 20 days prior written notice to the Agent (i) change its name as it appears in official filings in the jurisdiction of its organization; (ii) change its registered office, head office, chief executive office, principal place of business, domicile (within the meaning of the *Civil Code of Quebec*), corporate offices or warehouses or locations at which Secured Property is held or stored, or the location of its books and records;

(iii) change the type of entity that it is; (iv) change its jurisdiction of incorporation or organization;

(j) **No Consolidation/Amalgamation, etc.** — The Grantor shall not, directly or indirectly, merge, amalgamate or enter into any similar or other business combination pursuant to statutory authority or otherwise with any other Person except in compliance with Section 13.12 of the Credit Agreement; and

(k) **No Affecting the Security** — The Grantor shall not do, permit or suffer to be done anything to adversely affect the ranking, validity or perfection of the Security Interest.

ARTICLE 5
RIGHT TO DEAL

5.1 Grantor's Rights before Default

Until the occurrence of an Event of Default which is continuing and subject to the terms of this Agreement and the Credit Agreement, the Grantor is entitled to deal with the Secured Property in the ordinary course of business, provided however, that no such action shall be taken which would impair the effectiveness of the Security Interest created by this Agreement or the value of the Secured Property or which would be inconsistent with or violate the provisions of this Agreement, the Credit Agreement, any Control Agreement or any other Loan Document.

5.2 Investment Property

Until the occurrence of an Event of Default which is continuing and subject to the terms of this Agreement, the Grantor is entitled to receive interest and regular cash dividends or other distributions, vote the Investment Property and give entitlement orders, instructions, directions and other consents, waivers and ratifications in respect of the Investment Property, provided however, that no such action shall be taken which would impair the validity, perfection or priority of the Security Interest created by this Agreement or the value of the Investment Property or which would be inconsistent with or violate the provisions of this Agreement, the Credit Agreement, any Control Agreement or any other Loan Document.

5.3 Delivery and Control

The Agent may, acting reasonably, require the Grantor to do all such acts and things that are necessary or desirable for the Agent or the Agent's agent or a nominee of the Agent to receive delivery of the Investment Property or obtain control of the Investment Property, including (a) any consent of the Grantor as a registered owner of Investment Property, an entitlement holder or a futures customer, as the case may be, and (b) using commercially reasonable efforts to cause any third parties to enter into agreements, necessary or desirable for such control to be obtained by the Agent, provided that the foregoing shall not apply to any Investment Property consisting of Shares. Notwithstanding any such transfer, delivery or control, until the occurrence of an Event of Default which is continuing, (a) Sections 5.1 and 5.2 shall continue to apply and upon such transfer the Agent shall provide the Grantor with such proxies and other written authorizations as may reasonably be requested by the Grantor to enable the Grantor to exercise

the rights and take the actions described in Sections 5.1 and 5.2 and (b) the Agent shall not be entitled to take any action described in Sections 17.1(1)(b) and (c) and Section 17.1(2) of the PPSA.

ARTICLE 6
REMEDIES

6.1 Rights and Remedies

Upon the occurrence of an Event of Default and during the continuance thereof, all of the Obligations shall, at the Agent's option and without notice to the Grantor, become immediately due and payable and the Agent may, at its option, proceed to enforce payment and performance of the Obligations and to exercise any or all of the rights and remedies contained in this Agreement, (including, without limitation, the signification and collection of the Grantor's Accounts), or otherwise afforded by law, in equity or otherwise. The Agent shall have the right to enforce one or more remedies successively or concurrently in accordance with Applicable Law and the Agent expressly retains all rights and remedies not inconsistent with the provisions in this Agreement including all the rights the Agent may have under the PPSA. Without limiting the generality of the foregoing, the Agent may, upon the occurrence of any Event of Default and during the continuance thereof and to the extent permitted by Applicable Law:

(a) **Appointment of Receiver** - Appoint by instrument in writing a receiver (which term shall include a receiver and manager or agent) of the Grantor and of all or any part of the Secured Property and remove or replace such receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver. Any such receiver appointed by the Agent, with respect to responsibility for its acts, shall, to the extent permitted by Applicable Law, be deemed the agent of the Grantor and not of the Agent. Where the Agent is referred to in this Article, the reference includes, where the context permits, any receiver so appointed and the officers, employees, servants or agents of such receiver;

(b) **Enter and Repossess** - Immediately and without notice enter the Grantor's premises and repossess, disable or remove the Secured Property;

(c) **Retain the Secured Property** - Retain and administer the Secured Property in the Agent's sole and unfettered discretion;

(d) **Dispose of the Secured Property** - Dispose of any Secured Property by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are hereby waived by the Grantor to the extent permitted by law. The Agent may, to the extent permitted by law, at its discretion establish the terms of such disposition, including, without limitation, terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions shall be credited against the Obligations only as they are actually received. The Agent may, to the extent permitted by law, enter into, rescind or vary any contract for the disposition of any Secured Property and may dispose of any Secured Property again without being answerable for any loss

occasioned thereby. Any such disposition may take place whether or not the Agent has taken possession of the Secured Property;

(e) **Foreclosure** - Foreclose upon the Secured Property;

(f) **Collection of Accounts** - On its own account or through a receiver, receiver-manager or agent and whether alone or in conjunction with the exercise of all or any other remedies contemplated by this Agreement, notify and direct Account Debtors and any Person obligated to the Grantor under a promissory note or bill of exchange to make all payments whatever to the Agent and the Agent shall have the right, at any time, to hold all amounts acquired from any Account Debtors and any Person obligated to the Grantor under a promissory note or bill of exchange and any Proceeds as part of the Secured Property. Upon such occurrence and during such continuance of an Event of Default, any payments received by the Grantor shall be held by the Grantor in trust for the Agent in the same medium in which received, shall not be commingled with any assets of the Grantor and shall, at the request of the Agent be turned over to the Agent not later than the next business day following the day of their receipt;

(g) **Carry on Business** - Carry on or concur in the carrying on of all or any part of the business of the Grantor and may, in any event, to the exclusion of all others, including the Grantor, enter upon, occupy and use all premises of or occupied or used by the Grantor and use any of the personal property (which shall include fixtures) of the Grantor for such time and such purposes as the Agent sees fit. The Secured Parties shall not be liable to the Grantor for any neglect in so doing (other than gross negligence or wilful misconduct, or in respect of any rent, costs, charges, depreciation or damages in connection therewith;

(h) **Payment of Encumbrances** - Pay any Liens or other claims that may exist or be threatened against the Secured Property. Any amount so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations;

(i) **Dealing with Secured Property** - Seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Secured Property in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Agent advisable and without notice to the Grantor. The Agent may charge on its own behalf and pay to others sums for reasonable expenses incurred and for services rendered (expressly including, without limitation, reasonable legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Secured Property and may add all such sums to the Obligations;

(j) **Exercise of Rights** - Elect by written notice to the Grantor and to an officer of the issuer of the Investment Property or to any securities intermediary or futures intermediary in respect of the Investment Property, as may be applicable, that all or part of the rights of the Grantor in the Investment Property including, without

limitation, the right to vote, give consents, entitlement orders, instructions, directions, waivers or ratifications and take other actions and receive dividends or other distributions, shall cease, and upon such election all such rights shall become vested in the Agent or as it may direct; and

(k) **Registration and Control** - Require that the Investment Property be registered in the name of the Agent or as it may direct, that delivery of the Investment Property be made to the Agent or that control of the Investment Property be obtained by the Agent, or as it may direct, in accordance with the provisions of the STA and the Agent or as it may direct and the Agent may then, without notice, exercise any and all voting and corporate rights at any meeting of the issuers thereof and exercise any and all rights, privileges or options pertaining to the Investment Property without the consent of the Grantor as if it were the absolute owner, including without limitation, the right to exchange at its discretion, any and all of the Investment Property upon the issuer's amalgamation, merger, consolidation, reorganization, recapitalization, restructuring or other readjustment or upon the issuer's exercise of any right, privilege or option pertaining to any of the Investment Property and to deposit and deliver any and all of the Secured Property with any committee, depositary, transfer agent, registrar, securities intermediary, futures intermediary, clearing agency or other designated agency upon such terms and conditions as it may determine.

6.2 Assemble the Secured Property

To assist the Agent in the implementation of such rights and remedies, upon the occurrence and during the continuation of an Event of Default, the Grantor will, at its own risk and expense and promptly upon the Agent's request, assemble and prepare for removal of such items of the Secured Property as are selected by the Agent and as shall, in the Agent's sole judgment, have a value sufficient to cover all the Obligations.

6.3 Disposal of Investment Property

Without limiting the generality of Section 6.1(d), the Grantor acknowledges that when disposing of any Investment Property, the Agent may be unable to effect a public sale of any or all of the Investment Property, or to sell any or all of the securities as a control block sale at more than a stated premium to the "market price" of any shares, stock, instruments, warrants, bonds, debenture stock and other securities forming part of the Investment Property, by reason of certain prohibitions contained in the *Securities Act* (Ontario) and applicable laws of other jurisdictions, but may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such Investment Property as principal and to comply with other resale restrictions provided for in the *Securities Act* (Ontario) and other applicable laws. The Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favourable to the seller than if such sale were a public sale or a control block sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by reason of its being a private sale. The Agent shall be under no obligation to delay a sale of any of the Investment Property for the period of time necessary to permit the issuer of such securities to qualify such Investment Property for public sale under the *Securities Act* (Ontario) or under applicable securities laws of other jurisdictions, even if the issuer would agree to do so, or to

permit a prospective purchaser to make a formal offer to all or substantially all holders of any class of securities forming any part of the Investment Property.

6.4 Allocation of proceeds

All monies collected or received by the Agent in respect of the Secured Property may be held by the Agent and may be applied on account of such parts of the Obligations in accordance with the Credit Agreement.

6.5 Payment of Deficiency

If the proceeds of realization are insufficient to pay all monetary Obligations, the Grantor shall forthwith pay or cause to be paid to the Agent any deficiency (the "**Deficiency**") and the Agent may sue the Grantor to collect the amount of the Deficiency.

6.6 Power of Attorney

Upon the occurrence, and during the continuance of, an Event of Default, the Grantor hereby constitutes and appoints any vice-president or the president of the Agent from time to time, or any receiver appointed of the Grantor as provided for in this Agreement, the true and lawful attorney of the Grantor irrevocably with full power of substitution to do, make and execute all such documents, acts, matters or things with the right to use the name of the Grantor whenever and wherever it may be deemed necessary or expedient in connection with the exercise of its rights and remedies set forth in this Agreement. Without limiting the generality of the foregoing, the Agent or its agent is authorized to sign any financing statements and similar forms which may be necessary or desirable to perfect the Security Interest in any jurisdiction on behalf of the Grantor. The Grantor hereby declares that the irrevocable power of attorney granted hereby, being coupled with an interest, is given for valuable consideration.

6.7 Waivers and Extensions

The Agent may waive default or any breach by the Grantor of any of the provisions contained in this Agreement. No waiver shall extend to a subsequent breach or default, whether or not the same as or similar to the breach or default waived and no act or omission of the Agent shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default of the Grantor or the rights of the Agent resulting therefrom. Any such waiver must be in writing and signed by the Agent to be effective.

Subject to the terms of the Credit Agreement, the Agent may also grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Secured Property to third parties and otherwise deal with the Grantor's guarantors or sureties and others and with the Secured Property and other securities as the Agent may see fit without prejudice to the liability of the Grantor to the Agent, or the Agent's rights, remedies and powers under this Agreement. No extension of time, forbearance, indulgence or other accommodation now, heretofore or hereafter given by the Agent to the Grantor shall operate as a waiver, alteration or amendment of the rights of the Agent or otherwise preclude the Agent from enforcing such

rights.

6.8 Set off or Compensation

In addition to, and not in limitation of, any rights granted now or after the date of this Agreement at law, upon the occurrence and during the continuance of an Event of Default, the Agent may at any time and from time to time, without notice to the Grantor (it being expressly waived by the Grantor), set off and compensate and apply any and all Securities Accounts, Futures Accounts, deposits, general or special, term or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by any Secured Party and appropriate any other properties or assets at any time held by any Secured Party, to or for the credit of or the account of the Grantor, against and on account of the Obligations, even if any of them are contingent or unmatured.

6.9 Indemnity

The Grantor shall indemnify and save harmless the Agent from any and all costs, expenses, liabilities or damages which may be reasonably incurred by the Agent in connection with:

(a) the Secured Property;

(b) the occurrence of an Event of Default; and

(c) the enforcement of its rights under this Agreement.

6.10 Limitation of Liability

The Agent shall not be liable or accountable:

(a) by reason of any entry into or taking possession of any of the Secured Property hereby charged or intended so to be or any part thereof, to account as mortgagee in possession or for anything except actual receipts, or for any loss on realization or any act or omission for which a secured party in possession might be liable; or

(b) for any failure to exercise its remedies, take possession of, seize, collect, realize, sell, lease or otherwise dispose of or obtain payment for the Secured Property and shall not be bound to institute proceedings for such purposes or for the purpose of preserving any rights, remedies or powers of the Agent, the Grantor or any other Person in respect of same.

The Agent shall not by virtue of these presents be deemed to be a mortgagee in possession of the Secured Property. The Grantor hereby releases and discharges the Agent and the receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Grantor or any Person claiming through or under the Grantor by reason or as a result of anything done by the Agent or any successor or assign claiming through or under the Agent or the receiver under the provisions of this Agreement unless such claim be the result of dishonesty, gross neglect, wilful misconduct or fraud.

6.11 Rights and Remedies Cumulative

The Agent's rights and remedies under this Agreement shall be cumulative and not in substitution for any of the Agent's rights or remedies under the Credit Agreement, any other

Loan Document or any Eligible Hedging Agreement, at law or in equity, whether or not the Agent or any other Secured Party has pursued or is pursuing any other rights or remedies.

6.12 Security Enforceable

The fact that this Agreement and the Credit Agreement provide for Events of Default and rights of acceleration shall not derogate from the nature of any Obligation which is payable on demand.

ARTICLE 7
MISCELLANEOUS

7.1 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement shall be in writing and shall be sufficiently given if given in accordance with the Credit Agreement.

7.2 Further Assurances

The Grantor shall do all such things and provide all such assurances and shall provide such further documents and instruments reasonably required by the Agent as may be necessary or reasonably desirable to affect the purpose of this Agreement and carry out its provisions.

7.3 Filings

At the request of the Agent, the Grantor will promptly effect all registrations, filings, recordings and all re-registrations, re-filings and re-recordings of or in respect of this Agreement and the Security Interest created hereunder in all offices in all jurisdictions and at such times as may be necessary or reasonably desirable in perfecting, maintaining and protecting the validity, effectiveness and priority hereof. Notwithstanding the foregoing, the Agent is authorized, at its option, to make such registrations, filings or recordings or such re-registrations, re-filings or re-recordings against the Grantor as it may reasonably deem necessary or appropriate to perfect or secure the Security Interest created hereunder.

7.4 Amendments and Waivers

No amendment, supplement, modification, waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing in accordance with Section 13.5 of the Credit Agreement. Any waiver shall extend only to the particular circumstances described in the waiver.

7.5 Attornment

Each of the parties irrevocably submits to the non-exclusive jurisdiction of any court in the Province of Ontario for the purposes of any legal or equitable suit, action or proceeding in connection with this Agreement.

7.6 Assignment and Enurement

This Agreement may be assigned by the Agent in accordance with the Credit Agreement and any such assignee shall be entitled to exercise any and all discretions, powers and rights of the Agent under this Agreement. Except as provided in the Credit Agreement, the Grantor may not assign this Agreement or any of its rights or obligations under this Agreement. All of the Agent's rights under this Agreement shall enure to the benefit of its successors (including any successor by reason of amalgamation) and assigns and all of the Grantor's obligations under this Agreement shall bind the Grantor and its successors (including any successor by reason of amalgamation) and permitted assigns.

7.7 Statutory Waivers

To the fullest extent permitted by law, the Grantor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the powers, rights or remedies of the Secured Parties or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

7.8 Reasonableness

The Grantor acknowledges that the provisions of this Agreement and, in particular, those respecting rights, remedies and powers of the Secured Parties and any receiver against the Grantor, its business and any Secured Property upon the occurrence and during the continuance of an Event of Default, are commercially reasonable and not manifestly unreasonable.

7.9 Termination

(a) This Agreement shall be terminated forthwith by written agreement made between the Grantor and the Agent upon the earlier to occur of: (i) the date on which the Agent releases the Security Interest pursuant to Section 9.1(p)(vi) of the Credit Agreement, and (ii) the date on which all of the Obligations have been fully paid or satisfied.

(b) Notwithstanding Section 7.9(a), this Agreement shall be automatically terminated on the date that is 30 days after the date of a Debt Rating Upgrade, provided that a Debt Rating Downgrade has not occurred during that period.

(c) Upon termination of this Agreement in accordance with the provisions of this Section 7.9, the Agent shall, at the request and expense of the Grantor, make and do all such acts and things and execute and deliver all such financing statements, instruments, agreements and documents as the Grantor, acting reasonably, considers necessary or reasonably desirable to discharge the Security Interest, to release and discharge the Secured Property therefrom and to record such release and discharge in appropriate offices of public record.

7.10 Execution and Delivery

This Agreement may be executed and delivered by facsimile or a pdf formatted email attachment.

7.11 Counterparts

This Agreement, or any amendment to it, may be executed in multiple counterparts, each of which shall be deemed to be an original agreement. All counterparts shall be construed together and shall constitute one and the same agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS OF WHICH the Grantor has duly executed this Agreement.

[NAME OF GRANTOR]

By: _____
Name:
Title:

By: _____
Name:
Title:

CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE U

SECURITIES PLEDGE AGREEMENT(5)

THIS AGREEMENT is made as of • .

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE, in its capacity as administrative agent (the "**Agent**") on behalf of (i) itself as Agent, (ii) the financial institutions named in Schedule A to the Sixth Amended and Restated Revolving Term Credit Agreement and (iii) the Hedge Lenders ((i), (ii) and (iii) are collectively, the "**Lenders**"), as the same may be amended, supplemented, restated, extended, renewed or superseded from time to time (the "**Credit Agreement**"), dated as of January 14, 2011 between the Agent, the Lenders, Celestica Inc. and the subsidiaries specified as designated subsidiaries, 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 and Merrill Lynch Pierce Fenner & Smith Incorporated, as Co-Syndication Agent.

- and -

• **,** a corporation incorporated under the laws of • (the "**Pledgor**").

THEREFORE, the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

Unless the context otherwise requires or unless otherwise specified, all the terms used in this Agreement without initial capitals, which are defined in the PPSA or the STA (each as defined below), have the same meanings in this Agreement as in the PPSA or the STA, as applicable and all capitalized terms used and not otherwise defined shall have the meanings given to them in the Credit Agreement, and the following terms shall have the following meanings:

(5) Note: Form of Securities Pledge Agreement to be provided by Canadian Grantors. Securities Pledge Agreements to be provided by other Grantors to be substantially in the same form with such changes thereto as agreed upon by Lenders' Counsel and Borrowers' Counsel and as are otherwise reasonable or necessary to grant the Agent a perfected security interest in such other Grantors' Pledged Securities.

"**Agreement**" means this securities pledge agreement, including all schedules and all amendments or restatements as permitted and references to "Article", "Section", or "Schedule" means the specified article, section or schedule of this Agreement;

"**Issuers**" means (i) those issuers listed on Schedule A and (ii) any other issuers that shall after the date of this Agreement be a Material Restricted Subsidiary and the Shares of such issuer are directly held by the Pledgor, which issuers shall be added to Schedule A;

"Obligations" has the meaning given to such term in the Security Agreement;

"PPSA" means the *Personal Property Security Act*, R.S.O. 1990, c. P. 10;

"**Pledged Securities**" means all the securities in the capital of the Issuers held from time to time by the Pledgor, including all warrants and options relating to such securities and any substitutions, additions and proceeds arising out of any consolidation, subdivision, reclassification, conversion, stock dividend or similar increase or decrease in or alteration of the capital of any Issuer or any other event and any securities acquired pursuant to the exercise of a right or offer granted or made to the Pledgor to the extent that any such right or offer arises out of the ownership of any securities in the capital of any Issuer;

"STA" means the *Securities Transfer Act*, 2006, S.O. 2006, c.8;

"**Secured Parties**" means the Agent and the Lenders, together with their respective successors and assigns; and

"**Security Agreement**" means the General Security Agreement dated as of the date hereof between the parties hereto, as the same may be amended, supplemented, restated, extended, renewed or superseded from time to time.

1.2 Governing Law

This Agreement is made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.

1.3 Headings

Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Number and Gender

Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.5 Paramountcy

If there is a conflict, inconsistency, ambiguity or difference between any provision of this Agreement and the Credit Agreement, the provisions of the Credit Agreement shall prevail, and such provision of this Agreement shall be amended to the extent only to eliminate any such conflict, inconsistency, ambiguity or difference. Any right or remedy in this Agreement which

may be in addition to the rights and remedies contained in the Credit Agreement shall not constitute a conflict, inconsistency, ambiguity or difference.

1.6 Severability

If, in any jurisdiction, any provision of this Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

1.7 No Strict Construction

The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

1.8 Time

Time is of the essence in the performance of the parties' respective obligations.

1.9 Schedules

The schedules to this Agreement, as listed below, are an integral part of this Agreement:

Schedule	Description
A	**Issuers**

ARTICLE 2
PLEDGE

2.1 Pledge

As continuing security for the due and timely payment and performance by the Pledgor of each of the Obligations, the Pledgor hereby grants to the Agent a first security interest in the Pledged Securities. The Pledgor hereby delivers to and deposits with the Agent the security certificates, if any, evidencing the Pledged Securities together with all other documents (including, if applicable, a copy of the resolution of the board of directors approving the transfer of the Pledged Securities to the Agent or a nominee of the Agent upon the enforcement of the Agent's rights hereunder) and effective endorsements to enable the Agent or its agent or its nominee, as the Agent may direct to be registered as the owner of and to transfer or sell the Pledged Securities upon any enforcement of the Agent's rights and remedies hereunder. If the Pledgor acquires any security certificates evidencing the Pledged Securities after the date of this Agreement, the Pledgor shall promptly deliver the security certificates to the Agent or its nominee, as the Agent may direct, together with all other documents and effective endorsements to enable the Agent or its agent or nominee to be registered as the owner of and to transfer or sell or cause to be transferred or sold such Pledged Securities upon any enforcement of the Agent's

rights and remedies hereunder. To the extent that any of the Pledged Securities are uncertificated securities registered in the name of the Pledgor or its nominees or agent, the Pledgor shall:

(a) cause the Issuer of the Pledged Securities to register the Agent or its agent or nominee, as the Agent may direct, as the registered owner of such Pledged Securities; or

(b) deliver to the Agent an irrevocable agreement of the Issuer of such Pledged Securities satisfactory to the Agent that the Issuer will comply with instructions that are originated by the Agent without the further consent of the Pledgor.

2.2 Attachment and Value

The Pledgor acknowledges:

(a) receipt of a copy of this Agreement;

(b) that value has been given for the granting of the Security Interest hereunder;

(c) that the security interest created by this Agreement attaches to the Pledged Securities immediately upon execution and delivery of this Agreement to the Agent and that the Agent and the Pledgor have not agreed to postpone the time of attachment of the pledge of the Pledged Securities by the Pledgor;

(d) if the Pledgor does not acquire rights or interests in any of the Pledged Securities until after the execution and delivery of this Agreement, the security interest created by this Agreement shall attach to those Pledged Securities when the Pledgor acquires rights in those Pledged Securities;

(e) that neither the execution of, nor filing with respect to, this Agreement shall obligate any Secured Party to make any advance or loan or further advance, or bind any Secured Party to grant or extend any credit to the Pledgor; and

(f) that the security interest created by this Agreement shall be effective whether all or part of the Obligations shall be advanced before, upon or after the date of execution of this Agreement.

ARTICLE 3
PROVISIONS RELATING TO THE PLEDGED SECURITIES

3.1 Voting Rights

(a) Until the occurrence of an Event of Default which is continuing, the Pledgor shall be entitled to exercise all voting rights in respect of the Pledged Securities and to give consents, waivers, directions, notices and ratifications and to take other action in respect thereof, provided, however, that no votes shall be cast or consent, waiver, directions, notice or ratification given or action taken which would:

(i) be prejudicial to any Secured Party's security interest granted hereunder;

(ii) restrict the transferability of the Pledged Securities; or

(iii) be inconsistent with or violate any provisions of this Agreement, the Credit Agreement or any other Loan Document.

(b) Until the occurrence of an Event of Default which is continuing, if any of the Pledged Securities are registered in the Agent's, its agent's or nominee's name, the Agent, on the Pledgor's written request, shall execute and deliver or cause its agent or nominee to execute and deliver to the Pledgor suitable proxies, voting powers or powers of attorney in favour of the Pledgor or its nominee or nominees for voting, giving consents, waivers, directions, notices or ratifications or taking any other action the Pledgor is permitted to take in respect of the Pledged Securities.

3.2 Dividends and Distributions

Until the occurrence of an Event of Default which is continuing, the Pledgor shall be entitled to receive and deal with (except as expressly restricted by this Agreement, the Credit Agreement or any other Loan Document) any interest and regular cash dividends, distributions or other payments (whether in cash, security (as such term is defined in the PPSA) or other property) at any time payable on or with respect to the Pledged Securities, and the Agent shall immediately deliver to the Pledgor the interest or regular cash dividends, distributions or other payments received by the Agent**.**

3.3 Rights and Duties of the Agent

Upon the occurrence of an Event of Default which is continuing, all of the Pledgor's rights pursuant to Sections 3.1 and 3.2 shall cease and the Agent may enforce any of the Pledgor's rights with respect to the Pledged Securities. Upon an Event of Default which is continuing, the Pledgor shall and shall be deemed to hold all Pledged Securities not under the control of the Agent in trust, separate and apart from other property and assets of the Pledgor, for the benefit of the Agent until all Obligations owing by the Pledgor to the Agent have been paid in full, and shall forthwith transfer control of such Pledged Securities to the Agent, or its nominee or agent, as the Agent may direct. The Agent and its nominee shall not have any duty of care with respect to the Pledged Securities other than to use the same care in the custody and preservation of the Pledged Securities as it would with its own property. The Agent or its nominee is not required to take any steps to defend or preserve the Pledgor's rights against the claims or demands of others. The Agent or its nominee, however, shall use its reasonable best efforts to give the Pledgor notice of any claim or demand of which it becomes aware to permit the Pledgor to have a reasonable opportunity to defend or contest the claim or demand.

ARTICLE 4
REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Representations and Warranties

The Pledgor represents and warrants to the Agent as follows and acknowledges that each Secured Party is relying on the representations and warranties in advancing or continuing to advance credit to the Borrowers pursuant to the Credit Agreement:

(a) it is the registered and beneficial owner of, and has good title to, the Pledged Securities subject only to the security interest created by this Agreement or any other security agreement made by the Pledgor in favour of the Agent;

(b) the Pledged Securities represent all of the issued and outstanding capital stock of the Issuers and all of the warrants and options, if any, relating thereto as of the date of this Agreement(6);

(c) the Pledged Securities have been duly issued and are outstanding as fully paid and non-assessable Securities and all of the warrants and options, if any, relating thereto are in full force and effect;

(d) it has full power, authority and right to enter this Agreement and to pledge the Pledged Securities and to grant to the Agent the security interest created by this Agreement;

(e) this Agreement has been duly executed and delivered by it and constitutes an enforceable obligation against the Pledgor in accordance with its terms;

(f) it has not granted any right to acquire an interest in any of the Pledged Securities, except to the Agent pursuant to this Agreement or any other security agreement made by the Pledgor in favour of the Agent;

(g) it has not granted a Lien in the Pledged Securities to any Person except to the Agent pursuant to this Agreement or any other security agreement made by the Pledgor in favour of the Agent;

(h) none of the rights of the Pledgor arising as the legal and beneficial owner of the Pledged Securities have been surrendered, cancelled or terminated;

(i) there is no default or dispute existing in respect of the Pledged Securities;

(j) there are no Liens or other adverse claims affecting the Pledged Securities except those granted in favour of the Agent;

(k) the jurisdiction of the Issuers and their registered or head offices are set out in Schedule A to this Agreement;

(l) no delivery has occurred in respect of any Pledged Securities that constitute uncertificated securities of the Issuers other than any delivery in favour of the Agent;

(m) the Pledgor has not given its consent to any agreement whereby any of the Issuers agree to comply with instructions that are originated by any Person other than the Pledgor in respect of any Pledged Securities that constitute uncertificated

(6) Note: To be considered in respect of each Issuer.

securities, without the further consent of the Pledgor, other than any such consents given by the Pledgor relating to agreements for instructions to be originated by the Agent; and

(n) all of the Pledged Securities listed in Schedule A as certificated securities are certificated and the partnership agreement, articles of association or other constating documents, as applicable, of each Issuer which is a partnership or limited liability company expressly states that the Pledged Securities thereof are "securities" for the purposes of the STA.

4.2 Covenants

The Pledgor covenants with the Agent that:

(a) if the Pledgor shall become entitled to receive or shall receive any security certificate, option or right in respect of the Pledged Securities, the Pledgor shall accept same as the Agent's agent, hold same in trust for the Agent and immediately deliver same to the Agent (or to the Agent's agent or nominee, as the Agent may direct) in the exact form received, together with the documents and effective endorsements to enable the Agent or its nominee to be registered as owner, to be held by the Agent as additional security for the Obligations. Upon the occurrence of an Event of Default which is continuing, any sums paid in respect of the Pledged Securities upon the liquidation or dissolution of any Issuers shall be paid to the Agent to be held by it as part of the Pledged Securities. Upon the occurrence of an Event of Default which is continuing, in case any distribution of capital shall be made in respect of the Pledged Securities or any property shall be distributed with respect to the Pledged Securities pursuant to the recapitalization, reclassification or reorganization of the capital of any Issuers, the property so distributed shall be delivered to the Agent or its agent or nominee as the Agent may direct to be held by it as part of the Pledged Securities. Upon the occurrence of an Event of Default which is continuing, if any money or property paid or distributed in respect of the Pledged Securities shall be received by the Pledgor, the Pledgor shall, until such money or property is paid or delivered to the Agent, hold the money or property in trust for the Agent, segregated from other funds of the Pledgor, as part of the Pledged Securities;

(b) the Pledgor shall not permit any issuance of additional securities in the capital of the Issuers to the Pledgor unless all additional securities are immediately upon their issuance pledged in favour of the Agent and the Pledgor does, or causes to be done, all such acts and things and provides such agreements, instruments and documents necessary for the Agent to obtain control of such additional securities within the meaning of the STA;

(c) the Pledgor shall promptly notify the Agent of any Lien or other claim made or asserted against any of the Pledged Securities and shall use commercially reasonable efforts to defend the Agent's security interest in the Pledged Securities against the claims and demands of all other Persons including any adverse claims as defined in the STA;

(d) the Pledgor will have good title to any other shares or assets that become Pledged Securities subject only to the security interest created by this Agreement and the Security Agreement;

(e) the Pledgor shall not grant a security interest or any other Lien in the Pledged Securities to any other Person other than the Agent;

(f) the Pledgor shall forthwith notify the Agent of any change of jurisdiction (including a change in the jurisdiction of incorporation or organization), name, registered office, head office, chief executive office or principal place of business of the Pledgor or an Issuer; and

(g) the Pledgor shall not:

(i) deliver any Pledged Securities that constitute uncertificated securities to any Person other than the Agent; or

(ii) consent to any agreement whereby any Issuer agrees to comply with instructions that are originated by any Person other than the Agent in respect of any Pledged Securities that constitute uncertificated securities.

ARTICLE 5
DEFAULT AND REMEDIES

5.1 Rights and Remedies

Upon the occurrence of an Event of Default which is continuing, the security interest created by this Agreement shall immediately become enforceable and, to the extent permitted by Applicable Law, the Agent may take any one or more of the following actions:

(a) realize upon and dispose of all or part of the Pledged Securities by private sale, public sale or otherwise upon such conditions as the Agent may determine, and apply and, subject to the Credit Agreement, allocate any proceeds arising from the realization of the Pledged Securities to the Obligations in any manner as the Agent, in its absolute discretion, shall deem appropriate;

(b) irrevocably elect to retain all or part of the Pledged Securities by giving notice to the Pledgor;

(c) exercise any or all of the rights and privileges attaching to the Pledged Securities and deal with the Pledged Securities as if the Agent were the absolute owner of the Pledged Securities (including causing the Pledged Securities to be registered in the name of the Agent or its agent or nominee as the Agent may direct) and collect, draw upon, receive, appropriate and sell all or any part of the Pledged Securities;

(d) file proofs of claims or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding-up, liquidation, arrangement, dissolution or other proceedings (voluntary or otherwise) relating to the Pledgor;

(e) commence legal action against the Pledgor for the difference, if any, between (i) all amounts owing by the Pledgor in respect of the Obligations and (ii) the proceeds received by the Agent on a disposition of the Pledged Securities;

(f) in the Pledgor's name and at the Pledgor's expense, perform any and all of the Pledgor's obligations or covenants relating to the Pledged Securities and enforce performance by any other parties of their obligations in relation to the Pledged Securities and settle any disputes relating to the Pledged Securities with other parties upon terms that the Agent deems appropriate, in its discretion;

(g) appoint any Person to be a receiver (which term shall include a receiver and manager) of all or part of the Pledged Securities and remove any receiver and appoint another receiver (any receiver shall have the authority to do any of the acts specified in Subsections 5.1(c), (d), (f), (h) and (i) of this Agreement and to take possession of and collect dividends, interest, distributions and other payments payable to the Pledgor in respect of the Pledged Securities and pay all charges in respect of the Pledged Securities);

(h) subject to the Credit Agreement, apply any dividends, distributions and other payments payable to the Pledgor in respect of the Pledged Securities to the Obligations, in any manner as the Agent, in its absolute discretion, shall deem appropriate; or

(i) take any other action permitted by this Agreement, by law or in equity.

5.2 Sale of Pledged Securities

Any sale pursuant to Section 5.1 may be made, with or without any special condition as to the upset price, reserve bid, title or evidence of title or other matter and may be made from time to time as the Agent in its sole discretion deems appropriate, with power to vary or rescind any sale or buy in at any public sale and resell without being answerable for any loss. The Agent may sell the Pledged Securities for a consideration payable by instalments either with or without taking security for the payment of the instalments and may make and deliver to any purchaser good and sufficient conveyances of the Pledged Securities and give receipts for the purchase money, and the sale shall be a perpetual bar, both at law and in equity, against the Pledgor and all those claiming an interest by, from, through or under the Pledgor. If there is a sale pursuant to Section 5.1, the Pledgor agrees to provide all information, certificates and consents required under applicable securities laws or under the rules, by-laws or policies of the exchange(s) on which any of the Pledged Securities may be listed and posted for trading to permit the sale of the Pledged Securities in compliance with such applicable securities laws, rules, by-laws or policies.

The Pledgor recognizes that the Agent may be unable to effect a public sale of any or all of the Pledged Securities, or to sell any or all of the Pledged Securities as a control block sale at more than a stated premium to the "market price" of any securities forming part of the Pledged Securities, by reason of certain provisions contained in the *Securities Act* (Ontario) and applicable securities laws of other jurisdictions but may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obligated to agree, among other things, to acquire the Pledged Securities as principal and to comply with any other resale restrictions provided for in the *Securities Act* (Ontario) and other applicable securities laws. The

Pledgor agrees that any private sale may result in prices and other terms less favourable to the seller than if the sale were a public sale or a control block sale and, notwithstanding such circumstances, agrees that any private sale shall not be deemed to have been made in a commercially unreasonable manner solely by reason of its being a private sale. The Agent shall be under no obligation to delay a sale of any of the Pledged Securities for the period of time necessary to permit the Issuer of the Pledged Securities to qualify the Pledged Securities for public sale under the *Securities Act* (Ontario) or under applicable securities laws of other jurisdictions even if the Issuer would agree to do so, or to permit a prospective purchaser to make a formal offer to all or substantially all holders of any class of securities forming any part of the Pledged Securities.

5.3 Secured Parties' Obligations

The Agent shall not be under any obligation, or be liable or accountable for any failure, to:

(a) enforce payment or performance of the Obligations;

(b) seize, collect, realize or obtain payment with respect to the Pledged Securities;

(c) preserve any rights of the Agent, the Pledgor or any other Person in respect of the Pledged Securities;

(d) exercise or exhaust any of its rights and remedies under this Agreement or with respect to the Pledged Securities;

(e) protect the Pledged Securities from depreciating in value or becoming worthless; and

(f) institute proceedings for any of the purposes listed above.

The Agent shall not be responsible for any loss occasioned by:

(a) any sale or other dealing with the Pledged Securities; or

(b) the retention of, or failure to sell or otherwise deal with the Pledged Securities,

except as a result of the Agent's dishonesty, gross negligence, wilful misconduct or fraud.

5.4 Rights and Remedies Cumulative

The Agent's rights and remedies under this Agreement shall be cumulative and not in substitution for any of the Agent's rights or remedies under the Credit Agreement, any other Loan Document or any Eligible Hedging Agreement, at law or in equity, whether or not the Agent or any other Secured Party has pursued or is pursuing any other rights or remedies.

ARTICLE 6
ACKNOWLEDGEMENTS BY THE PLEDGOR

6.1 Acknowledgements

The Pledgor agrees:

(a) that this Agreement may be assigned in whole or in part only in accordance with the provisions of the Credit Agreement and, in the event of any assignment, the assignee(s) shall be entitled to all the Agent's rights and remedies, and subject to the Agent's obligations, in this Agreement; and

(b) not to assert against the Agent or any assignee of the Agent, and acknowledges that the Agent's or any assignee's rights shall not be subject to, any claim, defense, demand, set-off or other right, whether at law or in equity, that the Pledgor has or may have against the Agent or any assignee.

ARTICLE 7
WAIVER

7.1 Agent Waiver

The Agent may, at any time by notice to the Pledgor:

(a) waive, in whole or in part, any breach of this Agreement, any Event of Default or any of the Secured Parties' rights and remedies hereunder;

(b) subject to Section 9.9, grant releases and discharges to the Pledgor in respect of the Pledged Securities; or

(c) subject to the Credit Agreement, otherwise deal with the Pledgor or with the Pledged Securities and any security held by the Agent,

all as the Agent may see fit without prejudice to the liability of the Pledgor to the Agent or the Agent's rights under this Agreement. The Pledgor agrees that any waiver shall not be a waiver of any other or subsequent breach of this Agreement or Event of Default and that any failure by the Agent to exercise any of its rights or remedies hereunder or under any other Loan Document shall in no way affect or impair the Agent's security interest or the Agent's rights and remedies hereunder or under any other Loan Document.

ARTICLE 8
POWER OF ATTORNEY

8.1 Grant

Upon the occurrence and during the continuance of an Event of Default, the Pledgor irrevocably constitutes and appoints the Agent as the true and lawful attorney of the Pledgor with power of substitution in the name of the Pledgor to do any and all acts and things, complete any endorsements or registrations or execute and deliver all agreements, documents and instruments as the Agent, acting reasonably, considers necessary or reasonably desirable to carry out the

provisions and purposes of this Agreement or to exercise its rights and remedies hereunder. The Pledgor ratifies and agrees to ratify all acts of any attorney taken or done in accordance with this Section 8.1. This power of attorney being coupled with an interest shall not be revoked or terminated by any act and shall remain in full force and effect until this Agreement has been terminated.

ARTICLE 9
MISCELLANEOUS

9.1 Notice

Any notice, consent or approval required or permitted to be given in connection with this Agreement shall be in writing and shall be sufficiently given if given in accordance with the Credit Agreement.

9.2 Further Assurances

The Pledgor shall do all such things and provide all such assurances and shall provide such further documents and instruments reasonably required by the Agent as may be necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

9.3 Filings

At the request of the Agent, the Pledgor will promptly effect all registrations, filings, recordings and all re-registrations, re-filings and re-recordings of or in respect of this Agreement and the security interests created hereunder in all offices in all jurisdictions and at such times as may be necessary or reasonably desirable in perfecting, maintaining and protecting the validity, effectiveness and priority hereof. Notwithstanding the foregoing, the Agent is authorized, at its option, to make such registrations, filings or recordings or such re-registrations, re-filings or re-recordings against the Pledgor as it may reasonably deem necessary or appropriate to perfect or secure the security interest created hereunder.

9.4 Amendments and Waivers

No amendment, supplement, modification, waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing in accordance with Section 13.5 of the Credit Agreement. Any waiver shall extend only to the particular circumstances described in the waiver.

9.5 Attornment

Each of the parties irrevocably submits to the non-exclusive jurisdiction of any court in the Province of Ontario for the purposes of any legal or equitable suit, action or proceeding in connection with this Agreement.

9.6 Assignment and Enurement

This Agreement may be assigned by the Agent in accordance with the Credit Agreement and any such assignee shall be entitled to exercise any and all discretions, powers and rights of the Agent under this Agreement. Except as provided in the Credit Agreement, the Pledgor may not assign

this Agreement or any of its rights or obligations under this Agreement. All of the Agent's rights under this Agreement shall enure to the benefit of its successors (including any successor by reason of amalgamation) and assigns and all of the Pledgor's obligations under this Agreement shall bind the Pledgor and its successors (including any successor by reason of amalgamation) and permitted assigns.

9.7 Statutory Waivers

To the fullest extent permitted by law, the Pledgor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the powers, rights or remedies of the Secured Parties or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

9.8 Reasonableness

The Pledgor acknowledges that the provisions of this Agreement and, in particular, those respecting rights, remedies and powers of the Secured Parties and any receiver against the Pledgor, its business and any Pledged Securities upon the occurrence and during the continuance of an Event of Default, are commercially reasonable and not manifestly unreasonable.

9.9 Termination

(a) This Agreement shall be terminated forthwith by written agreement made between the Pledgor and the Agent upon the earlier to occur of: (i) the date on which the Agent releases the security interest granted by the Pledgor under this Agreement pursuant to Section 9.1(p)(vi) of the Credit Agreement, and (ii) the date on which all of the Obligations have been fully paid or satisfied.

(b) Notwithstanding Section 9.9(a), this Agreement shall be automatically terminated on the date that is 30 days after the date of a Debt Rating Upgrade, provided that a Debt Rating Downgrade has not occurred during that period.

(c) Upon termination of this Agreement in accordance with the provisions of this Section 9.10, the Agent shall, at the request and expense of the Pledgor, make and do all such acts and things and execute and deliver all such financing statements, instruments, agreements and documents as the Pledgor, acting reasonably, considers necessary or reasonably desirable to discharge the Security Interest, to release and discharge the Pledged Securities therefrom and to record such release and discharge in appropriate offices of public record.

9.10 Execution and Delivery

This Agreement may be executed and delivered by facsimile or a pdf formatted email attachment.

9.11 Counterparts

This Agreement, or any amendment to it, may be executed in multiple counterparts, each of which shall be deemed to be an original agreement. All counterparts shall be construed together and shall constitute one and the same agreement.

IN WITNESS OF WHICH the parties have executed this Agreement.

[NAME OF PLEDGOR]

By: _____
Name:
Title:

By: _____
Name:
Title:

CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

Each Corporation agrees to be bound by the terms of this Agreement.

[CORPORATION]

By: _____
Name:
Title:

By: _____
Name:
Title:

[CORPORATION]

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A
ISSUERS

[Pledgor to complete.]

Issuer Name	Certificate Number	Number of Shares	Class of Shares	Percentage of Outstanding Shares held by Pledgor

SCHEDULE V

COMMITMENT NOTICE

TO: CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

RE: Subsection 2.3(g)**[(ii)/(iii)]** of the sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "**Credit Agreement**") among Celestica Inc. ("**Celestica**"), the subsidiaries designated in the Credit Agreement as Designated Subsidiaries, the financial institutions named in the Schedule "A" to the Credit Agreement, and Canadian Imperial Bank of Commerce as Administrative Agent.

In accordance with Subsection 2.3(g)**[(ii)/(iii)]**, attached as Exhibit 1 are revised aggregate Commitments of the **[U.S. Lenders and the Canadian Lenders/Other Jurisdiction Lenders in respect of the Additional Jurisdiction(s) set out therein and their Related Lenders.]**

Unless otherwise defined herein or the context otherwise requires, terms used herein which are defined in the Credit Agreement have the meanings provided in the Credit Agreement.

CELESTICA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

[DESIGNATED SUBSIDIARY/CONSENT DESIGNATED SUBSIDIARY]

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 1

LENDERS' COMMITMENTS

[Aggregate Commitments of Canadian Lenders]

-

[Aggregate Commitments of U.S. Lenders]

-

OR

[Aggregate Commitments of Other Jurisdiction Lenders in respect of [insert Additional Jurisdiction]

-

[Aggregate Commitments of Other Jurisdiction Lenders in respect of [insert Additional Jurisdiction]

-

[Increase/Decrease aggregate Commitments of applicable Related Lenders that are Canadian Lenders by •]

[Increase/Decrease aggregate Commitments of applicable Related Lenders that are U.S. Lenders by •]

SCHEDULE W

CONSENT LENDER NOTICE

TO: CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

RE: Subsection 7.1(c)(iii) of the sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "**Credit Agreement**") among Celestica Inc. ("**Celestica**"), the subsidiaries designated in the Credit Agreement as Designated Subsidiaries, the financial institutions named in the Schedule "A" to the Credit Agreement, and Canadian Imperial Bank of Commerce as Administrative Agent,

In connection with the consent of **[insert name of Lender]** to make available a portion of its Commitment in the amount of $ to make Advances in **[insert name of jurisdiction]** (the "**Jurisdiction**") and its designation of **[insert name of Affiliate that will make Advances in the Jurisdiction]** (the "**Consent Lender**') to make Advances in the Jurisdiction, the undersigned confirms that the Commitment of the Consent Lender shall be $ and that following the addition of the Consent Lender as a Lender under the Credit Agreement, the Commitments of the Related Lenders of the Consent Lender shall be as follows:

[Insert revised Commitments of Related Lenders]

Unless otherwise defined herein or the context otherwise requires, terms used herein which are defined in the Credit Agreement have the meanings provided in the Credit Agreement.

CELESTICA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE X

OTHER JURISDICTION LENDER COMMITMENT NOTICE

TO: CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

RE: Subsection 7.1(e) of the sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "**Credit Agreement**") among Celestica Inc. ("**Celestica**"), the subsidiaries designated in the Credit Agreement as Designated Subsidiaries, the financial institutions named in the Schedule "A" to the Credit Agreement, and Canadian Imperial Bank of Commerce as Administrative Agent.

Further to the agreement of the undersigned, **[name of Other Jurisdiction Lender]**, to make Advances in **[insert name of Jurisdiction in which the Other Jurisdiction Lender may make Advances]** (the "**Jurisdiction**"), the undersigned agrees to increase its maximum Commitment in respect of the Jurisdiction to **[specify amount]**.

Unless otherwise defined herein or the context otherwise requires, terms used herein which are defined in the Credit Agreement have the meanings provided in the Credit Agreement.

[NAME OF OTHER JURISDICTION LENDER]

By: _____
Name:
Title:

By: _____
Name:
Title:

The undersigned consent to the increase in the maximum Commitment of **[name of Other Jurisdiction Lender]** as described above.

[NAMES OF RELATED LENDERS]

By: _____
Name:

Title:

By: _____
Name:
Title:

SCHEDULE Y

AFFILIATE LENDER NOTICE

TO: CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

RE: Subsection 7.1(f) of the sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "**Credit Agreement**") among Celestica Inc. ("**Celestica**"), the subsidiaries designated in the Credit Agreement as Designated Subsidiaries, the financial institutions named in Schedule "A" to the Credit Agreement, and Canadian Imperial Bank of Commerce as Administrative Agent.

The undersigned consents to make available a portion of its Commitment in order to make Advances in **[insert Additional Jurisdiction]** (the "**Additional Jurisdiction**").

The undersigned allocates **[portion to be specified]** of the Commitment of the undersigned to make Advances in the Additional Jurisdiction. All Advances in the Additional Jurisdiction shall be made by **[insert name of Affiliate of the undersigned that will make Advances in the Additional Jurisdiction]**.

Unless otherwise defined therein or the context otherwise requires, terms used herein which are defined in the Credit Agreement have the meanings provided in the Credit Agreement.

NAME OF LENDER

By: _____
Name:
Title:

By: _____
Name:
Title:

NAME OF AFFILIATE LENDER

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE Z

AFFILIATE LENDER NOTICE

TO: CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

RE: Subsection 7.1(f) of the sixth amended and restated revolving term credit agreement made as of January 14, 2011 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the "**Credit Agreement**") among Celestica Inc. ("**Celestica**"), the subsidiaries designated in the Credit Agreement as Designated Subsidiaries, the financial institutions named in the Schedule "A" to the Credit Agreement, and Canadian Imperial Bank of Commerce as Administrative Agent.

In connection with the consent of [insert name of Lender] to make available a portion of its Commitment in the amount of $ to made Advances in **[insert name of jurisdiction]** (the "Additional Jurisdiction") and its designation of **[insert name of Affiliate that will make Advances in the Additional Jurisdiction]** (the "**Affiliate Lender**") to make Advances in the Additional Jurisdiction, the undersigned confirms that the Commitment of the Affiliate Lender shall be $ and that following the addition of the Affiliate Lender as a Lender under the Credit Agreement, the Commitments of the Related Lenders of the Affiliate Lender shall be as follows:

[Insert revised Commitments of Related Lenders]

Unless otherwise defined herein or the context otherwise requires, terms used herein which are defined in the Credit Agreement have the meanings provided in the Credit Agreement.

CELESTICA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Exhibit 2.5

Execution Version

SEVENTH AMENDMENT TO REVOLVING TRADE RECEIVABLES PURCHASE AGREEMENT

MEMORANDUM OF AGREEMENT made as of the 17th day of November, 2010.

BETWEEN:

CELESTICA INC.,

(hereinafter referred to as the "Servicer"),

- and -

CELESTICA CORPORATION,
CELESTICA CZECH REPUBLIC S.R.O.,
CELESTICA HOLDINGS PTE LTD,
CELESTICA VALENCIA S.A. (SOCIEDAD UNIPERSONAL),

and
CELESTICA HONG KONG LTD.

(hereinafter referred to collectively as the "Sellers"),

- and -

DEUTSCHE BANK AG, NEW YORK BRANCH,

(hereinafter referred to as the "Administrative Agent" and "Deutsche Bank").

WHEREAS the Sellers, the Servicer, Deutsche Bank, as Purchaser and the Administrative Agent are parties to a revolving trade receivables purchase agreement made as of 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 and by the Sixth Amendment to Revolving Trade Receivables Purchase Agreement dated as of April 26, 2010, 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 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).

2.2 The definition of "Tranche A Applicable Margin" is amended and restated in its entirety as follows:

"Tranche A Applicable Margin": 1.20% per annum.

2.3 The definition of "Tranche B Applicable Margin" is amended and restated in its entirety as follows:

"Tranche B Applicable Margin": 1.50% per annum.

3. **Amendment to the Obligor Limits** Schedule 1.2, "Obligor Limits", is deleted and replaced with Schedule 1.2 attached hereto.

4. **Amendment to Schedule** Schedule 3.15, "Principal Place of Business of the Sellers", is deleted and replaced with Schedule 3.15 attached hereto.

5. **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 23, 2010 (the "Fee Letter").

6. **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 each of Celestica Czech Republic and 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, 2009, 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).

(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.

7. **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.

8. **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.

9. **Required Purchasers** Deutsche Bank hereby confirms that as of the date hereof it is the sole Purchaser under the Receivables Purchase Agreement and that its consent to the amendments provided herein, as evidenced by its execution of this Amending Agreement, constitutes the written consent of the all Purchasers for the purposes of Section 9.1 of the Receivables Purchase Agreement.

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 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) legal opinion bring down certificates and such legal opinion supplements as the Administrative Agent may reasonably require in respect of the opinion letters initially delivered in connection with the closing under the Receivables Purchase Agreement; (iii) evidence of due authorization, execution and delivery of this Amending Agreement, to the extent not expressly covered in the legal opinion supplements provided under (ii) above; and (iv) (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 the District of Columbia Recorder of Deeds, Washington, D.C. and (2) a copy of the UCC-3 financing statement setting forth the applicable information regarding Celestica USA, as debtor, 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. Notwithstanding the foregoing, the provisions of Section 12 of this Amending Agreement shall not apply until November 23, 2010.

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.

[intentionally left blank]

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/ Paul Nicoletti
Name: Paul Nicoletti
Title: Authorized Signatory

CELESTICA CORPORATION

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

DEUTSCHE BANK AG, NEW YORK BRANCH, as Administrative Agent and as Sole Purchaser

by /s/ Kevin McBrien
Name: Kevin McBrien
Title: Vice President

/s/ Thomas Sakellariou
Name: Thomas Sakellariou
Title: Assistant Vice President

SCHEDULE 1.2
To the Receivables Purchase Agreement

ELIGIBLE BUYERS AND OBLIGOR LIMITS

Tranche A

Eligible Buyer	Obligor Limit	Applicable Percentage
CISCO SYSTEMS INC.	7,000,000	100.0%
EMC CORPORATION	10,000,000	100.0%
GOOGLE INC.	7,000,000	100.0%
HONEYWELL INTERNATIONAL INC.	20,000,000	100.0%
IBM CORPORATION	55,000,000	100.0%
ORACLE CORPORATION	65,000,000	100.0%
RESEARCH IN MOTION LTD.	71,000,000	100.0%
Tranche B		
POLYCOM, INC.	15,000,000	100.0%
TOTAL	**250,000,000**	—

Schedule 3.15 to the Receivables Purchase Agreement

Principal Place of Business of the Sellers:

Celestica USA:
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

Exhibit 4.6

CELESTICA INC.

CELESTICA SHARE UNIT PLAN

December 9, 2004

As amended and restated as of July 26, 2006 and July 26, 2007

CELESTICA INC.

CELESTICA SHARE UNIT PLAN

1. PURPOSE

1.1 This Share Unit Plan has been established by the Company to provide incentives to certain of its employees and consultants and its directors, to foster a responsible balance between short term and long term results, and to build and maintain a strong spirit of performance and entrepreneurship.

2. DEFINITIONS AND INTERPRETATION

2.1 In this Share Unit Plan, the following terms have the following meanings:

"Applicable Law" means any applicable provision of law, domestic or foreign, including, without limitation, the *Securities Act* (Ontario), the U.S. *Securities Act of 1933*, as amended, and the U.S. *Securities Exchange Act 1934*, as amended, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and Stock Exchange Rules;

"Beneficiary" means any person designated by the Participant by written instrument filed with the Company to receive any amount, securities or property payable under the Plan in the event of a Participant's death or, failing any such effective designation, the Participant's estate;

"Board" means the Board of Directors of the Company;

"Change in Control" means the occurrence of any of the following after the date hereof:

(i) the acquisition by any person (or more than one person acting as a group) of beneficial ownership of securities of the Company which, directly or following conversion or exercise thereof, would entitle the holder thereof to cast more than 50% of the votes attaching to all securities of the Company which may be cast to elect directors of the Company, other than the additional acquisition of securities by a person beneficially owning such number of securities on the date hereof;

(ii) Incumbent Directors ceasing to constitute a majority of the Board as a consequence of (a) the solicitation of proxies through a proxy circular by persons other than management, or (b) to the extent required to comply with Section 409A of the United States Code, being replaced during any twelve-month period by directors whose

appointment or election was not endorsed by a majority of the Board members before the date of the appointment or election; or

(iii) the consummation of an amalgamation, arrangement, merger or other consolidation of the Company with another company or a sale of all or substantially all of the assets of the Company to another company pursuant to which, and such that, all the persons who, immediately prior to such consummation, beneficially owned all of the securities of the Company which could be cast to elect directors of the Company, immediately thereafter do not beneficially own securities of the successor or continuing company or company acquiring the assets which would entitle such persons, directly or following conversion or exercise thereof, to cast more than 50% of the votes attaching to all securities of such company which may be cast to elect directors of that company;

"Code" means the United States Internal Revenue Code of 1986.

"Committee" means the committee of the Board, as constituted from time to time, which may be appointed by the Board to, *inter alia*, interpret, administer and implement the Plan, and includes any successor committee appointed by the Board for such purposes;

"Company" means Celestica Inc. and its respective successors and assigns, and any reference in the Plan to action by the Company means action by or under the authority of the Board or any person or committee that has been designated for the purpose by the Company including, without limitation, the Committee;

"Consultant" means a consultant as defined in the Rule excluding investor relations persons and associated consultants as defined in the Rule;

"Date of Grant" of a Unit means the date the Unit is granted to a Participant under the Plan;

"Designated Affiliated Entity" means a person (including a trust or a partnership) or company in which the Company has a significant investment and which the Company designates as such for the purposes of this Plan;

"Director" means a member of the Board;

"Fiscal Year" means the financial year of the Company;

"Grant" means a Performance Grant or a RSU Grant;

"including" means including without limitation;

"Incumbent Director" means any member of the Board who was a member of the Board immediately prior to the occurrence of a transaction, transactions or

elections giving rise to a Change in Control (other than a transaction approved by the Board) and any successor to an Incumbent Director who is recommended or elected or appointed to succeed an Incumbent Director by the affirmative vote of a majority of the Incumbent Directors then on the Board;

"Independent Broker" means a registered broker which is independent under Stock Exchange Rules;

"Market Price" means the closing price per Share on the TSX or NYSE, as determined by the Company, on the day preceding the date of the determination;

"NYSE" means The New York Stock Exchange;

"Participant" means

(i) a Director,

(ii) a permanent employee of the Company, a Subsidiary or a Designated Affiliated Entity, or

(iii) a Consultant of the Company, a Subsidiary, or a Designated Affiliated Entity,

who has been designated by the Company for participation in the Plan and who has agreed to participate in the Plan on such terms as the Company may specify;

"Performance Grant" means a grant to a Participant pursuant to Article 5 of Performance Units determined with reference to a stated dollar amount;

"Performance Unit" means a Unit allocated to a Participant under this Plan in accordance with Article 5, the vesting terms of which include the achievement of certain performance targets specified on the Date of Grant;

"Plan" means this Share Unit Plan, as amended and restated from time to time;

"Release Date" means, for a Performance Grant, the date or dates on which Performance Units shall be satisfied in the form of Shares and, for a RSU Grant, the date or dates on which Restricted Share Units shall be satisfied in the form of Shares or cash;

"Reorganization" means any (i) capital reorganization, (ii) merger, (iii) amalgamation, (iv) offer for shares of the Company which if successful would entitle the offeror to acquire all of the shares of the Company or all of one or more particular class(es) of shares of the Company to which the offer relates, (v) sale of a material portion of the assets of the Company, or (vi) arrangement or other scheme of reorganization;

"Restricted Share Unit" means a Unit allocated to a Participant under this Plan in accordance with Article 5, the vesting terms of which do not include the achievement of performance targets specified and identified at the Date of Grant;

"Retirement" means the retirement of a Participant from employment with the Company, a Subsidiary or a Designated Affiliated Entity in accordance with the normal retirement policy of his or her employer;

"RSU Grant" means a grant to a Participant pursuant to Article 5 of Restricted Share Units determined with reference to a stated dollar amount;

"Rule" means Part 2, Division 4 of National Instrument 45-106 - Prospectus and Registration Exemptions, as it may be amended or replaced;

"Shares" means the Subordinate Voting Shares in the capital of the Company, and includes any shares of the Company into which such shares may be converted, reclassified, redesignated, subdivided, consolidated, exchanged or otherwise changed, pursuant to a Reorganization or otherwise;

"Stock Exchange Rules" means the applicable rules of any stock exchange upon which shares of the Company are listed;

"Subsidiary" means a subsidiary of the Company as defined by the *Business Corporations Act* (Ontario);

"TSX" means The Toronto Stock Exchange;

"Unit" means a Restricted Share Unit or a Performance Unit; and

"Year" in respect of a Performance Unit means a calendar year commencing on the Date of Grant of the Performance Unit or on any anniversary of such date.

2.2 In this Plan, unless the context requires otherwise, words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular number.

2.3 This Plan is established under the laws of the Province of Ontario and the rights of all parties and the construction of each and every provision of the Plan and any Performance Units granted hereunder shall be construed according to the laws of the Province of Ontario.

3. GENERAL

3.1 The transfer of an employee from the Company to a Subsidiary or a Designated Affiliated Entity, from a Subsidiary or a Designated Affiliated Entity to the Company, or from one Subsidiary or Designated Affiliated Entity to another Subsidiary or Designated Affiliated Entity, shall not be considered a termination of employment for the purposes of the Plan, nor shall it be considered a termination of employment if a Participant is placed on such other leave of absence which is considered by the Company as continuing intact the employment

relationship; in such a case, the employment relationship shall be continued until the later of the date when the leave equals ninety days or the date when a Participant's right to reemployment shall no longer be guaranteed either by law or by contract, except that in the event active employment is not renewed at the end of the leave of absence, the employment relationship shall be deemed to have ceased at the beginning of the leave of absence.

3.2 No Shares may be issued from the treasury of the Company under this Plan.

3.3 Subject to any Applicable Law, the Company will acquire issued and outstanding Shares in the market for the purposes of satisfying its obligation to provide Shares to Participants under the Plan. If it does so, the Company shall utilize the services of an Independent Broker.

3.4 From time to time the Company may, in addition to its powers under the Plan, add to or amend any of the provisions of the Plan or terminate the Plan or amend the terms of any Unit granted under the Plan; provided, however, that (i) any approvals required under any applicable law or Stock Exchange Rules are obtained, and (ii) no such amendment or termination shall be made at any time which has the effect of adversely affecting the existing rights of a Participant under the Plan without his or her consent in writing unless the Company, at its option, acquires such existing rights at an amount equal to the fair market value of such rights at such time as verified by an independent valuator.

3.5 The determination by the Company of any question which may arise as to the interpretation or implementation of the Plan or any of the Units granted hereunder shall be final and binding on all Participants and other persons claiming or deriving rights through any of them.

3.6 The Plan shall enure to the benefit of and be binding upon the Company, its successors and assigns. The interest of any Participant under the Plan or in any Unit shall not be transferable or alienable by him or her either by pledge, assignment or in any other manner, except to a spouse or a personal holding company or family trust controlled by a Participant, the shareholders or beneficiaries of which, as the case may be, are any combination of the Participant, the Participant's spouse, the Participant's minor children or the Participant's minor grandchildren, and after his or her lifetime shall enure to the benefit of and be binding upon the Participant's Beneficiary.

3.7 The Company's obligation to provide Shares in accordance with the terms of the Plan and any Units granted hereunder is subject to compliance with Applicable Law applicable to the distribution of such Shares. As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Law and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such Applicable Law.

3.8 The Company, a Subsidiary or a Designated Affiliated Entity may withhold from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary so as to ensure that the Company, the Subsidiary or Designated Affiliated Entity will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, including on the amount, if any,

includable in the income of a Participant. The Company shall also have the right in its discretion to take such steps in accordance with applicable law as it considers necessary to satisfy any such withholding tax liability.

3.9 A Participant shall not have the right or be entitled to exercise any voting rights, receive dividends or have or be entitled to any other rights as a shareholder in respect of any Units unless and until satisfied in the form of Shares.

3.10 Neither designation of an employee as a Participant nor the grant of any Units to any Participant entitles any Participant to the grant, or any additional grant, as the case may be, of any Units under the Plan. Neither the Plan nor any action taken thereunder shall interfere with the right of the employer of a Participant to terminate a Participant's employment at any time. Neither the period of notice, if any, nor any payment in lieu thereof, upon termination of employment shall be considered as extending the period of employment for the purposes of the Plan.

3.11 No member of the Board or the Committee shall be liable for any action or determination made in good faith in connection with the Plan and members of the Board and the Committee shall be entitled to indemnification and reimbursement from the Company in respect of any claim relating thereto.

3.12 Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect any employee's employment with, or any Consultant's engagement by, the Company, a Subsidiary or Designated Affiliated Entity.

3.13 If any provision of this Plan is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part, if any, of such provision and all other provisions hereof shall continue in full force and effect.

3.14 Neither the establishment of the Plan nor the grant of any Units or the setting aside of any funds by the Company (if, in its sole discretion, it chooses to do so) shall be deemed to create a trust. Legal and equitable title to any funds set aside for the purposes of the Plan shall remain in the Company and no Participant shall have any security or other interest in such funds. Any funds so set aside shall remain subject to the claims of creditors of the Company present or future. Amounts payable to any Participant under the Plan shall be a general, unsecured obligation of the Company. The right of the Participant or Beneficiary to receive payment pursuant to the Plan shall be no greater than the right of other unsecured creditors of the Company.

3.15 This Plan is hereby instituted as of the 9th day of December, 2004.

4. ADMINISTRATION

4.1 The Plan shall be administered by the Company in accordance with its provisions. All costs and expenses of administering the Plan will be paid by the Company, but the Company shall not be responsible for the payment of any fees or expenses in respect of the re-sale by a Participant of Shares acquired by him or her under the Plan. The Company, may from time to

time, establish administrative rules and regulations and prescribe forms or documents relating to the operation of the Plan as it may deem necessary to implement or further the purpose of the Plan and amend or repeal such rules and regulations or forms or documents. The Company, in its discretion, may appoint a Committee for the purpose of interpreting, administering and implementing the Plan. In administering the Plan, the Company or the Committee may seek recommendations from the chief executive officer of the Company. The Company may also delegate to the Committee or any director, officer or employee of the Company such duties and powers, relating to the Plan as it may see fit. The Company may also appoint or engage a trustee, custodian or administrator to administer or implement the Plan.

4.2 The Company shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of the Plan and the discharge of its duties. At such times as the Company shall determine, the Company shall furnish the Participant with a statement setting forth the details of his or her Units, including Date of Grant and the number of Units held by each Participant (including identification of the number of Units that are Performance Units and Restricted Share Units). Such statement shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary is given to the Company within 30 days after such statement is given to the Participant.

4.3 (a) Any payment, notice, statement, certificate or other instrument required or permitted to be given to a Participant or any person claiming or deriving any rights through him or her shall be given by:

(i) delivering it personally to the Participant or to the person claiming or deriving rights through him or her, as the case may be, or

(ii) mailing it postage paid (provided that the postal service is then in operation) or delivering it to the address which is maintained for the Participant in the Company's personnel records or (other than in the case of a payment) sending it by means of facsimile or similar means of electronic transmission (including e-mail).

(b) Any payment, notice, statement, certificate or other instrument required or permitted to be given to the Company shall be given by mailing it postage paid (provided that the postal service is then in operation), delivering it to the Company at its principal address, or (other than in the case of a payment) sending it by means of facsimile or similar means of electronic transmission (including e-mail), to the attention of the Company Secretary.

(c) Any payment, notice, statement, certificate or other instrument referred to in section 4.3(a) or 4.3(b), if delivered, shall be deemed to have been given or delivered on the date on which it was delivered, if mailed (provided that the postal service is then in operation), shall be deemed to have been given or delivered on the second business day following the date on which it was mailed and if by facsimile or similar means of electronic transmission, on the next business day following transmission.

5. GRANTS AND ALLOCATION OF UNITS

5.1 The Company may, in its sole discretion, determine whether Grants will be made to a particular Participant, the dollar amount of any such Grant, the Release Dates for the relevant Shares for such Participant and whether the Grant will be a Performance Grant or a RSU Grant. In making such determinations, the Company may take into account such criteria as it deems appropriate, including the Participant's: (i) level of responsibility; (ii) rate of compensation; (iii) individual performance and contribution; and/or (iv) agreement to become a permanent employee of the Company, a Subsidiary or a Designated Affiliated Entity.

5.2 On the Date of Grant, each Participant who receives a Grant shall be allocated Units reflecting such Grant.

5.3 The number of Units to be allocated to a particular Participant shall be obtained by dividing the amount of the Grant of such Participant by the Market Price on the Date of Grant. Fractional Units may be allocated. Each such Unit shall represent the right to receive one Share, in the manner and subject to the restrictions set forth in this Plan.

5.4 No certificates shall be issued with respect to such Grants or Units, but the Company shall maintain records in the name of each Participant showing the number of Units to which such Participant is entitled in accordance with this Plan and identifying the Units as Restricted Share Units or Performance Units.

6. PERFORMANCE UNITS AND RESTRICTED SHARE UNITS

6.1 Subject to Articles 7 and 8, unless otherwise determined by the Company at the time of Grant, the Performance Units may be satisfied in the form of Shares or cash, at the Company's option, on the Release Date as determined under Article 5.

6.2 Subject to Articles 7 and 8, unless otherwise determined by the Company at the time of Grant, the Restricted Share Units may be satisfied in the form of Shares or cash, at the Company's option, on the Release Date as determined under Article 5.

6.3 Subject to the terms of the Plan, the Company may determine other terms or conditions of any Units, including

(a) any additional conditions with respect to the provision of Shares or cash under the Plan, including conditions in respect of

(i) the market price of the Shares,

(ii) the financial performance or results of the Company, a Subsidiary, a Designated Affiliated Entity or business unit and

(iii) restrictions on the re-sale of Shares acquired under the Plan; and

(b) any other terms and conditions the Company may in its discretion determine.

7. TERMINATION OF EMPLOYMENT AND FORFEITURES

7.1 Unless otherwise determined by the Company at any time, if a Participant ceases to be employed by the Company, a Subsidiary or Designated Affiliated Entity for any reason other than: death; long-term disability; Retirement; or termination without cause, there shall be forfeited as of such termination of employment all Restricted Share Units and Performance Units as have not been satisfied in the form of Shares or cash in accordance with the Plan. No cash or other compensation shall at any time be paid in lieu of any such Units which have been forfeited under this Plan.

7.2 Unless otherwise determined by the Company at any time, if a Participant ceases to be an employee of the Company, a Subsidiary or a Designated Affiliated Entity by reason of death, long-term disability or Retirement, the Participant's right to be paid in respect of any unsatisfied Restricted Share Unit previously granted to the Participant will be prorated based on the ratio of (a) the number of days of employment completed by the Participant between the Date of Grant of the Restricted Share Unit and the date of death, long-term disability or Retirement bears to (b) the number of days between the Date of Grant and the scheduled Release Date for such Unit. All Restricted Share Units shall be satisfied in the form of Shares or cash to the Participant or his Beneficiary as applicable, on a date which is 90 days after such event.

7.3 Unless otherwise determined by the Company at any time, if a Participant's employment with the Company, a Subsidiary or a Designated Affiliate is terminated without cause, the Participant's right to be paid in respect of any unsatisfied Restricted Share Unit previously granted to the Participant will be prorated based on the ratio of (a) the number of full years (with no credit for partial years) of employment completed by the Participant between the Date of Grant of the Restricted Share Unit and termination of employment bears to (b) the number of full years, whether calendar or fiscal, between the Date of Grant and the scheduled Release Date for such Unit. Such payment shall be satisfied in the form of Shares or cash on a date which is 90 days after such termination of employment.

7.4 Unless otherwise determined by the Company at any time, if a Participant ceases to be employed by the Company, a Subsidiary or Designated Affiliated Entity because of death, each Performance Unit of such Participant as has not been satisfied in accordance with the Plan shall be considered to have vested as if the median level of performance specified in the conditions attaching to the Grant of the Performance Unit had been achieved as of the date of death but the number of Shares to which the Participant is entitled in respect thereof shall be prorated based on the number of days of completed employment from the Date of Grant for the Performance Unit to the date of death as a percentage of the total number of days between the Date of Grant and the scheduled Release Date for the Performance Unit. Such Shares shall be distributed 90 days after the date of death.

7.5 Unless otherwise determined by the Company at any time, if a Participant ceases to be employed by the Company, a Subsidiary or Designated Affiliated Entity because of Retirement or long-term disability, the entitlement of the Participant with respect to Performance Units that have not satisfied as of the date of Retirement or long-term disability shall be determined on the scheduled Release Date for such Performance Unit on the basis of the actual performance achieved during the period specified by the Company. The number of Shares to

which the Participant shall be entitled to in respect thereof shall be prorated based on the number of days of completed employment from the Date of Grant for the Performance Unit to the date of Retirement or long-term disability as a percentage of the total number of days between the Date of Grant and the scheduled Release Date for the Performance Unit.

7.6 Unless otherwise determined by the Company, if a Participant's employment with the Company, a Subsidiary or Designated Affiliated Entity is terminated without cause, there shall be forfeited as of such termination of employment such Performance Units as have not been satisfied in accordance with the Plan. No cash or other compensation shall at any time be paid in lieu of any such Units which have been forfeited under this Plan.

7.7 Notwithstanding any other provision of this Plan, a Participant who ceases to be an employee of the Company, a Subsidiary or a Designated Affiliated Entity for any reason and breaches any non-competition agreement with the Company, a Subsidiary or a Designated Affiliated Entity, will be required to repay to the Company the cash equivalent of each Share delivered to, and an amount equal to any cash paid to or on behalf of, the Participant under this Plan in the 12 months immediately preceding the breach, such payment to be made within ten days of receipt by the Participant of a written demand for payment from the Company. For purposes of this Section 7.7, the cash equivalent of any Share delivered to a Participant will be an amount equal to the Market Price determined as of the date the Share was so delivered to the Participant.

7.8 If there is a Change of Control, the Release Date for all Restricted Share Units and Performance Units shall be the date of the Change of Control. All Performance Share Units shall be considered to have vested as if the median level of performance specified in the conditions attaching to the Grant of the Performance Units had been achieved as of the date of the Change of Control.

7.9 Notwithstanding anything herein to the contrary (a) in the event that providing Shares or cash in lieu thereof under this Plan would, in the good-faith judgment of the Company, result in a penalty pursuant to Section 409A of the United States Internal Revenue Code if provided or paid within the time specified in the Plan, then the provision of such Shares or payment shall be delayed until the earliest date on which same can be made without the imposition of a penalty, and (b) to the extent any Participant is a "specified employee" within the meaning of such Section 409A, any distributions that would otherwise be made within six (6) months of the date of such Participant's termination of employment may be delayed for such six-month period, provided that the maximum allowable amount payable under such six-month period and any remaining amounts shall be paid or commence to be paid six months and one day following such Participant's termination of employment (without interest thereon).

8. SETTLEMENT

8.1 The number of Shares to be provided to a Participant in respect of Units shall be equal to the whole number of Share Units which are to be released. Where, under section 6.1 or section 6.2, the number of Units allocated would result in satisfaction of a fractional Unit in the form of a fractional Share, the number of Units to be satisfied in the form of Shares shall be rounded down to the next whole number of Performance Units. No fractional Shares shall be

provided nor shall cash be paid at any time in lieu of any such fractional interest. Any such fractional interest of a Unit which, together with other fractional interests, form a whole Unit, shall be provided in the form of a Share as part of the Units of the Participant to be satisfied on the next applicable Release Date, if any.

8.2 If so determined by the Company, in lieu of the provision of Shares in respect of Restricted Share Units or Performance Share Units, the Company may, at its option, satisfy its obligation to provide Shares under the Plan, in whole or in part, by the payment of a cash amount to a Participant on the Release Date. The amount of such payment shall be equal to the number of Shares in respect of which the Company makes such a determination, multiplied by the Market Price on the Release Date, subject to any applicable withholding tax.

9. CHANGES IN SHARE CAPITAL

9.1 If the number of outstanding Shares shall be increased or decreased as a result of a stock split, consolidation, subdivision, reclassification or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of a stock dividend in the ordinary course, the Company may make appropriate adjustments to the number of Units granted to each Participant. Any determinations by the Company as to the adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.

10. REORGANIZATION

10.1 In the event of a Reorganization or proposed Reorganization, the Company, at its option, may, subject to Stock Exchange Rules, do either of the following:

(a) irrevocably commute for or into any other security or other property or cash any unsatisfied Unit held by a Participant upon giving to such Participant at least 30 days' written notice of its intention to commute the Unit on a specified date, and during the period to such date, the Participant may elect to require the Company to distribute Shares to him equal to such unsatisfied Units, without regard to the limitations contained in Article 6, or

(b) the Company, or any corporation which is or would be the successor to the Company or which may issue securities in exchange for Shares upon the Reorganization becoming effective, may offer any Participant in writing the opportunity to obtain the securities into which the Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of unsatisfied Performance Units held by such Participant or some other appropriate basis, or some other property. If a Participant accepts such offer, he or she shall be deemed to have released his or her rights relating to the Performance Units and such Units shall be deemed to have terminated.

10.2 The Company may specify in any notice or offer made under section 10.1, that, if for any reason, the Reorganization is not completed, the Company may revoke such notice or

offer. The Company may exercise such right by further notice in writing to the Participant and the Unit shall thereafter continue to be allocated to the Participant in accordance with its terms.

10.3 Subsections (a) and (b) of section 10.1 are intended to be permissive and may be utilized independently or successively or in combination or otherwise, and nothing therein contained shall be construed as limiting or affecting the ability of the Company to deal with Units in any other manner.

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 European Holdings S.À.R.L., a Luxembourg corporation;
Celestica (Gibraltar) Limited, a Gibraltar corporation;
Celestica Holdings Pte Ltd., a Singapore corporation;
Celestica Hong Kong Limited, a Hong Kong corporation;
Celestica LLC (formerly Celestica Corporation), a Delaware limited liability company;
Celestica Liquidity Management Hungary Limited Liability Company, a Hungary corporation;
Celestica (Luxembourg) S.À.R.L., a Luxembourg corporation;
Celestica (Thailand) Limited, a Thailand corporation;
Celestica (USA) Inc., a Delaware corporation;
Celestica (US Holdings) LLC (formerly Celestica (US Holdings) Inc.), a Delaware limited liability company;
IMS International Manufacturing Services Limited, a Cayman Islands corporation;
1282087 Ontario Inc., an Ontario corporation;
1681714 Ontario Inc., an Ontario corporation; and
1755630 Ontario Inc., an Ontario corporation.

Exhibit 12.1

CERTIFICATIONS

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 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 22, 2011

/s/ Craig H. Muhlhauser
Craig H. Muhlhauser
Chief Executive Officer

Exhibit 12.2

CERTIFICATIONS

I, Paul Nicoletti, 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 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 22, 2011

/s/ Paul Nicoletti
Paul Nicoletti
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.

Each of the undersigned hereby certifies, in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as an officer of Celestica Inc. (the "Company"), that the Annual Report of the Company on Form 20-F for the period ended December 31, 2010 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 22, 2011

/s/ Craig H. Muhlhauser
Craig H. Muhlhauser
Chief Executive Officer

March 22, 2011

/s/ Paul Nicoletti
Paul Nicoletti
Chief Financial Officer

A signed original of this written statement required by Section 906 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 15.2

KPMG LLP
Chartered Accountants
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 *Forms S-8 (Nos. 333-71126, 333-66726, 333-63112, 333-88210 and 333-113591)* and on Form *F-3 (No. 333-155390)* of Celestica Inc. of our report dated March 22, 2011, with respect to the consolidated balance sheets of Celestica Inc. (and subsidiaries) as at December 31, 2010 and 2009, and the consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2010 and our report dated March 22, 2011 with respect to the effectiveness of internal control over financial reporting as of December 31, 2010, which reports appear in the December 31, 2010 annual report on Form 20-F of Celestica Inc.

KPMG LLP
Chartered Accountants, Licensed Public Accountants

Toronto, Canada
March 22, 2011