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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**SCHEDULE TO**  
**TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) or 13(e)(1) OF**  
**THE SECURITIES EXCHANGE ACT OF 1934**

**CELESTICA INC.**

(Name of Subject Corporation (issuer))

**Celestica Inc. (Issuer)**

(Name of Filing Persons (identify status as offeror, issuer or other person))

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**Subordinate Voting Shares**

(Title of Class of Securities)

**15101Q108**

(CUSIP Number of Class of Securities)

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**Celestica Inc.**

**Attention: Executive Vice President, Chief Legal and Administrative Officer**

**844 Don Mills Road**

**Toronto, Ontario, Canada M3C 1V7**

**(416) 448-2211**

(Name, address and telephone number of person authorized to  
receive notices and communications on behalf of filing person)

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Copy to:

**Lynn Toby Fisher, Esq.**

**Kaye Scholer LLP**

**425 Park Avenue**

**New York, NY 10022**

**(212) 836-8000**

**CALCULATION OF FILING FEE**

Transaction Valuation <sup>(1)</sup>	Amount of Filing Fee <sup>(2)</sup>
\$175,000,000	\$23,870

<sup>(1)</sup> Calculated solely for purposes of determining the amount of the filing fee. This amount is based upon the offer to purchase for not more than \$175,000,000 an aggregate of up to 25,000,000 subordinate voting shares of Celestica Inc. at a purchase price of not more than \$8.00 and not less than \$7.00 per share in cash.

<sup>(2)</sup> The amount of the filing fee, calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, equals \$136.40 per \$1,000,000 of the value of the transaction.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: N/A

Form or Registration No.: N/A

Filing Party: N/A

Date Filed: N/A

Check the box if filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: .

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## Introduction

This Tender Offer Statement on Schedule TO relates to the offer by Celestica Inc., a corporation organized under the laws of the province of Ontario (“Celestica” or the “Corporation”), to the holders of its subordinate voting shares (the “Shares”), to purchase up to an aggregate amount of US\$175,000,000 of Shares at a price of not more than US\$8.00 per Share and not less than US\$7.00 per Share in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 29, 2012 (the “Offer to Purchase”), the accompanying Issuer Bid Circular (the “Circular”), and the related Letter of Transmittal and Notice of Guaranteed Delivery which, collectively, as amended or supplemented from time to time, constitute the “Offer Documents.” This Tender Offer Statement on Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The information contained in the Offer to Purchase and the Circular, filed herewith as Exhibit (a)(1)(A), is hereby incorporated by reference in response to all the items of this Schedule TO.

### Item 1. Summary Term Sheet.

The information under the heading “Summary,” included in Exhibit (a)(1)(A), is incorporated herein by reference.

### Item 2. Subject Company Information.

(a) The name of the issuer is Celestica Inc. The address and telephone number of the issuer’s principal executive offices are: 844 Don Mills Road, Toronto, Ontario, Canada M3C 1V7, (416) 448-2211.

(b) The subject securities are subordinate voting shares of Celestica. As of October 25, 2012, there were 186,205,220 Shares outstanding.

(c) Information about the trading market and price of the Shares is incorporated herein by reference from the Circular, included in Exhibit (a)(1)(A), under the heading “Section 5 — Price Range and Trading Volume of the Shares.”

### Item 3. Identity and Background of Filing Person.

(a) The filing person to which this Schedule TO relates is Celestica Inc. The business address and business telephone number of Celestica is set forth under Item 2(a) above. The information set forth in the Circular, included in Exhibit (a)(1)(A), under the heading “Section 9 — Ownership of Securities of the Corporation,” is incorporated herein by reference.

**Item 4. Terms of the Transaction.**

(a) The material terms of the transaction are incorporated herein by reference from the Offer to Purchase and the Circular, each included in Exhibit (a)(1)(A). There will be no material differences in the rights of security holders as a result of this transaction.

(b) No Shares will be purchased in the Offer from any officer, director or affiliate of Celestica.

**Item 5. Past Contracts, Transactions, Negotiations and Agreements.**

(e) Information regarding agreements involving Celestica's securities is incorporated herein by reference from the Circular, included in Exhibit (a)(1)(A), under the heading "Section 2 — Authorized Capital." Information under the headings "Section 7 — Previous Purchases and Sales" and "Section 8 — Previous Distributions" in the Circular, included in Exhibit (a)(1)(A), is incorporated herein by reference solely to the extent an equity compensation plan may be deemed to be an agreement, arrangement or understanding with Celestica with respect to its securities.

**Item 6. Purposes of the Transaction and Plans or Proposals.**

(a) Information regarding the purpose of the transaction is incorporated herein by reference from Exhibit (a)(1)(A) under the heading "Summary" and from the Circular under the heading "Section 3 — Purpose and Effect of the Offer."

(b) The Shares purchased in the Offer will be cancelled by the Corporation.

(c) There are no plans, proposals or negotiations that would result in (i) any extraordinary transaction, such as a merger, reorganization or liquidation, involving Celestica or any of its subsidiaries, (ii) any purchase, sale or transfer of a material amount of assets of Celestica or any of its subsidiaries, (iii) any material change in the present dividend rate or policy, or indebtedness or capitalization of Celestica, (iv) any change in the present board of directors or management of Celestica, including, but not limited to, any plans or proposals to change the number or the term of directors or to fill any existing vacancies on the board or to change any material term of the employment contract of any executive officer, (v) any other material change in Celestica's corporate structure or business, (vi) any class of Celestica's equity securities to be delisted from a national securities exchange or cease to be authorized to be quoted in an automated quotations system operated by a national securities association, (vii) any class of Celestica's equity securities becoming eligible for termination of registration under Section 12(g)(4) of the Exchange Act, (viii) the suspension of Celestica's obligation to file reports under Section 15(d) of the Exchange Act, (ix) the acquisition by any person of additional securities of Celestica, or the disposition of Celestica's securities, or (x) any changes in Celestica's charter, bylaws or other governing instruments or other actions that could impede the acquisition of control of Celestica.

**Item 7. Source and Amount of Funds or Other Consideration.**

(a) Information regarding the source of funds is incorporated herein by reference from the Circular, included in Exhibit (a)(1)(A), under the heading "Section 19 — Source of Funds."

(b) Information regarding any material condition to the financing is incorporated herein by reference from the Circular, included in Exhibit (a)(1)(A), under the heading "Section 19 — Source of Funds."

(d) Information regarding borrowed funds is incorporated herein by reference from the Circular, included in Exhibit (a)(1)(A), under the heading "Section 19 — Source of Funds."

**Item 8. Interest in Securities of the Subject Corporation.**

(a) Information under the heading "Section 9 — Ownership of Securities of the Corporation" in the Circular, included in Exhibit (a)(1)(A), is incorporated herein by reference.

(b) Information under the heading "Section 7 — Previous Purchases and Sales" in the Circular, included in Exhibit (a)(1)(A), is incorporated herein by reference.

**Item 9. Persons/Assets, Retained, Employed, Compensated or Used.**

(a) Information under the heading "Summary," and information in the Circular under the headings "Section 20 — Dealer Managers," "Section 21 — Depository," and "Section 22 — Fees and Expenses," in each case included in Exhibit (a)(1)(A), is incorporated herein by reference.

**Item 10. Financial Statements.**

(a)-(b) Not applicable. The consideration offered consists solely of cash. The Offer is not subject to any financing condition and

Celestica is a public reporting company under Section 13(a) or 15(d) of the Exchange Act that files reports electronically on EDGAR.

**Item 11. Additional Information.**

(a)(1) Information under the headings “Section 2 — Authorized Capital,” “Section 7 — Previous Purchases and Sales” and “Section 8 — Previous Distributions” in the Circular, included in Exhibit (a)(1)(A), is incorporated herein by reference. Other than as set forth in the Offer to Purchase and the Circular or above, the Corporation is not aware of any present or proposed material agreement, arrangement, understanding or relationship between the Corporation and any of its executive officers, directors, controlling persons or subsidiaries.

(a)(2) Information under the heading “Section 18 — Legal Matters and Regulatory Approvals” in the Circular, included in Exhibit (a)(1)(A), is incorporated herein by reference.

(a)(3) Not applicable.

(a)(4) Not applicable.

(a)(5) None. Information under the heading “Section 18 — Legal Matters and Regulatory Approvals” in the Circular, included in Exhibit (a)(1)(A), is incorporated herein by reference.

(c) Information under the heading “Summary,” in the Offer to Purchase and Circular, in each case included in Exhibit (a)(1)(A), is incorporated herein by reference.

**Item 12. Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
(a)(1)(A)*	Offer to Purchase, dated October 29, 2012 and the accompanying Issuer Bid Circular.
(a)(1)(B)*	Letter of Transmittal.
(a)(1)(C)*	Notice of Guaranteed Delivery.
(a)(2)	None.
(a)(3)	Not applicable.
(a)(4)	Not applicable.
(a)(5)*	Press release announcing commencement of Offer, dated October 29, 2012.
(b)(1)	Sixth Amended and Restated 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. (1)
(b)(2)*	First Amendment to Sixth Amended and Restated 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, dated February 28, 2011.
(d)(1)*	Coattail Agreement, dated June 29, 1998, between Onex Corporation, Celestica Inc. and Montreal Trust Company of Canada.
(d)(2)	Amended and Restated Celestica Inc. Long-Term Incentive Plan. (2)
(d)(3)*	Directors’ Share Compensation Plan (2008)

- (d)(4) Manufacturer's Services Limited Second Amended and Restated Non-Qualified Stock Option Plan, as amended. (3)
- (d)(5) Manufacturer's Services Limited 2000 Non-Employee Director Stock Option Plan, as amended. (3)
- (d)(6) Manufacturer's Services Limited 2000 Non-Qualified Stock Option Plan. (3)
- (d)(7) Manufacturer's Services Limited 2000 Equity Incentive Plan, as amended. (3)
- (g) Not applicable.
- (h) Not applicable.

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\* Filed herewith.

(1) Incorporated by reference to Annual Report on Form 20-F filed March 24, 2011.

(2) Incorporated by reference to Annual Report on Form 20-F filed March 23, 2010.

(3) Incorporated by reference to Registration Statement on Form S-8 filed March 15, 2004.

**Item 13. Information Required by Schedule 13E-3.**

Not applicable.

**SIGNATURE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

/S/ ELIZABETH L. DELBIANCO

Name: Elizabeth L. DelBianco

Title: Executive Vice President, Chief Legal and Administrative Officer

Date: October 29, 2012

## EXHIBIT INDEX

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(a)(3)	Not applicable.
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(b)(2)*	First Amendment to Sixth Amended and Restated 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, dated February 28, 2011.
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(d)(6)	Manufacturer's Services Limited 2000 Non-Qualified Stock Option Plan. (3)
(d)(7)	Manufacturer's Services Limited 2000 Equity Incentive Plan, as amended. (3)
(g)	None.
(h)	None.

\* Filed herewith.

(1) Incorporated by reference to Annual Report on Form 20-F filed March 24, 2011.

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*This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you are urged to consult your broker, dealer, bank manager, lawyer, accountant or other professional advisor.*



**OFFER TO PURCHASE FOR NOT MORE THAN US\$175,000,000 IN CASH  
UP TO 25,000,000 OF ITS SUBORDINATE VOTING SHARES AT A PURCHASE PRICE OF  
NOT LESS THAN US\$7.00 AND NOT MORE THAN US\$8.00 PER SUBORDINATE VOTING SHARE**

Celestica Inc. ("**Celestica**", the "**Corporation**", "**we**" or "**us**") invites its shareholders (the "**Shareholders**") to tender, for purchase and cancellation by the Corporation, subordinate voting shares of the Corporation (the "**Shares**") pursuant to (i) auction tenders in which the tendering Shareholders specify a price of not less than US\$7.00 per Share and not more than US\$8.00 per Share in increments of US\$0.10 per Share ("**Auction Tenders**"), or (ii) purchase price tenders in which the tendering Shareholders do not specify a price per Share, but rather agree to have Shares purchased at the Purchase Price (as defined below) that is determined as provided herein ("**Purchase Price Tenders**"). The invitation and all tenders of Shares are subject to the terms and conditions set forth in this Offer to Purchase, the accompanying Issuer Bid Circular (the "**Circular**") and the related Letter of Transmittal and Notice of Guaranteed Delivery, and all Notices of Extension and/or Notices of Variation, if any (which documents, together with the Offer to Purchase and the Circular, collectively constitute the "**Offer**").

**The Offer will commence on the date set forth below and expire at 5:00 p.m. (Eastern time) on December 3, 2012, unless withdrawn, extended or varied by Celestica** (such time on such date, the "**Expiration Date**"). The Offer is not conditional upon any minimum number of Shares being tendered. The Offer is, however, subject to other conditions, and Celestica reserves the right, subject to applicable laws, to withdraw the Offer and not take up and pay for any Shares tendered under the Offer if certain events occur. See "Offer to Purchase — Conditions of the Offer".

Promptly following the Expiration Date, the Corporation will determine a single price per Share (the "**Purchase Price**"), which will not be less than US\$7.00 per Share and not more than US\$8.00 per Share, that is the lowest price that enables it to purchase the maximum number of Shares properly tendered and not properly withdrawn pursuant to the Offer having an aggregate Purchase Price not exceeding US\$175,000,000. If the Purchase Price is determined to be US\$7.00 (which is the minimum Purchase Price under the Offer), the maximum number of Shares that may be purchased by the Corporation is 25,000,000 Shares. If the Purchase Price is determined to be US\$8.00 (which is the maximum Purchase Price under the Offer), the maximum number of Shares that may be purchased by the Corporation is 21,875,000 Shares. For the purpose of determining the Purchase Price, Shares tendered pursuant to a Purchase Price Tender will be considered to have been tendered at US\$7.00 per Share (which is the minimum Purchase Price under the Offer). Shares tendered by a Shareholder pursuant to an Auction Tender will not be purchased by the Corporation pursuant to the Offer if the price specified by the Shareholder is greater than the Purchase Price. A Shareholder who wishes to tender Shares, but who does not wish to specify a price at which such Shares may be purchased by the Corporation, should make a Purchase Price Tender. Shareholders who tender Shares without making a valid Auction Tender or Purchase Price Tender will be deemed to have made a Purchase Price Tender.

*This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, and tenders will not be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of that jurisdiction. However, Celestica may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and to extend the Offer to Shareholders in such jurisdiction.*

**The Dealer Managers for the Offer are:**

In Canada:

In the United States:

**Scotia Capital Inc.**

**Scotia Capital (USA) Inc.**

October 29, 2012

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Each Shareholder who has properly tendered Shares pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender, and who has not properly withdrawn such Shares, will receive the Purchase Price, payable in cash (subject to applicable withholding taxes, if any), for all Shares purchased, on the terms and subject to the conditions of the Offer, including the provisions relating to pro-ration described herein.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be adversely affected by the fact that the Corporation is incorporated under the laws of the Province of Ontario and several of its officers and directors are residents of countries other than the United States.

If the aggregate Purchase Price for the Shares properly tendered and not properly withdrawn pursuant to the Offer by Purchase Price Tender or by Auction Tender at a price not greater than the Purchase Price (collectively, the "**Successfully Tendered Shares**") by Shareholders (the "**Successful Shareholders**") exceeds US\$175,000,000, then the Successfully Tendered Shares will be purchased on a *pro rata* basis according to the number of Shares tendered (or deemed to be tendered) by the Successful Shareholders (with adjustments to avoid the purchase of fractional Shares), except that "Odd Lot" tenders (as described herein) by Successful Shareholders will not be subject to pro-ration. See "Offer to Purchase — Number of Shares and Pro-Ration".

The Purchase Price and the amount payable to tendering Shareholders will be denominated in United States dollars. Celestica will pay for Shares tendered in United States dollars. See "Offer to Purchase — Taking Up and Payment for Tendered Shares".

Certificates for all Shares not purchased under the Offer (including Shares tendered pursuant to an Auction Tender at prices greater than the Purchase Price and Shares not purchased because of pro-ration), or properly withdrawn before the Expiration Date, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with new certificates representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the Expiration Date or the date of withdrawal of the Shares, without expense to the Shareholder.

As of October 25, 2012, there were 186,205,220 Shares issued and outstanding and, accordingly, the Offer is for approximately 13.43% of the total number of issued and outstanding Shares if the Purchase Price is determined to be US\$7.00 (being the minimum Purchase Price under the Offer), and for approximately 11.75% if the Purchase Price is determined to be US\$8.00 (being the maximum Purchase Price under the Offer). As of October 25, 2012, there were also 18,946,368 multiple voting shares of the Corporation ("**Multiple Voting Shares**") issued and outstanding. If all Multiple Voting Shares were converted to Shares, the Offer would be for approximately 12.19% of the total number of issued and outstanding Shares if the Purchase Price is determined to be US\$7.00 (being the minimum Purchase Price under the Offer), and for approximately 10.66% if the Purchase Price is determined to be US\$8.00 (being the maximum Purchase Price under the Offer). To the knowledge of the Corporation, after reasonable inquiry, no holder of Multiple Voting Shares will be converting Multiple Voting Shares into Shares to tender pursuant to the Offer.

The Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") and listed and traded on the New York Stock Exchange (the "**NYSE**") under the symbol 'CLS'. On October 22, 2012, the last full trading day prior to the date of the announcement of the approval by the board of directors of Celestica (the "**Board of Directors**") for Celestica to conduct the Offer, the closing price of the Shares on the TSX was C\$7.08 per Share and on the NYSE was US\$7.13 per Share. During the past 12 months, the closing prices of Shares on the TSX and the NYSE has ranged from a low of C\$6.61 and US\$6.74, respectively, to a high of C\$10.26 and US\$10.34, respectively. Shareholders are urged to obtain current market quotations for the Shares.

Celestica will not be purchasing any Shares pursuant to the Corporation's normal course issuer bid announced on February 7, 2012 during the Offer (nor will a trustee, acting on behalf of Celestica, purchase any Shares pursuant to the Corporation's normal course issuer bid during the Offer) and Celestica does not intend to purchase any further such Shares for cancellation. Celestica does intend to purchase Shares in the open market through a trustee to satisfy the delivery of Shares under the Corporation's equity-based compensation plans, but not until 10 business days after the Expiration Date or date of termination of the Offer. Since the commencement of the normal course issuer bid on February 9, 2012, Celestica has purchased a total of 13,336,381 Shares for cancellation pursuant to the normal course issuer bid. Since February 9, 2012,

417,612 Shares have also been purchased in the open market by a trustee to satisfy the delivery of Shares under the Corporation's equity-based compensation plans, which Share purchases reduce the number of Shares the Corporation is permitted to repurchase for cancellation under its normal course issuer bid.

The Board of Directors has approved the Offer. However, none of Celestica, the Board of Directors, Scotia Capital Inc. or Scotia Capital (USA) Inc., the dealer managers for the Offer (the "**Dealer Managers**"), or Computershare Investor Services Inc., the depository for the Offer (the "**Depository**"), makes any recommendation to any Shareholder as to whether to tender or refrain from tendering Shares under the Offer or as to the purchase price or purchase prices at which Shareholders may tender Shares under the Offer. Shareholders must make their own decisions as to whether to tender Shares under the Offer, and, if so, how many Shares to tender and the price or prices at which to tender.

**Shareholders should carefully consider the income tax consequences of tendering Shares under the Offer. See "Issuer Bid Circular — Income Tax Consequences".**

Shareholders wishing to tender all or any portion of their Shares pursuant to the Offer must comply in all respects with the delivery procedures described herein. See "Offer to Purchase — Procedure for Tendering Shares".

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**The Offer expires at 5:00 p.m. (Eastern time) on December 3, 2012  
unless extended, varied or withdrawn.**

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**NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE CORPORATION OR THE BOARD OF DIRECTORS AS TO WHETHER SHAREHOLDERS SHOULD TENDER OR REFRAIN FROM TENDERING SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE OFFER OTHER THAN AS SET FORTH IN THIS OFFER. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CORPORATION, THE BOARD OF DIRECTORS, THE DEALER MANAGERS OR THE DEPOSITARY.**

Any questions or requests for information regarding the Offer should be directed to the Depository or the Dealer Managers at the addresses and telephone numbers of the Depository and the Dealer Managers set forth on the last page of this Offer to Purchase and the accompanying Circular.

#### **INFORMATION FOR UNITED STATES SHAREHOLDERS**

United States Shareholders should be aware that the acceptance of the Offer will have certain tax consequences. See "Issuer Bid Circular — Income Tax Consequences".

The Corporation has filed with the U.S. Securities and Exchange Commission (the "SEC") an Issuer Tender Offer Statement on Schedule TO with respect to the Offer, pursuant to Section 13(e)(1) of the U.S. *Securities Exchange Act of 1934*, as amended (the "Exchange Act"), and Rule 13e-4(c)(2) promulgated thereunder. See "Issuer Bid Circular — Celestica Inc. — Additional Information".

Neither the SEC nor any state securities commission has approved or disapproved of this transaction or passed upon the merits or fairness of such transaction or passed upon the adequacy or accuracy of the information contained in this Offer to Purchase or the accompanying Circular. Any representation to the contrary is a criminal offense.

## FORWARD-LOOKING INFORMATION

Certain statements contained in this Offer to Purchase and the accompanying Circular constitute forward-looking statements within the meaning of section 27A of the U.S. Securities Act of 1933, section 21E of the U.S. Securities Exchange Act of 1934, and applicable Canadian securities legislation, including, without limitation: statements related to our future growth; trends in our industry; our financial or operational results; the impact of the transition activities of our manufacturing services for Research In Motion Limited ("RIM") on our financial targets and results and working capital requirements, and our anticipated expenses and restructuring charges related to such transition and other actions; the impact of acquisitions and program wins or losses on our financial results and working capital requirements; anticipated expenses, capital expenditures or benefits; our expected tax outcomes; our cash flows, financial targets and priorities; our ability to diversify and grow our customer base and develop new capabilities; the effect of the global economic environment on customer demand; and our intention to undertake the Offer and the terms thereof, including the number of Shares we may purchase in the Offer; the price range and the date on which we will announce the final results of the Offer or pay for tendered Shares; and our belief that the purchase of Shares under the Offer represents an attractive investment to the Corporation and an equitable and efficient means to distribute excess cash to Shareholders, while at the same time proportionately increasing the equity interest in the Corporation for Shareholders who do not elect to tender. 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," "continues", 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. Readers should understand that the following important factors, among others, could affect our future results and could cause those results to differ materially from those expressed in such forward-looking statements: the challenges of effectively managing the transition activities of our manufacturing services for RIM; the extent of the restructuring charges associated with the RIM wind down and other actions; our dependence on a limited number of customers and on our customers' ability to compete and succeed in their marketplace for the products we manufacture; the effects of price competition and other business and competitive factors generally affecting the electronics manufacturing services industry; the challenges of effectively managing our operations and our working capital performance during uncertain economic conditions, including responding to significant changes in demand and changes in the outsourcing strategies of our customers, including the insourcing of programs by them; the challenges of managing changing commodity costs as well as labour costs and conditions; disruptions to our operations, or those of our customers, component suppliers, or our logistics partners, resulting from local events including natural disasters, political instability, local labour conditions, social unrest, criminal activity and other risks present in the jurisdictions in which we operate; our inability to retain or expand our business due to execution problems relating to the ramping of new programs; the delays in the delivery and/or general availability of various components and materials used in our manufacturing process; the challenge of managing our financial exposure to foreign currency volatility; our dependence on industries affected by rapid technological change; variability of operating results among periods; our ability to successfully manage our international operations; increasing income taxes and our inability to successfully defend tax audits or meet the conditions of tax incentives; the completion of all our restructuring activities or integration of our acquisitions; and the risk of potential non-performance by counterparties, including but not limited to financial institutions, customers and suppliers; and risks relating to the Offer not occurring as intended, including: our expectation that we will fund any purchases of Shares pursuant to the Offer from a combination of available cash on hand and cash drawn from our existing revolving credit facility; our ability to obtain regulatory approvals; our continuing to have sufficient financial resources and working capital and the Offer not precluding us from pursuing our foreseeable business opportunities for the future growth of our business; the market for the Shares not being materially less liquid after completion of the Offer than the market that exists at the time we are making the Offer; future purchases of additional Shares following expiry of the Offer, including purchases of the Shares pursuant to our

existing normal course issuer bid and by a trustee in the open market to satisfy the delivery of Shares under our equity-based compensation plans; our intention not to declare dividends on the Shares (or the Multiple Voting Shares) in the foreseeable future; and the prospect that we may from time to time in the future consider various acquisition or divestiture opportunities.

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: our ability to effectively manage the RIM transition activities; forecasts from our customers, which range from 30 days to 90 days and can fluctuate significantly in terms of volume and mix of products or services; the timing and execution of, and investments associated with, ramping new business; the success in the marketplace of our customers' products; general economic and market conditions; currency exchange rates; pricing and competition; anticipated customer demand; supplier performance and pricing; commodity, labour, energy and transportation costs; operational and financial matters; technological developments; the timing and execution of our restructuring actions and our ability to diversify our customer base and develop new capabilities. Our assumptions and estimates are based on management's current views with respect to current plans and present and future events, and are and will be subject to the risks and uncertainties discussed above and elsewhere in this Offer to Purchase and the accompanying Circular. 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 Corporation, are discussed herein and in our various public filings at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://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 the Canadian securities regulators.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those indicated in any forward-looking information.

Management of Celestica believes that the expectations reflected in the forward-looking information are reasonable based on information currently available to it, but cannot assure readers that the expectations will prove to have been correct. Accordingly, readers should not place undue reliance on such forward-looking information. These statements speak only as of the date of this Offer to Purchase and the accompanying Circular. 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. Readers 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.

#### NOTICE TO HOLDERS OF OPTIONS OR MULTIPLE VOTING SHARES

**The Offer is made only for Shares and is not made for any options to acquire Shares ("Options") or Multiple Voting Shares. Any holder of such securities who wishes to accept the Offer should, to the extent permitted by the terms thereof, fully exercise or convert, as applicable, such Options or Multiple Voting Shares in order to tender the resulting Shares in accordance with the terms and conditions of the Offer. Any such exercise or conversion must occur sufficiently in advance of the Expiration Date to assure holders of Options or Multiple Voting Shares that they will have sufficient time to comply with the procedures for tendering Shares in the Offer. An exercise of an Option or conversion of a Multiple Voting Share cannot be revoked even if the Shares received upon exercise or conversion thereof and tendered in the Offer are not purchased in the Offer for any reason. Holders who exercise Options or convert Multiple Voting Shares and then tender pursuant to the Offer the Shares received on such exercise or conversion, as applicable, could suffer adverse tax consequences. The tax consequences of such an exercise or conversion are not described under "Issuer Bid Circular — Income Tax Consequences". Holders of Options or Multiple Voting Shares are urged to seek tax advice from their own tax advisors in this regard.**

**To the knowledge of the Corporation, after reasonable inquiry, no holder of Multiple Voting Shares will be converting Multiple Voting Shares into Shares to tender pursuant to the Offer.**

## CURRENCY AND EXCHANGE RATE

All dollar references in this Offer to Purchase and the accompanying Circular are in United States dollars (US\$), except where otherwise indicated. See "Issuer Bid Circular — Celestica Inc. — Presentation of Financial Information".

The following table sets forth, for each period indicated, the high and low noon exchange rates for one United States dollar expressed in Canadian dollars (C\$), the average of such exchange rates during such periods, and the exchange rate at the end of the period, in each case based upon the Bank of Canada noon spot rate of exchange:

	Nine Months Ended	Year ended December 31		
	September 30, 2012	2011	2010	2009
High	1.0418	1.0604	1.0778	1.3000
Low	0.9710	0.9449	0.9946	1.0292
Average	1.0023	0.9891	1.0299	1.1420
Period end	0.9837	1.0170	0.9946	1.0466

On October 25, 2012, the exchange rate for one United States dollar expressed in Canadian dollars was C\$0.9942 based upon the Bank of Canada noon spot rate of exchange.

## ADDITIONAL INFORMATION

In addition to the requirements of applicable securities laws in the provinces and territories of Canada, Celestica is subject to the informational requirements of the Exchange Act and, in accordance therewith, files annual reports with and furnishes other information to the SEC relating to its business, financial condition and other matters. Celestica has filed an Issuer Tender Offer Statement on Schedule TO with the SEC with respect to the Offer. Such Issuer Tender Offer Statement and the periodic reports filed and other information furnished by Celestica may be inspected and copied at the SEC's Public Reference Room at 100 F. Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet web site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The address of the Internet site is [www.sec.gov](http://www.sec.gov).

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## SUMMARY

*This summary is solely for the convenience of Shareholders and is qualified in its entirety by references to the full text and more specific details of the Offer and accompanying Circular. We urge you to read the entire Offer to Purchase, Circular, Letter of Transmittal and Notice of Guaranteed Delivery carefully and in their entirety as they contain a complete discussion of the Offer.*

**Who is offering to purchase my Shares?** Celestica Inc., which we refer to as "we", "us", "Celestica" or the "Corporation".

**Why is Celestica making the Offer?** We continuously consider ways to enhance Shareholder value. We believe that the recent trading price of the Shares is not fully reflective of the value of the Corporation's business and future prospects. We believe that the purchase of Shares under the Offer represents an attractive investment to the Corporation and an equitable and efficient means to distribute an aggregate of up to US\$175,000,000 in cash to Shareholders who elect to tender, while at the same time proportionately increasing the equity interest in the Corporation for Shareholders who do not elect to tender. We consider that making the Offer is in the best interests of the Corporation and its Shareholders. See "Issuer Bid Circular — Purpose and Effect of the Offer".

**What will the Purchase Price for the Shares be and what will be the form of payment?** We are conducting the Offer through a procedure commonly called a "modified Dutch auction". This procedure allows Shareholders to select the price within a price range specified by Celestica at which Shareholders are willing to sell their Shares. The price range for the Offer is US\$7.00 to US\$8.00 per Share. We will select the lowest Purchase Price that will allow us to purchase the maximum number of Shares properly tendered and not properly withdrawn pursuant to the Offer having an aggregate Purchase Price not exceeding US\$175,000,000. We will purchase all Shares purchased under the Offer at the same Purchase Price, even if some of the Shares are tendered below the Purchase Price, but we will not purchase any Shares above the Purchase Price. We will determine the Purchase Price for the tendered Shares promptly after the Offer expires. If a Shareholder's Shares are purchased under the Offer, that Shareholder will be paid the Purchase Price (subject to applicable withholding taxes, if any) in cash, without interest, promptly following the expiration of the Offer. Under no circumstances will we pay interest on the Purchase Price, even if there is a delay in making payment. See "Offer to Purchase — Purchase Price".

**How many Shares will Celestica purchase in the Offer?** We are offering to purchase Shares that have an aggregate Purchase Price not exceeding US\$175,000,000. At the maximum Purchase Price of US\$8.00 per Share, we could purchase 21,875,000 Shares. At the minimum Purchase Price of US\$7.00 per Share, we could purchase 25,000,000 Shares. Since we will be unable to determine the Purchase Price until after the Expiration Date, we will not determine the exact number of Shares that we will purchase until after the Expiration Date. See "Offer to Purchase — Number of Shares and Pro-Ration".

**What will happen if Shares with an aggregate purchase price of more than US\$175,000,000 are tendered in the Offer?** If the aggregate Purchase Price for the Shares properly tendered and not withdrawn pursuant to the Offer by Purchase Price Tender or by Auction Tender at a price not greater than the Purchase Price exceeds US\$175,000,000, then we will purchase the Successfully Tendered Shares on a *pro rata* basis according to the number of Shares tendered (or deemed to be tendered) by the Successful Shareholders (with adjustments to avoid the purchase of fractional Shares), except that "Odd Lot" tenders of Successfully Tendered Shares will not be subject to pro-ration. See "Offer to Purchase — Number of Shares and Pro-Ration".



<b>What do I do if I own an "Odd Lot" of Shares?</b>	If you beneficially own fewer than 100 Shares as of the Expiration Date and you tender all such Shares, we will accept for purchase, without pro-ration but otherwise subject to the terms and conditions of the Offer, all of your Shares properly tendered pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender. You should check the appropriate place in Box D — "Odd Lots" in the Letter of Transmittal. See "Offer to Purchase — Number of Shares and Pro-Ration".
<b>How can I maximize the chance that my Shares will be purchased?</b>	If you wish to maximize the chance that your Shares will be purchased, you should tender them by "Purchase Price Tender", indicating that you will accept the Purchase Price that we select. You should understand that this election will have the same effect as if you have selected the minimum Purchase Price of US\$7.00 per Share (although the actual price per Share paid to you, if the Offer is completed, will be the Purchase Price, determined in accordance with the terms of the Offer. This may be equal to or higher than the minimum Purchase Price of US\$7.00 per Share).
<b>How will Celestica pay for the Shares?</b>	We intend to fund any purchases of Shares pursuant to the Offer from available cash on hand and from cash drawn on our existing revolving credit facility. See "Issuer Bid Circular — Source of Funds".
<b>How long do I have to tender my Shares?</b>	You may tender your Shares until the Offer expires. The Offer will expire on December 3, 2012 at 5:00 p.m. (Eastern time), unless we extend it. We may choose to extend the Offer at any time and for any reason, subject to applicable laws. See "Offer to Purchase — Extension and Variation of the Offer". If a broker, dealer, commercial bank, trust company or other nominee holds your Shares, it is likely that it has an earlier deadline, for administrative reasons, for you to act to instruct them to tender Shares on your behalf. <b>We urge you to contact your broker, dealer, commercial bank, trust company or other nominee to confirm any earlier deadline.</b> See "Offer to Purchase — The Offer" and "Offer to Purchase — Extension and Variation of the Offer".
<b>Are there any conditions to the Offer?</b>	Yes. The Offer is subject to a number of conditions, such as the absence of court and governmental action prohibiting the Offer and changes in market and general economic conditions that, in our judgment, are or may be materially adverse to us, as well as certain other conditions. See "Offer to Purchase — Conditions of the Offer".
<b>How do I tender my Shares?</b>	To tender Shares pursuant to the Offer, you must (i) deliver by the Expiration Date the certificates for all tendered Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (with signatures that are guaranteed if so required in accordance with the Letter of Transmittal), and any other documents required by the Letter of Transmittal, to the Depositary, at one of the addresses listed in the Letter of Transmittal, (ii) follow the guaranteed delivery procedure described under "Offer to Purchase — Procedure for Tendering Shares", or (iii) transfer all tendered Shares pursuant to the procedures for book-entry transfer described under "Offer to Purchase — Procedure for Tendering Shares", in each case prior to 5:00 p.m. (Eastern time) on the Expiration Date. If your Shares are held through a broker, dealer, commercial bank, trust company or other nominee, you must request that your broker, dealer, commercial bank, trust company or other nominee effect the transaction for you. You may also contact the Depositary or the Dealer Managers for assistance. See "Offer to Purchase — Procedure for Tendering Shares" and the instructions to the related Letter of Transmittal.

<b>Can I tender part of my Shares at different prices?</b>	Yes. You can elect to tender your Shares in separate lots at a different price and/or different type of tender for each lot. However, you cannot tender the same Shares at different prices. If you tender some Shares at one price and other Shares at another price, you must use a separate Letter of Transmittal for each lot you tender. See "Offer to Purchase — Procedure for Tendering Shares".
<b>What will happen if I do not tender my Shares?</b>	Upon the completion of the Offer, non-tendering Shareholders will realize a proportionate increase in their relative ownership interest in Celestica and thus in its future profits or losses and assets, subject to Celestica's right to issue additional Shares and other equity securities (and securities exercisable for, or convertible into, equity securities) in the future. The amount of Celestica's future cash assets will be reduced and/or its liabilities increased by the amount paid and expenses incurred in connection with the Offer. See "Issuer Bid Circular — Purpose and Effect of the Offer".
<b>Once I have tendered Shares in the Offer, can I withdraw my tender?</b>	Yes. You may withdraw any Shares you have tendered (i) at any time prior to the Expiration Date, (ii) at any time if we have not taken up the Shares before actual receipt by the Depository of a notice of withdrawal in respect of such Shares, (iii) if we have not paid for the Shares within three business days of being taken up, (iv) at any time before the expiration of 10 days from the date that a notice of change or notice of variation (other than a variation that (A) consists solely of an increase in the consideration offered for the Shares under the Offer where the time for tender is not extended for greater than 10 days, or (B) consists solely of the waiver of a condition of the Offer) has been given in accordance with the Offer to Purchase, or (v) after the expiration of 40 business days from the commencement of the Offer if the Corporation has not accepted tendered Shares for payment. See "Offer to Purchase — Withdrawal Rights".
<b>How do I withdraw Shares I previously tendered?</b>	You must deliver, on a timely basis, a written or printed notice of your withdrawal to the Depository at the address appearing on the back cover page of this document. A notice of withdrawal must specify your name, the number of Shares to be withdrawn and the name of the registered holder of the withdrawn Shares. Some additional requirements apply if the Share certificates to be withdrawn have been delivered to the Depository or if your Shares have been tendered under the procedure for book-entry transfer. See "Offer to Purchase — Withdrawal Rights".
<b>Can the Offer be withdrawn, extended or varied?</b>	Yes. We may extend or vary the Offer in our sole discretion. We have filed an exemptive relief application with securities regulatory authorities in Canada to permit us to extend the Offer without first taking up Shares tendered (and not withdrawn) before the Offer was previously scheduled to expire. See "Offer to Purchase — Extension and Variation of the Offer". We may also terminate the Offer under certain circumstances. See "Offer to Purchase — Conditions of the Offer".
<b>How will I be notified if Celestica extends the Offer?</b>	We will issue a press release by 9:00 a.m. (Eastern time) on the business day after the previously scheduled Expiration Date if we decide to extend the Offer. See "Offer to Purchase — Extension and Variation of the Offer".

**Has Celestica or the Board of Directors adopted a position on the Offer?**

The Board of Directors has approved the Offer. However, none of Celestica, the Board of Directors, the Dealer Managers or the Depositary makes any recommendation to you or to any other Shareholders as to whether to tender or refrain from tendering Shares under the Offer or as to the purchase price or purchase prices at which you or any other Shareholders may tender Shares under the Offer. You must make your own decisions as to whether to tender Shares under the Offer, and, if so, how many Shares to tender and the price or prices at which to tender. Our directors and officers have advised us that they do not intend to tender Shares pursuant to the Offer.

**Will Celestica's directors, officers or significant shareholders tender Shares to the Offer?**

The directors and officers have advised us that they do not intend to tender Shares pursuant to the Offer. To the knowledge of the Corporation, after reasonable inquiry, no holder of Multiple Voting Shares will be converting Multiple Voting Shares into Shares to tender pursuant to the Offer.

**Following the Offer, will Celestica continue as a public corporation?**

Yes. We do not believe that our purchase of Shares through the Offer will cause our remaining Shares to be de-listed from the NYSE or the TSX or cause us to be eligible for deregistration under the Exchange Act. See "Issuer Bid Circular — Purpose and Effect of the Offer".

**What impact will the Offer have on the liquidity of the market for the Shares?**

The Board of Directors has determined that it is reasonable to conclude that, following completion of the Offer, there will be a market for Shareholders who do not tender their Shares to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. The Board of Directors has, on a voluntary basis, obtained a liquidity opinion from Scotia Capital Inc. to the effect that, based on and subject to the assumptions and limitations stated in its liquidity opinion, there is a liquid market for the Shares as of October 26, 2012 and that it is reasonable for the Board of Directors to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for holders of the Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. Scotia Capital Inc. has been engaged to act as a Dealer Manager in connection with the Offer and will receive fees for such services. See "Issuer Bid Circular — Fees and Expenses". In addition, Scotia Capital Inc. has provided various financial advisory services to the Corporation in connection with transactions unrelated to the Offer and an affiliate of Scotia Capital Inc. is a lender to the Corporation under the Corporation's existing revolving credit facility. See "Issuer Bid Circular — Source of Funds". Accordingly, Scotia Capital Inc. is not independent of the Corporation in connection with the Offer for purposes of MI 61-101 (as defined below). A copy of the opinion of Scotia Capital Inc. is attached hereto as Schedule A. See "Issuer Bid Circular — Purpose and Effect of the Offer — Liquidity of Market".

**When will Celestica pay for the Shares I tender?**

We will pay the Purchase Price (less applicable withholding taxes, if any) to Shareholders in cash, without interest, for the Shares we purchase as promptly as practicable after the expiration of the Offer. See "Offer to Purchase — Taking Up and Payment for Tendered Shares".

**In what currency will Celestica pay for the Shares I tender?**

The Purchase Price and the amount payable to Successful Shareholders will be denominated in United States dollars and Celestica will pay for Shares you tender in United States dollars. See "Offer to Purchase — Taking Up and Payment for Tendered Shares".

**Will I have to pay brokerage commissions if I tender my Shares?**

If you are a registered Shareholder and you tender your Shares directly to the Depositary, you will not incur any brokerage commissions. If you hold Shares through a broker, dealer, commercial bank, trust company or other nominee, we urge you to consult your broker, dealer, commercial bank, trust company or other nominee to determine whether transaction costs are applicable. See "Offer to Purchase — Taking Up and Payment for Tendered Shares".

**How do holders of vested but unexercised Options participate in the Offer?**

**The Offer is made only for Shares and not made for any Options.** Any holder of Options who wishes to accept the Offer should, to the extent permitted by the terms thereof, duly exercise such Options in order to tender the resulting Shares in accordance with the terms and conditions of the Offer. Any such exercise must occur sufficiently in advance of the Expiration Date to assure holders of Options that they will have sufficient time to comply with the procedures for tendering Shares in the Offer. **An exercise of an Option cannot be revoked even if the Shares received upon exercise thereof and tendered in the Offer are not purchased in the Offer for any reason.** Holders of Options that exercise such Options and then tender the Shares received on such exercise pursuant to the Offer could suffer adverse tax consequences. The tax consequences of such an exercise are not described under "Issuer Bid Circular — Income Tax Consequences". Holders of Options are urged to seek tax advice from their own tax advisors in this regard.

**What are the income tax consequences if I tender my Shares?**

**You should carefully consider the income tax consequences to you of tendering Shares pursuant to the Offer. We urge you to seek advice from your own tax advisors with respect to your particular circumstances as to the tax consequences you may incur as a result of our purchase of your Shares under the Offer.** See "Issuer Bid Circular — Income Tax Consequences".

**Who can I talk to if I have questions?**

The Depositary or the Dealer Managers can help answer your questions. The Depositary is Computershare Investor Services Inc., and the Dealer Managers are, in Canada, Scotia Capital Inc. and, in the United States, Scotia Capital (USA) Inc. Contact information for the Depositary and the Dealer Managers is set forth on the back cover of this document.

**How do I get my Shares back if I have tendered them to the Offer but they are not taken up?**

All Shares properly tendered but not taken up, including all Shares tendered pursuant to Auction Tenders at prices in excess of the Purchase Price, Shares not taken up due to pro-ration or improper tenders or Shares not taken up due to the termination of the Offer, will be returned as soon as practicable after the Expiration Date or termination of the Offer without expense to the tendering Shareholder.

**NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE CORPORATION OR THE BOARD OF DIRECTORS AS TO WHETHER SHAREHOLDERS SHOULD TENDER OR REFRAIN FROM TENDERING SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE OFFER OTHER THAN AS SET FORTH IN THIS OFFER. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CORPORATION, THE BOARD OF DIRECTORS, THE DEALER MANAGERS OR THE DEPOSITARY.**

## OFFER TO PURCHASE

To the Holders of Subordinate Voting Shares of Celestica Inc.

### 1. The Offer

Celestica invites Shareholders to tender, for purchase and cancellation by the Corporation, Shares pursuant to (i) Auction Tenders in which the tendering Shareholders specify a price of not less than US\$7.00 per Share and not more than US\$8.00 per Share in increments of US\$0.10 per Share, or (ii) Purchase Price Tenders, in either case on the terms and subject to the conditions set forth in this Offer to Purchase, the Circular and the related Letter of Transmittal and the Notice of Guaranteed Delivery.

The Offer will commence on October 29, 2012 and expire at 5:00 p.m. (Eastern time) on December 3, 2012, unless withdrawn, extended or varied by Celestica. The Offer is not conditional upon any minimum number of Shares being tendered. The Offer is, however, subject to other conditions and Celestica reserves the right, subject to applicable laws, to withdraw the Offer and not take up and pay for any Shares tendered under the Offer if certain events occur or certain conditions are not fulfilled. See "Offer to Purchase — Conditions of the Offer".

Each Shareholder who has properly tendered Shares pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender, and who has not properly withdrawn such Shares, will receive the Purchase Price, payable in cash (subject to applicable withholding taxes, if any), for all Shares purchased, on the terms and subject to the conditions of the Offer, including the provisions relating to pro-ration described herein.

The Depositary will return all Shares not purchased under the Offer, including Shares tendered pursuant to an Auction Tender at prices greater than the Purchase Price and Shares not purchased because of pro-ration, promptly after the Expiration Date.

**The Offer is made only for Shares and not made for any Options or Multiple Voting Shares.** Any holder of such securities who wishes to accept the Offer should, to the extent permitted by the terms thereof, fully exercise or convert, as applicable, such Options or Multiple Voting Shares in order to tender the resulting Shares in accordance with the terms and conditions of the Offer. Any such exercise or conversion must occur sufficiently in advance of the Expiration Date to assure holders of Options or Multiple Voting Shares that they will have sufficient time to comply with the procedures for tendering Shares in the Offer as described under "Offer to Purchase — Procedure for Tendering Shares". **An exercise of an Option or conversion of a Multiple Voting Share cannot be revoked even if the Shares received upon exercise or conversion thereof and tendered in the Offer are not purchased in the Offer for any reason.** Holders that exercise Options or convert Multiple Voting Shares and then tender pursuant to the Offer the Shares received on such exercise or conversion, as applicable, could suffer adverse tax consequences. The tax consequences of such an exercise or conversion are not described under "Issuer Bid Circular — Income Tax Consequences". Holders of Options or Multiple Voting Shares are urged to seek tax advice from their own tax advisors in this regard.

Celestica's Board of Directors has approved the Offer. However, none of Celestica, the Board of Directors, the Dealer Managers, or the Depositary, makes any recommendation to any Shareholder as to whether to tender or refrain from tendering Shares under the Offer or as to the purchase price or purchase prices at which Shareholders may tender Shares under the Offer. Shareholders must make their own decisions as to whether to tender Shares under the Offer, and, if so, how many Shares to tender and the price or prices at which to tender. The Corporation's directors and officers have advised the Corporation that they do not intend to tender Shares pursuant to the Offer.

**Shareholders should carefully consider the income tax consequences of tendering Shares under the Offer. See "Issuer Bid Circular — Income Tax Consequences".**

**The accompanying Circular, Letter of Transmittal and Notice of Guaranteed Delivery contain important information and should be read carefully and in their entirety before making a decision with respect to the Offer.**

## 2. Purchase Price

Promptly following the Expiration Date, the Corporation will determine a single Purchase Price per Share, which will not be less than US\$7.00 per Share and not more than US\$8.00 per Share, that is the lowest price that enables it to purchase the maximum number of Shares properly tendered and not properly withdrawn pursuant to the Offer having an aggregate Purchase Price not exceeding US\$175,000,000. For the purpose of determining the Purchase Price, Shares tendered pursuant to a Purchase Price Tender will be considered to have been tendered at US\$7.00 per Share (which is the minimum Purchase Price under the Offer).

Upon determination of the Purchase Price, the Corporation will publicly announce the Purchase Price for the Shares, and upon the terms and subject to the conditions of the Offer (including the pro-ration provisions described herein), all Shareholders who have properly tendered and not properly withdrawn their Shares either pursuant to Auction Tenders at prices at or below the Purchase Price or pursuant to Purchase Price Tenders will receive the Purchase Price, payable in cash (but subject to applicable withholding taxes, if any), for all Shares purchased. The Purchase Price will be denominated in United States dollars and payments of amounts owing to a tendering Shareholder will be made in United States dollars. See "Offer to Purchase — Taking Up and Payment for Tendered Shares".

## 3. Number of Shares and Pro-Ration

As of October 25, 2012, there were 186,205,220 Shares issued and outstanding and, accordingly, the Offer is for a maximum of approximately 13.43% of the total number of issued and outstanding Shares if the Purchase Price is determined to be US\$7.00 (being the minimum Purchase Price under the Offer). If the Purchase Price is determined to be US\$8.00 (which is the maximum Purchase Price under the Offer), the Offer is for a maximum of approximately 11.75% of the total number of issued and outstanding Shares. As of October 25, 2012, there were also 18,946,368 Multiple Voting Shares issued and outstanding. If all Multiple Voting Shares were converted to Shares, the Offer would be for approximately 12.19% of the total number of issued and outstanding Shares if the Purchase Price is determined to be US\$7.00 (being the minimum Purchase Price under the Offer), and for approximately 10.66% if the Purchase Price is determined to be US\$8.00 (being the maximum Purchase Price under the Offer). To the knowledge of the Corporation, after reasonable inquiry, no holder of Multiple Voting Shares will be converting Multiple Voting Shares into Shares to tender pursuant to the Offer.

If the aggregate Purchase Price of the Successfully Tendered Shares does not exceed US\$175,000,000, the Corporation will, upon the terms and subject to the conditions of the Offer, purchase all Successfully Tendered Shares at the Purchase Price (which will be the maximum Purchase Price under the Offer). If the aggregate Purchase Price of the Successfully Tendered Shares exceeds US\$175,000,000, the Corporation will accept Shares for purchase first from all Successful Shareholders who are Odd Lot Holders (as defined below). With respect to Successful Shareholders who are not Odd Lot Holders, the Corporation will accept Shares for purchase at the Purchase Price on a *pro rata* basis according to the number of Successfully Tendered Shares, less the number of Shares purchased from Odd Lot Holders (with adjustments to avoid the purchase of fractional Shares).

For purposes of the Offer, the term "Odd Lots" means all Successfully Tendered Shares tendered by or on behalf of the Successful Shareholders who individually beneficially own, as of the close of business on the Expiration Date, an aggregate of fewer than 100 Shares ("**Odd Lot Holders**"). As set forth above, Odd Lots will be accepted for purchase before any pro-ration. In order to qualify for this preference, an Odd Lot Holder must properly tender, pursuant to an Auction Tender at a price at or below the Purchase Price or pursuant to a Purchase Price Tender, all Shares beneficially owned by such Odd Lot Holder. Partial tenders will not qualify for this preference. This preference is not available to holders of 100 or more Shares even if holders have separate certificates for fewer than 100 Shares or hold fewer than 100 Shares in different accounts. Any Odd Lot Holder wishing to tender all Shares beneficially owned, without pro-ration, must complete the appropriate box on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery. Shareholders owning an aggregate of less than 100 Shares whose Shares are purchased pursuant to the Offer will avoid any odd lot discounts, which may be applicable on a sale of their Shares in a transaction on the TSX or the NYSE.

#### 4. Procedure for Tendering Shares

##### *Proper Tender of Shares*

To tender Shares pursuant to the Offer, (i) the certificates for all tendered Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Shares (with signatures that are guaranteed if so required in accordance with the Letter of Transmittal), and any other documents required by the Letter of Transmittal, must be received by the Depository at one of the addresses listed in the Letter of Transmittal by the Expiration Date, (ii) the guaranteed delivery procedure described below must be followed, or (iii) such Shares must be transferred pursuant to the procedures for book-entry transfer described below (and a confirmation of such tender must be received by the Depository, including a Book-Entry Confirmation or an Agent's Message if the tendering Shareholder has not delivered a Letter of Transmittal). The term "Agent's Message" means a message, transmitted by the Depository Trust Company ("**DTC**") to and received by the Depository and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the tendering participant, which acknowledgment states that such participant has received and agrees to be bound by the Letter of Transmittal and that the Corporation may enforce such Letter of Transmittal against such participant. The term "Book-Entry Confirmation" means a confirmation of a book-entry transfer of a Shareholder's Shares into the Depository's account at CDS Clearing and Depository Services Inc. ("**CDS**").

In accordance with Instruction 5 in the Letter of Transmittal or the Book-Entry Confirmation or Agent's Message in lieu thereof, (i) each Shareholder desiring to tender Shares pursuant to the Offer must indicate in the appropriate box on such Letter of Transmittal, whether the Shareholder is tendering Shares pursuant to an Auction Tender or a Purchase Price Tender, and (ii) each Shareholder desiring to tender Shares pursuant to an Auction Tender must further indicate, in the appropriate box in such Letter of Transmittal or the Book-Entry Confirmation or Agent's Message in lieu thereof, the price per Share (in increments of US\$0.10 per Share) at which such Shares are being tendered. Under each of (i) and (ii) respectively, only one box may be checked. If a Shareholder desires to tender Shares in separate lots at a different price and/or different type of tender for each lot, such Shareholder must complete a separate Letter of Transmittal or Book-Entry Confirmation or Agent's Message in lieu thereof (and, if applicable, a Notice of Guaranteed Delivery) for each lot. The same Shares cannot be tendered (unless previously properly withdrawn) pursuant to both an Auction Tender and a Purchase Price Tender, or pursuant to an Auction Tender at more than one price. **Shareholders who tender Shares without making a valid Auction Tender or Purchase Price Tender will be deemed to have made a Purchase Price Tender.** In addition, Odd Lot Holders who tender all their Shares must complete the appropriate box in the Letter of Transmittal in order to qualify for the preferential treatment available to Odd Lot Holders as set forth in "Offer to Purchase — Number of Shares and Pro-Ration".

##### *Signature Guarantees*

No signature guarantee is required on the Letter of Transmittal if either (i) the Letter of Transmittal is signed by the registered holder of the Shares exactly as the name of the registered holder appears on the share certificate tendered therewith, and payment and delivery are to be made directly to such registered holder, or (ii) Shares are tendered for the account of a Canadian Schedule I chartered bank, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP) (each such entity, an "**Eligible Institution**"). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority or banks and trust companies in the United States. In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 1 in the Letter of Transmittal.

If a certificate representing Shares is registered in the name of a person other than the signatory to a Letter of Transmittal, or if payment is to be made, or certificates representing Shares not purchased or tendered are to be issued to a person other than the registered holder, the certificate must be endorsed or accompanied by an appropriate stock power, in either case, signed exactly as the name of the registered holder appears on the certificate with the signature on the certificate or stock power signature guaranteed by an Eligible Institution.

An ownership declaration, which can be obtained from the Depository, must also be completed and delivered to the Depository.

**A Shareholder who wishes to tender Shares under the Offer and whose certificate is registered in the name of a broker, dealer, commercial bank, trust company or other nominee should immediately contact such nominee in order to take the necessary steps to be able to tender such Shares under the Offer. Participants of CDS and DTC should contact such depository with respect to the tender of their Shares under the terms of the Offer.**

***Book-Entry Transfer Procedures — CDS***

Any financial institution that is a participant in CDS may make book-entry delivery of the Shares through the CDS on-line tendering system pursuant to which book-entry transfers may be effected ("CDSX") by causing CDS to deliver such Shares to the Depository in accordance with the applicable CDS procedures. Delivery of Shares to the Depository by means of book-entry through CDSX will constitute a valid tender under the Offer.

Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depository at its office in Toronto, Ontario or in the United States on or prior to the Expiration Date in connection with such tender of Shares. Shareholders, through their respective CDS participants, who utilize CDSX to accept the Offer via book-entry of their holdings with CDS, shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depository are considered to be a valid tender in accordance with the terms of the Offer. **Delivery of documents to CDS does not constitute delivery to the Depository.**

***Book-Entry Transfer Procedures — DTC***

Any financial institution that is a participant in DTC may make book-entry delivery of Shares by causing DTC to deposit such Shares to the Depository in accordance with DTC's procedures.

Although delivery of Shares may be effected under the Offer at DTC, a Letter of Transmittal (or a manually executed photocopy thereof) with any required signature guarantees, or (in the case of a book-entry transfer) an Agent's Message in lieu of a Letter of Transmittal and any other required documents, must, in any case, be transmitted to and received by the Depository at its address in Toronto, Ontario or in the United States on or prior to the Expiration Date in connection with the tender of such Shares. **Delivery of documents to DTC does not constitute delivery to the Depository.**

***Method of Delivery***

**The method of delivery of certificates representing Shares and all other required documents is at the option and sole risk of the tendering Shareholder. If certificates representing Shares are to be sent by mail, registered mail that is properly insured is recommended and it is suggested that the mailing be made sufficiently in advance of the Expiration Date to permit delivery to the Depository on or prior to such date. Delivery of a certificate representing Shares will only be deemed to occur upon actual receipt by the Depository of the certificate representing such tendered Shares.**

***Guaranteed Delivery***

If a Shareholder wishes to tender Shares pursuant to the Offer and cannot deliver certificates for such Shares or time will not permit all required documents to reach the Depository by the Expiration Date, such Shares may nevertheless be tendered if all of the following conditions are met:

- (a) such tender is made by or through an Eligible Institution;
- (b) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by the Corporation through the Depository is received by the Depository, at its office in Toronto, Ontario or the United States as set out in the Notice of Guaranteed Delivery, by the Expiration Date; and



- (c) the certificates for all tendered Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof), Book-Entry Confirmation or Agent's Message in lieu thereof relating to such Shares, with signatures that are guaranteed if so required in accordance with the Letter of Transmittal, and any other documents required by the Letter of Transmittal, are received by the Toronto, Ontario or the United States office of the Depositary, before 5:00 p.m. (Eastern time) on or before the third trading day on the TSX and the NYSE after the Expiration Date.

The Notice of Guaranteed Delivery may be hand delivered, couriered, mailed or transmitted by facsimile transmission to the Toronto, Ontario or United States office of the Depositary listed in the Notice of Guaranteed Delivery, and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery.

Notwithstanding any other provision hereof, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) certificates for such Shares, (ii) a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Shares, with signatures that are guaranteed if so required, and (iii) any other documents required by the Letter of Transmittal.

The tender information specified in a Notice of Guaranteed Delivery by a person completing such Notice of Guaranteed Delivery will, in all circumstances, take precedence over the tender information that is specified in the related Letter of Transmittal that is subsequently tendered.

#### ***Return of Unpurchased Shares***

Certificates for all Shares not purchased under the Offer (including Shares tendered pursuant to an Auction Tender at prices greater than the Purchase Price and Shares not purchased because of pro-ration), or properly withdrawn before the Expiration Date, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with new certificates representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the Expiration Date or the date of withdrawal of the Shares.

In the case of Shares tendered through book-entry transfer into the Depositary's account at DTC or CDS, the Shares will be credited to the appropriate account maintained by the tendering Shareholder at DTC or CDS, as applicable, without expense to the Shareholder.

#### ***Determination of Validity, Rejection and Notice of Defect***

All questions as to the number of Shares to be taken up, the price to be paid therefor, the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by the Corporation, in its sole discretion, which determination will be final and binding on all parties, except as otherwise finally determined in a subsequent judicial proceeding or as required by law. Celestica reserves the absolute right to reject any tenders of Shares determined by it in its sole discretion not to be in proper form or completed in accordance with the instructions set forth herein and in the Letter of Transmittal or the acceptance for payment of, or payment for, which may, in the opinion of the Corporation's counsel, be unlawful. Celestica also reserves the absolute right to waive any of the conditions of the Offer or any defect or irregularity in the tender of any particular Shares. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as the Corporation shall determine. No individual tender of Shares will be deemed to be properly made until all defects and irregularities have been cured or waived. **None of the Corporation, the Depositary, the Dealer Managers or any other person will be obligated to give notice of defects or irregularities in tenders, nor shall any of them incur any liability for failure to give any such notice.** The Corporation's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Notice of Guaranteed Delivery) will be final and binding, except as otherwise finally determined in a subsequent judicial proceeding or as required by law.

Under no circumstances will interest accrue or be paid by the Corporation by reason of any delay in making payment to any person, including persons using the guaranteed delivery procedures. The quantum of payment

for Shares tendered pursuant to the guaranteed delivery procedures will be the same as that for Shares delivered to the Depository on or prior to the Expiration Date, even if the Shares to be delivered pursuant to the guaranteed delivery procedures are not so delivered to the Depository, and therefore payment by the Depository on account of such Shares is not made until after the date the payment for the tendered Shares accepted for payment pursuant to the Offer is to be made by the Corporation.

***Formation of Agreement; Prohibition on "Short" Tenders***

A tender of Shares under any of the procedures described above will constitute a binding agreement between the tendering Shareholder and the Corporation, effective as of the Expiration Date, upon the terms and conditions of the Offer. In addition, a tender of Shares to Celestica pursuant to any procedures described herein will constitute a representation by such Shareholder that (i) such Shareholder has a "net long position" in the Shares being tendered or equivalent securities at least equal to the Shares tendered within the meaning of Rule 14e-4 of the Exchange Act, and (ii) the tender of such Shares complies in all respects with Rule 14e-4. It is a violation of Section 14(e) of the Exchange Act and of Rule 14e-4 promulgated thereunder for a person, directly or indirectly, to tender Shares for that person's own account unless, at the time of tender and at the end of the pro-rata period or period during which Shares are accepted by lot (including any extensions thereof), the person so tendering has a net long position equal to or greater than (A) the amount of Shares tendered, or (B) other securities immediately convertible into, or exchangeable or exercisable for, the amount of the Shares tendered and upon acceptance of such person's tender, will acquire such Shares for tender by conversion, exchange or exercise of such other securities and will deliver or cause to be delivered the Shares in accordance with the terms of the Offer. Section 14(e) and Rule 14e-4 provide a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

**5. Withdrawal Rights**

Except as otherwise provided in this Section, tenders of Shares pursuant to the Offer will be irrevocable. Shares tendered pursuant to the Offer may be withdrawn by the Shareholder:

- (a) at any time prior to the Expiration Date;
- (b) at any time if the Shares have not been taken up by the Corporation before actual receipt by the Depository of a notice of withdrawal in respect of such Shares;
- (c) if the Shares have not been paid for by the Corporation within three business days of being taken up;
- (d) at any time before the expiration of 10 days from the date that a notice of change or notice of variation has been given in accordance with this Offer to Purchase (other than a variation that (i) consists solely of an increase in the consideration offered for the Shares under the Offer where the time for tender is not extended for greater than 10 days, or (ii) consists solely of the waiver of a condition of the Offer). See "Extension and Variation of the Offer"; and
- (e) after the expiration of 40 business days from the commencement of the Offer if the Corporation has not accepted tendered Shares for payment.

For a withdrawal to be effective, a written or printed copy of a notice of withdrawal must be actually received by the Depository by 5:00 p.m. (Eastern time) on the applicable date specified above at the place of tender of the relevant Shares. Any such notice of withdrawal must (i) be signed by or on behalf of the person who signed the Letter of Transmittal that accompanied the Shares being withdrawn or, in the case of Shares tendered by a CDS or DTC participant, be signed by such participant in the same manner as the participant's name is listed on the applicable Book-Entry Confirmation or Agent's Message, or be accompanied by evidence sufficient to the Depository that the person withdrawing the tender has succeeded to the beneficial ownership of the Shares, and (ii) specify the name of the person who tendered the Shares to be withdrawn, the name of the registered holder (if different from that of the person who tendered such Shares) and the number of Shares to be withdrawn. If the certificates for the Shares tendered pursuant to the Offer have been delivered or otherwise identified to the Depository, then, prior to the release of such certificates, the tendering Shareholder must submit the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution, except in the case of Shares

tendered by an Eligible Institution. **A withdrawal of Shares tendered pursuant to the Offer can only be accomplished in accordance with the foregoing procedure. The withdrawal shall take effect only upon actual receipt by the Depository of a properly completed and executed notice of withdrawal in writing.**

**A Shareholder who wishes to withdraw Shares under the Offer and who holds Shares through a broker, dealer, commercial bank, trust company or other nominee should immediately contact such broker, dealer, commercial bank, trust company or other nominee in order to take the necessary steps to be able to withdraw such Shares under the Offer. Participants of CDS and DTC should contact such depository with respect to the withdrawal of Shares under the Offer.**

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Corporation, in its sole discretion, which determination shall be final and binding, except as otherwise finally determined in a subsequent judicial proceeding or as required by law. None of the Corporation, the Depository, the Dealer Managers nor any other person will be obligated to give notice of defects or irregularities in notices of withdrawal, nor shall any of them incur any liability for failure to give any such notice.

Any Shares properly withdrawn will thereafter be deemed not tendered for purposes of the Offer. However, withdrawn Shares may be re-tendered prior to the Expiration Date by again following the procedures described herein.

If Celestica extends the period of time during which the Offer is open, is delayed in its purchase of Shares or is unable to purchase Shares pursuant to the Offer for any reason, then, without prejudice to Celestica's rights under the Offer, the Depository may, subject to applicable law, retain on behalf of Celestica all tendered Shares. Such retention is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that Celestica must pay the consideration offered or return the Shares tendered promptly after termination or withdrawal of the Offer. In the event of such retention, such Shares may not be withdrawn except to the extent tendering Shareholders are entitled to withdrawal rights as described under this Section.

#### **6. Conditions of the Offer**

Notwithstanding any other provision of the Offer, Celestica shall not be required to accept for purchase, to purchase or to pay for any Shares tendered, and may withdraw, extend or vary the Offer or may postpone the payment for Shares tendered, if, at any time before the payment for any such Shares, any of the following events shall have occurred (or shall have been determined by Celestica to have occurred):

- (a) there shall have been threatened, taken or pending any action, suit or proceeding by any government or governmental authority or regulatory or administrative agency in any jurisdiction, or by any other person in any jurisdiction, before any court or governmental authority or regulatory or administrative agency in any jurisdiction (i) challenging or seeking to cease trade, make illegal, delay or otherwise directly or indirectly restrain or prohibit the making of the Offer, the acceptance for payment of some or all of the Shares by the Corporation or otherwise directly or indirectly relating in any manner to or affecting the Offer, or (ii) that otherwise, in the sole judgment of the Corporation, acting reasonably, has or may have a material adverse effect on the business, income, assets, liabilities, condition (financial or otherwise), properties, operations, results of operations or prospects of the Corporation and its subsidiaries taken as a whole or has impaired or may materially impair the contemplated benefits of the Offer to the Corporation;
- (b) there shall have been any action or proceeding threatened, pending or taken or approval withheld or any statute, rule, regulation, stay, decree, judgment or order or injunction proposed, sought, enacted, enforced, promulgated, amended, issued or deemed applicable to the Offer or the Corporation or any of its subsidiaries by or before any court, government or governmental authority or regulatory or administrative agency in any jurisdiction that, in the sole judgment of the Corporation, acting reasonably, might directly or indirectly result in any of the consequences referred to in clauses (i) or (ii) of paragraph (a) above or would or might prohibit, prevent, restrict or delay consummation or materially impair the contemplated benefits of the Offer to the Corporation or make it inadvisable to proceed with the Offer;

- (c) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market in Canada or the United States, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States (whether or not mandatory), (iii) a natural disaster or the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving Canada, the United States or any other region where the Corporation maintains significant business activities, (iv) any limitation (whether or not mandatory) by any government or governmental authority or regulatory or administrative agency or any other event that, in the sole judgment of the Corporation, acting reasonably, might affect the extension of credit by banks or other lending institutions, (v) any significant decrease in the market price of the Shares since the close of business on October 22, 2012 (defined as a decrease in excess of 10% of the market price of the Shares on the TSX or the NYSE since the close of business on October 22, 2012), (vi) any change in the general political, market, economic or financial conditions that has or may have a material adverse effect on the Corporation's business, operations or prospects or the trading in, or value of, the Shares, or (vii) any decline in any of the S&P/TSX Composite Index, the NYSE Composite Index, the Dow Jones Industrial Average or the S&P 500 Index by an amount in excess of 10%, measured from the close of business on October 22, 2012;
- (d) there shall have occurred any change or changes (or any development involving any prospective change or changes) in the business, assets, liabilities, properties, condition (financial or otherwise), operations, results of operations or prospects of the Corporation or any of its subsidiaries that, in the sole judgment of the Corporation, acting reasonably, has, have or may have a material adverse effect with respect to the Corporation and its subsidiaries taken as a whole;
- (e) any take-over bid or tender or exchange offer with respect to some or all of the securities of the Corporation, or any merger, business combination or acquisition proposal, disposition of assets, or other similar transaction with or involving the Corporation and its subsidiaries or an affiliated body corporate (as defined in the *Business Corporations Act* (Ontario)), other than the Offer, or any solicitation of proxies, other than by management, to seek to control or influence the Board of Directors, shall have been proposed, announced or made by any individual or entity;
- (f) the Corporation shall have determined, in its sole judgment, acting reasonably, that the Purchase Price exceeds the fair market value of a Share as of the Expiration Date, determined without reference to the Offer;
- (g) the Corporation shall have concluded, in its sole judgment, acting reasonably, that the Offer or the taking up and payment for any or all of the Shares by the Corporation is illegal or not in compliance with applicable law or stock exchange requirements and, if required under any such legislation or requirements, the Corporation shall not have received the necessary exemptions from or approvals or waivers of the appropriate courts or applicable securities regulatory authorities or stock exchange(s) in respect of the Offer;
- (h) any change shall have occurred or been proposed to the *Income Tax Act* (Canada) ("**Tax Act**") or regulations thereunder, to the publicly available administrative policies or assessing practices of the Canada Revenue Agency ("**CRA**") or to relevant jurisprudence, that, in the sole judgment of the Corporation, is detrimental to the Corporation or its affiliates taken as a whole or to a Shareholder, or with respect to making the Offer or taking up and paying for Shares tendered under the Offer;
- (i) any change shall have occurred or been proposed to the *United States Internal Revenue Code of 1986*, as amended (the "**Code**"), the Treasury regulations promulgated thereunder, or publicly available administrative policies of the U.S. Internal Revenue Service ("**IRS**"), or the equivalent laws, regulations and policies of another jurisdiction where one or more Shareholders are resident, that, in the sole judgment of the Corporation, is detrimental to the Corporation or its affiliates taken as a whole or to a Shareholder, or with respect to making the Offer or taking up and paying for Shares tendered under the Offer;
- (j) the Corporation shall have concluded that the purchase of Shares pursuant to the Offer will constitute a "Rule 13e-3 transaction", as such term is defined in Rule 13e-3 under the Exchange Act;

- (k) any entity, "group" (as that term is used in Section 13(d)(3) of the Exchange Act) or person (other than entities, groups or persons who have filed with the SEC before October 22, 2012 a Schedule 13G or a Schedule 13D with respect to any of the Shares) shall have acquired or proposed to acquire, beneficial ownership of more than 5% of the outstanding Shares;
- (l) any entity, group, or person who has filed with the SEC on or before October 22, 2012 a Schedule 13G or a Schedule 13D with respect to any of the Shares shall have acquired or proposed to acquire, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than by virtue of the Offer), beneficial ownership of additional Shares constituting 2% or more of the outstanding Shares;
- (m) any entity, person or group shall have filed on or after October 22, 2012 a Notification and Report Form under the *Hart-Scott-Rodino Antitrust Improvements Act of 1976*, or made a public announcement reflecting an intent to acquire the Corporation; or
- (n) the Corporation reasonably determines that the completion of the Offer and the purchase of the Shares may cause the Shares to be delisted from the TSX or the NYSE or to be eligible for de-registration under the Exchange Act.

The foregoing conditions are for the sole benefit of the Corporation and may be asserted by the Corporation, in its sole discretion, acting reasonably, or may be waived by the Corporation, in its sole discretion, in whole or in part at any time, provided that any condition waived in whole or in part will be waived with respect to all Shares tendered. The failure by the Corporation at any time to exercise its rights under any of the foregoing conditions shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and other circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time or from time to time. Any determination by the Corporation concerning the events described in this Section shall be final and binding on all parties, except as otherwise finally determined in a subsequent judicial proceeding or as required by law.

Any waiver of a condition or the withdrawal of the Offer by the Corporation shall be deemed to be effective on the date on which notice of such waiver or withdrawal by the Corporation is delivered or otherwise communicated to the Depositary. The Corporation, after giving notice to the Depositary of any waiver of a condition or the withdrawal of the Offer, shall immediately make a public announcement of such waiver or withdrawal and provide or cause to be provided, to the extent required by law, notice of such waiver or withdrawal to the TSX, the NYSE and the applicable securities regulatory authorities. If the Offer is withdrawn, the Corporation shall not be obligated to take up, accept for purchase or pay for any Shares tendered under the Offer, and the Depositary will return all certificates for tendered Shares, Letters of Transmittal and Notices of Guaranteed Delivery and any related documents to the parties by whom they were tendered.

#### **7. Extension and Variation of the Offer**

Subject to applicable law, the Corporation expressly reserves the right, in its sole discretion, and regardless of whether or not any of the conditions specified herein shall have occurred, at any time or from time to time, to extend the period of time during which the Offer is open or to vary the terms and conditions of the Offer by giving written notice, or oral notice to be confirmed in writing, of extension or variation to the Depositary and by causing the Depositary to provide to all Shareholders, where required by law, as soon as practicable thereafter, a copy of the notice in the manner set forth under "Offer to Purchase — Notice". Promptly after giving notice of an extension or variation to the Depositary, the Corporation will make a public announcement of the extension or variation (such announcement, in the case of an extension, to be issued no later than 9:00 a.m. (Eastern time), on the next business day after the last previously scheduled or announced Expiration Date) and provide or cause to be provided notice of such extension or variation to the TSX, the NYSE and the applicable securities regulatory authorities, including the SEC. Any notice of extension or variation will be deemed to have been given and be effective on the day on which it is delivered or otherwise communicated, in writing, to the Depositary.

We have filed an exemptive relief application with securities regulatory authorities in Canada to permit us to extend the Offer, in circumstances in which all of the terms and conditions of the Offer have either been satisfied or waived by us, without first taking up Shares which have been tendered (and not withdrawn) before the Offer was previously scheduled to expire. If such regulatory relief is not obtained, we will not be permitted to extend the Offer in the event the Offer is undersubscribed on the original Expiration Date.

The Corporation expressly reserves the right, in its sole discretion (i) to terminate the Offer and not take up and pay for any Shares not theretofore taken up and paid for upon the occurrence of any of the events specified under "Offer to Purchase — Conditions of the Offer", and (ii) at any time or from time to time, to amend the Offer in any respect, including increasing or decreasing the number of Shares the Corporation may purchase or the range of prices it may pay pursuant to the Offer.

Any such extension, delay, termination or amendment will be followed as promptly as practicable by a public announcement and by the filing and mailing of a notice of variation or extension, as applicable. Without limiting the manner in which the Corporation may choose to make any public announcement, except as provided by applicable law, the Corporation shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through its usual news wire service, CNW.

If the Corporation varies the terms of the Offer or a change occurs in the information concerning the Offer that would reasonably be expected to affect the decision of the Shareholders to accept or reject the Offer, the Corporation will extend the time during which the Offer is open to the extent required under applicable securities legislation.

## **8. Taking Up and Payment for Tendered Shares**

Upon the terms and provisions of the Offer (including pro-ration) and subject to and in accordance with applicable Canadian and United States securities laws, the Corporation will take up and pay for Shares properly tendered and not withdrawn under the Offer in accordance with the terms thereof promptly after the Expiration Date, but in any event within the time limits required by applicable securities laws, provided that the conditions of the Offer (as the same may be amended) have been satisfied or waived. The Corporation will acquire Shares to be purchased pursuant to the Offer and title thereto under this Offer to Purchase effective from the time the Corporation takes up and pays for such Shares.

For the purposes of the Offer, the Corporation will be deemed to have taken up and accepted for payment Successfully Tendered Shares having an aggregate Purchase Price not exceeding US\$175,000,000 if, as and when the Corporation gives oral notice (to be confirmed in writing) or written notice or other communication confirmed in writing to the Depositary to that effect.

The Corporation reserves the right, in its sole discretion, to delay taking up or paying for any Shares or to terminate the Offer and not take up or pay for any Shares if any event specified under "Offer to Purchase — Conditions of the Offer" occurs, by giving written notice thereof or other communication confirmed in writing to the Depositary. The Corporation also reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Shares in order to comply, in whole or in part, with any applicable law.

In the event of pro-ration of Shares tendered pursuant to the Offer, the Corporation will determine the pro-ration factor and pay for those tendered Shares accepted for payment promptly after the Expiration Date. However, the Corporation does not expect to be able to announce the final results of any such pro-ration until approximately three business days after the Expiration Date.

Certificates for all Shares not purchased under the Offer (including Shares tendered pursuant to an Auction Tender at prices greater than the Purchase Price and Shares not purchased because of pro-ration), or properly withdrawn before the Expiration Date, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with new certificates representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the Expiration Date or the date of withdrawal of the Shares, without expense to the Shareholder.

The Corporation will pay for Shares taken up under the Offer by providing the Depository with sufficient funds (by bank transfer or other means satisfactory to the Depository) for transmittal to tendering Shareholders. Under no circumstances will interest accrue or be paid by the Corporation or the Depository on the Purchase Price of the Shares purchased by the Corporation, regardless of any delay in making such payment or otherwise.

Tendering Shareholders will not be obligated to pay brokerage fees or commissions to the Corporation, the Dealer Managers or the Depository. However, Shareholders are cautioned to consult with their own brokers or other intermediaries to determine whether any fees or commissions are payable to their brokers or other intermediaries in connection with a tender of Shares pursuant to the Offer. Celestica will pay all fees and expenses of the Dealer Managers (in their capacity as such) and the Depository in connection with the Offer.

The Depository will act as agent of persons who have properly tendered Shares in acceptance of the Offer and have not withdrawn them, for the purposes of receiving payment from the Corporation and transmitting payment to such persons. **Receipt by the Depository from the Corporation of payment for such Shares will be deemed to constitute receipt of payment by persons tendering Shares.**

The settlement with each Shareholder who has tendered Shares under the Offer will be effected by the Depository by forwarding a cheque, payable in United States funds, representing the cash payment (less any applicable withholding taxes) for such Shareholder's Shares taken up under the Offer. The cheque will be issued in the name of the person signing the Letter of Transmittal or in the name of such other person as specified by the person signing the Letter of Transmittal by properly completing the appropriate box in such Letter of Transmittal. Unless the tendering Shareholder instructs the Depository to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque will be forwarded by prepaid mail to the payee at the address specified in the Letter of Transmittal. If no such delivery instructions are specified, the cheque will be sent to the address of the tendering Shareholder as it appears in the registers maintained in respect of the Shares. Cheques mailed in accordance with this paragraph will be deemed to have been delivered at the time of mailing.

Successfully Tendered Shares taken up and paid for by the Corporation will immediately be cancelled by the Corporation.

#### **9. Payment in the Event of Mail Service Interruption**

Notwithstanding the provisions of the Offer, cheques in payment for Shares purchased under the Offer and certificates for any Shares to be returned will not be mailed if the Corporation determines that delivery by mail may be delayed. Persons entitled to cheques or certificates that are not mailed for this reason may take delivery at the office of the Depository at which the tendered certificates for the Shares were delivered until the Corporation has determined that delivery by mail will no longer be delayed. Celestica will provide notice, in accordance with this Offer to Purchase, of any determination under this section not to mail as soon as reasonably practicable after such determination is made.

#### **10. Liens and Dividends**

Shares acquired pursuant to the Offer shall be acquired by the Corporation free and clear of all hypothecs, liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom, provided that any dividends or distributions that may be paid, issued, distributed, made or transferred on or in respect of such Shares to Shareholders of record on or prior to the date upon which the Shares are taken up and paid for under the Offer shall be for the account of such Shareholders. Each Shareholder of record on that date will be entitled to receive that dividend or distribution, whether or not such Shareholder tenders Shares pursuant to the Offer.

Each tendering Shareholder will represent and warrant that such Shareholder has full power and authority to tender, sell, assign and transfer the tendered Shares and any and all dividends, distributions, payments, securities, rights, assets or other interests which may be declared, paid, issued, distributed, made or transferred on or in respect of the tendered Shares with a record date on or after the date that Celestica takes up and accepts for purchase the tendered Shares and that, if the tendered Shares are taken up and accepted for purchase by Celestica, Celestica will acquire good title thereto, free and clear of all liens, charges,

encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom.

## 11. Notice

Without limiting any other lawful means of giving notice, any notice to be given by the Corporation or the Depositary under the Offer will be deemed to have been properly given if it is mailed by first-class mail, postage prepaid, to the registered Shareholders at their respective addresses as shown on the share registers maintained in respect of the Shares and will be deemed to have been received on the first business day following the date of mailing. These provisions apply despite (i) any accidental omission to give notice to any one or more Shareholders, and (ii) an interruption of mail service in Canada or the United States following mailing. In the event of an interruption of mail service following mailing, the Corporation will use reasonable efforts to disseminate the notice by other means, such as publication. If post offices in Canada or the United States are not open for deposit of mail, or there is reason to believe there is or could be a disruption in all or any part of the postal service, any notice which the Corporation or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given and to have been received by Shareholders if it is issued by way of a news release and if it is published once in the *National Post* or *The Globe and Mail*, in a French language daily newspaper of general circulation in the Province of Québec and in the *Wall Street Journal*.

## 12. Other Terms

- (a) No broker, dealer or other person has been authorized to give any information or to make any representation on behalf of the Corporation, the Board of Directors, the Dealer Managers or the Depositary other than as contained in the Offer, and, if any such information or representation is given or made, it must not be relied upon as having been authorized by the Corporation, the Board of Directors, the Dealer Managers or the Depositary.
- (b) The Offer and all contracts resulting from the acceptance thereof 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 applicable U.S. securities laws.
- (c) Celestica, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer, the validity of any acceptance of the Offer and the validity of any withdrawals of Shares, except as otherwise finally determined in a subsequent judicial proceeding or as required by law.
- (d) The Offer is not being made to, and tenders will not be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making of the Offer would not be in compliance with the laws of such jurisdiction. However, Celestica may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and to extend the Offer to Shareholders in such jurisdiction.
- (e) For the purposes of subsection 191(4) of the Tax Act, the "specified amount" in respect of each Share will be C\$6.80.

**Neither Celestica nor the Board of Directors, in making the decision to present the Offer to Shareholders, makes any recommendation to any Shareholder as to whether to tender or refrain from tendering Shares. We urge Shareholders to consult their own financial, legal, investment and tax advisors and make their own decision whether to tender Shares to the Offer and, if so, how many Shares to tender, and at what price or prices.**

Pursuant to Section 13(e)(1) under the Exchange Act and Rule 13e-4(c)(2) promulgated thereunder, Celestica has filed with the SEC an Issuer Tender Offer Statement on Schedule TO which contains additional information with respect to the Offer. The Schedule TO, including any amendments and supplements thereto, may be examined, and copies may be obtained at the same places and in the same manner as is set forth under "Issuer Bid Circular — Celestica Inc. — Additional Information" with respect to information concerning Celestica. In any jurisdiction where the securities, "Blue Sky" or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on our behalf by the Dealer Managers or one or more registered brokers or dealers licensed under the laws of the applicable jurisdiction.



The accompanying Circular, together with this Offer to Purchase, constitutes the issuer bid circular required under Canadian securities legislation with respect to the Offer and the tender offer information required to be delivered to securityholders under United States securities laws applicable to Celestica with respect to the Offer. The accompanying Circular contains additional information relating to the Offer.

DATED this 29<sup>th</sup> day of October, 2012.

CELESTICA INC.

(Signed) CRAIG H. MUHLHAUSER  
President and Chief Executive Officer

## ISSUER BID CIRCULAR

This Circular is being furnished in connection with the Offer by Celestica to purchase for not more than US\$175,000,000 in cash up to 25,000,000 of its Shares at a Purchase Price of not less than US\$7.00 per Share and not more than US\$8.00 per Share. Terms defined in the Offer to Purchase and not otherwise defined herein have the same meaning in this Circular. The terms and conditions of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Reference is made to the Offer to Purchase for details of the terms and conditions of the Offer.

### 1. Celestica Inc.

Celestica delivers innovative supply chain solutions globally to customers in the communications (comprised of enterprise communications and telecommunications), consumer, computing (comprised of servers and storage), and diversified (comprised of industrial, aerospace and defense, healthcare, green technology, semiconductor equipment and other) end markets. We believe our services and solutions 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 centres of excellence strategically located around the world. We strive to align a network of suppliers around these centres in order to increase flexibility in our supply chain, deliver shorter overall product lead times and reduce inventory. We operate other facilities around the world 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™ 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.

We offer a full range of services to our customers including design, supply chain management, manufacturing, engineering, complex mechanical and systems integration, order fulfillment, logistics and after-market services. We are focused on expanding these service offerings across our major markets with existing and new customers and on growing our business in the diversified end market. We continue to invest in assets and resources to expand our design, engineering and after-market service capabilities, while continuing to pursue higher-value opportunities with existing customers. See "— Recent Developments" below.

Although we supply products and services to many customers, we depend upon a relatively small number of customers for a significant portion of our revenue. Revenue generated from our customers will vary from period to period depending on the success in the marketplace of our customers' products, changes in demand from our customers for the products we manufacture, and the volume and timing of new program wins, losses or follow-on business from our customers, among other factors.

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

Onex Corporation ("**Onex**") owns, directly or indirectly, all of the outstanding Multiple Voting Shares and less than 1% of the outstanding Shares. The number of Shares and Multiple Voting Shares owned by Onex, together with those Shares and Multiple Voting Shares Onex has the right to vote, represents approximately 72% of the voting interest in Celestica and less than 1% of the voting interest in our outstanding Shares. Accordingly, Onex exercises a significant influence over our business and affairs and has the power to determine all matters submitted to a vote of our Shareholders where our Shares and Multiple Voting 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. The directors so elected have the authority, subject to applicable laws, to appoint or replace senior management, cause us to issue additional Shares or Multiple Voting Shares or repurchase Shares or Multiple Voting Shares, declare dividends or take other actions. Onex may make decisions regarding Celestica and our business that are opposed to other Shareholder's interests or with which they disagree. Onex's voting power could have the effect of deterring or preventing a change in control of the Corporation 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 shares representing the majority of the voting rights of the shares of Onex. The interests of Onex and Mr. Schwartz may differ from the interests of the remaining holders of Shares.

Celestica was incorporated under the *Business Corporations Act* (Ontario) on September 27, 1996. Celestica's head office, principal place of business and registered office are located at 844 Don Mills Road, Toronto, Ontario, Canada M3C 1V7.

#### ***Recent Developments***

On September 10, 2012, Celestica announced the completion of its acquisition of D&H Manufacturing Company ("**D&H**"). Based in California, U.S.A., D&H provides manufacturing and engineering services, coupled with dedicated capacity and equipment for prototype and quick-turn support to some of the world's leading semiconductor capital equipment manufacturers. The purchase price was \$71.4 million, net of cash acquired, which we financed from cash on hand. This acquisition did not have a significant impact on our consolidated results of operations for the third quarter of 2012. During 2010 and 2011, we completed the acquisitions of Invec Solutions Limited, Allied Panels Entwicklungs-und Produktions GmbH and the semiconductor equipment contract manufacturing operations of Brooks Automation, Inc., enhancing and adding new capabilities to our offerings and expanding our customer base.

In June 2012, we announced the wind down of our manufacturing services for RIM. We completed substantially all of our manufacturing for RIM by September 30, 2012. During the past several quarters, our revenue from RIM ranged from 17% to 21% as a percentage of total revenue. In the third quarter of 2012, our revenue from RIM decreased to just under 10% of total revenue as we completed our manufacturing services for them. Our revenue from RIM will be minimal in the fourth quarter of 2012. We are actively pursuing new business opportunities to replace the lost revenue from RIM. Although we are managing our costs during this transition, we anticipate short-term pressure on our operating margins.

We cannot assure the timely replacement of the RIM revenue. Our operating margins each quarter are also impacted by changes in demand from our customers, the mix of customers and the types of products or services we provide, pricing pressures, utilization of manufacturing capacity and the costs and timing of ramping new business, among other factors.

Due to the significance of RIM as a customer and in order to improve our margin performance, we previously announced that we would take restructuring actions throughout our global network to reduce our overall cost structure. We estimated total restructuring charges of between US\$40.0 million and US\$50.0 million, which we expect to complete by the first half of 2013. Of this amount, we have recorded \$27.3 million as of September 30, 2012.

#### ***Additional Information***

Celestica is subject to the information and reporting requirements of Canadian securities laws and the Exchange Act and the rules, policies and guidelines of the TSX and the NYSE and, in accordance therewith, files reports and other information with Canadian provincial securities regulators, the SEC, the TSX and the NYSE. As a "foreign private issuer" under the Exchange Act, the Corporation is exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements (which are prepared in accordance with applicable Canadian securities legislation), and its officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

**Pursuant to Section 13(e)(1) under the Exchange Act and Rule 13e-4(c)(2) promulgated thereunder, Celestica has filed with the SEC an Issuer Tender Offer Statement on Schedule TO which contains additional information with respect to the Offer. The Offer, which constitutes a part of the Schedule TO, does not contain all of the information set forth in Schedule TO.**

Shareholders may read and copy any document that the Corporation files with, or furnishes to, the SEC (including the Corporation's Schedule TO relating to the Offer) at the SEC's public reference room at 100 F. Street, N.E., Washington, D.C. 20549. Shareholders may also obtain copies of such documents from the public reference room of the SEC in Washington by paying a fee. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a web site ([www.sec.gov](http://www.sec.gov)) that makes available reports and other information that the Corporation files or furnishes electronically with it. Shareholders may access documents filed with Canadian provincial securities regulators through the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

### ***Presentation of Financial Information***

The Corporation's consolidated financial statements are reported in United States dollars and have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and thus may not be comparable to financial statements of U.S. companies who generally report under U.S. GAAP. The audited consolidated financial statements of Celestica for the year ended December 31, 2011, and the unaudited interim consolidated financial statements of Celestica for the three- and nine-month periods ended September 30, 2012, are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on [www.sec.gov](http://www.sec.gov) and will be sent to a Shareholder without charge upon request to the Corporation at 844 Don Mills Road, Toronto, Ontario, Canada M3C 1V7 Attention: Executive Vice President, Chief Legal and Administrative Officer and Corporate Secretary.

## **2. Authorized Capital**

Celestica's authorized capital consists of an unlimited number of Shares, an unlimited number of Multiple Voting Shares, and an unlimited number of preferred shares, issuable in series. As at October 25, 2012, 186,205,220 Shares, 18,946,368 Multiple Voting Shares and no preferred shares were issued and outstanding.

### ***Voting Rights***

The Shareholders and holders of Multiple Voting Shares are entitled to notice of and to attend all meetings of Celestica shareholders and to vote at all such meetings together as a single class, except in respect of matters where only the holders of shares of one class or series of shares are entitled to vote separately pursuant to applicable law. The Shares carry one vote per share and the Multiple Voting Shares carry 25 votes per share. Generally, all matters to be voted on by Celestica shareholders must be approved by a simple majority (or, in the case of election of directors, by a plurality, and in the case of an amalgamation or amendments to the articles of Celestica, by a two-thirds majority) of the votes cast in respect of Shares and Multiple Voting Shares held by persons present in person or by proxy, voting together as a single class. The holders of Multiple Voting Shares are entitled to one vote per share held at meetings of holders of Multiple Voting Shares at which they are entitled to vote separately as a class. The Shareholders are entitled to one vote per share held at meetings of Shareholders at which they are entitled to vote separately as a class.

### ***Dividends***

The Shares and the Multiple Voting Shares are entitled to share rateably, as a single class, in any dividends declared by Celestica's Board of Directors, subject to any preferential rights of any outstanding preference shares in respect of the payment of dividends. Dividends consisting of Shares and Multiple Voting Shares may be paid only as follows: (i) Shares may be paid only to Shareholders, and Multiple Voting Shares may be paid only to holders of Multiple Voting Shares, and (ii) proportionally with respect to each outstanding Share and Multiple Voting Share.

### ***Conversion***

Each Multiple Voting Share is convertible at any time at the option of its holder into one Share.

Multiple Voting Shares will be converted automatically into 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 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 Shares on a one-for-one basis. For these purposes, (i) "Onex" includes any successor corporation resulting from an amalgamation, merger, arrangement, sale of all or substantially all of its assets, or other business combination or reorganization involving Onex, provided that such successor corporation beneficially owns directly or indirectly all Multiple Voting Shares beneficially owned directly or indirectly by Onex immediately prior to such transaction and is controlled by the same person or persons as controlled Onex prior to the consummation of such transaction, (ii) a corporation shall be deemed to be a subsidiary of another corporation if, but only if (a) it is controlled by that other, or that other and one or more corporations each of which is controlled by that other, or two or more corporations each of which is controlled by that other, or (b) it is a subsidiary of a corporation that is that other's subsidiary; (iii) "affiliate" means a subsidiary of Onex or a corporation controlled by the same person or company that controls Onex, and (iv) "control" means beneficial ownership of, or control or direction over, securities carrying more than 50% of the votes that may be cast to elect directors if those votes, if cast, could elect more than 50% of the directors. For these purposes, a person is deemed to beneficially own any security which is beneficially owned by a corporation controlled by such person.

In addition, if at any time the number of outstanding Multiple Voting Shares shall represent less than 5% of the aggregate number of the outstanding Multiple Voting Shares and Shares, all of the outstanding Multiple Voting Shares shall be automatically converted at such time into Shares on a one-for-one basis.

Onex and Celestica have entered into an agreement with Computershare Trust Company of Canada, as trustee for the benefit of the Shareholders, that has the effect of preventing transactions that otherwise would deprive the Shareholders of rights under applicable provincial takeover bid legislation to which they would have been entitled in the event of a takeover bid for the Multiple Voting Shares if the Multiple Voting Shares had been Shares.

### ***Modification, Subdivision and Consolidation***

Any modification to the provisions attaching to either the Shares or the Multiple Voting Shares requires the separate affirmative vote of two-thirds of the votes cast by the Shareholders and holders of the Multiple Voting Shares, respectively, voting as separate classes. Celestica may not subdivide or consolidate the Shares or the Multiple Voting Shares without at the same time proportionally subdividing or consolidating the shares of the other class.

### ***Creation of Other Voting Shares***

Celestica may not create any class or series of shares, or issue any shares of any class or series (other than Shares) having the right to vote generally on all matters that may be submitted to a vote of Celestica shareholders (except matters for which applicable law requires the approval of holders of another class or series of shares voting separately as a class or series) without the separate affirmative vote of two-thirds of the votes cast by the Shareholders and holders of the Multiple Voting Shares, respectively, voting as separate classes.

### ***Rights on Dissolution***

With respect to a distribution of assets in the event of a liquidation, dissolution or winding up of Celestica, whether voluntary or involuntary, or any other distribution of the assets of Celestica for the purposes of winding

up its affairs, Shareholders and holders of Multiple Voting Shares will share rateably as a single class in assets available for distribution to Shareholders and holders of Multiple Voting Shares after payment in full of the amounts required to be paid to holders of preference shares, if any.

#### ***Other Rights***

Neither the Shares nor the Multiple Voting Shares are redeemable nor do the holders of such shares have pre-emptive rights to purchase additional shares.

### **3. Purpose and Effect of the Offer**

Following the completion of a normal course issuer bid in 2010 and the substantial completion of the normal course issuer bid announced on February 7, 2012, Celestica's management and Board of Directors continue to believe that the trading price of the Shares is not fully reflective of the value of the Corporation's business and future prospects. Celestica's management and Board of Directors also believe the purchase of Shares under the Offer represents an attractive investment to the Corporation and an equitable and efficient means of providing value to Shareholders. Celestica also believes that the purchase of Shares under the Offer represents an equitable and efficient means of distributing an aggregate of up to US\$175,000,000 in cash to Shareholders who elect to tender while at the same time proportionately increasing the equity interest in the Corporation of Shareholders who do not elect to tender and that the Offer is in the best interests of the Corporation and its Shareholders. Upon the completion of the Offer, non-tendering Shareholders will realize a proportionate increase in their relative ownership interest in Celestica and thus in its future profits or losses and assets, subject to Celestica's right to issue additional Shares and other equity securities in the future. The amount of Celestica's future cash assets will be reduced and/or its liabilities increased by the amount paid and expenses incurred in connection with the Offer. The Offer is not expected to preclude Celestica from pursuing its foreseeable business opportunities or the future growth of Celestica's business. After giving effect to the Offer, Celestica expects to have sufficient financial resources and working capital to conduct its ongoing business and operations.

Shares acquired by the Corporation pursuant to the Offer will be cancelled.

As at October 25, 2012, 186,205,220 Shares and 18,946,368 Multiple Voting Shares were issued and outstanding. Accordingly, the Shares represented an approximate 90.76% equity interest in the Corporation and the Multiple Voting Shares represented an approximate 9.24% equity interest in the Corporation. The Shares also represented approximately 28.22% of the aggregate voting rights attached to Celestica's shares and the Multiple Voting Shares represented approximately 71.78% of the aggregate voting rights attached to Celestica's shares. The Offer is for a maximum of approximately 13.43% of the total number of issued and outstanding Shares if the Purchase Price is determined to be US\$7.00 (being the minimum Purchase Price under the Offer) and a maximum of approximately 11.75% of the total number of issued and outstanding Shares if the Purchase Price is determined to be US\$8.00 (being the maximum Purchase Price under the Offer). If all Multiple Voting Shares were converted to Shares, the Offer would be for approximately 12.19% of the total number of issued and outstanding Shares if the Purchase Price is determined to be US\$7.00 (being the minimum Purchase Price under the Offer), and for approximately 10.66% if the Purchase Price is determined to be US\$8.00 (being the maximum Purchase Price under the Offer). To the knowledge of the Corporation, after reasonable inquiry, no holder of Multiple Voting Shares will be converting Multiple Voting Shares into Shares to tender pursuant to the Offer. If the Purchase Price is determined to be US\$7.00 (being the minimum Purchase Price under the Offer) and the Corporation purchases the maximum number of Shares, the remaining issued and outstanding Shares will represent an approximate 89.48% equity interest in the Corporation (10.52% for the Multiple Voting Shares) and represent approximately 25.39% of the aggregate voting rights attached to Celestica's shares (74.61% for the Multiple Voting Shares), assuming no Multiple Voting Shares are converted to Shares and tendered to the Offer. Onex owns, directly or indirectly, all of the outstanding Multiple Voting Shares. Accordingly, if the Purchase Price is determined to be US\$7.00 (being the minimum Purchase Price under the Offer) and the Corporation purchases the maximum number of Shares, the Multiple Voting Shares will represent approximately 74.61% of the aggregate voting rights attached to Celestica's shares, as compared to 71.78% prior to the Offer.

Applicable Canadian securities laws generally prohibit the Corporation, its controlling shareholder and persons or companies acting jointly or in concert with the Corporation controlling shareholder from acquiring or offering to acquire beneficial ownership of any Shares, other than pursuant to the Offer, from the period from the expiry of the Offer and ending on the 20<sup>th</sup> business day after that, except, in the case of acquisitions during the period following the Expiration Date, pursuant to certain acquisitions effected in the normal course on a published market or as otherwise permitted by applicable law. Rule 13e-4(f) and Rule 14e-5 of the Exchange Act prohibit the Corporation and its affiliates from purchasing any Shares, other than pursuant to the Offer, until at least 10 business days after the expiration of the Offer, except pursuant to certain limited exceptions provided in Rule 14e-5 of the Exchange Act.

Accordingly, Celestica will not be purchasing any Shares pursuant to the Corporation's normal course issuer bid announced on February 7, 2012 during the Offer (nor will a trustee, acting on behalf of Celestica, purchase any Shares pursuant to the Corporation's normal course issuer bid during the Offer) and Celestica does not intend to purchase any further such Shares for cancellation. Celestica does intend to purchase Shares in the open market through a trustee to satisfy the delivery of Shares under the Corporation's equity-based compensation plans, but not until 10 business days after the Expiration Date or date of termination of the Offer. It is Celestica's current intention to approve an automatic share purchase plan (the "ASPP") with the trustee of its equity-based compensation plans for the trustee, subject to applicable laws, to acquire approximately 2,000,000 Shares subsequent to 10 business days following the Expiration Date to satisfy outstanding Share unit awards of the Corporation. It is anticipated that the ASPP will provide for the irrevocable purchase of such Shares at prices that are no higher than the market price of the Shares at the time of acquisition.

Celestica may, subject to applicable law, in the future purchase additional Shares on the open market, in private transactions, through issuer bids or otherwise. Any such purchases may be on the same terms or on terms which are more or less favourable to Shareholders than the terms of the Offer. Any possible future purchases by the Corporation will depend on many factors, including the market price of the Shares, the Corporation's business and financial position, the results of the Offer and general economic and market conditions.

#### ***Background to the Offer***

Following the completion of a normal course issuer bid in 2010 and the substantial completion of the normal course issuer bid announced on February 7, 2012, Celestica's management and Board of Directors continue to believe that the trading price of the Shares is not fully reflective of the value of the Corporation's business and future prospects. Celestica's management and Board of Directors also believe the purchase of Shares under the Offer represents an attractive investment to the Corporation and an equitable and efficient means of providing value to its Shareholders.

For the reasons described above and for the reasons set out below, the Board of Directors determined that it would be in the best interests of the Corporation and its Shareholders to proceed with an issuer bid. The Offer was approved by the Board of Directors on October 22, 2012. In considering whether the Offer would be in the best interest of the Corporation and its Shareholders, the Board of Directors gave careful consideration to a number of factors, including, without limitation, the following:

- (a) the positive impact that the purchase of Shares having an aggregate Purchase Price not exceeding US\$175,000,000 would have on the Corporation's earnings calculated on a per Share basis as well as on the return on equity on the Shares;
- (b) after giving effect to the Offer, Celestica will continue to have sufficient financial resources and working capital to conduct its ongoing business and operations and the Offer is not expected to preclude Celestica from pursuing its foreseeable business opportunities or the future growth of the Corporation's business;
- (c) the Offer provides Shareholders with an opportunity to realize on all or a portion of their investment in the Corporation, should they desire liquidity, in quantities which might not otherwise be available in the market and without incurring brokerage commissions which might otherwise be payable on a sale of their Shares in a transaction on the TSX and the NYSE;

- (d) tendering Shares under the Offer is optional and available to all Shareholders and, therefore, each Shareholder is free to accept or reject the Offer;
- (e) Shareholders wishing to tender Shares may do so pursuant to Auction Tenders or Purchase Price Tenders;
- (f) the Offer is not conditional upon any minimum number of Shares being tendered;
- (g) Shareholders who do not tender their Shares to the Offer will realize a proportionate increase in their equity interest in the Corporation to the extent Shares are purchased by the Corporation pursuant to the Offer;
- (h) the advice of the Dealer Managers, in respect of the Offer, including an opinion from Scotia Capital Inc. regarding the liquidity of the market for the Shares after completion of the Offer; and
- (i) it is reasonable to conclude that, following the completion of the Offer, there would be a market for beneficial owners of the Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer.

The foregoing summary of the factors considered by the Board of Directors is not, and is not intended to be, exhaustive. In view of the variety of factors and the amount of information considered in connection with its determination to proceed with the Offer, the Board of Directors did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion.

The Board of Directors has approved the terms of the Offer, the pricing of the Offer and the forms of the Offer to Purchase, this Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery. Approval of the Offer was subject to final approval as to pricing and other terms by the President and Chief Executive Officer of the Corporation pursuant to authority delegated by the Board of Directors. The President and Chief Executive Officer of the Corporation, based on advice from the Dealer Managers, determined the specific price range for the Offer on October 26, 2012.

Notwithstanding the foregoing considerations, before making any decision to tender or not tender Shares to the Offer, Shareholders should carefully consider the risks associated with the Corporation's business, including the risks described under the heading "Risk Factors" in the Corporation's annual report on Form 20-F for the year ended December 31, 2011 as filed on SEDAR and with the SEC on March 22, 2012.

None of Celestica, the Board of Directors, the Dealer Managers or the Depositary makes any recommendation to any Shareholder as to whether to tender or refrain from tendering Shares under the Offer or as to the purchase price or purchase prices at which Shareholders may tender Shares under the Offer. Shareholders must make their own decisions as to whether to tender Shares under the Offer, and, if so, how many Shares to tender and the price or prices at which to tender.

***Liquidity of Market***

As at October 25, 2012, there were 186,205,220 Shares issued and outstanding, of which 184,057,462 Shares comprise the public float, which excludes Shares beneficially owned, or over which control or direction is exercised, by "related parties" of the Corporation and Shares that are not "freely tradeable" (each as defined in MI 61-101) (the "**public float**"). The maximum number of Shares that the Corporation is offering to purchase pursuant to the Offer, if the Purchase Price is determined to be US\$7.00 (being the minimum Purchase Price under the Offer), represents approximately 13.43% of the Shares outstanding on that date. If the Corporation purchases such maximum number of Shares, there will be approximately 161,205,220 Shares outstanding. As of October 25, 2012, there were also 18,946,368 Multiple Voting Shares issued and outstanding.

The Corporation is relying on the liquid market exemption from the valuation requirement applicable to the Offer pursuant to Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") adopted by the Ontario Securities Commission and the Autorité des marchés financiers (Québec).

The Corporation has determined that there is a liquid market in the Shares because:

- (a) there is a published market for the Shares, namely the TSX and the NYSE;



- (b) during the 12-month period before October 23, 2012 (the date the Offer was announced):
  - (i) the number of issued and outstanding Shares was at all times at least 5,000,000, excluding Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by related parties and Shares that were not freely tradeable;
  - (ii) the aggregate trading volume of the Shares on the TSX, being the published market on which the Shares are principally traded, was at least 1,000,000 Shares;
  - (iii) there were at least 1,000 trades in Shares on the TSX; and
  - (iv) the aggregate trading value based on the price of the trades referred to in clause (iii) was at least C\$15,000,000; and
- (c) the market value of the Shares on the TSX, as determined in accordance with applicable rules, was at least C\$75,000,000 for September 2012, being the calendar month preceding the calendar month in which the Offer was publicly announced.

The Board of Directors also believes that it is reasonable to conclude that, following completion of the Offer, there will be a market for beneficial owners of the Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer.

In making their determination, the Board of Directors considered many factors, including without limitation:

- (a) the extent by which the trading volume, number of trades and aggregate trading value during the 12 month period preceding the Offer, the size of the public float and the market value of the Shares, exceeds the minimum objective liquid market requirements pursuant to MI 61-101; and
- (b) the number of Shares to be acquired in relation to the public float, the trading volumes of and the number of trades in the Shares on the TSX, the value of trades on the TSX and the market value of the Shares, in the 12 months preceding the Offer.

Accordingly, the Corporation is exempted from the valuation requirements of the securities regulatory authorities in Canada applicable to issuer bids generally in connection with the Offer. Despite the fact that the Board of Directors is of the view that both as of the date hereof and following the taking up of Shares pursuant to the Offer, there is and will continue to be a liquid market for the Shares and that there is no legal requirement to obtain a liquidity opinion, the Corporation has, on a voluntary basis, obtained such a liquidity opinion. Scotia Capital Inc. has provided an opinion to the Board of Directors to the effect that, based on and subject to the assumptions and limitations stated in its liquidity opinion, there is a liquid market for the Shares as of October 26, 2012 and that it is reasonable to conclude that, on completion of the Offer in accordance with its terms, there will be a market for Shareholders who do not tender their Shares to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. Scotia Capital Inc. has been engaged to act as a Dealer Manager in connection with the Offer and will receive fees for such services. See "Issuer Bid Circular — Fees and Expenses". In addition, Scotia Capital Inc. has provided various financial advisory services to the Corporation in connection with transactions unrelated to the Offer and an affiliate of Scotia Capital Inc. is a lender to the Corporation under the Corporation's existing revolving credit facility. See "Issuer Bid Circular — Source of Funds". Scotia Capital Inc. acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Corporation, including the Shares, or any of its associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, Scotia Capital Inc. conducts research on securities and may, in the ordinary course of business, provide research reports and investment advice to its clients on investment matters, including with respect to the Corporation. Accordingly, Scotia Capital Inc. is not independent of the Corporation in connection with the Offer for purposes of MI 61-101. A copy of the liquidity opinion of Scotia Capital Inc. is attached hereto as Schedule A. This summary of the opinion of Scotia Capital Inc. is qualified in its entirety by reference thereto.

### *Additional Securities Law Considerations*

Celestica is a reporting issuer (or the equivalent thereof) in each of the provinces and territories of Canada, and the Shares are listed on the TSX. Celestica believes that the purchase of Shares pursuant to the Offer will not result in: (i) Celestica ceasing to be a reporting issuer in any jurisdiction in Canada, or (ii) the Shares being delisted from the TSX.

The Shares are also registered under Section 12(b) of the Exchange Act and are traded on the NYSE. Celestica believes that the purchase of Shares pursuant to the Offer will not result in: (i) the Shares becoming eligible for deregistration under Section 12(b) of the Exchange Act, or (ii) the Shares being delisted from the NYSE.

The Shares are currently "margin securities" under the rules of the U. S. Federal Reserve Board. This has the effect, among other things, of allowing brokers to extend credit on the collateral of the Shares. Celestica believes that, following the repurchase of Shares pursuant to the Offer, the Shares will continue to be margin securities for the purposes of the U.S. Federal Reserve Board's margin regulations.

#### **4. Withdrawal Rights**

The withdrawal rights of Shareholders are described under "Offer to Purchase — Withdrawal Rights" and are incorporated into and form part of this Circular.

#### **5. Price Range and Trading Volume of the Shares**

The outstanding Shares are listed on the TSX under the trading symbol 'CLS'. The following table sets forth the price range and trading volume of the Shares as reported by the TSX for the two-year period preceding the date hereof:

<u>Month</u>	<u>High Price (C\$)</u>	<u>Low Price (C\$)</u>	<u>Volume</u>
<b>2010</b>			
<b>Fourth Quarter</b>			
October	9.28	8.15	12,416,734
November	9.44	8.59	19,391,854
December	10.31	8.96	11,460,483
<b>2011</b>			
<b>First Quarter</b>			
January	10.11	9.18	13,397,869
February	12.27	9.87	27,502,024
March	11.79	10.02	16,988,490
<b>Second Quarter</b>			
April	10.82	9.87	13,469,544
May	10.67	9.56	15,012,271
June	10.00	7.72	30,577,371
<b>Third Quarter</b>			
July	9.26	7.65	15,253,359
August	8.39	7.12	18,182,044
September	8.45	7.20	12,799,882
<b>Fourth Quarter</b>			
October	8.88	7.20	12,263,966
November	8.99	7.71	9,186,619
December	8.47	7.34	8,541,882

Month	High Price (C\$)	Low Price (C\$)	Volume
<b>2012</b>			
<b>First Quarter</b>			
January	8.60	7.52	12,499,248
February	9.66	8.29	20,014,191
March	10.26	9.01	15,808,160
<b>Second Quarter</b>			
April	9.68	8.30	13,185,856
May	8.97	7.34	22,214,611
June	7.94	7.07	14,657,008
<b>Third Quarter</b>			
July	8.05	7.12	19,823,227
August	7.99	7.23	6,543,106
September	7.91	6.75	8,428,919
<b>Fourth Quarter</b>			
October 1 - 22	7.25	6.61	6,349,066

The outstanding Shares are also listed on the NYSE under the trading symbol 'CLS'. The following table sets forth the price range and trading volume of the Shares as reported by the NYSE for the two-year period preceding the date hereof:

Month	High Price (US\$)	Low Price (US\$)	Volume
<b>2010</b>			
<b>Fourth Quarter</b>			
October	8.99	7.96	11,618,667
November	9.42	8.45	12,915,682
December	10.13	8.80	13,834,684
<b>2011</b>			
<b>First Quarter</b>			
January	10.19	9.19	12,908,373
February	12.48	9.92	20,466,928
March	12.12	10.24	15,821,923
<b>Second Quarter</b>			
April	11.41	10.24	10,130,903
May	11.23	9.75	8,804,933
June	10.31	7.87	16,143,398
<b>Third Quarter</b>			
July	9.76	7.96	15,705,668
August	8.94	7.20	35,454,016
September	8.65	6.95	17,669,928
<b>Fourth Quarter</b>			
October	8.94	6.79	19,741,030
November	8.87	7.54	11,624,405
December	8.35	7.09	10,323,438

Month	High Price (US\$)	Low Price (US\$)	Volume
<b>2012</b>			
<b>First Quarter</b>			
January	8.58	7.46	15,592,250
February	9.75	8.33	17,149,083
March	10.34	8.98	12,523,452
<b>Second Quarter</b>			
April	9.78	8.36	12,072,212
May	9.10	7.13	16,097,883
June	7.76	6.87	11,207,583
<b>Third Quarter</b>			
July	8.02	6.98	6,632,173
August	8.07	7.18	6,326,242
September	8.16	6.84	5,274,688
<b>Fourth Quarter</b>			
October 1 - 22	7.32	6.74	3,206,380

On October 22, 2012, the last full trading day prior to the date of the announcement of the approval by the Board of Directors to conduct the Offer, the closing price of the Shares on the TSX was C\$7.08 per Share and on the NYSE was US\$7.13 per Share. Shareholders are urged to obtain current market quotations for the Shares.

#### 6. Dividend Policy

Celestica has not paid any dividends since its inception. Any decision to pay dividends in the future will be made by the Board of Directors and will depend on, among other things, the Corporation's financial condition, current and anticipated cash needs, and operational requirements.

#### 7. Previous Purchases and Sales

Except for the purchase of Shares pursuant to its normal course issuer bid described below, and excluding securities purchased or sold pursuant to the exercise of employee stock options or in connection with security-based compensation arrangements, no securities of the Corporation have been purchased or sold by the Corporation during the 12 months preceding the date of the Offer.

Celestica received approval from the TSX to commence a normal course issuer bid on February 9, 2012 for up to 16,210,950 Shares, which bid will expire on February 8, 2013 (or earlier if the number of Shares approved for purchase has been reached). Since February 9, 2012, Celestica has purchased 13,336,381 Shares at a volume-weighted average price of US\$8.52 under this normal course issuer bid. Celestica will not be purchasing any Shares pursuant to its normal course issuer bid during the Offer (nor will a trustee, acting on behalf of Celestica, purchase any Shares pursuant to the Corporation's normal course issuer bid during the Offer) and Celestica does not intend to purchase any further such Shares for cancellation. Celestica does intend to purchase Shares in the open market through a trustee to satisfy the delivery of Shares under the Corporation's equity-based compensation plans, but not until 10 business days after the Expiration Date or date of termination of the Offer. Shares purchased by the Corporation pursuant to its normal course issuer bid were purchased at the prevailing market price at the time of purchase, at prices ranging from C\$7.22 to C\$10.03. Since February 9, 2012, 417,612 Shares have also been purchased in the open market by a trustee to satisfy the delivery of Shares under the Corporation's equity-based compensation plans, which Share purchases reduce the number of Shares the Corporation is permitted to repurchase for cancellation under its normal course issuer bid.

To the knowledge of the Corporation, after reasonable inquiry, none of the Corporation or any of its directors, executive officers, affiliates, subsidiaries or its controlling person or any directors or executive officers

of the Corporation's subsidiaries or of the controlling person have effected any transactions involving Shares during the 60 days prior to October 29, 2012, except as described below.

Celestica made the following purchases of Shares under the normal course issuer bid at the average prices per Share per day indicated in the table below during the 60 days prior to October 29, 2012.

Date of Purchase	Number of Shares Purchased/Average Purchase Price Per Day		
	From TSX (C\$)	From Other Canadian Market (C\$)	From Other U.S. Market (US\$)
August 28, 2012	31,100/7.73	48,900/7.75	0/NA
August 29, 2012	28,500/7.75	51,500/7.75	0/NA
August 30, 2012	24,800/7.72	55,200/7.71	0/NA
August 31, 2012	24,200/7.73	55,800/7.73	0/NA
September 4, 2012	21,500/7.53	58,500/7.53	0/NA
September 5, 2012	28,800/7.51	51,200/7.50	0/NA
September 6, 2012	31,600/7.47	48,400/7.47	0/NA
September 7, 2012	36,300/7.43	63,700/7.44	0/NA
September 10, 2012	33,100/7.52	66,900/7.52	0/NA
September 11, 2012	24,600/7.70	75,400/7.70	0/NA
September 12, 2012	38,200/7.74	61,800/7.72	0/NA
September 13, 2012	33,600/7.71	66,400/7.71	0/NA
September 14, 2012	40,400/7.82	59,600/7.83	0/NA

Under Celestica's Directors' Share Compensation Plan (2008), non-employee and non-Onex directors are entitled to elect to be paid either 50% or 100% of the annual retainer fees and meeting fees in deferred share units ("DSUs"), each entitling such directors to receive a Share or a cash payment equal to a Share. The table below indicates the number of DSUs granted by Celestica to each of the directors listed below during the 60 days prior to October 29, 2012 and the closing price on the NYSE on the day preceding the date of grant.

Date of Grant	Name of Director	Number of DSUs	Share Price (US\$)
October 1, 2012	William A. Etherington	11,555	7.14
October 1, 2012	Dan DiMaggio	7,528	7.14
October 1, 2012	Laurette Koellner	6,215	7.14
October 1, 2012	Joseph M. Natale	7,178	7.14
October 1, 2012	Eamon J. Ryan	7,528	7.14
October 1, 2012	Michael Wilson	7,528	7.14

Under Celestica's Long-Term Incentive Plan (the "LTIP"), eligible participants may be allocated performance units in the form of restricted share units ("RSUs"), which represent the right to receive an equivalent number of Shares at a specified release date. The table below indicates the number of RSUs granted by Celestica to each of the executive officers listed below during the 60 days prior to October 29, 2012 and the closing prices on the TSX (for Mr. McCaughey and Mr. Andrade) and NYSE (for Mr. Jankovic) on the day preceding the date of grant.

Date of Grant	Name of Executive Officer	Number of RSUs	Share Price
September 5, 2012	Michael McCaughey	13,055	C\$7.53
September 5, 2012	Michael Andrade	13,055	C\$7.53
September 5, 2012	Walter Jankovic	7,833	US\$ 7.66

## 8. Previous Distributions

Except as described below, Shares have not been distributed to the public during the five years preceding the date of the Offer.

### *LTIP*

Under the LTIP, eligible participants may be granted stock options. The exercise price for stock options issued under the LTIP is the closing price for the Shares on the last trading day prior to the grant date. The TSX closing price is used for Canadian employees and the NYSE closing price is used for all other employees. The table below indicates the number of Shares issued by the Corporation during the periods indicated upon the exercise of stock options pursuant to its LTIP, the weighted average price per Share and the aggregate gross proceeds received by the Corporation:

<u>Period</u>	<u>Number of Shares Issued</u>	<u>Average Price per Share (CS)</u>	<u>Aggregate Proceeds Received by Celestica (CS)</u>
2007	0	0	0
2008	213,679	\$ 8.26	1,765,882.82
2009	293,860	\$ 6.38	1,875,322.77
2010	766,720	\$ 6.19	4,746,337.18
2011	1,918,300	\$ 6.09	11,681,273.31
2012 (to October 22)	1,170,885	\$ 6.15	7,198,483.44

Under the LTIP, eligible participants may also be allocated performance units in the form of RSUs, which represent the right to receive an equivalent number of Shares at a specified release date. The table below indicates the number of Shares issued by the Corporation during the periods indicated in respect of RSUs and PSU settled for equity pursuant to its LTIP, the weighted average price per Share and the aggregate gross proceeds received by the Corporation:

<u>Period</u>	<u>Number of Shares Issued</u>	<u>Average Price per Share (CS)</u>	<u>Aggregate Proceeds Received by Celestica (CS)</u>
2007	315,500	7.27	—
2008	56,651	8.31	—
2009	0	0.00	—
2010	815	10.97	—
2011	312,922	11.00	—
2012 (to October 22)	798,072	8.52	—

### *Acquired Plans*

The Corporation assumed option plans in connection with its acquisitions of International Manufacturing Services Inc. (the "**IMS Plan**") and Manufacturers' Services Limited (the "**MSL Plan**") under which eligible employees and directors could be granted options to purchase the Shares. The table below indicates the number of Shares issued by the Corporation during the periods indicated upon the exercise of stock options pursuant to

the IMS Plan and MSL Plan, the average price per Share and the aggregate proceeds received by the Corporation:

Period	Number of Shares Issued	Average Price per Share (C\$)	Aggregate Proceeds Received by Celestica (C\$)
2007	6,500	3.33	21,660.00
2008	35,167	6.04	212,411.25
2009	0	0	0
2010	0	0	0
2011	9,000	10.12	91,087.50
2012 (to October 22)	0	0	0

#### Share Purchase and Option Plans

The Corporation's D2D Employee Share Purchase and Option Plan (the "**D2D Plan**") was assumed by the Corporation in connection with the acquisition of a company in 1998. There are no options currently outstanding under the D2D Plan and no Shares have been issued under the share purchase part of the D2D Plan since 1998. The Corporation's 1998 U.S. Executive Share Purchase and Option Plan (the "**1998 U.S. Plan**") was in effect prior to the Corporation's initial public offering in 1998. There are no options currently outstanding under the 1998 U.S. Plan and no Shares are issuable from treasury pursuant to the share purchase part of the 1998 U.S. Plan.

#### Control Person Distributions

On October 14, 2009, Onex and certain of its affiliates completed a secondary offering of 11,000,000 Shares, which were sold for C\$10.30 per Share under a short form prospectus of the Corporation. The Corporation did not receive any proceeds from the offering.

#### 9. Ownership of Securities of the Corporation

The following table indicates, as at October 25, 2012, the number of securities of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, by each director and officer of the Corporation and, to the knowledge of the Corporation, after reasonable inquiry, each associate or affiliate of an insider of the Corporation, each associate or affiliate of the Corporation, any other insider of the Corporation or person or company acting jointly or in concert with the Corporation (collectively, the "**Disclosable Persons**") and, to the knowledge of the Corporation, any beneficial owner of a 10% or more equity interest of any class of securities, as well as the percentage of issued and outstanding securities of each class so owned. Unless otherwise noted, the address of each of the directors and officers of Celestica named below is: 844 Don Mills Road Toronto, Ontario, Canada M3C 1V7. The address of each of the directors and officers of Onex named below, Onex, and Gerald W. Schwartz is: c/o Onex Corporation, 161 Bay Street, P.O. Box 700, Toronto, Ontario, Canada M5J 2S1:

Name	Relationship with Celestica	No. of Shares	No. of Multiple Voting Shares	No. of Options	No. of RSUs <sup>(1)</sup>	No. of PSUs <sup>(2)</sup>	No. of DSUs <sup>(3)</sup>
William A. Etherington	Chairman of the Board and Director	10,000 (0.01%)	—	10,000 (0.15%)	—	—	217,180
Craig H. Muhlhauser	Director, President and Chief Executive Officer	765,512 (0.41%)	—	1,832,918 (27.05%)	407,883	1,012,798	—
Dan DiMaggio	Director	—	—	—	—	—	82,567
Laurette Koellner	Director	—	—	—	—	—	102,358
Joseph M. Natale	Director	—	—	—	—	—	44,327
Eamon J. Ryan	Director	—	—	—	—	—	140,054
Michael Wilson	Director	—	—	—	—	—	53,572

Name	Relationship with Celestica	No. of Shares	No. of Multiple Voting Shares	No. of Options	No. of RSUs <sup>(1)</sup>	No. of PSUs <sup>(2)</sup>	No. of DSUs <sup>(3)</sup>
Gerald W. Schwartz <sup>(4)</sup>	Director, and Director and Officer of 10% holder	669,257 (0.36%)	18,946,368 (100%)	—	—	—	—
Paul Nicoletti	Executive Vice President and Chief Financial Officer	148,482 (0.08%)	—	751,756 (11.09%)	168,238	380,808	—
Elizabeth L. DelBianco	Executive Vice President, Chief Legal and Administrative Officer and Corporate Secretary	111,689 (0.06%)	—	531,766 (7.85%)	126,019	310,232	—
Mary Gendron	Senior Vice President and Chief Information Officer	—	—	335,689 (4.95%)	64,287	160,344	—
Glen McIntosh	Executive Vice President, Global Operations	35,458 (0.02%)	—	116,257 (1.72%)	88,145	137,990	—
Michael McCaughey	Executive Vice President, Communications, Enterprise & Managed Services	50,000 (0.03%)	—	190,515 (2.81%)	82,214	168,870	—
Michael Andrade	Executive Vice President, Diversified Markets	41,858 (0.02%)	—	243,649 (3.60%)	76,906	159,156	—
Onex Corporation <sup>(5)</sup>	10% holder	548,600 (0.29%)	18,946,368 (100%)	—	—	—	97,015
Peter C. Godsoe	Director of 10% holder	—	—	—	—	—	—
Serge Gouin	Director of 10% holder	40,000 (0.02%)	—	—	—	—	—
Ami C. Thorsteinson	Director of 10% holder	—	—	—	—	—	—
Daniel C. Casey	Director of 10% holder	—	—	—	—	—	—
Ewout R. Heersink <sup>(6)</sup>	Director and Officer of 10% holder	41,103 (0.02%)	—	—	—	—	—
John B. McCoy	Director of 10% holder	—	—	—	—	—	—
J. Robert S. Prichard	Director of 10% holder	—	—	—	—	—	—
Heather M. Reisman	Director of 10% holder	—	—	—	—	—	—
Donald W. Lewtas	Officer of 10% holder	48,759 (0.03%)	—	—	—	—	—
Timothy A. R. Duncanson	Officer of 10% holder	—	—	—	—	—	—
Konstantin Gilis	Officer of 10% holder	—	—	—	—	—	—
Christopher A. Govan	Officer of 10% holder	—	—	—	—	—	—
David J. Mansell	Officer of 10% holder	—	—	—	—	—	—
Seth M. Mersky	Officer of 10% holder	—	—	—	—	—	—
Anthony Munk	Officer of 10% holder	185,640 (0.10%)	—	—	—	—	—
Andrea E. Daly	Officer of 10% holder	—	—	—	—	—	—
Christine M. Donaldson	Officer of 10% holder	—	—	—	—	—	—
MacKenzie Financial Corporation <sup>(7)</sup>	10% holder	35,863,446 (19.26%)	—	—	—	—	—

Notes:

- (1) Restricted share units. Celestica has the right to settle the RSUs in either cash or Shares.
- (2) Performance share units at 200% of target level performance ("PSUs"). Celestica has the right to settle the PSUs in either cash or Shares, provided that such Shares may not be issued from treasury.
- (3) Deferred share units. For DSUs granted prior to January 1, 2007, Celestica may settle these share units with Shares, issued from treasury or purchased in the open market, or by cash. For DSUs granted after January 1, 2007, Celestica may only settle these share units with Shares purchased in the open market or by cash.
- (4) Includes 120,657 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 Shares are subject to stock options granted to



Mr. Schwartz pursuant to certain management incentive plans of Onex and 122,428 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 stock option plans. 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) Includes 945,010 Multiple Voting Shares held by wholly-owned subsidiaries of Onex, 122,428 Shares held in trust for Celestica Employee Nominee Corporation as agent for and on behalf of employees of Celestica pursuant to Celestica's employee share purchase plan and 102,597 Shares directly or indirectly held by certain officers of Onex, which Onex or such other person has the right to vote.
- (6) Mr. Heersink holds 41,103 Shares directly through a personal holding company, and "MIP options" to acquire 125,734 Shares (or the economics associated therewith). The "MIP options" are synthetic options on the corresponding number of Multiple Voting Shares held by Onex, so that if Mr. Heersink elected to exercise the "MIP options", Onex could elect to convert the required number of Multiple Voting Shares into Shares and transfer such Shares to Mr. Heersink, or Onex could elect to settle the "MIP options" with cash.
- (7) MacKenzie Financial Corporation ("**MacKenzie**") is the beneficial owner of 35,863,446 Shares, representing 19.26% of the issued and outstanding Shares, but only 5.43% of the voting rights attached to all issued and outstanding voting securities of the Corporation. The number of Shares reported as owned by MacKenzie is based on the Alternative Monthly Report pursuant to section 4.5 of National Instrument 62-103 — *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* filed by MacKenzie with the Canadian provincial securities regulators through SEDAR on March 8, 2012. The address of MacKenzie is: 180 Queen Street West, Toronto, Ontario, Canada M5V 3K1.

#### **10. Acceptance of Offer and Arrangements with Shareholders**

To the knowledge of the Corporation, after reasonable inquiry, no Disclosable Person has or intends to tender Shares pursuant to the Offer.

#### **11. Agreements, Commitments and Understandings**

Except as set forth in the Offer, the Corporation has no commitments to purchase Shares and, to the Corporation's knowledge, after reasonable inquiry, no Disclosable Person is a party to any agreement, commitment or understanding to acquire securities of the Corporation and there are no agreements, commitments or understandings made or proposed to be made between the Corporation and a holder of any securities of the Corporation in relation to the Offer.

#### **12. Benefits from the Offer**

Except as described or referred to herein, no Disclosable Person will receive any direct or indirect benefit from accepting or refusing to accept the Offer.

#### **13. Material Changes in the Affairs of the Corporation**

Except as described or referred to herein, the Corporation does not have any plans or proposals for material changes in the affairs of the Corporation, and there have not been any material changes that have occurred since September 30, 2012, the date of the most recent consolidated financial statements of the Corporation, other than as have been publicly disclosed.

#### **14. Bona Fide Offers**

No *bona fide* prior offer that relates to the Shares or is otherwise relevant to the Offer has been received by the Corporation during the 24 months preceding October 23, 2012 (the date the Offer was announced).

#### **15. Prior Valuations**

To the knowledge of the directors and officers of the Corporation, after reasonable inquiry, no "prior valuation" (as defined in MI 61-101) in respect of the Corporation has been made in the 24 months before the date hereof.

## 16. Accounting Treatment of the Offer

The accounting for the Corporation's purchase of the Shares in the Offer will result in a reduction in the Corporation's share capital by an amount equal to the number of Shares purchased pursuant to the Offer multiplied by the average book value per Share. The difference between the aggregate purchase price of the Shares and the aggregate average book value of the Shares purchased will be charged to contributed surplus. In addition, all costs related to the Offer will be charged to share capital. In the event the Offer is cancelled or terminated, all costs related to the Offer will be charged to earnings.

## 17. Income Tax Consequences

### *Certain Canadian Federal Income Tax Considerations*

Celestica has been advised by Blake, Cassels & Graydon that the following summary describes certain of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable, as at the date hereof, to a sale of Shares pursuant to the Offer.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary assumes that the Proposed Amendments will be enacted in the form currently proposed. No assurances can be given that the Proposed Amendments will be enacted as currently proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices, whether by judicial, governmental or legislative decision or action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. This summary is not exhaustive of all Canadian federal income tax considerations.

**This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not, and should not be construed as, legal or tax advice to any particular Shareholder and no representations with respect to Canadian federal income tax consequences to any particular Shareholder are made. Accordingly, Shareholders are urged to consult their own tax advisors with respect to their particular circumstances.**

This summary assumes that at all relevant times the Shares will be listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX and the NYSE).

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Shares must be expressed in Canadian dollars, including adjusted cost base and proceeds of disposition. Any amount denominated in another currency must be converted into Canadian dollars using exchange rates as determined in accordance with the Tax Act.

### *Residents of Canada*

This portion of the summary is applicable to a Shareholder who, at all relevant times for the purposes of the Tax Act (i) is or is deemed to be a resident of Canada, (ii) deals at arm's length with Celestica and is not affiliated with Celestica, (iii) is not exempt from tax under Part I of the Tax Act, and (iv) holds its Shares as capital property (a "**Resident Shareholder**"). Generally, Shares will be considered to be capital property to a Resident Shareholder provided that the Resident Shareholder does not hold the Shares in the course of carrying on a business and has not acquired the Shares in one or more transactions considered to be an adventure or concern in the nature of trade. A Resident Shareholder whose Shares might not otherwise qualify as capital property may, in certain circumstances, make an irrevocable election under subsection 39(4) of the Tax Act to have the Shares and every other "Canadian security", as defined in the Tax Act, owned by such Resident Shareholder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Resident Shareholders are advised to consult their own tax advisors to determine if this election is appropriate in their particular circumstances.

This portion of the summary is not applicable to a Resident Shareholder: (i) that is a "financial institution" for the purposes of the "mark-to-market" rules, (ii) that is a "specified financial institution", (iii) an interest in which is a "tax shelter investment", or (iv) that reports its "Canadian tax results" in a currency other than Canadian dollars, as each of those terms are defined in the Tax Act. This summary is also not applicable to a Shareholder that acquired Shares pursuant to the exercise of an employee stock option and who sells such Shares pursuant to the Offer. Such Shareholders should consult their own tax advisors regarding their particular circumstances.

A Resident Shareholder who sells a Share to Celestica pursuant to the Offer will not be deemed to have received a taxable dividend as a result of the sale provided that the paid-up capital of such Share for purposes of the Tax Act at the time of sale exceeds the amount paid by Celestica for such Share pursuant to the Offer. Counsel has been advised by Celestica that the paid-up capital of each Share for purposes of the Tax Act currently exceeds the maximum amount payable for such Share pursuant to the Offer (based on the Canadian-U.S. dollar exchange rate on the date hereof). Celestica has also advised counsel that it expects that the paid-up capital of each Share for purposes of the Tax Act will exceed the maximum amount payable for such Share at the time the Shares are sold pursuant to the Offer. Accordingly, this summary assumes that no dividend will be deemed to be received by a Resident Shareholder on the sale of a Share to Celestica pursuant to the Offer.

The amount paid by Celestica for a Share disposed of by a Resident Shareholder under the Offer will be treated as proceeds of disposition of the Share. A Resident Shareholder will realize a capital gain (or capital loss) on the disposition of the Share equal to the amount by which the Resident Shareholder's proceeds of disposition, net of any costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Shareholder of the Share.

Generally, a Resident Shareholder will be required to include in computing its income for a taxation year one-half of any capital gain (a "**taxable capital gain**") realized by it in that year. A Resident Shareholder must generally deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Shareholder in that year, and any excess may generally be applied to reduce taxable capital gains realized by the Resident Shareholder in the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances specified in the Tax Act.

The amount of a capital loss realized on the disposition of a Share by a Resident Shareholder that is a corporation may, to the extent and under the circumstances specified in the Tax Act, be reduced by the amount of dividends received or deemed to be received on the Shares. Similar rules may apply where Shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

A Resident Shareholder who is an individual (other than a trust) and has realized a capital loss on the sale of Shares pursuant to the Offer could have all or a portion of that loss denied under the "superficial loss" rules set out in the Tax Act. In general, these rules apply where such Resident Shareholder or a person affiliated with such Resident Shareholder has acquired Shares in the period beginning 30 days before the sale of Shares pursuant to the Offer and ending 30 days after the sale of Shares pursuant to the Offer, and such acquired Shares are owned by such Resident Shareholder or by a person affiliated with such Resident Shareholder at the end of such period. Resident Shareholders who are individuals are urged to consult with their own tax advisors with respect to the application of the "superficial loss" rules having regard to their own circumstances.

A Resident Shareholder that is a corporation or trust and has realized a capital loss on the sale of Shares pursuant to the Offer could have all or a portion of that loss denied under the "stop-loss" rules set out in the Tax Act. In general, these rules apply where such Resident Shareholder or a person affiliated with such Resident Shareholder has acquired Shares in the period beginning 30 days before the sale of Shares pursuant to the Offer and ending 30 days after the sale of Shares pursuant to the Offer, and such acquired Shares are owned by such Resident Shareholder or by a person affiliated with such Resident Shareholder at the end of such period. Resident Shareholders that are corporations or trusts are urged to consult their own tax advisors with respect to the application of the "stop-loss" rules having regard to their own circumstances.

A Resident Shareholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout the year may be liable to pay an additional refundable tax of 6<sup>2</sup>/3% on its "aggregate investment income" for the year, which is defined to include an amount in respect of taxable capital gains.

A Resident Shareholder who is an individual, including a trust (other than certain specified trusts), who realizes a capital gain on the sale of Shares pursuant to the Offer may be subject to alternative minimum tax under the Tax Act. Such Resident Shareholders should consult their own tax advisors with respect to the alternative minimum tax rules in the Tax Act.

#### *Non-Residents of Canada*

This portion of the summary is applicable to a Shareholder who, at all relevant times for purposes of the Tax Act: (i) is not resident or deemed to be resident in Canada, (ii) does not use or hold, and is not deemed to use or hold, its Shares in connection with carrying on a business in Canada, (iii) has not, either alone or in combination with persons with whom the Shareholder does not deal at arm's length, owned (or had an option to acquire) 25% or more of the issued shares of any class or series of the capital stock of Celestica at any time within a 60-month period preceding the sale of the Shares under the Offer, and whose Shares are not otherwise deemed to be taxable Canadian property, (iv) deals at arm's length with Celestica and is not affiliated with Celestica, and (v) is not an insurer that carries on an insurance business in Canada and elsewhere (a "**Non-Resident Shareholder**").

A Non-Resident Shareholder who sells a Share to Celestica pursuant to the Offer will not be deemed to have received a taxable dividend as a result of the sale provided that the paid-up capital of such Share for purposes of the Tax Act at the time of sale exceeds the amount paid by Celestica pursuant to the Offer. Counsel has been advised by Celestica that the paid-up capital of each Share for purposes of the Tax Act currently exceeds the maximum amount payable for such Share pursuant to the Offer (based on the Canadian-U.S. dollar exchange rate on the date hereof). Celestica has also advised counsel that it expects that the paid-up capital of each Share for purposes of the Tax Act will exceed the maximum amount payable for such Share at the time the Shares are sold pursuant to the Offer. Accordingly, this summary assumes that no dividend will be deemed to be received by a Non-Resident Shareholder on a sale of a Share to Celestica pursuant to the Offer.

A Non-Resident Shareholder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of a Share pursuant to the Offer.

#### *Certain United States Federal Income Tax Considerations to United States Holders*

Celestica has been advised by Kaye Scholer LLP that the following is a general summary of the principal United States federal income tax consequences generally applicable to a beneficial owner of Shares that is a United States Holder (as defined below) and that tenders and sells Shares to Celestica pursuant to the Offer. This summary is based on the current provisions of the Code, the Treasury regulations promulgated thereunder, and judicial and administrative interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, so as to result in United States federal income tax consequences that are materially different from those discussed below.

The summary applies only to United States Holders that hold their Shares as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of United States federal income taxation that may be relevant to particular United States Holders in light of their particular circumstances. Specifically, the summary does not address the United States federal income tax consequences to certain types of United States Holders subject to special treatment under the Code (including, but not limited to, financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies, persons holding the Shares as part of a hedging, integrated or conversion transaction, constructive sale or "straddle", persons that hold Shares as part of a "wash sale", persons who acquired Shares through the exercise or cancellation of employee stock options or otherwise as compensation for their services, United States expatriates, persons subject to the alternative minimum tax, dealers or traders in securities or currencies, holders whose functional currency is not the United States dollar, Non-United States Holders (as defined below), persons that own an interest in a partnership or other pass-through entity that holds Shares, and persons that have owned, or are deemed to have owned, 10% or more of the voting shares of Celestica at

any time during the five-year period ending on the date on which Celestica acquires Shares pursuant to the Offer).

This summary does not address the U.S. federal income tax consequences of the conversion or exercise of Options. Holders of Options are urged to seek tax advice from their own tax advisors in this regard.

In addition, this summary does not discuss any aspect of United States state and local tax laws or non-United States tax laws that may be applicable to any Shareholder, or any United States federal tax considerations other than United States federal income tax considerations.

For purposes of this summary, a "**United States Holder**" is (i) an individual citizen or resident of the United States, as determined for U.S. federal income tax purposes, (ii) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized under the laws of the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, or (iv) a trust (A) if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons, as defined under Section 7701(a)(30) of the Code, have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury regulations to be treated as a United States person. A "**Non-United States Holder**" means any holder of Shares that is not a United States Holder.

The tax treatment of a partner in a partnership, or other entity treated as a partnership for United States federal income tax purposes, will generally depend on the status of the partner and the activities of the partnership. Partnerships tendering Shares and persons holding beneficial interests in Shares through a partnership are urged to consult their own tax advisors.

**This summary is of a general nature only. It is not intended to constitute, and should not be construed to constitute, legal or tax advice to any particular United States Holder. United States Holders are urged to consult their own tax advisors as to the specific tax consequences of the Offer to them in light of their particular circumstances, including tax return reporting requirements, the applicability and effect of United States federal, state, local and any non-United States tax laws, and the effect of any proposed changes in applicable tax laws.**

#### *In General*

A United States Holder's exchange of Shares for cash pursuant to the Offer will be a taxable transaction for United States federal income tax purposes. As discussed below, the United States federal income tax consequences to a United States Holder may vary depending upon the United States Holder's particular facts and circumstances. In particular, whether the exchange is properly treated as a sale or exchange or a distribution will depend on the facts applicable to a United States Holder's particular situation. Accordingly, United States Holders should consult their own tax advisors as to the United States federal income tax consequences to them of participating in the Offer.

#### *Treatment as a Sale or Exchange*

Under Section 302 of the Code, a transfer of Shares to Celestica by a United States Holder pursuant to the Offer will, as a general rule, be treated as a sale or exchange of the Shares only if the receipt of cash upon the sale (a) is "substantially disproportionate" with respect to the United States Holder, (b) results in a "complete redemption" of the United States Holder's interest in Celestica, or (c) is "not essentially equivalent to a dividend" with respect to the United States Holder. These tests (the "**Section 302 tests**") are explained more fully below.

If any of the Section 302 tests is satisfied, a tendering United States Holder will recognize gain or loss equal to the difference between the amount realized (generally determined as described below and before any withholding tax) by the United States Holder pursuant to the Offer and the United States Holder's basis in the Shares sold pursuant to the Offer. Subject to the discussion of the passive foreign investment company ("**PFIC**") rules below, the gain or loss will be a capital gain or loss, which will be a long-term capital gain or loss if the Shares have been held for more than one year. Currently, the maximum long-term capital gain rate for non-corporate United States Holders, including individual United States Holders, is 15%. Certain limitations

apply to the deductibility of capital losses by United States Holders. A United States Holder holding more than one block of Shares (generally, those acquired at the same cost in a single transaction) can choose the basis and holding period of the stock redeemed by adequately identifying the tendered Shares. Absent such an identification, generally, the Shares earliest acquired by the United States Holder among such United States Holder's total ownership will be those considered tendered for purposes of determining such Holders basis and holding period. United States Holders holding more than one block of Shares are urged to consult their tax advisors regarding the process to adequately identify tendered Shares.

#### *Treatment as a Distribution*

If none of the Section 302 tests is satisfied, the full amount received by the United States Holder with respect to the purchase of Shares pursuant to the Offer generally will be treated as a distribution by Celestica in respect of such United States Holder's Shares. Subject to the discussion of the PFIC rules below, this distribution will be treated as a dividend to the United States Holder to the extent of the United States Holder's share of Celestica's current and accumulated earnings and profits, if any, as determined under United States federal income tax principles. Such a dividend would be includible in the United States Holder's gross income as ordinary income. Assuming that Celestica is not a PFIC in the current or prior taxable year and subject to certain requirements, such dividends received by non-corporate United States Holders, including individual United States Holders, are generally taxable as "qualified dividend income" at a maximum tax rate of 15%. To the extent that the amount received by a United States Holder exceeds the United States Holder's share of Celestica's current and accumulated earnings and profits, the excess first will be treated as a tax-free return of capital to the extent, generally, of the United States Holder's tax basis in its Shares and the United States Holder's tax basis in its Shares will be reduced (but not below zero) by such excess. Any remainder will be treated as capital gain from the sale of Shares. No current loss would be recognized. Celestica has not calculated its earnings and profits under United States federal income tax principles and cannot provide United States Holders with such information. Therefore, United States Holders should expect that any distribution by Celestica with respect to the Shares will generally be treated as a dividend.

If, with respect to a United States Holder, the tender and sale of Shares pursuant to the Offer is treated as a distribution by Celestica with respect to such United States Holder's Shares, such United States Holder's adjusted tax basis in its remaining Shares generally will be increased by such United States Holder's adjusted tax basis in the Shares tendered and sold pursuant to the Offer and will be decreased by any portion of such United States Holder's proceeds from the Offer that are treated as a tax-free return of capital. Any amount received by a corporate United States Holder that is treated as a dividend generally will not be eligible for the dividends received deduction. No assurance can be given that any of the Section 302 tests (discussed below) will be satisfied as to any particular United States Holder, and thus no assurance can be given that any particular United States Holder will not be treated as having received a dividend taxable as ordinary income.

#### *Constructive Ownership of Shares*

In determining whether any of the Section 302 tests is satisfied, a United States Holder must take into account not only Shares actually owned by the United States Holder, but also Shares that are constructively owned within the meaning of Section 318 of the Code. Under Section 318 of the Code, a United States Holder may constructively own Shares actually owned, and in some cases constructively owned, by certain related individuals and certain entities in which the United States Holder has an interest or that have an interest in the United States Holder, as well as any Shares the United States Holder has a right to acquire by exercise of an option or by the conversion or exchange of a security.

#### *The Section 302 Tests*

Generally, one of the following tests must be satisfied in order for the sale of Shares pursuant to the Offer to be treated as a sale or exchange rather than as a distribution. United States Holders are urged to consult their tax advisors concerning the application of the Section 302 Tests to their particular circumstances.

- (a) "Substantially Disproportionate" Test — The receipt of cash by a United States Holder will have the effect of a "substantially disproportionate" distribution by Celestica with respect to the United States

Holder if the percentage of (i) the outstanding voting shares of Celestica, and (ii) the fair market value of the outstanding Shares and Multiple Voting Shares of Celestica, actually and constructively owned by the United States Holder immediately following the sale of Shares pursuant to the Offer (treating Shares purchased pursuant to the Offer as not outstanding) is less than (iii) 80% of the percentage of the outstanding voting shares of Celestica, and (iv) 80% of the fair market value of the outstanding Shares and Multiple Voting Shares of Celestica, respectively, actually and constructively owned by the United States Holder immediately before the exchange (treating Shares purchased by Celestica pursuant to the Offer as outstanding).

- (b) "Complete Redemption" Test — The receipt of cash by a United States Holder will be treated as a complete redemption of a United States Holder's equity interest in Celestica if either (i) all of the Shares actually and constructively owned by the United States Holder are sold pursuant to the Offer, or (ii) all of the Shares actually owned by the United States Holder are sold pursuant to the Offer and the United States Holder is eligible to waive, and effectively waives, the attribution of all shares of Celestica constructively owned by the United States Holder in accordance with the procedures described in Section 302(c)(2) of the Code.
- (c) "Not Essentially Equivalent to a Dividend" Test — The receipt of cash by a United States Holder will generally be treated as "not essentially equivalent to a dividend" if the United States Holder's sale of Shares pursuant to the Offer results in a meaningful reduction of the United States Holder's proportionate interest in Celestica. Whether the receipt of cash by the United States Holder will be treated as not essentially equivalent to a dividend will depend on the United States Holder's particular facts and circumstances. However, in certain circumstances, in the case of a United States Holder holding a small minority interest in Celestica's Shares, it is possible that even a small reduction in such interest may be treated as a "meaningful reduction," and thus may satisfy the "not essentially equivalent to a dividend" test. United States Holders are urged to consult their tax advisors concerning the application of the "not essentially equivalent to a dividend" test to their particular circumstances. The IRS has ruled that a small reduction by a minority shareholder whose relative stock interest is minimal and who exercises no control over the affairs of the corporation will meet this test.

Under certain circumstances, it may be possible for a tendering United States Holder to satisfy one of the Section 302 tests by contemporaneously selling or otherwise disposing of all or some of the Shares that are actually or constructively owned by the United States Holder but that are not purchased pursuant to the Offer. Correspondingly, a United States Holder may fail to satisfy any of the Section 302 tests because of contemporaneous acquisitions of Shares by the United States Holder or by a related party whose Shares are constructively owned by the United States Holder. United States Holders are urged to consult their tax advisors regarding the consequences of such sales or acquisitions in their particular circumstances.

If the Offer is over-subscribed, Celestica's purchase of Shares tendered may be prorated. Thus, even if all the Shares actually and constructively owned by a United States Holder are tendered, it is possible that not all of the Shares will be purchased by Celestica, which in turn may affect the United States Holder's United States federal income tax consequences, in particular, the United States Holder's ability to satisfy one of the Section 302 tests described above.

#### *Passive Foreign Investment Company*

If Celestica is or has been classified as a PFIC during any part of a United States Holder's holding period of Shares, United States Holders would be subject to a special, adverse tax regime under which the United States federal income tax consequences of the Offer would be significantly different and less favourable than what is described above. Celestica does not believe that it is currently or has been a PFIC for United States federal income tax purposes. However, this conclusion is a factual determination made annually and thus may be subject to change based on future operations as well as the composition and valuation of Celestica's assets. Therefore, there can be no assurance that Celestica is not a PFIC.

In general, a non-United States corporation will be a PFIC with respect to a United States Holder if, for any taxable year in which the United States Holder holds its Shares, either: (i) at least 75% of its gross income for the taxable year is passive income (the "**income test**"), or (ii) at least 50% of the average value of its assets is

attributable to assets that produce or are held for the production of passive income (the "**asset test**"). For this purpose, passive income includes, among other things, dividends, interest, rents or royalties (other than certain rents or royalties derived from the active conduct of trade or business), annuities, and gains from assets that produce passive income. If a non-United States corporation owns at least 25% by value of the stock of another corporation, the non-United States corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation's income.

If Celestica were treated as a PFIC, a United States Holder that did not make a qualified electing fund election, if available, or a mark-to-market election, would be subject to the following special rules with respect to the Offer:

- (a) If a United States Holder's sale of Shares pursuant to the Offer is treated as a distribution by Celestica which is an "excess distribution," the amount of the distribution must be allocated ratably to each day of the United States Holder's holding period. Generally, "excess distributions" are any distributions to the United States Holder in respect of the Shares during a single taxable year that are greater than 125% of the average annual distributions received by the United States Holder in respect of the Shares during the three preceding taxable years or, if shorter, the United States Holder's holding period for the Shares. The amount allocated to the current taxable year and to any taxable year in the United States Holder's holding period for the Shares prior to the first year in which Celestica became a PFIC would be taxable as ordinary income. The amount allocated to each other year would be subject to tax at the highest tax rate in effect for that year, and the interest charge generally applicable to underpayments of tax would be imposed in respect of the tax attributable to each such year.
- (b) If a United States Holder's sale of Shares pursuant to the Offer is treated as a sale or exchange of the Shares, the entire amount of any gain realized upon the sale will be treated as an "excess distribution" made in the year of sale and as a consequence will be treated as discussed above.

**United States Holders are urged to consult their own tax advisors regarding the adverse United States federal income tax consequences of owning stock of a PFIC and of making certain elections designed to lessen those adverse consequences.**

#### *Foreign Tax Credit*

As noted above, this summary assumes that, for Canadian tax purposes, no dividend will be deemed to be received by a Non-Resident Shareholder on a sale of a Share to Celestica pursuant to the Offer. In addition, the Corporation has been advised that a Non-Resident Shareholder will not be subject to tax under Canadian tax law in respect of any capital gain realized on the disposition of a Share pursuant to the Offer. See "Certain Canadian Federal Income Tax Considerations — Non-Residents of Canada." Therefore, the Corporation anticipates that a United States Holder that is a Non-Resident Shareholder (for Canadian income tax purposes) will not be subject to any Canadian withholding or income tax on the disposition of Shares pursuant to the Offer. If, notwithstanding the Corporation's expectations, a United States Holder is subject to Canadian withholding tax on a portion of the amounts to be paid to such holder in connection with the Offer, as a "deemed dividend" for Canadian tax purposes, the amount subject to Canadian withholding tax may be greater than the amount of gain actually recognized by such holder for U.S. federal income tax purposes. The ability of a U.S. Holder to claim a foreign tax credit with respect to any Canadian taxes withheld on amounts received pursuant to the Offer would be subject to complex limitations, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In general, for United States foreign tax credit limitation purposes, amounts that are treated as dividends paid by Celestica will be treated as foreign source income, but amounts received by a United States Holder that are treated as capital gains generally will be treated as income from sources within the United States. Capital gain from the sale of Shares pursuant to the Offer should, however, be treated as a foreign source income, if the United States Holder elects to apply, and be subject to, special rules under Code Section 865(h). Accordingly, the ability of a U.S. Holder to obtain a foreign tax credit in respect of such amounts may require that such U.S. Holder make an election pursuant to the *Canada-United States Income Tax Convention* (1980) as amended and the Code pursuant to which such gains



would be treated as foreign source income for U. S. tax purposes. The application of this election in connection with the Offer is subject to uncertainty.

Even if a U.S. Holder makes such an election, the ability of such holder to obtain a foreign tax credit with respect to Canadian taxes withheld in connection with the Offer will remain subject to a number of complex limitations provided in the Code and Treasury Regulations. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividend income with respect to the Offer generally will constitute "passive category income", and gains that are treated as foreign source income for U.S. tax purposes, pursuant to the election referred to above, are treated as being in a separate category of income. The rules governing the foreign tax credit are complex. United States Holders are urged to consult their United States tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

#### *Information Reporting and Backup Withholding*

Proceeds from the sale of Shares pursuant to the Offer may be subject to information reporting to the IRS. A United States Holder may be subject to backup withholding tax (currently at a rate of 28%) with respect to payments made to it unless the United States Holder provides an accurate taxpayer identification number and certifies, among other things, that such number is correct. Backup withholding is not an additional tax. The amount of any backup withholding collected will be allowed as a refund or credit against the United States Holder's United States federal income tax liability, provided that the required information is furnished to the IRS in a timely manner.

#### **18. Legal Matters and Regulatory Approvals**

Celestica is not aware of any license or regulatory permit that is material to the Corporation's business that might be adversely affected by the Corporation's acquisition of Shares pursuant to the Offer or, except as noted below, of any approval or other action by any government or governmental, administrative or regulatory authority or agency in any jurisdiction, that would be required for the acquisition or ownership of Shares by the Corporation pursuant to the Offer and that has not been obtained on or before the date hereof. Should any such approval or other action be required, the Corporation currently contemplates that such approval will be sought or other action will be taken. Celestica cannot predict whether it may determine that it must delay the acceptance for payment of Shares tendered pursuant to the Offer pending the outcome of any such matter. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any such approval or other action might not result in adverse consequences to the Corporation's business.

We have filed an exemptive relief application with securities regulatory authorities in Canada to permit us to extend the Offer, in circumstances in which all of the terms and conditions of the Offer have either been satisfied or waived by us, without first taking up Shares which have been tendered (and not withdrawn) before the Offer was previously scheduled to expire. See "Offer to Purchase — Conditions of the Offer".

The Corporation's obligations under the Offer to take up and pay for Shares are subject to certain other conditions. See "Offer to Purchase — Conditions of the Offer".

#### **19. Source of Funds**

The Corporation will fund any purchases of Shares pursuant to the Offer (to a maximum aggregate amount of US\$175,000,000) from available cash on hand and cash drawn from the Corporation's existing revolving credit facility.

The Corporation has a US\$400.0 million revolving credit facility pursuant to an amended and restated revolving term credit agreement dated as of January 14, 2011 (the "**Credit Facility**") (as amended on February 28, 2011, the "**Credit Agreement**") among the Corporation and certain of its 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, Merrill Lynch Pierce Fenner & Smith Incorporated, as Co-Syndication Agent and a syndicate of financial institutions, including an affiliate of Scotia

Capital Inc., as lenders. The obligations under the Credit Facility are secured by (i) a security interest granted by the Corporation and certain of its subsidiaries over their personal property, (ii) guarantees delivered by certain of the Corporation's subsidiaries, and (iii) shares pledged by the Corporation and certain of its subsidiaries. The Credit Agreement contains customary terms and conditions for a credit facility of this nature, including customary representations and warranties, covenants and drawdown conditions.

The Corporation expects to finance a portion of the purchase of Shares pursuant to the Offer from the Credit Facility. Advances under the Credit Facility can be made in either Canadian dollars or United States dollars at various base rates selected by the Corporation, including the overnight federal funds rate, the rate available for Canadian dollar banker's acceptances and LIBOR, plus a specified margin based on the financial ratios maintained by the Corporation.

The aggregate principal amount outstanding under the Credit Facility, together with all accrued and unpaid interest thereon, is payable on or prior to January 14, 2015. The Corporation intends to repay any amounts drawn on the Credit Facility from its operating cash flow.

The Corporation believes the risk is remote that it will not be able to draw under the Credit Facility, and has therefore not made any alternative financing arrangements in connection with the purchase of Shares under the Offer.

## **20. Dealer Managers**

Scotia Capital Inc. and Scotia Capital (USA) Inc. have been retained by the Corporation to act as dealer managers in connection with the Offer in Canada and the United States, respectively.

## **21. Depositary**

Celestica has retained Computershare Investor Services Inc. to act as a depositary for, among other things, (i) the receipt of certificates representing Shares and related Letters of Transmittal tendered under the Offer, (ii) the receipt of Notices of Guaranteed Delivery delivered pursuant to the procedures for guaranteed delivery set forth under "Offer to Purchase — Procedure for Tendering Shares", (iii) the receipt from the Corporation of cash to be paid in consideration of the Shares acquired by the Corporation under the Offer, as agent for the tendering Shareholders, and (iv) the transmittal of such cash to the tendering Shareholders, as agent for the tendering Shareholders. The Depositary may contact Shareholders by mail, telephone or facsimile and may request brokers, dealers and other nominee Shareholders to forward materials relating to the Offer to beneficial owners.

## **22. Fees and Expenses**

The Dealer Managers have been retained by the Corporation to act as dealer managers in connection with the Offer, and Scotia Capital Inc. has provided a liquidity opinion to the Board of Directors. Pursuant to the terms of a dealer manager agreement among the Dealer Managers and Celestica, the Dealer Managers will receive a fee from Celestica for their services, including providing the liquidity opinion. In addition, Celestica has agreed to indemnify the Dealer Managers for certain liabilities arising out of their engagement in connection with the Offer and has agreed to pay the aforementioned fee and reasonable out of pocket expenses of the Dealer Managers in the event the Offer is not completed. In addition, Scotia Capital Inc. has provided various financial advisory services to the Corporation in connection with transactions unrelated to the Offer and an affiliate of Scotia Capital Inc. is a lender to the Corporation under the Corporation's existing revolving credit facility. See "Issuer Bid Circular — Source of Funds". Scotia Capital Inc. acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Corporation, including the Shares, or any of its associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, Scotia Capital Inc. conducts research on securities and may, in the ordinary course of business, provide research reports and investment advice to its clients on investment matters, including with respect to the Corporation. Accordingly, Scotia Capital Inc. is not independent of the Corporation in connection with the Offer for purposes of MI 61-101.

Celestica has retained Computershare Investor Services Inc. to act as the depositary in connection with the Offer. The Depositary will receive reasonable and customary compensation for its services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection with the Offer, including certain liabilities under Canadian and United States securities laws.

**Celestica will not pay any fees or commissions to any broker or dealer or any other person for soliciting tenders of Shares pursuant to the Offer.** Brokers, dealers, commercial banks, trust companies and other nominees will, upon request, be reimbursed by the Corporation for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

Celestica is expected to incur expenses of approximately C\$600,000 in connection with the Offer, which includes filing fees, dealer manager fees, legal, accounting, depositary, printing and mailing fees.

### **23. Statutory Rights**

Securities legislation in the provinces and territories of Canada provides security holders of the Corporation with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to the Shareholders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

**APPROVAL AND CERTIFICATE**

October 29, 2012

The Board of Directors of Celestica Inc. has approved the contents of the Offer to Purchase and the accompanying Issuer Bid Circular dated October 29, 2012 and the sending, communication or delivery thereof to the holders of its subordinate voting shares. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

(Signed) CRAIG H. MUHLHAUSER  
President and Chief Executive Officer

(Signed) PAUL NICOLETTI  
Executive Vice President and Chief Financial Officer

On behalf of the Board of Directors

(Signed) WILLIAM A. ETHERINGTON  
Director

(Signed) LAURETTE KOELLNER  
Director

**CONSENT OF SCOTIA CAPITAL INC.**

To: The Board of Directors of Celestica Inc.

We consent to the inclusion of our name and the reference to our liquidity opinion dated October 26, 2012 in the section titled "Purpose and Effect of the Offer — Liquidity of Market" in the Issuer Bid Circular dated October 29, 2012 of Celestica Inc. in connection with its offer to the holders of its subordinate voting shares, and the inclusion of the text of our opinion in Schedule A thereof.

October 29, 2012

(Signed) SCOTIA CAPITAL INC.

**CONSENT OF BLAKE, CASSELS & GRAYDON LLP**

To: The Board of Directors of Celestica Inc.

We consent to the inclusion of our name in the sections titled "Income Tax Consequences — Certain Canadian Federal Income Tax Considerations" in the Issuer Bid Circular dated October 29, 2012 of Celestica Inc. in connection with its offer to the holders of its subordinate voting shares.

October 29, 2012

(Signed) BLAKE, CASSELS & GRAYDON LLP

**CONSENT OF KAYE SCHOLER LLP**

To: The Board of Directors of Celestica Inc.

We consent to the inclusion of our name in the sections titled "Income Tax Consequences — Certain United States Federal Income Tax Considerations to United States Holders" in the Issuer Bid Circular dated October 29, 2012 of Celestica Inc. in connection with its offer to the holders of its subordinate voting shares.

October 29, 2012

(Signed) KAYE SCHOLER LLP

**SCHEDULE A  
LIQUIDITY OPINION**

October 26, 2012  
Celestica Inc.  
844 Don Mills Road  
Toronto, Ontario  
M3C 1V7

To the Board of Directors:

Scotia Capital Inc. ("Scotia Capital", "we" or "us") understands that Celestica Inc. (the "Company") is considering a transaction whereby the Company would make an offer (the "Offer") to acquire subordinate voting shares of the Company (the "Shares") having an aggregate purchase price not exceeding US\$175,000,000.

We also understand that:

- a) holders of Shares (the "Shareholders") who wish to accept the Offer may do so in one of two ways: (i) by making an auction tender ("Auction Tender") pursuant to which they agree to sell to the Company at a specified price per Share (not less than US\$7.00 and not more than US\$8.00 and in increments of US\$0.10 within that range) ("Auction Price") a specified number of Shares owned by them; or (ii) by making a purchase price tender ("Purchase Price Tender") pursuant to which they do not specify a price per Share, but rather agree to have Shares purchased at the Purchase Price (defined below);
- b) the Purchase Price will be a single price per Share, which will not be less than US\$7.00 per Share and not more than US\$8.00 per Share, that is the lowest price that enables the Company to purchase the maximum number of Shares properly tendered and not withdrawn pursuant to the Offer having an aggregate Purchase Price not exceeding US\$175,000,000 (the "Purchase Price");
- c) the Offer will constitute an "issuer bid" for purposes of Multilateral Instrument 61-101 of the Ontario Securities Commission and the Autorité des marchés financiers du Québec ("MI 61-101");
- d) to the knowledge of the Company, after reasonable inquiry, no holder of multiple voting shares will be converting multiple voting shares into Shares to tender pursuant to the Offer;
- e) the terms and conditions of the Offer will be described in an Offer to Purchase and Issuer Bid Circular that will be prepared by the Company and mailed to registered Shareholders, registered holders of multiple voting shares of the Company and holders of options to acquire Shares in connection with the Offer.

***Engagement of Scotia Capital Inc.***

By letter agreement dated October 16, 2012 (the "Engagement Agreement"), the Company engaged Scotia Capital to act as dealer manager in connection with the offer and prepare and deliver a written opinion (the "Opinion") to the Board of Directors of the Company (the "Board") as to whether (i) a liquid market exists for the Shares as existed at the time of the making of the Offer, and (ii) whether it is reasonable to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for holders of the Shares that is not materially less liquid than the market that existed as of the date hereof. This Opinion is being delivered to assist the Board in making its determination that the Offer qualifies for the "liquid market" exemption from the valuation requirements of MI 61-101.

Scotia Capital will receive a fee from the Company for its services that include providing the Opinion. Such fee is payable whether or not the Offer is successful. The Company has agreed to indemnify Scotia Capital for certain liabilities arising out of Scotia Capital's engagement in connection with the Offer.

None of Scotia Capital or any of its affiliates:

- a) is an "issuer insider", "associated entity", or "affiliated entity" (as such terms are used in MI 61-101) of the Corporation;
- b) has a financial incentive with respect to the conclusions reached in this Opinion or the completion of the Offer.

Prior to entering into the Engagement Agreement, Scotia Capital has provided various financial advisory services to the Company in connection with transactions unrelated to the Offer and an affiliate of Scotia Capital is a lender to the Company under the Company's existing revolving credit facility which will be used to partially fund any purchase of Shares pursuant to the Offer. Scotia Capital is not independent of the Company for the purposes of MI 61-101.

Scotia Capital acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Company, including the Shares, or any of its associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, Scotia Capital conducts research on securities and may, in the ordinary course of business, provide research reports and investment advice to its clients on investment matters, including with respect to the Company. Subject to the terms of the Engagement Agreement, Scotia Capital consents to the inclusion of the Opinion in its entirety and a summary thereof, in a form acceptable to Scotia Capital acting reasonably, in the Offer to be mailed to the holders of Shares, holders of multiple voting shares and holders of options to acquire Shares and to the filing thereof, as necessary, by the Company with the applicable Canadian and United States securities regulatory authorities.

#### ***Credentials of Scotia Capital***

Scotia Capital is the legal entity of the global corporate and investment banking and capital markets business of Scotiabank ("Scotiabank"), one of North America's premier financial institutions. In Canada, Scotia Capital is one of the country's largest investment banking firms with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. Scotia Capital has participated in a significant number of transactions involving private and public companies and has extensive experience in preparing liquidity opinions. The Opinion expressed herein represents the opinion of Scotia Capital as a firm. The form and content of the Opinion has been approved for release by a committee of directors and other professionals of Scotia Capital, all of whom are experienced in merger & acquisition and capital market matters.

#### ***Scope of Review***

In preparing our Opinion, we have reviewed and relied upon (without attempting to verify independently the completeness or accuracy thereof), among other things, the following:

- i. a copy of the draft Offer to Purchase and Issuer Bid Circular dated October 24, 2012;
- ii. the daily trading activity, volumes, and price history of the Shares on the Toronto Stock Exchange (the "TSX") and the New York Stock Exchange (the "NYSE"), as publically reported by the TSX and the NYSE, respectively, as we determined necessary in order to provide the Opinion;
- iii. the trading activity and volumes of shares of other companies listed and traded on the TSX and NYSE as we determined necessary in order to provide the Opinion;
- iv. the distribution of ownership of the Shares to the extent publicly disclosed;
- v. the number of Shares proposed to be purchased under the Offer relative to i) the number of outstanding Shares on the date hereof less ii) the number of Shares beneficially owned, or over which control or direction was exercised, by related parties of the Company and Shares that were not freely tradable (colloquially, the "public float");

- vi. the customary difference (colloquially, the "spread") between bid and ask prices in trading activity of the Shares;
- vii. other public information with respect to the Company; discussions with senior management of the Company; the definition of "liquid market" as outlined in MI 61-101 as well as the other parameters set forth in MI 61-101;
- viii. precedent issuer bids that we considered relevant; and
- ix. such other information as we considered necessary or appropriate in the circumstances.

We have conducted such additional analyses and investigations as we considered to be appropriate in the circumstances for the purpose of arriving at the Opinion contained herein as at the date hereof.

***Assumptions and Limitations***

This Opinion is rendered on the basis of securities market, economic and general business and financial conditions prevailing as at the date hereof, and conditions affecting the Company and the Shares as at the date hereof. In formulating our Opinion, we have made several other assumptions, the material assumption being that there shall be no significant change in the holdings of Shares, other than as a result of the Offer, on the TSX and NYSE.

Scotia Capital has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Company and their consultants and advisors (collectively, the "Information"), and we have assumed that this Information did not omit to state any material fact or any fact necessary to be stated to make that information not misleading. The Opinion is conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

We have not prepared a formal valuation of the Company or any of its securities or assets for the purposes of this Opinion and the Opinion should not be construed as such.

The Opinion has been provided to the Board for its use only in determining the availability of an exemption from the formal valuation requirements of MI 61-101 and may not be relied upon for any other purpose or by any other person without the prior written consent of Scotia Capital. The Opinion is given as of the date hereof and Scotia Capital disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of Scotia Capital after the date hereof. Without limiting the foregoing, if, after the date hereof, we learn of any material change in any fact or matter affecting the Opinion, Scotia Capital reserves the right to change, modify or withdraw the Opinion.

For the purpose of this Opinion we are not expressing any opinion as to the value of the Shares, or the prices at which such shares will trade after the completion of the Offer.

For purposes of this Opinion, the phrase "liquid market" has the meaning ascribed to such term in MI 61-101.

***Conclusion***

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion as at the date hereof that: (i) a liquid market exists for the Shares as of the date hereof and (ii) it is reasonable to conclude that, on completion of the Offer in accordance with its terms, there will be a market for the holders of Shares who do not tender their Shares to the Offer that is not materially less liquid than the market that existed as of the date hereof.

Yours very truly,



**Scotia Capital Inc.**



The Letter of Transmittal, certificates for Shares and any other required documents must be sent or delivered by each tendering Shareholder or the tendering Shareholder's broker, dealer, commercial bank, trust company or other nominee to the Depository at one of its addresses specified below.

**Offices of the Depository, Computershare Investor Services Inc.**

*By Mail*

P.O. Box 7021  
31 Adelaide St E  
Toronto, ON M5C 3H2  
Attention: Corporate Actions

*By Hand, Registered Mail or by Courier*

Computershare Investor Services Inc.  
100 University Avenue, 9th Floor  
Toronto, ON M5J 2Y1  
Attention: Corporate Actions

Toll Free (North America): 1-800-564-6253

Overseas: 1-514-982-7555

E-Mail: [corporateactions@computershare.com](mailto:corporateactions@computershare.com)

**The United States Forwarding Agent is Computershare Trust Company N.A.**

*By Mail*

P.O. Box 43011  
Providence, RI 02940-3014  
Attention: Corp Act CPU Canada

*By Hand or by Courier*

Computershare Trust Company N.A.  
250 Royall Street  
Canton, MA 02021  
Attention: Corp Act CPU Canada

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**DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.**

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Any questions or requests for assistance may be directed to the Depository at the addresses and telephone number specified above. Shareholders also may contact their broker, commercial bank, trust company or other nominee for assistance concerning the Offer. Additional copies of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Depository. Manually executed photocopies of the Letter of Transmittal will be accepted.

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**The Dealer Managers for the Offer are:**

In Canada:  
**Scotia Capital Inc.**

40 King Street West, Scotia Plaza  
P.O. Box 4085, Station A  
Toronto, ON  
M5W 2X6  
Telephone: 416-863-7411

In the United States:  
**Scotia Capital (USA) Inc.**

One Liberty Plaza  
165 Broadway, 26<sup>th</sup> Floor  
New York, NY  
10006  
Telephone: 212-225-5000

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QuickLinks

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**LETTER OF TRANSMITTAL**  
**To Tender Subordinate Voting Shares**  
**of**  
**CELESTICA INC.**  
**Pursuant to the Offer to Purchase Dated October 29, 2012**

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**THE OFFER EXPIRES AT 5:00 P.M. (EASTERN TIME) ON DECEMBER 3, 2012,**  
**UNLESS THE OFFER IS WITHDRAWN, EXTENDED OR VARIED.**

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*Offices of the Depository, Computershare Investor Services Inc. as depository, for this Offer:*

*By Mail*

Computershare Investor Services Inc.  
P.O. Box 7021  
31 Adelaide St. E.  
Toronto, ON M5C 3H2  
Attention: Corporate Actions

*By Registered Mail, Hand or Courier*

Computershare Investor Services Inc.  
100 University Avenue  
9<sup>th</sup> Floor  
Toronto, ON M5J 2Y1  
Attention: Corporate Actions

*The United States Forwarding Agent is Computershare Trust Company, N.A.*

*By Mail*

Computershare Trust Company, N.A.  
P.O. Box 43011  
Providence, RI 02940-3014  
Attention: Corp Act CPU Canada

*By Hand or Courier*

Computershare Trust Company, N.A.  
250 Royall Street  
Canton, MA 02021  
Attention: Corp Act CPU Canada

*For Information*

Toll Free (North America): 1-800-564-6253  
Overseas: 1-514-982-7555  
Email: [corporateactions@computershare.com](mailto:corporateactions@computershare.com)

This Letter of Transmittal is to be used only if certificates for Shares (as defined below) are to be forwarded with it.

**TO: Celestica Inc. (the "Corporation" or "Celestica")**

**AND TO: Computershare Investor Services Inc., as depository (the "Depository")**

The undersigned delivers to the Corporation the enclosed certificate(s) for Shares and, subject only to the provisions of the Offer to Purchase dated October 29, 2012 (together with any amendments, supplements or variations thereto, the "Offer to Purchase") regarding withdrawal, irrevocably accepts the Offer (as defined below) for such Shares upon the terms and conditions contained in the Offer to Purchase and the accompanying issuer bid circular (the "Circular"). The following are the details of the enclosed certificate(s):

DESCRIPTION OF SHARES TENDERED (See Instructions 3 and 4)			
Certificate Number	Name in which Certificate is Registered	Number of Shares Represented by Certificate	Number of Shares Tendered*
TOTAL:			

\* If you desire to tender fewer than all Shares evidenced by any certificates listed above, indicate in this column the number of Shares you wish to tender. Otherwise, all Shares evidenced by such certificates will be considered to have been tendered. See Instruction 4 in this Letter of Transmittal.

**Shareholders who accept the Offer through a book-entry transfer will be deemed to have completed and submitted a Letter of Transmittal and will be bound by the terms thereof.**

**Delivery of this instrument to an address other than those shown above does not constitute a valid delivery.**

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**The Instructions set forth in this Letter of Transmittal should be read carefully before this Letter of Transmittal is completed.**

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The undersigned hereby tenders to the Corporation the subordinate voting shares of the Corporation (the "**Shares**") at the price per Share indicated in this Letter of Transmittal or pursuant to a Purchase Price Tender (as defined in the Offer to Purchase), as specified below, payable in cash in United States dollars (subject to applicable withholding taxes, if any) and upon the terms and subject to the conditions set forth in the Offer to Purchase, the Circular and this Letter of Transmittal (which, as amended or supplemented from time to time, together with the Offer to Purchase and the Circular, constitute the "**Offer**").

The terms and conditions of the Offer are incorporated by reference in this Letter of Transmittal. Capitalized terms used and not defined in this Letter of Transmittal have the meanings ascribed to them in the Offer to Purchase that accompanies this Letter of Transmittal. In the case of any inconsistency between the terms of this Letter of Transmittal and the Offer to Purchase, the terms of the Offer to Purchase shall prevail.

This Letter of Transmittal, properly completed and duly executed, together with all other required documents, must accompany the certificates for the Shares tendered pursuant to the Offer. **Holders of Shares ("Shareholders") whose certificates are not immediately available or who cannot deliver to the Depository their certificates for Shares and all other documents which this Letter of Transmittal requires by the Expiration Date (as defined in the Offer to Purchase) may only tender their Shares according to the guaranteed delivery procedure set forth in the Offer to Purchase under "Procedure for Tendering Shares". See Instruction 2 in this Letter of Transmittal. A Shareholder who wishes to tender Shares under the Offer and whose certificate is registered in the name of a broker, dealer, commercial bank, trust company or other nominee should immediately contact such nominee in order to take the necessary steps to be able to tender such Shares under the Offer.**

**Shareholders should carefully consider the income tax consequences of tendering Shares under the Offer. See "Income Tax Consequences" in the Circular that accompanies this Letter of Transmittal.**

Subject to and effective upon acceptance for purchase of the Shares tendered hereby, pursuant to an Auction Tender (as defined in the Offer to Purchase) or pursuant to a Purchase Price Tender (as defined in the Offer to Purchase) in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to or upon the order of the Corporation all rights, title and interest in and to all Shares tendered hereby, and in and to any and all rights, benefits and claims in respect thereof or arising, or having arisen as a result of the undersigned's status as a Shareholder of the Corporation and in and to any and all distributions, payments, securities, rights, assets or other interests which may be declared, paid, issued, distributed, made or transferred, or may be payable, issuable, distributable or transferable, on or in respect of such Shares or any of them on or after the date upon which the Shares are taken up and paid for under the Offer, and hereby irrevocably constitutes and appoints the Depository and any officer of the Corporation as attorney-in-fact of the undersigned with respect to such Shares, effective from the time the Corporation takes up and pays for such Shares, with full power of substitution (such power of attorney being an irrevocable power coupled with an interest), to:

- (a) deliver certificates for such Shares, together with all accompanying evidences of transfer and authenticity, to or upon the order of the Corporation upon receipt by the Depository, as the undersigned's agent, of the Purchase Price (as defined below);
- (b) present certificates for such Shares for cancellation and transfer on the Corporation's books; and
- (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, subject to the next paragraph, all in accordance with the terms of the Offer.

The undersigned hereby represents, warrants and covenants that:

- (a) the undersigned understands that tendering Shares under any one of the procedures described in the Offer to Purchase and the Instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer, including the undersigned's representation that
  - (i) the undersigned has a "net long position" in Shares being tendered or equivalent securities at least equal to the Shares

tendered within the meaning of Rule 14e-4 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and (ii) such tender of Shares complies with Rule 14e-4 under the Exchange Act;

- (b) the undersigned has full power and authority to tender, sell, assign and transfer the tendered Shares and any and all dividends, distributions, payments, securities, rights, assets or other interests which may be declared, paid, issued, distributed, made or transferred on or in respect of the tendered Shares with a record date on or after the date that Celestica takes up and accepts for purchase the tendered Shares and that, if the tendered Shares are taken up and accepted for purchase by Celestica, Celestica will acquire good title thereto, free and clear of all liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom;
- (c) on request, the undersigned will execute and deliver any additional documents that the Depository or the Corporation deems necessary or desirable to complete the assignment, transfer, and purchase of the Shares tendered hereby; and
- (d) the undersigned has read and agrees to all of the terms of the Offer.

The names and addresses of the registered owners should be printed, if they are not already printed above, as they appear on the certificates representing Shares tendered hereby. The certificates representing Shares tendered and the number of Shares that the undersigned wishes to tender should all be indicated in the appropriate boxes. If the tender is being made pursuant to an Auction Tender, the purchase price at which such Shares are being tendered should be indicated in Box B — "Auction Tender".

**The undersigned understands that he or she must indicate whether the Shares are being tendered pursuant to an Auction Tender or a Purchase Price Tender by completing Box A — "Type of Tender". All Shares tendered by a Shareholder and which have not been withdrawn, who fails to specify any Auction Tender price for his or her Shares or fails to indicate that he or she has tendered his or her Shares pursuant to the Purchase Price Tender will be considered to have tendered his or her Shares pursuant to the Purchase Price Tender.**

The undersigned understands that the Corporation will determine a single price per Share (the "**Purchase Price**"), which will not be less than US\$7.00 per Share or more than US\$8.00 per Share, that is the lowest price that enables it to purchase the maximum number of Shares properly tendered and not properly withdrawn pursuant to the Offer having an aggregate Purchase Price not exceeding US\$175,000,000. If the Purchase Price is determined to be US\$7.00 (which is the minimum Purchase Price under the Offer), the maximum number of Shares that may be purchased by the Corporation is 25,000,000 Shares. For the purpose of determining the Purchase Price, Shares tendered pursuant to a Purchase Tender will be considered to have been tendered at US\$7.00 per Share (which is the minimum Purchase Price under the Offer). Shares tendered pursuant to an Auction Tender will not be purchased by the Corporation pursuant to the Offer if the price specified by the Shareholder is greater than the Purchase Price. A Shareholder who wishes to tender Shares but who does not wish to specify a price at which such Shares may be purchased by the Corporation should make a Purchase Price Tender. Shareholders who tender Shares without making a valid Auction Tender or Purchase Price Tender will be deemed to have made a Purchase Price Tender.

The undersigned understands that, upon the terms and subject to the conditions of the Offer (including the pro-ration provisions described in the Offer), all Shares properly tendered and not properly withdrawn pursuant to an Auction Tender at prices at or below the Purchase Price and pursuant to Purchase Price Tenders will be purchased at the Purchase Price, payable in cash (subject to applicable withholding taxes, if any), for all Shares purchased. Certificates for all Shares not purchased under the Offer (including Shares tendered pursuant to an Auction Tender at prices greater than the Purchase Price and Shares not purchased because of pro-ration), or properly withdrawn, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with new certificates representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the Expiration Date or the date of withdrawal of the Shares, without expense to the Shareholder. The undersigned understands that a Shareholder who desires to tender Shares at more than one price or under both an Auction Tender and a Purchase Price Tender must complete a separate Letter of Transmittal for each price at which Shares are tendered.

The undersigned understands that if the aggregate Purchase Price for the Shares properly tendered pursuant to the Offer by Purchase Price Tender or by Auction Tender at a price not greater than the Purchase Price (the "**Successfully Tendered Shares**") by Shareholders (the "**Successful Shareholders**") exceeds US\$175,000,000, then the Successfully Tendered Shares will be purchased on a *pro rata* basis according to the number of Shares tendered (or deemed to be tendered) by the Successful Shareholders (with adjustments to avoid the purchase of fractional Shares), except that "Odd Lot" tenders of Successfully Tendered Shares will not be subject to pro-ration. See "Number of Shares and Pro-Ration" in the Offer to Purchase. The Corporation's determination as to pro-ration shall be final and binding on all parties, except as otherwise finally determined in a subsequent judicial proceeding or as required by law.

The undersigned recognizes that under certain circumstances set forth in the Offer to Purchase, the Corporation may terminate or amend the Offer or may not be required to purchase any of the Shares tendered hereby or may accept for payment, in accordance with the applicable pro-ration provisions relating to Successfully Tendered Shares, fewer than all of the Shares tendered hereby. The undersigned understands and acknowledges that certificate(s) for any Shares not tendered or not purchased will be returned to the undersigned at the address indicated in Box E, unless otherwise indicated under Box F or Box H below. The undersigned recognizes that the Corporation has no obligation, pursuant to the payment instructions in Box E, to transfer any certificates for Shares from the name of the registered owner.

The undersigned understands and acknowledges that acceptance of Shares by the Corporation for payment will constitute a binding agreement between the undersigned and the Corporation, effective as of the Expiration Date, upon the terms and subject to the conditions of the Offer.

The undersigned understands and acknowledges that payment for Shares accepted for payment pursuant to the Offer will be made by the Corporation by tendering the aggregate Purchase Price for such Shares with the Depository (by bank transfer or other means satisfactory to the Depository), which will act as agent for Shareholders who have properly tendered Shares in acceptance of the Offer and have not properly withdrawn them, for the purposes of receiving payment from the Corporation and transmitting payment to such Shareholders. The undersigned further understands and acknowledges that receipt by the Depository from the Corporation of payment for such Shares will be deemed to constitute receipt of payment by such Shareholders. Under no circumstances will interest be paid by the Corporation or the Depository by reason of any delay in paying for any Shares or otherwise.

The undersigned instructs the Corporation and the Depository to issue the cheque for the Purchase Price (subject to applicable withholding taxes, if any) for such of the tendered Shares as are purchased to the order of the undersigned or the name listed and mailed to the address indicated in Box E, unless otherwise indicated under Box F below, or Box H — "Hold for Pick-Up". Such payment will be received in U.S. dollars.

All authority conferred or agreed to be conferred in this Letter of Transmittal shall survive the death or incapacity of the undersigned, and any obligations of the undersigned under this Letter of Transmittal shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

If a certificate for Shares has been lost, stolen or destroyed, this Letter of Transmittal, including Box L — "Lost, Stolen or Destroyed Certificates" should be completed as fully as possible and forwarded to the Depository, together with a letter describing the loss, theft or destruction and providing a telephone number. The Depository will respond with the replacement requirements, which includes certain additional documents that must be signed in order to obtain replacement certificate(s) and the payment of the required lost certificate fee.

The undersigned agrees not to vote any of the tendered Shares taken up and paid for under the Offer, or distributions on such Shares consisting of securities, at any meeting and not to exercise any of the other rights or privileges attaching to any of such tendered Shares or distributions consisting of securities, or otherwise act with respect thereto. The undersigned agrees further to execute and deliver to the Corporation, provided not contrary to any applicable law, at any time and from time to time, as and when requested by, and at the expense of the Corporation, any and all instructions of proxy, authorization or consent, in form and on terms satisfactory to the Corporation, in respect of any such tendered Shares or distributions consisting of securities. The

undersigned agrees further to designate in any such instruments of proxy the person or persons specified by the Corporation as the proxyholder of the undersigned in respect of such tendered Shares or distributions consisting of securities.

By reason of the use by the undersigned of an English language form of Letter of Transmittal, the undersigned and all of you shall be deemed to have required that any contract evidenced by the Offer as accepted through this Letter of Transmittal, as well as all documents related thereto, be drawn exclusively in the English language. *En raison de l'usage d'une lettre d'envoi en langue anglaise par le soussigné, le soussigné et les destinataires sont présumés avoir requis que tout contrat attesté par l'offre et son acceptation par cette lettre d'envoi, de même que tous les documents qui s'y rapportent, soient rédigés exclusivement en langue anglaise.*





To be completed ONLY if Shares are being tendered by or on behalf of persons beneficially owning an aggregate of fewer than 100 Shares as of the close of business on the Expiration Date.

The undersigned either (check one):

- will be the beneficial owner of an aggregate of fewer than 100 Shares as of the close of business on the Expiration Date, all of which are tendered; or
  - is a broker, dealer, commercial bank, trust company or other nominee that (i) is tendering, for the beneficial owners thereof, Shares with respect to which it is the record owner, and (ii) believes, based upon representations made to it by each such beneficial owner, that such beneficial owner will own an aggregate of fewer than 100 Shares as of the close of business on the Expiration Date and is tendering all such Shares.
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**BOX E**  
**ISSUE CHEQUE AND/OR CERTIFICATE(S)**  
**IN THE NAME OF: (please print)**

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(Name)

---

(Street Address and Number)

---

(City and Province or State)

---

(Country and Postal (Zip) Code)

---

(Social Insurance or Social Security Number)

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**BOX F**  
**SEND CHEQUE AND/OR CERTIFICATE(S)**  
**(Unless Box "H" is checked) To:**

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(Name)

---

(Street Address and Number)

---

(City and Province or State)

---

(Country and Postal (Zip) Code)

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**BOX G**  
**JURISDICTION OF RESIDENCE**

(Please check the appropriate box)

The person signing Box J represents that the Shareholder(s):

IS A/ARE

IS NOT A/ARE NOT

resident(s) of Canada for purposes of the *Income Tax Act* (Canada).

Note: A non-resident of Canada is a person that is not resident, or deemed not to be resident, in Canada for purposes of the *Income Tax Act* (Canada) or a partnership that is not a "Canadian partnership" as defined in the *Income Tax Act* (Canada).

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**BOX H**  
**HOLD FOR PICK-UP**

- Hold certificates for Shares and/or cheques for pick-up.

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**BOX I**

- Check here if certificates for tendered Shares are being delivered pursuant to a Notice of Guaranteed Delivery previously sent to the Depositary and complete the following:

Name(s) of Registered Owner(s)

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Date of Execution of Notice of Guaranteed Delivery

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Name of Eligible Institution Which Guaranteed Delivery

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**BOX J**  
**SHAREHOLDER(S) SIGN HERE**  
**(See Instructions 1 and 7)**

Must be duly executed by registered owner(s) exactly as name(s) appear(s) on certificate(s) or on a security position listing or by person(s) authorized to become registered owner(s) by certificate(s) and documents transmitted with this Letter to Transmittal. If signature is by attorney-in-fact, executor, administrator, trustee, guardian, officer of a corporation or other legal representative acting in a fiduciary or representative capacity, please set forth the full title.

Authorized Signature(s)

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*(Shareholder(s) or Legal Representative)*

Name(s)

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Capacity

---

Address

---

---

*(Include Postal Code or Zip Code)*

Area Code and Telephone Number

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TINs; SSNs;

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SINs

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**U.S. Shareholders must provide their Taxpayer Identification No. or Social Security No. and complete Substitute Form W-9; Canadian Shareholders must provide their Social Insurance No.**

Date:

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**BOX K**  
**SIGNATURE GUARANTEE**  
**(See Instructions 1 and 7)**

Authorized Signature(s)

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(Guarantor)

Name

---

Title

---

Firm

---

Address

---

---

*(Include Postal Code or Zip Code)*

Area Code and Telephone Number

---

---

Email Address

---

Date:

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**BOX L  
LOST, STOLEN OR DESTROYED  
CERTIFICATES**

To be completed **ONLY** if certificates representing Shares being tendered have been lost, stolen or destroyed.

The undersigned has either (check one):

- lost his or her certificate(s) representing Shares;
- had his or her certificate(s) representing Shares stolen; or
- had his or her certificate(s) representing Shares destroyed.

If a certificate representing Shares has been lost, stolen or destroyed, this Letter of Transmittal, including this Box L, must be completed as fully as possible and forwarded, together with a letter describing the loss, theft or destruction and providing a telephone number, to the Depository. The Depository will respond with the replacement requirements.

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**INSTRUCTIONS**  
**Forming Part of the Terms of the Offer**

**1. Signature Guarantees.**

No guarantee of a signature is required if either:

- (a) this Letter of Transmittal is duly executed by the registered holder of the Shares tendered with this Letter of Transmittal exactly as the name of the registered holder appears on the certificate tendered herewith, and payment and delivery are to be made directly to such registered holder pursuant to the information provided in Box E above; or
- (b) such Shares are tendered for the account of a Canadian Schedule I chartered bank, a Canadian trust company, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP) (each such entity, an "**Eligible Institution**"). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority or banks and trust companies in the United States.

In all other cases, an Eligible Institution must guarantee all signatures on this Letter of Transmittal by completing Box K — "Signature Guarantee". See Instruction 7 in this Letter of Transmittal.

**2. Delivery of Letter of Transmittal and Certificates; Guaranteed Delivery Procedures.**

Certificates for all physically tendered Shares together with a properly completed and duly executed Letter of Transmittal or facsimile thereof, and any other documents required by this Letter of Transmittal, should be hand delivered, couriered or mailed to the Depository at the appropriate address set forth herein and must be received by the Depository by the Expiration Date (as defined in the Offer to Purchase).

Shareholders whose certificates are not immediately available or who cannot deliver certificates for Shares and all other required documents to the Depository by the Expiration Date, may only tender their Shares by or through any Eligible Institution by properly completing and duly executing and delivering a Notice of Guaranteed Delivery substantially in the form provided (or an executed facsimile thereof) by the Corporation through the Depository (indicating the type of tender and, in the case of an Auction Tender, the price at which Shares are being tendered) to the Depository by the Expiration Date, which must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery, and by otherwise complying with this guaranteed delivery procedure as set forth in the Offer to Purchase under "Procedure for Tendering Shares — Guaranteed Delivery". Pursuant to such guaranteed delivery procedure, the certificates for all physically tendered Shares, as well as a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof), relating to such Shares, with signatures guaranteed if so required in accordance with this Letter of Transmittal, and all other documents required by this Letter of Transmittal, must be received by the Toronto, Ontario or United States office of the Depository before 5:00 p.m. (Eastern time) on or before the third trading day on the Toronto Stock Exchange ("**TSX**") and New York Stock Exchange ("**NYSE**") after the Expiration Date.

The Notice of Guaranteed Delivery may be hand delivered, couriered, mailed or transmitted by facsimile transmission to the Toronto, Ontario or United States office of the Depository listed in the Notice of Guaranteed Delivery, and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery. For Shares to be validly tendered pursuant to the guaranteed delivery procedure, the Depository must receive the Notice of Guaranteed Delivery by the Expiration Date.

Notwithstanding any other provision hereof, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of certificates for such Shares, a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Shares, with signatures that are guaranteed if so required, and any other documents required by the Letter of Transmittal.

The tender information specified in a Notice of Guaranteed Delivery by a person completing such Notice of Guaranteed Delivery will, in all circumstances, take precedence over the tender information that is specified in the related Letter of Transmittal that is subsequently tendered.

**The method of delivery of all documents, including certificates for Shares, is at the election and sole risk of the tendering Shareholder. Delivery is only effective upon receipt by the Depository. If delivery is by mail, registered mail, properly insured, is recommended, and it is suggested that mailing be made sufficiently in advance of the Expiration Date to permit delivery to the Depository on or prior to such date.**

The Corporation will not purchase any fractional Shares, nor will it accept any alternative, conditional or contingent tenders except as may be specifically permitted by the Circular. All tendering Shareholders, by execution of this Letter of Transmittal (or a manually executed photocopy of it), waive any right to receive any notice of the acceptance of their tender.

**3. Inadequate Space.**

If the space provided in the Box captioned "Description of Shares Tendered" is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate signed schedule and attached to this Letter of Transmittal.

**4. Partial Tenders and Unpurchased Shares.**

If fewer than all of the Shares evidenced by any certificate are to be tendered, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered". In such case, if any tendered Shares are purchased, a new certificate for the remainder of the Shares evidenced by the old certificate(s) will be issued and sent to the address indicated in Box E, unless otherwise indicated under Box F or Box H on this Letter of Transmittal, promptly after the Expiration Date. All Shares represented by the certificate(s) listed and delivered to the Depository are deemed to have been tendered unless otherwise indicated.

**5. Indication of Type of Tender; Indication of Price at Which Shares are being Tendered.**

- (a) To tender Shares, the Shareholder must complete Box A — "Type of Tender" on this Letter of Transmittal or, if applicable, on the Notice of Guaranteed Delivery, indicating whether he or she is tendering Shares pursuant to an Auction Tender (Box B) or a Purchase Price Tender (Box C). Only one box may be checked. If more than one box is checked or if no box is checked, all Shares identified above will be deemed to have been tendered pursuant to the Purchase Price Tender. The same Shares cannot be tendered, unless previously properly withdrawn as provided in the Offer to Purchase, pursuant to both an Auction Tender and a Purchase Price Tender or pursuant to Auction Tenders at more than one price. However, if a Shareholder desires to tender Shares in separate lots at a different type of tender for each lot, such Shareholder must complete a separate Letter of Transmittal or, if applicable, a Notice of Guaranteed Delivery for each lot which the Shareholder is tendering.
- (b) For Shares to be properly tendered pursuant to an Auction Tender, the Shareholder must complete Box B — "Auction Tender" on this Letter of Transmittal indicating the price per Share (in increments of US\$0.10 per Share) at which he or she is tendering Shares. A Shareholder wishing to tender portions of his or her Shares pursuant to Auction Tenders at different prices must complete a separate Letter of Transmittal for each price at which he or she wishes to tender each such portion of his or her Shares. The same lot cannot be tendered pursuant to Auction Tenders (unless previously withdrawn as provided in the Offer to Purchase under "Withdrawal Rights") at more than one price. No price can be specified by Shareholders making a Purchase Price Tender.

**6. Odd Lots.**

As described in the Offer to Purchase under "Number of Shares and Pro-ration", if the Corporation is to purchase less than all Shares tendered by the Expiration Date, the Shares purchased first will consist of all Shares so tendered by any Shareholder who owns beneficially, as of the close of business on the Expiration Date, an aggregate of fewer than 100 Shares and who tenders all of his or her Shares under Auction Tenders at or below the Purchase Price or under Purchase Price Tenders. This preference will not be available unless Box D — "Odd Lots" is completed.

**7. Signatures on Letter of Transmittal, Stock Power and Endorsements.**

- (a) If Box J in this Letter of Transmittal is signed by the registered owner(s) of the Shares tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate without any change whatsoever.
- (b) If the Shares are registered in the names of the two or more joint owners, each such owner must sign in Box J in this Letter of Transmittal.
- (c) If any tendered Shares are registered in different names on several certificates, it will be necessary to complete, sign, and submit as many separate Letters of Transmittal as there are different registrations of certificates.
- (d) When this Letter of Transmittal is duly executed by the registered owner(s) of the Shares listed and transmitted hereby, no endorsements of certificate(s) representing such Shares or separate stock powers are required unless payment is to be made, or the certificates for Shares not tendered by the undersigned or not purchased by the Corporation, are to be issued, to a person other than the registered owner(s). Any signature(s) required on such certificates or stock powers must be guaranteed by an Eligible Institution. If this Letter of Transmittal is duly executed by a person other than the registered owner of the certificate(s) listed, the certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered owner(s) appear(s) on the certificate, and signatures on such certificate(s) or stock power(s) must be guaranteed by an Eligible Institution. An ownership declaration, which can be obtained from the Depository, must also be completed and delivered to the Depository. See Instruction 1 in this Letter of Transmittal.
- (e) If this Letter of Transmittal or any certificates or stock powers are duly executed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or any other legal representative acting in a fiduciary or representative capacity, such persons should so indicate when signing and must submit proper evidence satisfactory to the Corporation or the Depository of their authority to so act.

**8. Payment and Delivery Instruction.**

The signatory of this Letter of Transmittal must identify to whom a cheque and/or certificates should be issued by completing Box E. Such cheque and/or certificates will be sent to the address indicated in Box F, unless a cheque evidencing payment for Shares tendered is to be held by the Depository for pick-up by the undersigned or any person designated by the undersigned in writing, in which case Box H — "Hold for Pick-Up" on this Letter of Transmittal must be completed.

**9. Jurisdiction of Residence.**

Each Shareholder tendering Shares to the Depository must represent whether such Shareholder is a resident of Canada for the purposes of the *Income Tax Act* (Canada) by completing Box G. If no box is checked in Box G — "Jurisdiction of Residence", no valid tender is made.

**10. Irregularities.**

All questions as to the number of Shares to be taken up, the price to be paid therefore, the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares, will be determined by the Corporation, in its sole discretion, acting reasonably, which determination will be final and binding on all parties, except as otherwise finally determined in a subsequent judicial proceeding or as required by law. The Corporation reserves the absolute right to reject any or all tenders of Shares determined by it in its sole discretion not to be in proper form or completed in accordance with the Instructions herein and in the Offer or the acceptance for payment of, or payment for, which may, in the opinion of the Corporation's counsel, be unlawful. The Corporation also reserves the absolute right to waive any of the conditions of the Offer or any defect or irregularity in any tender of any particular Shares. No tender of Shares will be deemed to be properly made until all defects and irregularities have been cured or waived. None of the Corporation, the Depository, the Dealer Managers nor any other person will be obligated to give notice of defects or irregularities in notices of withdrawal, nor shall any of them incur any liability for failure to give any such notice. The Corporation's interpretation of the terms and conditions of the Offer (including



this Letter of Transmittal and the Notice of Guaranteed Delivery) will be final and binding, except as otherwise finally determined in a subsequent judicial proceeding or as required by law.

**11. Questions and Requests for Assistance and Additional Copies.**

Questions and requests for assistance may be directed to the Depository at the addresses and telephone and facsimile numbers set forth herein or to the Dealer Managers at the addresses and telephone number set forth on the back cover of the Offer to Purchase and Circular. Additional copies of the Offer to Purchase, the Circular and this Letter of Transmittal and copies of the Notice of Guaranteed Delivery may be obtained from the Depository or from your local broker, dealer, commercial bank, trust company or other nominee.

**12. Internal Revenue Service Form W-9.**

Each Shareholder tendering Shares to the Depository (and, if applicable, the other person designated in Box F above to be issued any cheques) that is a "United States person" within the meaning of the United States Internal Revenue Code of 1986, as amended (a "**U.S. Shareholder**") is required to provide the Depository with a correct U.S. taxpayer identification number ("**TIN**"), which is generally the Shareholder's social security number or federal employer identification number, together with certain other information, on Internal Revenue Service ("**IRS**") Form W-9. IRS Form W-9 and instructions are provided below. Failure to provide the information on IRS Form W-9 may subject the tendering Shareholder to a US\$50 or greater penalty and/or backup withholding imposed by the IRS. For information respecting withholding tax on payments to non-residents of Canada, refer to the Circular under "Income Tax Consequences". U.S. Shareholders should also see "Important U.S. Tax Information for U.S. Shareholders" below.

**13. Governing Law.**

The Offer and any agreement resulting from the acceptance of the Offer will be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**IMPORTANT: This Letter of Transmittal or a manually signed photocopy of it (together with certificates for Shares and all other required documents) or the Notice of Guaranteed Delivery, where applicable, must be received by the Depository on or before the Expiration Date.**

**PRIVACY NOTICE**

Computershare Investor Services Inc. is committed to protecting your personal information. In the course of providing services to you and its corporate clients, it receives non-public personal information about you — from transactions it performs for you, forms you send it, other communications it has with you or your representatives, etc. This information could include your name, address, social insurance number, securities holdings and other financial information. It uses this to administer your account, to better serve your and its clients' needs and for other lawful purposes relating to its services. It has prepared a *Privacy Code* to tell you more about its information practices and how your privacy is protected. It is available at [www.computershare.com](http://www.computershare.com), or by writing the Depository at 100 University Avenue, Toronto, Ontario, M5J 2Y1. Computershare Investor Services Inc. will use the information you are providing on this form in order to process your request and will treat your signature(s) on this form as your consent to the above.

**IMPORTANT U.S. TAX INFORMATION FOR U.S. SHAREHOLDERS**

In order to avoid backup withholding of U.S. federal income tax on payments pursuant to the Offer, a U.S. Shareholder tendering Shares must, unless an exemption applies, provide the Depository with such Shareholder's TIN, certify under penalties of perjury that such TIN is correct, and provide certain other certifications by completing the IRS Form W-9 included in this Letter of Transmittal. If a Shareholder does not timely provide such Shareholder's correct TIN or fails to provide the required certifications, the IRS may impose a penalty of US\$50 on such Shareholder and payment to such Shareholder pursuant to the Offer may be subject to backup withholding currently at a rate of 28%. All U.S. Shareholders tendering Shares pursuant to the Offer should complete and sign the IRS Form W-9 to provide the information and certification necessary to avoid backup withholding (unless an applicable exemption exists and is proved in a manner satisfactory to the Corporation and the Depository).

Backup withholding is not an additional tax. Rather, the amount of the backup withholding can be credited against the U.S. federal income tax liability of the person subject to the backup withholding, provided that the required information is given to the IRS. If backup withholding results in an overpayment of tax, a refund can be obtained from the IRS by the Shareholder by making a timely filing with the IRS.

The tendering Shareholder is required to give the Depository the TIN of the record holder of the Shares. If the Shares are held in more than one name or are not registered in the name of the actual owner, consult "Part II. Certification" in the enclosed instructions to IRS Form W-9 for additional guidance on which number to report. Certain Shareholders (including, among others, corporations, individual retirement accounts and certain foreign individuals and entities) are not subject to backup withholding but may be required to provide evidence of their exemption from backup withholding. Exempt U.S. Shareholders should indicate their exempt status on the IRS Form W-9. See the enclosed IRS Form W-9 and instructions for more information. **Shareholders are urged to consult their tax advisors to determine whether they are exempt from these backup withholding and reporting requirements.**

# Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

Department of the Treasury  
Internal Revenue Service

**Print or type**

See **Specific Instructions** on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax

classification (required):  Individual/sole proprietor  C Corporation  S Corporation  Partnership  Trust/estate

Exempt payee

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) > .....

Other (see instructions) >

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

**Social security number**

[ ][ ]-[ ][ ]-[ ][ ][ ][ ]

**Employer identification number**

[ ][ ]-[ ][ ][ ][ ][ ][ ]

## Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign  
Here**

Signature of  
U.S. person >

Date >

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded

entity name" line.

**Partnership, C Corporation, or S Corporation.** Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

**Disregarded entity.** Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

**Note.** Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

**Limited Liability Company (LLC).** If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

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**Other entities.** Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/ disregarded entity name" line.

## Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/ disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

<p><b>IF the payment is for . . .</b> Interest and dividend payments Broker transactions</p> <p>Barter exchange transactions and patronage dividends Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup></p>	<p><b>THEN the payment is exempt for . . .</b> All exempt payees except for 9 Exempt payees 1 through 5 and 7 through 13. Also, C corporations. Exempt payees 1 through 5 Generally, exempt payees 1 through 7 <sup>2</sup></p>
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<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see How to get a TIN below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see Limited Liability Company (LLC) on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

**Signature requirements.** Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

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**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

### What Name and Number To Give the Requester

<b>For this type of account:</b>	<b>Give name and SSN of:</b>
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
<b>For this type of account:</b>	<b>Give name and EIN of:</b>
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
9. Corporate or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

\* **Note.** Grantor also must provide a Form W-9 to trustee of trust.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

### Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

### Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of

Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

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QuickLinks

[Exhibit \(a\)\(1\)\(B\)](#)

[PRIVACY NOTICE](#)

[IMPORTANT U.S. TAX INFORMATION FOR U.S. SHAREHOLDERS](#)

***THIS IS NOT A LETTER OF TRANSMITTAL***

**NOTICE OF GUARANTEED DELIVERY**

**for Tender of Subordinate Voting Shares**

**of**

**CELESTICA INC.**

**Pursuant to the Offer to Purchase Dated October 29, 2012**

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**THE OFFER EXPIRES AT 5:00 P.M. (EASTERN TIME) ON DECEMBER 3, 2012,  
UNLESS THE OFFER IS WITHDRAWN, EXTENDED OR VARIED.**

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As set forth in the Offer to Purchase (as defined below), this Notice of Guaranteed Delivery or one substantially equivalent hereto must be used to tender subordinate voting shares (the "**Shares**") of Celestica Inc. (the "**Corporation**" or "**Celestica**") pursuant to the Offer (as defined below) if certificates for these Shares are not immediately available or time will not permit all documents required by the Letter of Transmittal (as defined below) to reach Computershare Investor Services Inc., as depositary (the "**Depositary**") by the Expiration Date (as defined in the Offer to Purchase). This Notice of Guaranteed Delivery may be hand delivered, couriered, mailed or transmitted by facsimile transmission to the office of the Depositary set forth below.

**TO: Celestica Inc.**  
**AND TO: Computershare Investor Services Inc., as depositary**

**Computershare Investor Services Inc.**

*By Mail*  
P.O. Box 7021  
31 Adelaide St. E.  
Toronto, ON M5C 3H2  
Attention: Corporate Actions  
*By Hand or by Courier*  
100 University Avenue, 9<sup>th</sup> Floor  
Toronto, ON M5J 2Y1  
Attention: Corporate Actions  
*By Facsimile Transmission*  
Facsimile: 905-771-4082

**The United States Forwarding Agent is Computershare  
Trust Company, N.A.**

*By Mail*  
P.O. Box 43011  
Providence, RI 02940-3014  
Attention: Corp Act CPU Canada  
  
*By Hand or by Courier*  
250 Royall Street  
Canton, MA 02021  
Attention: Corp Act CPU Canada

**Delivery of this Notice of Guaranteed Delivery to an address, or transmission of this Notice of Guaranteed Delivery to a facsimile number, other than as set forth above, does not constitute a valid delivery.**

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on the Letter of Transmittal is required to be guaranteed by an Eligible Institution (as defined below), such signature must appear in Box K — "Signature Guarantee" in the Letter of Transmittal.

The terms and conditions of the Offer are incorporated by reference in this Notice of Guaranteed Delivery. Capitalized terms used and not defined in this Notice of Guaranteed Delivery have the meanings ascribed to them in the Offer to Purchase that accompanies this Notice of Guaranteed Delivery. In the case of any inconsistency between the terms of this Notice of Guaranteed Delivery and the Offer to Purchase, the terms of the Offer to Purchase shall prevail.

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The undersigned hereby tenders to Celestica, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 29, 2012 (the "Offer to Purchase"), the accompanying issuer bid circular (the "Circular") included therein, the related letter of transmittal (the "Letter of Transmittal") and this notice of guaranteed delivery (the "Notice of Guaranteed Delivery") (which together constitute the "Offer"), receipt of which is hereby acknowledged, the number of Shares indicated below pursuant to the guaranteed delivery procedure set forth in the Offer to Purchase under "Procedure for Tendering Shares". The undersigned agrees that the tender information specified in this Notice of Guaranteed Delivery will, in all circumstances, take precedence over the tender information that is specified in the related Letter of Transmittal that is subsequently deposited.

Number of Shares:

\_\_\_\_\_

Name(s) of Registered Holder:

\_\_\_\_\_

Certificate Nos. (if available):

\_\_\_\_\_

\_\_\_\_\_

*(Please type or print)*

Address:

\_\_\_\_\_

\_\_\_\_\_

Signature(s):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*(Sign Here)*

*(Postal Code or Zip Code)*

Dated:

\_\_\_\_\_

Area Code and Telephone No.:

\_\_\_\_\_

**DO NOT SEND SHARE CERTIFICATES WITH THIS FORM**

**The Eligible Institution which completes this Notice of Guaranteed Delivery must send the guarantee to the Depository and must deliver the Letter of Transmittal and certificates for Shares to the Depository within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution.**

**GUARANTEE**

**(Not to be used for signature guarantees)**

The undersigned, a Canadian Schedule I chartered bank, a Canadian trust company, a member firm of a recognized stock exchange in Canada or a U.S. financial institution (including most U.S. banks, savings and loan associations and brokerage houses) which is a participant in the Securities Transfer Agents Medallion Program (STAMP), the New York Stock Exchange Medallion Signature Program (MSP) or the Stock Exchanges Medallion Program (SEMP) (each such entity, an "**Eligible Institution**"), guarantees to deliver to the Depository, at its address set forth above, the certificate(s) representing the Shares tendered hereby, in proper form for transfer, with delivery of a properly completed and duly executed Letter of Transmittal (or manually signed photocopy thereof) and any other required documents, **on or before 5:00 p.m., Eastern time, on the third Trading Day after the Expiration Date.** As used herein, a "Trading Day" means a day on which trading occurs on the Toronto Stock Exchange and the New York Stock Exchange.

Number of Firm:

Authorized Signature:

\_\_\_\_\_

\_\_\_\_\_

Address of Firm:

Name:

\_\_\_\_\_

\_\_\_\_\_

*(Please type or print)*

\_\_\_\_\_

Title:

\_\_\_\_\_

\_\_\_\_\_

*(Postal Code or Zip Code)*

Area Code and Telephone No.:

Dated:

\_\_\_\_\_

\_\_\_\_\_



To be completed ONLY if Shares are being tendered by or on behalf of persons beneficially owning an aggregate of fewer than 100 Shares as of the close of business on the Expiration Date.

The undersigned either (check one):

- will be the beneficial owner of an aggregate of fewer than 100 Shares as of the close of business on the Expiration Date, all of which are tendered; or
  - is a broker, dealer, commercial bank, trust company or other nominee that (i) is tendering, for the beneficial owners thereof, Shares with respect to which it is the record owner, and (ii) believes, based upon representations made to it by each such beneficial owner, that such beneficial owner will own an aggregate of fewer than 100 Shares as of the close of business on the Expiration Date and is tendering all such Shares.
-



QuickLinks

[Exhibit \(a\)\(1\)\(C\)](#)

[DO NOT SEND SHARE CERTIFICATES WITH THIS FORM  
GUARANTEE \(Not to be used for signature guarantees\)](#)

FOR IMMEDIATE RELEASE

Monday October 29, 2012

(All amounts in U.S. dollars)

**Celestica Announces Terms of US\$175,000,000  
Substantial Issuer Bid**

TORONTO, Canada - Celestica Inc. (NYSE, TSX: CLS), a global leader in the delivery of end-to-end product lifecycle solutions, today announced the terms of its previously announced substantial issuer bid (the "Offer"), pursuant to which Celestica will offer to purchase for cancellation up to 25,000,000 of its subordinate voting shares ("Shares") for an aggregate purchase price not exceeding US\$175,000,000. The Offer will be conducted through a "modified Dutch auction" within a price range of not less than US\$7.00 per Share and not more than US\$8.00 per Share (in increments of US\$0.10 per Share within that range). We intend to fund any purchases of Shares pursuant to the Offer from available cash on hand and from cash drawn on our existing revolving credit facility.

The "modified Dutch auction" tender process allows shareholders to individually select the price, within the specified range, at which they are willing to sell their Shares. When the Offer expires, we will select the lowest purchase price that will allow us to purchase the maximum number of Shares properly tendered to the Offer, and not withdrawn, having an aggregate purchase price not exceeding US\$175,000,000. If Shares with an aggregate purchase price of more than US\$175,000,000 are properly tendered and not withdrawn, we will purchase the Shares on a *pro rata* basis except that "odd lot" tenders (of holders beneficially owning fewer than 100 Shares) will not be subject to pro-ration. The Offer will not be conditional on any minimum number of Shares being tendered to the Offer, but will be subject to other conditions customary for a transaction of this nature. The Offer will remain open for acceptance until 5 p.m. Eastern time on December 3, 2012, unless withdrawn or extended by Celestica.

We plan to mail the formal Offer to Purchase, Issuer Bid Circular and other related documents containing the terms and conditions of the Offer, instructions for tendering Shares, and the factors considered by Celestica and the Board in making its decision to approve the Offer, among other things, on or about October 29, 2012. These documents will be filed with the applicable Canadian provincial and territorial securities commissions and the U.S. Securities and Exchange Commission and will be available on SEDAR at [www.sedar.com](http://www.sedar.com), on EDGAR at [www.sec.gov](http://www.sec.gov), and on Celestica's website at [www.celestica.com](http://www.celestica.com). Shareholders should carefully read the Offer to Purchase, Issuer Bid Circular and other related documents prior to making a decision with respect to the Offer.

The Celestica Board has authorized the making of the Offer. Neither Celestica nor its Board makes any recommendation to shareholders as to whether to tender or refrain from tendering their Shares to the Offer. Shareholders are urged to consult their own financial, tax and legal advisors and to make their own decisions whether to tender or to refrain from tendering their Shares to the Offer and, if so, how many Shares to tender and at what price or prices.

Scotia Capital Inc. and Scotia Capital (USA) Inc. have been retained by Celestica to act as dealer managers in connection with the Offer in Canada and the United States, respectively. Any questions or requests for information may be directed to Computershare Investor Services Inc., as the depositary for the Offer, at 1-800-564-6253 (Toll Free - North America) or 1-514-982-7555 (Overseas).

**About Celestica**

Celestica is dedicated to delivering end-to-end product lifecycle solutions to drive our customers' success. Through our simplified global operations network and information technology platform, we are solid partners who deliver informed, flexible solutions that enable our customers to succeed in the markets they serve. Committed to providing a truly differentiated customer experience, our agile and adaptive employees share a proud history of demonstrated expertise and creativity that provides our customers with the ability to overcome any challenge. For further information on Celestica, visit its website at [www.celestica.com](http://www.celestica.com). Celestica's security filings can also be accessed at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov).

*The substantial issuer bid (tender offer) referred to in this press release has not yet commenced. This press release is neither an offer to purchase nor a solicitation of an offer to sell any Shares of Celestica. The solicitation and the offer to buy Shares of Celestica will be made pursuant to the Offer to Purchase, Issuer Bid Circular, Letter of Transmittal, Notice of Guaranteed Delivery and related materials that Celestica will file with the Canadian provincial and territorial securities commissions and the U.S. Securities and Exchange Commission and will distribute to its shareholders; copies will be available free from Celestica or at [www.sedar.com](http://www.sedar.com) or [www.sec.gov](http://www.sec.gov). These documents will contain important information about the substantial issuer bid and shareholders of Celestica are urged to read them carefully when they become available.*

#### **Safe Harbor and Fair Disclosure Statement**

This news release contains forward-looking statements related to our plans, objectives, expectations and intentions, including our expectations regarding the launch, terms and expiry date of the Offer, that we intend to fund any purchases of Shares pursuant to the Offer from a combination of available cash on hand and cash drawn from our existing revolving credit facility, the intended mailing date of the Offer materials, and other statements contained in this release that are not historical facts. 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”, “continues”, 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. These statements are based on our current beliefs or expectations, including, our assumptions, beliefs and expectations regarding Celestica’s future capital requirements, market and general economic conditions, and its ability to obtain regulatory approvals. These statements are inherently subject to significant risks, uncertainties and changes in circumstances, many of which are beyond the control of Celestica. Our actual results may differ materially from those expressed or implied by such forward-looking statements, including as a result of changes in global, political, economic, business, competitive, market and regulatory factors. These and other risks and uncertainties, as well as other information related to Celestica, are discussed in our various public filings at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov), including our Annual Report on Form 20-F and subsequent reports on Form 6-K filed with the U.S. Securities and Exchange Commission and our Annual Information Form filed with the Canadian securities regulators. 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.

**Contacts:**  
**Celestica Communications**  
**(416) 448-2200**  
**[media@celestica.com](mailto:media@celestica.com)**

**Celestica Investor Relations**  
**(416) 448-2211**  
**[clsir@celestica.com](mailto:clsir@celestica.com)**

**FIRST AMENDMENT TO SIXTH AMENDED AND RESTATED REVOLVING  
TERM CREDIT AGREEMENT AND WAIVER**

**THIS AGREEMENT** made as of the 28 day of February, 2011,

**BETWEEN:**

**CELESTICA INC.**, a corporation incorporated under the laws of the Province of Ontario, and **SUBSIDIARIES OF CELESTICA INC. SPECIFIED AS DESIGNATED SUBSIDIARIES IN ACCORDANCE WITH THE CREDIT AGREEMENT**, as Borrowers,

— and —

**THE FINANCIAL INSTITUTIONS FROM TIME TO TIME PARTY TO THE CREDIT AGREEMENT**, as Lenders,

— and —

**CANADIAN IMPERIAL BANK OF COMMERCE**, as Administrative Agent

**WHEREAS** Celestica Inc. (“**Celestica**”), the Subsidiaries of Celestica specified therein as Designated Subsidiaries, Canadian Imperial Bank of Commerce, as Co-Lead Arranger, Bookrunner and Administrative Agent, RBC Capital Markets, as Co-Lead Arranger and Co-Syndication Agent, Merrill Lynch Pierce Fenner & Smith Incorporated, as Co-Syndication Agent and the financial institutions named therein as Lenders are parties to the Sixth Amended and Restated Revolving Term Credit Agreement dated as of January 14, 2011 (the “**Credit Agreement**”);

**AND WHEREAS** the parties to the Credit Agreement wish to amend the Credit Agreement on the terms and conditions set forth herein.

**THEREFORE THIS AGREEMENT WITNESSES** that, in consideration of the premises, the covenants herein contained and other good and valuable consideration, the parties hereto agree as follows:

**ARTICLE 1  
INTERPRETATION**

**1.1 Headings**

The division of this Agreement into Articles and Sections and the insertion of headings is for convenience of reference only and shall not affect the construction of 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.

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**1.2 Extended Meanings**

Words importing the singular number only shall include the plural and *vice versa*, and words importing any gender shall include all genders.

**1.3 Cross References**

Unless otherwise specified, references in this Agreement to any Article or Section are references to such Article or Section of this Agreement, 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.

**1.4 Reference to Administrative Agent or Lenders**

Any reference in this Agreement to the Administrative Agent or a Lender shall be construed so as to include its permitted successors, transferees or assigns under the Credit Agreement in accordance with their respective interests.

**1.5 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.

**1.6 References to Agreement**

Except as otherwise provided herein, any reference herein to this Agreement, the Credit Agreement and any other Loan Document or any other agreement or document shall be construed to be a reference to this Agreement, the Credit Agreement or 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.

**1.7 Effect of the Credit Agreement**

On and after the date of this Agreement, each reference in the Credit Agreement to “this Agreement” and each reference to the Credit Agreement in the Loan Documents and any and all other agreements, documents and instruments delivered by any of the Lenders, the Administrative Agent, the Borrowers, the Grantors, the Guarantors or any other Person shall mean and be a reference to the Credit Agreement as amended by this Agreement. Except as specifically amended by this Agreement, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

**ARTICLE 2  
AMENDMENTS**

**2.1 Amendments to Section 1.1**

Section 1.1 of the Credit Agreement is amended by adding the following defined term in alphabetical order:

““**Thai Material Restricted Subsidiary**” has the meaning specified in Section 9.1(m)(iv).”

## 2.2 Amendments to Section 9.1

Section 9.1 of the Credit Agreement is amended by deleting subparagraph (m)(iv) in its entirety and replacing it with the following:

“(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**”) or the Applicable Laws of Thailand (a “**Thai 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 or Thai 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, (A) in the case of a Chinese Material Restricted Subsidiary, 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 and (B) in the case of a Thai Material Restricted Subsidiary, evidence of the receipt of the necessary license under the laws of Thailand required to provide any such Guarantee”.

## ARTICLE 3 CONDITIONS PRECEDENT

### 3.1 Conditions for Closing

The effectiveness of this Agreement is conditional upon satisfaction of the following conditions, which shall be satisfied by the Borrowers contemporaneously with their execution and delivery of this Agreement:

- (a) This Agreement shall constitute a legal, valid and binding obligation of each Borrower, enforceable against such Borrower in accordance with its terms; and
- (b) The Borrowers shall have paid all fees and expenses that are due to the Administrative Agent or any Lender and related to the Facility, to the extent such fees and expenses are owing as at the date of this Agreement.

The conditions set forth in this Article 3 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.

**ARTICLE 4  
SECURITY AND SECURITY DOCUMENTS**

**4.1 Security and Security Documents**

For greater certainty, at any time that Celestica does not have Public Debt outstanding, (i) the Security shall continue to secure the obligations of each applicable Obligor to each Lender and Hedge Lender under or in connection with any Security Document executed by such Obligor, (ii) the Security Documents shall continue to be valid and enforceable against each applicable Obligor in accordance with its terms, and (iii) the Security shall remain duly perfected in accordance with Applicable Law.

**ARTICLE 5  
WAIVER**

**5.1 Waiver**

The Administrative Agent and the Lenders waive (i) any breach by the Borrowers of the representations and warranties in Sections 8.1(a), 8.1(b), 8.1(c), 8.1(d) and 8.1(g) of the Credit Agreement and (ii) any Default or Event of Default under the Credit Agreement resulting from the delivery of incorrect representations and warranties by the Borrowers in Sections 8.1(a), 8.1(b), 8.1(c), 8.1(d) and 8.1(g) of the Credit Agreement.

**ARTICLE 6  
GENERAL**

**6.1 Survival**

All covenants, agreements, representations and warranties made herein or in the Credit Agreement or in certificates delivered in connection with the Credit Agreement by or on behalf of the Borrowers shall survive the execution and delivery of this Agreement and shall continue in full force and effect so long as there is any obligation of the Borrowers to the Agents and the Lenders under the Credit Agreement.

**6.2 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 Administrative Agent and the Lenders.

**6.3 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 Administrative Agent, Lenders and Borrowers agree that any legal suit, action or proceeding arising out of this Agreement, the Credit Agreement or any Loan Document may be instituted in the courts of the Province of Ontario, and the Administrative Agent, 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.

**6.4 Further Assurances**

Each Borrower 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 Borrower, 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 Borrower hereunder or more fully to state the obligations of such Borrower as set out herein or to make any recording, file any notice or obtain any consents, all may be necessary or appropriate in connection therewith.

**6.5 No Waiver, etc.**

The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided, operate as a waiver of any right, power or remedy of the Administrative Agent or any of the Lenders under any of the Loan Documents nor constitute a waiver of any provision of any of the Loan Documents, and shall not be deemed to prejudice any rights which the Administrative Agent or Lenders may have, and except as expressly amended, waived or consented to herein, the Credit Agreement shall be unmodified and shall continue to be in full force and effect in accordance with its terms.

**6.6 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.



IN WITNESS WHEREOF the Borrowers, the Lenders and the Administrative Agent have executed this Agreement

**CELESTICA INC.**

By: /s/ Paul Nicoletti  
Name: Paul Nicoletti  
Title: Chief Financial Officer

**DESIGNATED SUBSIDIARIES**

**CELESTICA INTERNATIONAL INC.**

By: /s/ Paul Nicoletti  
Name: Paul Nicoletti  
Title: Chief Financial Officer

**CELESTICA LLC**

By: /s/ Todd C. Melendy  
Name: Todd C. Melendy  
Title: Vice President and Secretary

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**CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent**

By: /s/ Ben Fallico  
Name: Ben Fallico  
Title: Executive Director

By: /s/ Steve Nishimura  
Name: Steve Nishimura  
Title: Managing Director

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**CANADIAN IMPERIAL BANK OF COMMERCE, as Canadian Lender**

By: /s/ Ben Fallico  
Name: Ben Fallico  
Title: Executive Director

By: /s/ Steve Nishimura  
Name: Steve Nishimura  
Title: Managing Director

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**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  
CISB World Markets Corp.  
Authorized Signatory  
CIBC INC.

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**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:

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**BANK OF AMERICA N.A., as U.S. Lender**

By: /s/ Sugeet Manchanda Madan  
Name: Sugeet Manchanda Madan  
Title: Director

By: \_\_\_\_\_  
Name:  
Title:

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**ROYAL BANK OF CANADA, as Canadian Lender**

By: /s/ Thomas E. Paton  
Name: Thomas E. Paton  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

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**ROYAL BANK OF CANADA, as U.S. Lender**

By: /s/ Dustin Craven  
Name: Dustin Craven  
Title: Attorney-in-Fact

By: \_\_\_\_\_  
Name:  
Title:

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**EXPORT DEVELOPMENT CANADA, as Canadian Lender**

By: /s/ Allan Quiz  
Name: Allan Quiz  
Title: Asset Manager

By: /s/ Trevor Mulligan  
Name: Trevor Mulligan  
Title: Asset Manager

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**EXPORT DEVELOPMENT CANADA, as U.S. Lender**

By: /s/ Allan Quiz  
Name: Allan Quiz  
Title: Asset Manager

By: /s/ Trevor Mulligan  
Name: Trevor Mulligan  
Title: Asset Manager

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**DEUTSCHE BANK AG, CANADA BRANCH, as Canadian Lender**

By: /s/ Paul M. Jurist  
Name: Paul M. Jurist  
Title: Chief Country Officer

By: /s/ Marcellus Leung  
Name: Marcellus Leung  
Title: Assistant Vice President

---

**DEUTSCHE BANK TRUST COMPANY AMERICAS, as U.S. Lender**

By: /s/ Paul O'Leary  
Name: Paul O'Leary  
Title: Director

By: /s/ Evelyn Thierry  
Name: Evelyn Thierry  
Title: Director

---

**CITIBANK N.A., CANADIAN BRANCH, as Canadian Lender**

By: /s/ John Hastings  
Name: John Hastings  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

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**CITIBANK, N.A., as U.S. Lender**

By: /s/ Andrew L. Kreeger  
Name: Andrew L. Kreeger  
Title: Vice President

By: \_\_\_\_\_  
Name:  
Title:

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**MORGAN STANLEY BANK, N.A., as Canadian Lender**

By: /s/ Sharon Bazbaz  
Name: Sharon Bazbaz  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

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**MORGAN STANLEY BANK, N.A., as U.S. Lender**

By: /s/ Sharon Bazbaz  
Name: Sharon Bazbaz  
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

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**COATTAIL AGREEMENT**

**MEMORANDUM OF AGREEMENT** made as of the 29th day of June, 1998.

**BETWEEN:**

**ONEX CORPORATION,**  
a corporation existing under the laws  
of the Province of Ontario,

("Onex")

**OF THE FIRST PART,**

- and -

**CELESTICA INC.,**  
a corporation existing under the laws  
of the Province of Ontario,

(the "Company")

**OF THE SECOND PART,**

- and -

**MONTREAL TRUST COMPANY OF CANADA,**  
a trust company existing under the laws of Canada,

(the "Trustee")

**OF THE THIRD PART.**

WHEREAS the authorized capital of the Company consists of an unlimited number of multiple voting shares (the "Multiple Voting Shares"), an unlimited number of subordinate voting shares (the "Subordinate Voting Shares") and an unlimited number of preference shares, issuable in series;

AND WHEREAS all of the issued and outstanding Multiple Voting Shares are currently owned by Onex;

- 2 -

AND WHEREAS it is the expectation of the Company that the Subordinate Voting Shares will be listed on The Toronto Stock Exchange, The Montreal Exchange and the New York Stock Exchange;

AND WHEREAS the parties wish to enter into this Agreement to ensure that the holders from time to time of the Subordinate Voting Shares will not be deprived of any rights under applicable take-over bid legislation to which they would be entitled in the event of a take-over bid if the Multiple Voting Shares and the Subordinate Voting Shares were of a single class of shares;

AND WHEREAS the parties wish to constitute the Trustee as trustee for the holders from time to time of the Subordinate Voting Shares, for the purposes hereinafter set forth and with the intent that such holders, through the Trustee, will receive the benefits of the covenants of the parties contained in this Agreement;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by Onex and the Company and not by the Trustee;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. Subject to section 2, neither Onex nor any Permitted Transferee (as defined in section 3) which holds any Multiple Voting Shares from time to time (individually, a "Principal" and collectively, the "Principals") will sell any Multiple Voting Shares, directly or indirectly, pursuant to a take-over bid (as that term is defined in applicable securities legislation) under circumstances in which any applicable securities legislation would have required the same offer or a follow-up offer to be made to holders of Subordinate Voting Shares if the sale had been a sale of Subordinate Voting Shares rather than Multiple Voting Shares, but otherwise on the same terms. For this purpose, it shall be assumed that the offer that would result in such an assumed sale of Subordinate Voting Shares would have constituted a take-over bid under applicable securities legislation, regardless of whether this actually would be the case.

2. Without limiting the generality of section 1, (a) a sale will be deemed to be an indirect sale of Multiple Voting Shares owned by any Principal, for the purposes of section 1, if the offer pursuant to which such sale is made would be deemed to be an indirect take-over bid for the Multiple Voting Shares under applicable securities legislation; and (b) an offeror shall be deemed to include any person or company acting jointly or in concert with such offeror under the take-over bid provisions of applicable securities legislation.

3. Section 1 will not apply to prevent a sale by any Principal of Multiple Voting Shares pursuant to a take-over bid if:

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- (a) such sale is made pursuant to an offer to purchase Multiple Voting Shares made to all holders of Multiple Voting Shares and an identical concurrent offer (in terms of price per share, percentage of outstanding shares to be taken up exclusive of shares owned immediately prior to the offer by the offeror, or associates or affiliates of the offeror, and in all other material respects) is made to purchase Subordinate Voting Shares, and (i) such identical concurrent offer has identical conditions attached to it as the conditions attached to the offer to purchase Multiple Voting Shares, and (ii) a waiver of any conditions attaching to the offer to purchase Multiple Voting Shares shall correspondingly be a waiver in respect of the corresponding condition to the offer to purchase Subordinating Voting Shares;
- (b) there is a concurrent unconditional offer to purchase all of the Subordinate Voting Shares at a price per share at least as high as the highest price per share paid pursuant to the take-over bid for the Multiple Voting Shares; or
- (c) such sale is made to a Permitted Transferee at a price per Multiple Voting Share that is not greater than the fair market value of a Subordinate Voting Share at the time of such sale,

and for the purposes of this section 3:

- (x) the varying of any term of an offer shall be deemed to constitute the making of a new offer; and
- (y) "Permitted Transferee" shall mean any one or more of Onex's affiliates.

4. If the conditions attaching to the Multiple Voting Shares or the Subordinate Voting Shares include a provision that would have the effect of changing the voting rights attaching to such shares under certain circumstances, through an automatic conversion of such shares of one class into such shares of another class or otherwise, and if there is an offer that would have been a take-over bid but for the existence of such provision, such offer shall be deemed to be a "take-over bid" for the purposes of this Agreement.

5. No Principal will effect or facilitate a disposition of any Multiple Voting Shares, directly or indirectly, unless the disposition is conditional upon the person or company acquiring such shares entering into an agreement in the form and with the substance of this Agreement and, without limiting the generality of the foregoing, no Principal will effect any sale, transfer or other disposition of any Multiple Voting Shares to a trust, partnership or corporation unless prior to or contemporaneously with the completion of the transaction:

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- (a) the trust, partnership or corporation enters into an agreement in the form of this Agreement in accordance with the requirements of this Agreement;
- (b) all of the trustees of such trust, all of the partners of such partnership or all of the holders of voting shares of such corporation, as the case may be, enter into agreements substantially in the form of this Agreement which provide that their interests in such trust, partnership or corporation, as the case may be, will be subject to the same restrictions as the Multiple Voting Shares are subject to under this Agreement; and
- (c) if any of the trustees, partners or voting shareholders referred to in (b) are not individuals, each such beneficial owner of such persons enters into an agreement similar to that referred to in (b) with respect to such beneficial owner's interest in such persons, and so on, until all individuals who hold a beneficial interest, directly or indirectly through a trust, partnership or corporation, in Multiple Voting Shares are subject to such agreements.

Neither the exercise of a right to convert the Multiple Voting Shares into Subordinate Voting Shares nor the sale of Subordinate Voting Shares resulting from such conversion shall constitute a disposition for the purposes of this section 5.

6. The Principals will use their best efforts to prevent any person or company from carrying out a sale (including an indirect sale) in breach of this Agreement in respect of any Multiple Voting Shares owned from time to time by any Principal, regardless of whether such person or company is a party to this Agreement.

7. The Company will do all things necessary to facilitate the due performance and fulfillment of this Agreement, including fulfillment by the Principals of their obligations hereunder.

8. If any person, company, trust or other entity, other than a Principal, carries out a sale (including an indirect sale) described in section 1 in respect of any Multiple Voting Shares owned from time to time by a Principal, and if such sale does not meet the requirements of this Agreement, including section 3, that Principal shall not at the time such sale becomes effective or thereafter do any of the following with respect to any of the Multiple Voting Shares so sold: (a) dispose of them without the prior written consent of the Trustee; (b) convert them into Subordinate Voting Shares without the prior written consent of the Trustee; or (c) exercise any voting rights attaching to them except in accordance with the written instructions of the Trustee (with which instructions the Principal shall comply). The Trustee may attach conditions to any consent the Trustee gives in exercising its rights hereunder. The Trustee shall exercise such rights in a manner that the Trustee considers to be: (i) in the best interests of the holders of Subordinate Voting Shares other than the Principal and holders who, in the opinion of the Trustee, participated directly or indirectly in the transaction that triggered the operation of this section 8; and (ii) consistent with the intentions of the

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Principals and the Company in entering into this Agreement as such intentions are set out in the recitals to this Agreement. In the event that an indirect sale of Multiple Voting Shares that is referred to in this section 8 occurs and this section 8 is applicable to such sale, the Principal will have no liability under this Agreement in respect of such sale, provided that the Principal is in compliance with all other provisions of this Agreement, including, without limitation, the provisions of section 6 and this section 8.

9. Nothing in this Agreement will prevent the Principals from directly or indirectly granting a security interest, by way of pledge, hypothecation or otherwise, whether directly or indirectly, in Multiple Voting Shares to any financial institution with which it deals at arm's length (within the meaning of the *Income Tax Act* (Canada)) in connection with a *bona fide* borrowing or guarantee provided that concurrently with the pledge, hypothecation or other granting of the security interest, the financial institution agrees in writing to become a party to and abide by the terms of this Agreement as if such financial institution were a Principal as defined herein until such time as the pledge, hypothecation or other security interest has been released or the Multiple Voting Shares which were subject thereto have been disposed of in accordance with the terms of this Agreement.

10. If and whenever any Principal shall fail to perform such Principal's obligations under this Agreement or any of them, the Trustee shall thereupon be entitled to take and shall, subject to section 13, take such proceedings as counsel may advise to enforce the performance by such Principal of the said covenants or any of them that such Principal shall have failed to perform.

11. When the Trustee is advised in writing by any Principal, the Company or a holder of Subordinate Voting Shares that there is reasonable cause to believe that any of the Principals or the Company may have breached, or may intend to breach, any provision of this Agreement, the Trustee shall make reasonable enquiries of any appropriate person or entity including without limitation any Principal, any party to an agreement to purchase Multiple Voting Shares and any appropriate securities regulatory authorities or stock exchanges to determine whether: (i) such a breach has occurred or is intended; and (ii) such breach or intended breach can be corrected expeditiously and without prejudice to the *bona fide* interests of the holders of Subordinate Voting Shares and, if so, the steps proposed to be taken by the Principals and the Company to correct such breach or intended breach. If the Trustee thereupon determines that a breach has occurred or is intended and either cannot be corrected or the steps proposed to be taken to correct such breach or intended breach will not adequately correct such breach expeditiously and without prejudice to the *bona fide* interests of the holders of Subordinate Voting Shares, the Trustee will forthwith deliver to the Company a certificate stating that the Trustee has made such determination. The Trustee will thereupon be entitled to take and, subject to section 13, will take such action as the Trustee considers necessary to enforce its rights under this Agreement on behalf of the holders of the Subordinate Voting Shares.

Nothing in this section 11 shall impose on the Trustee any obligation to make enquiries as to any breach or intended breach of this Agreement by the Company or the Principals

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provided that the Trustee does not have reasonable cause to believe that such a breach has occurred or is intended. Where the Trustee does not have any reasonable cause to so believe, the Trustee shall have no liability under this section 11 in respect of any breach or intended breach.

12. Subject to section 13, in the event that the holders of not less than 10% of the then outstanding Subordinate Voting Shares determine that any of the Principals or the Company have breached, or intend to breach, any provision of this Agreement, such holders may require the Trustee to take action in connection therewith by delivering to the Trustee a requisition in writing signed in one or more counterparts by such holders and setting forth the action to be taken by the Trustee, and upon receipt by the Trustee of such a requisition the Trustee will forthwith take such action as is specified in the requisition and any other action that the Trustee considers necessary to enforce its rights under this Agreement on behalf of the holders of the Subordinate Voting Shares; provided, however, that the Trustee shall in the first instance determine whether the breach or intended breach can be corrected expeditiously and without prejudice to the *bona fide* interests of the holders of the Subordinate Voting Shares and, if so, whether the steps proposed to be taken by the Principals or the Company to correct such breach or intended breach will adequately correct such breach expeditiously and without prejudice to the *bona fide* interests of the holders of Subordinate Voting Shares.

13. The obligation of the Trustee to take any action on behalf of the holders of the Subordinate Voting Shares will be conditional upon the Trustee receiving from the Company or from one or more holders of Subordinate Voting Shares such funds and indemnities as the Trustee may reasonably require in respect of any costs or expenses which it may incur in connection with any such action. The Company will provide such funds and indemnities to the Trustee if the Trustee has delivered to the Company the certificate referred to in section 11.

14. No holder of Subordinate Voting Shares will have the right, other than through the Trustee, to institute any action or proceeding or to exercise any other remedy for the purpose of enforcing any rights arising from this Agreement unless holders of Subordinate Voting Shares have requested in the manner specified in section 12 that the Trustee act and have provided reasonable funds and indemnities (or such funds and indemnities have been provided by the Company) to the Trustee and the Trustee has failed to so act within 30 days after the provision of such funds and indemnities. In such case any holder of Subordinate Voting Shares acting on behalf of such holder and all other holders of Subordinate Voting Shares will be entitled to take such proceedings as the Trustee would have been entitled to take in any court of competent jurisdiction.

15. The Trustee may resign and be discharged from all further duties and liabilities hereunder after giving 60 days' written notice to the Company and the Principals or such shorter notice as the Company and the Principals may accept as sufficient. The Company will have the power to remove the existing Trustee at any time, provided that the Trustee is not at such time taking any action which it may take under section 11 or 12 hereof, and provided further that such removal

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is not contrary to the best interests of the holders of the Subordinate Voting Shares, by giving 30 days' written notice of such removal or such shorter notice that the Trustee may accept as sufficient. If the office of trustee becomes vacant, a successor which shall be a corporation authorized to carry on the business of a trust company in Ontario shall forthwith be appointed by the Principals and the Company. Failing such appointment, any of the Principals, the Company, the Trustee (at the Company's expense) or any holder of Subordinate Voting Shares may apply to a judge of the Ontario Court (General Division), not later than 30 days prior to the effective date of the Trustee's resignation, to appoint a successor trustee. Upon any new appointment, the new trustee shall be vested with the same powers, rights and privileges and charged with the same duties and responsibilities as if it had been originally named herein as the Trustee, but there will be immediately executed, at the expense of the Company, all such instruments as may be, in the opinion of counsel to the Company, necessary or desirable to assure such vesting. Any resignation or removal of the Trustee shall not become effective until the successor trustee executes an appropriate instrument accepting the appointment as the new Trustee.

16. The Trustee shall be entitled to act and rely upon legal and other expert advice and employ or retain such assistance as in its judgment may be necessary for the proper determination and discharge of its rights and duties. The Trustee may in the exercise of its rights, duties and obligations hereunder, if it is acting in good faith, act on and rely as to the truth of the statements and the accuracy of the opinions expressed in, and shall be protected in acting and relying upon, any advice, certificate, consent, direction, instruction, notice, opinion, report, request, resolution, statement, statutory declaration, requisition or other paper or document required by or delivered in connection with this Agreement (collectively, "Advice") and, if it is acting in good faith and without negligence or wilful misconduct, shall not be responsible for any loss resulting from any action or inaction in accordance with such Advice. Whenever in the administration of this Agreement, the Trustee shall deem it necessary or desirable that any matter be proved or established by the Company prior to taking or suffering any action to be taken hereunder, such matter may be deemed to be conclusively proved and established (provided the Trustee has no reason to believe otherwise) by a certificate or instrument signed by any two of the Chairman of the Board, any Director, the President, a Vice-President, the Secretary or the Chief Financial Officer of the Company and delivered to the Trustee and such certificate or instrument shall be full authority to the Trustee for any action taken or suffered by it under the provisions of this Agreement on the faith thereof. The duties and obligations of the Trustee shall be determined solely by the provisions thereof and, accordingly, the Trustee shall not be responsible except for the performing of such duties and obligations as it has undertaken herein.

17. The Company will pay the reasonable fees and expenses of the Trustee in connection with the performance of the Trustee's obligations hereunder, including the reasonable fees and disbursements of counsel or other experts employed by the Trustee, including, without limitation, all costs incurred by the Trustee in complying with any laws applicable to trustees as a result of it acting hereunder, until all the duties of the Trustee under the trusts hereof shall be finally and fully

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performed except any such expense or disbursement as may arise from its negligence, wilful misconduct or bad faith, but this section 17 will not require the Company to pay any fees or expenses in connection with any action taken by the Trustee pursuant to section 12 if the Trustee has not delivered to the Company the certificate referred to in section 11 in respect of such action. Any amount under this section unpaid 30 days after request for such payment shall bear interest from the expiration of such date at a rate per annum equal to the then current rate charged by the Trustee from time to time, payable on demand. Under no circumstances whatever shall the Trustee be required to expend or risk its own funds.

18. The Principals and the Company hereby agree to jointly and severally indemnify and save harmless the Trustee and its directors, officers, employees and agents from and against any and all liabilities, losses, claims, damages, penalties, actions, suits or demands which may at any time be suffered by, imposed on, incurred by or asserted against the Trustee as a result of arising out of the performance of its duties and obligations under this Agreement; provided that such indemnity shall not apply in respect of any liabilities, losses, claims, damages, penalties, actions, suits or demands arising from or as a result of the negligence, wilful misconduct or bad faith of the Trustee. Notwithstanding any other provision hereof, this indemnity shall survive removal or resignation of the Trustee or termination of this Agreement or of any trusts created hereby.

19. The Trustee hereby accepts the appointment as trustee for the holders of Subordinate Voting Shares from time to time and the trusts in this Agreement declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold and exercise the rights, privileges and benefits conferred upon it hereby in trust for the various persons who shall from time to time be registered holders of Subordinate Voting Shares.

20. In the exercise of its rights and duties hereunder, the Trustee shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

21. If the Trustee, acting reasonably, shall be uncertain concerning its duties or rights hereunder or shall have received instructions, directions, claims or demands which in its opinion are in conflict with any other instructions, directions, claims or demands received, or are in conflict with any of the provisions of this Agreement, or the Trustee shall have requested a consent, receipt or notice from any party and such consent, receipt or other notice has not been received, the Trustee shall be entitled to seek directions of a court of competent jurisdiction and shall have no duty to act in such circumstances until resolved.

22. The Trustee represents that at the time of the execution and delivery hereof no material conflict of interest exists in the Trustee's role as a fiduciary hereunder and agrees that in the event of a material conflict of interest arising hereafter it will, within three months after ascertaining that it has such material conflict of interest, either eliminate the same or resign its trust hereunder. Subject to the foregoing, the Trustee, in its personal or any other capacity, may buy, lend upon and



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deal in securities of the Company and generally may contract with and enter into financial transactions with the Company, any of its affiliates or Onex or any its affiliates without being liable to account for any profit made thereby.

23. This Agreement shall be construed in accordance with and governed by the laws of the Province of Ontario.

24. This Agreement will take effect on the date hereof and will remain in full force and effect until the date upon which no Multiple Voting Shares remain outstanding.

25. This Agreement will not be amended, varied or modified and no provision hereof will be waived, except with: (i) the approval of at least two-thirds of the votes cast by the holders of Subordinate Voting Shares present or represented at a meeting duly called for the purpose of considering such amendment, variation, modification or waiver, which two-thirds majority must include a simple majority of the votes cast by holders of Subordinate Voting Shares excluding the Principals and their affiliates and associates and any person who has an agreement to purchase Multiple Voting Shares on terms which would constitute a sale for the purposes of this Agreement other than as permitted in this Agreement prior to giving effect to the amendment or waiver, provided that notice of the votes to be excluded for the purposes of determining the simple majority referred to in this section 25 will be provided to the Trustee by the Company and the Trustee shall be entitled to rely thereon; and (ii) the consent of any applicable stock exchange.

26. Notwithstanding the provisions of section 25, this Agreement may be amended without the approval of the holders of the Subordinate Voting Shares in order to correct or rectify any errors, ambiguities, defective provisions, inconsistencies or omissions herein or to facilitate the operation of the provisions hereof provided that the Trustee is of the opinion that the rights hereunder of the holders of the Subordinate Voting Shares are not prejudiced, in any material respect, by such amendment and that the prior consent to such amendment has been received from any stock exchange on which the Subordinate Voting Shares are then listed (unless such stock exchange has advised that consent to such amendment is not required).

27. No provision in this Agreement shall limit the rights of any holders of Subordinate Voting Shares under applicable securities legislation.

28. In this Agreement, (a) "Onex" includes any successor corporation resulting from an amalgamation, merger, arrangement, sale of all or substantially all of its assets, or other business combination or reorganization involving Onex, provided that such successor corporation beneficially owns directly or indirectly all Multiple Voting Shares beneficially owned directly or indirectly by Onex immediately prior to such transaction, and is controlled by the same person or persons as controlled Onex prior to the consummation of such transaction; (b) a corporation shall be deemed to be a subsidiary of another corporation if, but only if, (i) 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

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each of which is controlled by that other, or (ii) it is a subsidiary of a corporation that is that other's subsidiary; (c) "affiliate" means a subsidiary of Onex or a corporation controlled by the same person or company that controls Onex; (d) "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; (e) a person is deemed to beneficially own any security which is beneficially owned by a corporation controlled by such person; and (f) "associate" has the meaning ascribed thereto under the *Securities Act* (Ontario) as amended and in effect at the relevant time.

29. This Agreement will ensure to the benefit of and be binding upon the parties and their respective heirs, administrators, legal representatives, successors and assigns.

30. The parties hereto will do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full force and effect to this Agreement.

31. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by facsimile or other means of electronic communication which provides proof of transmission or by delivery as hereafter provided. Any such notice or other communication, if sent by facsimile or other means or electronic communication, shall be deemed to have been received on the business day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this section. Notices and other communications shall be addressed as follows:

(a) if to Onex or any other Principal:

161 Bay Street  
49th Floor  
P.O. Box 700  
Toronto, Ontario  
M5J 2S1

Attention: Anthony R. Melman

Telecopier Number: (416) 362-5765

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(b) if to the Company:

844 Don Mills Road  
Toronto, Ontario  
M3C 1V7

Attention: President

Telecopier Number: (416) 448-5454

(c) if to the Trustee:

Montreal Trust Company of Canada  
151 Front Street West  
Suite 605  
Toronto, Ontario  
M5J 2N1

Attention: Manager, Corporate Trust Dept.

Telecopier Number: (416) 981-9777

32. This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

(c) if to the Trustees:

Montreal Trust Company of Canada  
151 Front Street West  
Suite 605  
Toronto, Ontario  
M5J 2N1

Attention: Manager, Corporate Trust Dept.

Telecopier Number: (416) 981-9777

32. This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the \_\_\_\_\_ day of June, 1998.

ONEX CORPORATION

by: 



CELESTICA INC.

by: \_\_\_\_\_

MONTREAL TRUST COMPANY  
OF CANADA

by: \_\_\_\_\_

\_\_\_\_\_

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the \_\_\_\_\_ day of June, 1998.

**ONEX CORPORATION**

by: \_\_\_\_\_

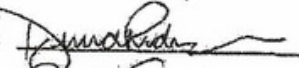
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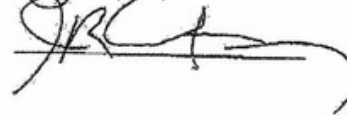
**CELESTICA INC.**

by: \_\_\_\_\_

**MONTREAL TRUST COMPANY  
OF CANADA**

by: \_\_\_\_\_

  
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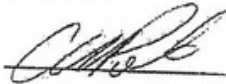
  
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IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the \_\_\_\_\_ day of June, 1998.

**ONEX CORPORATION**

by: \_\_\_\_\_

**CELESTICA INC.**

by:  \_\_\_\_\_

**MONTREAL TRUST COMPANY  
OF CANADA**

by: \_\_\_\_\_  
\_\_\_\_\_

## CELESTICA INC.

## DIRECTORS' SHARE COMPENSATION PLAN (2008)

1. Each director of Celestica Inc. (the "**Corporation**") who is not an employee of the Corporation or any of its subsidiaries or of Onex Corporation (an "**Eligible Director**") shall be entitled to make an annual election (a "**DSU Election**"), on or before the last business day of the calendar year preceding the calendar year that includes the date of the annual meeting of shareholders of the Corporation (the "**Annual Meeting**"), to be paid either 50% or 100% (the "**DSU Election Percentage**") of the aggregate of the annual retainer fees ("**Annual Retainer Fees**") and meeting fees ("**Meeting Fees**") (collectively the "**Annual Compensation**") payable to such Eligible Director for services rendered in respect of the period commencing on the date of the Annual Meeting and ending on the date of the subsequent Annual Meeting (the "**Compensation Period**") in deferred share units (each a "**DSU**"), each entitling such Eligible Director to receive, in accordance with either paragraph 9 or paragraph 11, a subordinate voting share of the Corporation (a "**Share**") or a cash payment equal to the value of a Share following the date on which the Eligible Director is no longer any of a director of the Corporation or an employee of the Corporation, or a director or employee of any affiliate of the Corporation (the "**Retirement Date**").
  2. An individual who becomes an Eligible Director during a Compensation Period shall be entitled to make a DSU Election and select a DSU Election Percentage to apply in respect of Annual Compensation payable in fiscal quarters of the Compensation Period that commence after the date such DSU Election is made. A DSU Election made under this paragraph 2 shall not be effective in respect of the Eligible Director's Annual Compensation for the Compensation Period in which the individual becomes an Eligible Director if (i) such election is not made within 30 days after the individual becomes an Eligible Director or (ii) to the extent required by Section 409A of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), the individual previously participated in this Plan or any other plan that is required to be aggregated with this Plan for purposes of Section 409A of the Code.
  3. If an Eligible Director does not make a DSU Election in accordance with paragraph 1 or 2, as applicable, his or her DSU Election Percentage for the Compensation Period or portion thereof, as applicable, shall be deemed to be 100%.
  4. In addition, each Eligible Director, upon becoming an Eligible Director, shall be granted 10,000 DSUs. As well, the Board of Directors of the Corporation (the "**Board**") shall, from time to time, determine an amount, expressed in dollars, that shall be allocated to an Eligible Director for each fiscal quarter of the Corporation for purposes of calculating the number of DSUs to be provided to such Eligible Director under paragraph 7 (the "Quarterly Equity Award"). Quarterly Equity Awards shall be granted to each Eligible Director on the last day of each fiscal quarter on which the Eligible Director continues as a director of the Corporation and is not an employee of the Corporation or any of its subsidiaries or of Onex Corporation in connection with the services provided by the Eligible Director to the Corporation as a member of the Board. In the event that an Eligible Director ceases to be an Eligible Director during a fiscal quarter, the Eligible Director shall receive a pro rated portion of the Quarterly
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Equity Award that reflects the Eligible Director's actual period of service as an Eligible Director from the commencement of the applicable fiscal quarter to the date the Eligible Director ceases to be an Eligible Director (the "**Termination Date**").

5. Annual Retainer Fees are paid to Eligible Directors quarterly, in arrears. The number of DSUs that an Eligible Director shall be entitled to receive in lieu of each instalment of the Annual Retainer Fee payable to such Eligible Director shall be equal to the product of (i) the total amount of such instalment, or, in the event that an Eligible Director's Termination Date occurs during a fiscal quarter, a pro rated amount of such instalment that reflects the Eligible Director's actual period of service as an Eligible Director from the commencement of the applicable fiscal quarter to the Eligible Director's Termination Date, multiplied by (ii) the DSU Election Percentage, divided by (iii) the closing price of Shares on the New York Stock Exchange (the "**NYSE**") on the last trading day of the fiscal quarter in respect of which the instalment is to be paid. Such DSUs shall be credited to the Eligible Director's Account on the last day of the applicable fiscal quarter. If a quarterly instalment of Annual Retainer Fees includes a portion of the Annual Retainer Fee payable in respect of two Compensation Periods and the proportion of the Annual Compensation elected by an Eligible Director to be paid in DSUs differs between the Compensation Periods, then the amount of cash and number of DSUs to be paid to such Eligible Director shall be determined separately for each of the part Compensation Periods included in such fiscal quarter, otherwise in accordance with this paragraph.

6. The number of DSUs that an Eligible Director shall be entitled to receive in lieu of Meeting Fees payable to such Eligible Director for each meeting during such Compensation Period shall be equal to the product of (i) the total amount of such Meeting Fees, multiplied by (ii) the DSU Election Percentage, divided by (iii) the closing price of the Shares on the NYSE on the last trading day of the fiscal quarter that includes the date of such meeting in respect of which the Meeting Fees are payable. Such DSUs shall be credited to the Eligible Director's Account as of the last trading day of the fiscal quarter that includes the date of such meeting in respect of which the Meeting Fees are payable, provided the Eligible Director remains an Eligible Director on the applicable meeting date.

7. Quarterly Equity Awards are to be paid in the form of DSUs. The number of DSUs that an Eligible Director shall be entitled to receive in respect of a Quarterly Equity Award shall be equal to the product of (i) the total dollar amount allocated to the Eligible Director under paragraph 4 for the relevant quarter, or, in the event that an Eligible Director's Termination Date occurs during a fiscal quarter, a pro rated amount of such allocation that reflects the Eligible Director's actual period of service as an Eligible Director from the commencement of the applicable fiscal quarter to the Eligible Director's Termination Date, divided by (ii) the closing price of Shares on the New York Stock Exchange (the "**NYSE**") on the last trading day of the fiscal quarter in respect of which the allocation is to be made.

8. The Corporation shall keep or cause to be kept records for each Eligible Director, including an account (the "**Account**") showing the number of DSUs, determined in accordance with paragraphs 4, 5 6 and 7, and in each case rounded to two decimal places, that the Eligible Director has been granted.



9. Subject to paragraphs 10 and 11, on the date that is forty-five (45) days following the Eligible Director's Retirement Date or the following business day if such forty-fifth (45th) day is not a business day (the "**Valuation Date**"), or as soon as practicable thereafter, the Corporation, through its Share Plan Administrator, shall arrange to acquire through the NYSE or the Toronto Stock Exchange the number of Shares that equals the number of DSUs in the Eligible Director's Account on the Valuation Date, less such number of Shares the value of which is sufficient to satisfy withholding taxes and source deductions. The Administrator shall, in accordance with the instructions of the Eligible Director or the Eligible Director's Beneficiary, as applicable, deliver to the Eligible Director or the Eligible Director's Beneficiary, as applicable, a certificate representing such Shares, or credit such Shares to an account with a broker in the name of the Eligible Director or the Eligible Director's Beneficiary, as applicable, as soon as practicable thereafter.

10. If any Eligible Director ceases to be a director of the Corporation, and has not been a director of the Corporation for a period of 12 months prior to his or her Retirement Date, the 10,000 DSUs granted to such Eligible Director pursuant to paragraph 4 shall be forfeited and cancelled as of such Eligible Director's Retirement Date and the Eligible Director shall receive no payment in respect thereof.

11. The Corporation shall have the right, in its sole discretion, to pay all or a portion of the value of an Eligible Director's DSUs to the Eligible Director or the Eligible Director's Beneficiary, as applicable, in a lump sum cash payment in an amount equal to the product obtained by multiplying the number of DSUs in the Eligible Director's Account on the Valuation Date by the closing price of the Shares on the NYSE (or, if the Shares are not listed on any stock exchange, then on the over the counter market) on the Valuation Date, less applicable withholding taxes and source deductions, and shall do so if there is no public market for the Shares.

12. Each Eligible Director that receives Shares under this Plan shall comply with all applicable securities regulations and policies of the Corporation relating to the purchase and sale of Shares.

13. In the event of a (i) capital reorganization, (ii) merger, (iii) amalgamation, (iv) offer for shares of the Corporation which if successful would entitle the offeror to acquire all of the shares of the Corporation or all of one or more particular class(es) of shares of the Corporation to which the offer relates, (v) sale of a material portion of the assets of the Corporation, (vi) arrangement or other scheme of reorganization (a "**Reorganization**") or proposed Reorganization, or (vii) an increase or decrease in the outstanding Shares as a result of a stock split, consolidation, subdivision, reclassification or recapitalization but, for greater certainty, not as a result of the issuance of Shares for additional consideration, by way of a stock dividend or other distribution in the ordinary course or as a result of a rights offering, the Corporation may adjust the Account of each Eligible Director in such matter as the Corporation determines, in its discretion, is equitable to reflect such event. Any adjustment so made by the Corporation shall be conclusive and binding for all purposes of this Plan, and Eligible Directors (and any person claiming through an Eligible Director) shall have no other rights as a result of any change in the Shares or of any other event.

14. The Corporation may amend or terminate the Plan as it deems necessary or appropriate, but no such amendment or termination shall, without the consent of the Eligible Director or unless required by law, adversely affect the rights of an Eligible Director with respect to DSUs to which the Eligible Director is then entitled under the Plan. Notwithstanding the foregoing, any amendment of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada) or any successor to such provision.

Effective January 1, 2008