



## **CELESTICA INC.**

### **BOARD OF DIRECTORS MANDATE**

#### **1. MANDATE**

1.1 In adopting this mandate:

- (a) the Board of Directors (the "Board") of Celestica Inc. ("Celestica", or the "corporation") acknowledges that the mandate prescribed for it by the *Business Corporations Act* (Ontario) (the "OBCA") is to supervise the management of the business and affairs of Celestica and that this mandate includes responsibility for stewardship of Celestica; and
- (b) the Board explicitly assumes responsibility for the stewardship of Celestica, as contemplated by applicable regulatory and stock exchange requirements.

#### **2. BOARD MEMBERSHIP**

2.1 Number of Members – The Board shall consist of such number of members of the Board ("Directors") as the Board may determine from time to time, provided that such number shall be within the minimum and maximum number of Directors set out in Celestica's articles of incorporation.

2.2 Independence of Members – The Board shall be comprised of Directors such that the Board complies with all independence requirements under applicable corporate and securities laws and all applicable stock exchange requirements. The Board shall annually review the relationships that each Director has with Celestica in order to satisfy itself that all applicable independence criteria have been met.

2.3 Election and Appointment of Directors – Directors shall be elected by the shareholders annually. Once elected, the Directors will hold office until the close of the next annual meeting of shareholders or until successors are elected or appointed, unless such office is earlier vacated in accordance with the corporation's by-laws.

2.4 Vacancy – The Board may appoint a member to fill a vacancy that occurs on the Board between annual elections of Directors to the extent permitted by the OBCA.

2.5 Removal of Members – Any Director may be removed from office by an ordinary resolution of the shareholders.

### **3. EXPECTATIONS OF DIRECTORS**

3.1 Minimum Standards for Directors – Directors and the Board as a whole are expected to meet the following minimum standards:

- (a) integrity and high ethical standards;
- (b) career experience and expertise relevant to Celestica's business purpose, financial responsibilities and risk profile (and Celestica shall disclose each Director's career experience and qualifications in every proxy circular delivered in connection with a meeting at which Directors are to be elected);
- (c) a proven understanding of fiduciary duty;
- (d) the ability to read and understand financial statements;
- (e) well-developed listening, communicating and influencing skills so, that individual Directors can actively participate in Board discussions and debate; and
- (f) time to serve effectively as a Director by not over-committing to other corporate and not-for-profit boards.

### 3.2 Attendance at Meetings

- (a) Every Director shall prepare for and attend (absent extenuating circumstances) all scheduled meetings of the Board and meetings of committees of the Board on which the Director serves.
- (b) It may be necessary to hold Board meetings by telephone from time to time. Although participation in person, when meetings are scheduled to be held in person, is strongly encouraged, when circumstances prevent a Director from attending a scheduled meeting in person, that Director shall make every effort to participate in the meeting by telephone.

3.3 Preparation for Meetings – Directors shall set aside adequate time to read and absorb the materials provided to them in advance of any meeting of the Board and any meetings of committees on which the Director serves. Preparation time will vary according to the complexity of the materials.

3.4 Participation in Meetings – Directors are expected to participate fully and frankly in the deliberations and discussions of the Board and its committees. They must apply informed and reasoned judgment to each issue that arises and express opinions, ask further questions and make recommendations that they think are necessary or desirable. Each Director shall act directly, not by proxy, either in person or by written resolution. Each Director shall have an equal say with each of the other Directors.

3.5 Service on Other Boards or Changes in Principal Occupation – A Director must advise the Chair:

- (a) in advance of accepting an invitation to serve on the board of another public company;
- (b) if that Director changes his or her principal occupation; or
- (c) if that Director ceases to be a “resident Canadian”, as defined under the OBCA.

#### **4. BOARD CHAIR**

4.1 Board to Appoint Chair – The Board shall appoint the Chair of the Board (the “Chair”) from the members of the Board. The Chair shall be an independent Director.

4.2 Chair to be Appointed Annually – The appointment of the Chair shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the designation of the Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

#### **5. MEETINGS OF THE BOARD**

5.1 Quorum – A quorum of the Board shall be a majority of its members.

5.2 Time and Place of Meetings – The time and place of the meetings of the Board and the calling of meetings and the procedure in all things at such meetings shall be determined by the Board; provided, however, the Board shall meet at least four times a year, with additional meetings held as deemed advisable.

5.3 Right to Vote – Each Director shall have the right to vote on matters that come before the Board.

5.4 Invitees – The Board may invite any person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

5.5 In Camera Sessions – As part of each meeting of the Board, the independent Directors shall meet without any member of management being present (including any Director who is a member of management).

## **6. OUTSIDE ADVISORS**

6.1 Retaining and Compensating Advisors – The Board shall have the authority to retain and terminate external advisors to assist in fulfilling its responsibilities and to set and pay the reasonable compensation of these respective advisors without consulting or obtaining the approval of any officer of the corporation. The corporation shall provide appropriate funding, as determined by the Board, for the services of these advisors. Notwithstanding the foregoing, the Compensation Committee shall have the sole authority to terminate any consultant or advisor retained by it.

In addition, an individual Director shall have the authority to retain external advisors with the approval of the Chair. Fees and expenses relating to the retention of such advisors by an individual Director shall be subject to pre-approval by the Chair and, if so approved, paid by the corporation.

## **7. REMUNERATION OF BOARD MEMBERS**

7.1 Members of the Board and the Chair shall receive such remuneration for their service on the Board as the Board may determine from time to time, having regard to the recommendations of the Compensation Committee.

## **8. DUTIES AND RESPONSIBILITIES OF THE BOARD**

8.1 Specific Aspects of Stewardship Function – In adopting this mandate, the Board hereby explicitly assumes responsibility for the stewardship of the corporation including for the matters set out below:

- (a) to the extent feasible, satisfying itself as to the integrity of the corporation's Chief Executive Officer ("CEO") and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
- (b) adopting a strategic planning process and:
  - (i) approving, on at least an annual basis, a strategic plan that takes into account, among other things, the opportunities and risks of the business and monitoring of progress against strategic and business goals;
  - (ii) conducting an annual review of resources required to implement Celestica's growth strategy and the regulatory, governmental and other constraints on Celestica's business;
  - (iii) monitoring the execution of Celestica's strategy and the achievement of its stated objectives;

- (iv) reviewing, at every board meeting, any recent developments that may impact Celestica's growth strategy; and
- (v) evaluating management's analysis of the strategies of competitors;
- (c) identifying the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- (d) succession planning;
- (e) reviewing financial reporting and regulatory compliance;
- (f) establishing a communications policy for the corporation;
- (g) reviewing the corporation's internal control and management information systems;
- (h) reviewing management of capital;
- (i) reviewing and approving material transactions;
- (j) establishing measures for receiving feedback from securityholders; and
- (k) reviewing board operations and evaluating board, committee and individual Director effectiveness.

## 8.2 Corporate Governance Matters

- (a) The Board shall be responsible for developing the corporation's approach to corporate governance, and shall review and, if it considers appropriate, approve corporate governance guidelines recommended to it by the Nominating and Corporate Governance Committee and which comply with all applicable legal and stock exchange listing requirements and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate.
- (b) The Board shall review and, if it considers appropriate, approve any proposed changes to the corporate governance guidelines recommended to it by the Nominating and Corporate Governance Committee.
- (c) The Board shall review and approve any disclosure with respect to Celestica's governance practices in any document before it is delivered to Celestica's shareholders or filed with securities regulators or stock exchanges.
- (d) The Board shall review and, if it considers appropriate, approve the process recommended to it by the Nominating and Corporate

Governance Committee for annually assessing the performance of the Board as a whole, the committees of the Board, the contribution of individual Directors (including the Chair of the Board) and the effectiveness of management.

- (e) The Board shall review and, if it considers appropriate, approve disclosure policies recommended to it by the Nominating and Corporate Governance Committee with respect to matters not covered by mandated financial disclosure.

### 8.3 Nomination and Appointment of Directors

- (a) The Board shall adopt selection criteria to be used by the Nominating and Corporate Governance Committee in selecting candidates for nomination to the Board and shall require the Nominating and Corporate Governance Committee to make recommendations to it with respect to such selection criteria.
- (b) The Board shall nominate individuals for election as Directors by the shareholders and shall require the Nominating and Corporate Governance Committee to make recommendations to it with respect to such nominations.
- (c) The Board may fill vacancies on the Board as it is permitted by law to fill and shall require the Nominating and Corporate Governance Committee to make recommendations to it with respect to such vacancies.
- (d) The Board shall consider recommendations made to it by the Nominating and Corporate Governance Committee with respect to the size and composition of the Board.

8.4 Specific Authorization – The Board shall authorize the CEO to enter into commitments on behalf of Celestica, subject to certain limits, and shall from time to time, as the Board considers appropriate, review such authorization.

8.5 Significant Decisions – The Board shall require management to obtain its approval for all significant decisions, including: major financings; significant acquisitions, dispositions and capital expenditures; and each annual operating plan.

8.6 Information Flow from Management – The Board shall require management to keep it apprised of the Corporation's performance and events that may materially affect the Corporation's business.

8.7 Corporate Objectives – The Board shall from time to time, as it considers appropriate, review and approve financial and business goals and objectives which will

be used as a basis for measuring the performance of the CEO and will be relevant to CEO compensation.

#### 8.8 Establishment of Committees

- (a) The Board shall establish and maintain the following standing committees of the Board, each having a mandate that incorporates all applicable legal and stock exchange listing requirements and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate:
  - (i) Audit Committee;
  - (ii) Nominating and Corporate Governance Committee; and
  - (iii) Compensation Committee.
- (b) Subject to Celestica's articles and by-laws, the Board may appoint any other committee of Directors and delegate to such committee any of the powers of the Board, except to the extent that such delegation is prohibited under the OBCA.
- (c) The Board shall appoint and maintain in office, members of each of its committees such that the composition of each such committee is in compliance with all applicable legal and stock exchange listing requirements and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate. The Board shall require the Nominating and Corporate Governance Committee to make recommendations to it with respect to such matters.
- (d) The Board shall from time to time, as it considers appropriate, review the mandates of each of its committees and shall approve any changes to those mandates as it considers appropriate. The Board shall require the Nominating and Corporate Governance Committee to make recommendations to the Board with respect to such matters.

#### 8.9 Appointments

- (a) Subject to Celestica's articles and by-laws, the Board may designate the offices of the Corporation and appoint officers.
- (b) The Board shall also adopt position descriptions for:
  - (i) the Chair;
  - (ii) the CEO; and

(iii) the chair of each standing committee of the Board,

and shall require the Nominating and Corporate Governance Committee to make recommendations to the Board with respect to such matters.

8.10 Financial Statements – The Board shall review and, if it considers appropriate, approve Celestica’s quarterly and annual financial statements after the Audit Committee has reviewed and made a recommendation to the Board regarding such statements.

#### 8.11 Compensation Matters

(a) *Compensation and Benefits* – The Board shall approve the total compensation for the members of the Board, in light of the recommendations of the Compensation Committee.

(b) *Pension Plan Matters* – The Board shall receive and review reports from management and from the Compensation Committee covering the administration, investment performance, funding, financial impact, actuarial reports and other pension plan related matters.

#### 8.12 Code of Business Conduct and Ethics

(a) The Board shall approve a business code of conduct and ethics (the “Code”) recommended to it by management and which complies with all applicable legal and stock exchange listing requirements and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate.

(b) The Board shall monitor compliance with the Code, including through reports as appropriate from management.

(c) Either the Board or the Nominating and Corporate Governance Committee shall consider and, if it considers appropriate, approve the granting of waivers of the Code for the benefit of the corporation’s Directors or executive officers.

### **9. EVALUATION OF MANDATE**

9.1 Amendments to Mandate – The Board shall from time to time, as it considers appropriate, review this mandate, and cause the Nominating and Corporate Governance Committee to review this mandate, and the Board shall approve any changes as it considers appropriate.



## **10. NO RIGHTS CREATED**

10.1 This mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the corporation. While it should be interpreted in the context of all applicable laws, regulations and stock exchange listing requirements, as well as in the context of the corporation's articles and by-laws, this mandate is not intended to, and shall not, establish any legally binding obligations.