



January 2021

## **CELESTICA INC.**

### **CORPORATE GOVERNANCE GUIDELINES**

#### **1. BOARD RESPONSIBILITIES**

- 1.1 The Board of Directors (the “Board”) is responsible for supervising the management of the business and affairs of Celestica Inc. (“Celestica”, or the “corporation”) and the Board’s mandate includes responsibility for stewardship of Celestica. The members of the Board (“Directors”) do not conduct day-to-day management of Celestica; that is the responsibility of the executive officers. The expectations, duties and responsibilities of the Board include fulfilling the duties set out in the Celestica Board of Directors Mandate, the terms of which are specifically incorporated by reference herein.

#### **2. SHAREHOLDER VOTING**

##### **2.1 Voting for Individual Directors**

Celestica shall submit to its shareholders the name of each candidate approved by the Board for election by the shareholders and the shareholders entitled to vote on the election of directors shall be entitled to vote (or withhold from voting) with respect to each individual director (rather than on a slate of directors).

##### **2.2 Majority Voting**

If, in an uncontested election of directors, with respect to any particular nominee, other than the controlling shareholder or a representative of the controlling shareholder, the number of shares withheld from voting by shareholders other than the controlling shareholder and its associates exceeds the number of shares that are voted in favour of the nominee, by shareholders other than the controlling shareholder and its associates, then the Board shall determine, and in so doing shall give due weight to the rights of the controlling shareholder, whether to require the nominee to resign from the Board and, if so required, any such nominee shall immediately tender his or her resignation. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board at which the resignation is considered. The Board shall determine whether to accept the resignation, which, if accepted, shall be effective immediately upon such acceptance. The Board shall accept such resignation absent exceptional circumstances. Such a determination by the Board shall be made, and promptly announced by press release (a copy of which will be provided to the Toronto Stock Exchange), within 90 days after the applicable shareholders’ meeting. If the Board determines not to accept a resignation, the

press release will fully state the reasons for such decision. Subject to any corporate law restrictions, the Board may leave any resultant vacancy unfilled until the next annual shareholders' meeting or it may fill the vacancy through the appointment of a new director whom the Board considers would merit the confidence of the shareholders, or it may call a special meeting of shareholders at which there shall be presented a nominee or nominees to fill the vacant position or positions.

### 2.3 Say-on-Pay

If Celestica is sending an information circular in connection with a meeting that is an annual meeting of shareholders then, at such meeting, Celestica shall provide its shareholders with a non-binding vote to accept, if deemed advisable, on an advisory basis and not to diminish the role and responsibilities of the Board, the approach to executive compensation disclosed in the information circular. The Board will take the results of the vote into account, as it deems appropriate, when considering future compensation policies, procedures and decisions, and in determining whether to significantly increase engagement with shareholders on compensation and related matters. Celestica will disclose the results of the shareholder advisory vote as part of its report on voting results for the meeting.

## 3. **DIRECTOR QUALIFICATION STANDARDS**

### 3.1 Independence

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. Further, at least a majority of the Board shall be independent Directors and, unless otherwise determined by the Board, each committee of the Board shall be composed entirely of independent Directors.

No more than two management representatives may serve on the Board at the same time.

The Nominating and Corporate Governance Committee, as well as the Board, shall annually review the relationships that each Director has with Celestica in order to satisfy themselves that all applicable independence criteria have been met.

### 3.2 Nominee Selection Criteria

The Board is committed to nominating the best individuals to fulfill Director roles, based on Celestica's needs at the relevant time. The Board seeks members who have experience in positions with a high degree of responsibility and a reputation for integrity and who otherwise meet the selection criteria approved by the Board from time to time. Diversity is important to ensure that Board members provide

the necessary range of complementary perspectives, experience and expertise required to achieve effective stewardship of Celestica. When considering potential Board members, the Nominating and Corporate Governance Committee shall consider personal characteristics such as business experience, functional expertise, personal skills, stakeholder perspectives and geographic background.

### 3.3 Diversity Policy

The Board seeks to ensure that it is comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills, backgrounds, perspectives and views, collectively representing the diverse nature of the business environment in which Celestica operates and has adopted a Board Diversity Policy in furtherance of Board diversity.

The Board shall from time to time review the Board Diversity Policy and assess its effectiveness in promoting a diverse Board.

### 3.4 Membership on Other Boards and Audit Committees and Change to Primary Employment

Celestica values the experience Directors bring from other boards on which they serve and other activities in which they participate, but recognizes that those boards and activities also may present demands on a Directors' time and availability and may present conflicts or legal issues, including independence issues. Directors are expected to devote the time and attention to Celestica's business and affairs necessary to discharge their duties as Directors effectively. Subject to this requirement, the Directors shall not be subject to any restrictions with respect to their activities outside of their relationship with Celestica, including their service as directors of other corporations or charitable organizations, provided that members of Celestica's Audit Committee may not serve on more than three audit committees of public companies, including that of Celestica. Directors should advise the Chair of the Board (the "Chair") and the chair of the Nominating and Corporate Governance Committee before accepting membership on other public company boards. Directors shall also notify the Chair and Celestica's General Counsel of any change of primary employment.

### 3.5 Terms in Office and Retirement

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

There is no limit on the number of terms a Director may serve; however, unless the Board authorizes an exception, a Director shall not stand for re-election after his or her 75<sup>th</sup> birthday.

## **4. FUNCTIONING OF THE BOARD**

### **4.1 Size**

Celestica's articles of incorporation allow for a minimum of three and a maximum of twenty Directors. The Board has the authority to set the size of the Board from time to time. The size of the Board shall be such that it allows for a balance of skills and experience necessary for the Board to discharge its oversight responsibility effectively.

### **4.2 Chair**

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. The Chair shall be an independent Director. The Board shall maintain a position description for the Chair.

### **4.3 In Camera Sessions**

The independent Directors shall meet separately as part of each meeting of the Board and Board committees. *In camera* sessions shall be chaired by the Chair or, in the absence of the Chair, by another independent Director selected by those in attendance.

### **4.4 Committees of the Board**

The Board shall maintain an Audit Committee, a Nominating and Corporate Governance Committee and a Human Resources and Compensation Committee, each having a mandate and composition that is consistent with applicable securities regulatory and stock exchange requirements. Subject to Celestica's articles and by-laws, the Board may appoint an Executive Committee and any other committee of the Board and delegate to such committee any of the powers of the Board, except to the extent that such delegation is prohibited by corporate law. The Nominating and Corporate Governance Committee and the Board shall from time to time, as each considers appropriate, review the mandates, composition and performance of each standing committee of the Board.

## **5. MANAGEMENT**

### **5.1 Chief Executive Officer ("CEO")**

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. The Human Resources and Compensation Committee shall evaluate the CEO's performance in light of those goals and objectives.

The Human Resources and Compensation Committee shall from time to time, as it considers appropriate:

- (a) maintain and review succession planning for the CEO and all positions that report directly to the CEO and any executive positions at Band 16 level and above;
- (b) develop policies and principles for CEO selection; and
- (c) develop an emergency succession plan to address the unforeseen loss of the CEO through death, disability or another succession-related emergency.

## 5.2 Directors' Access to Executives

Directors may deal directly with members of Celestica's management team as they consider appropriate. Each Director shall use his or her judgment to ensure that his or her dealings with members of the management team are not unduly disruptive to the day-to-day operation of Celestica's business and shall, to the extent appropriate, coordinate such dealings through Celestica's CEO.

Direct reports to the CEO (and other members of management as appropriate) shall make presentations to the Board as appropriate and shall attend Board dinners and retreats as appropriate to enable Directors to become acquainted with Celestica's management team.

## **6. DIRECTORS' ACCESS TO OUTSIDE ADVISORS**

- 6.1 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. DIRECTOR COMPENSATION**

### 7.1 Human Resources and Compensation Committee Mandate

The mandate of the Human Resources and Compensation Committee requires it to, from time to time, as the Human Resources and Compensation Committee considers appropriate, review and make recommendations to the Board regarding the total compensation of the members of the Board, having regard to the director compensation guidelines and principles established by the Nominating and Corporate Governance Committee from time to time, as described in section 7.2 below.

## 7.2 Compensation Guidelines

The Nominating and Corporate Governance Committee establishes Director compensation guidelines and principles, which include:

- (a) a statement of principle that Celestica's Director compensation arrangements shall be competitive with director compensation at comparable companies; and
- (b) a requirement that a portion of the Director's compensation (as determined by the Nominating and Corporate Governance Committee from time to time) be paid in subordinate voting shares of Celestica or equivalents (including on a deferred basis).

## 7.3 No Option Grants to Directors

Celestica's Director compensation arrangements will not include the grant of options to Directors, in their capacity as Directors, but will encourage ownership of Celestica stock or equivalents (including on a deferred basis).

## 7.4 Members of Management on the Board

Members of Celestica's management team who serve on the Board shall not receive additional compensation for their service as Directors.

## **8. DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

- 8.1 New Directors shall be oriented to the business and affairs of Celestica through discussions with management and other Directors and by periodic presentations from senior management on major business, industry and competitive issues.

Management and outside advisors shall provide information and education sessions to the Board and its Committees as necessary to keep the Directors up-to-date with Celestica, its business and the environment in which it operates, as well as with developments in the responsibilities of Directors.

Directors may attend outside conferences and seminars that are relevant to their role at Celestica's expense, with the prior approval of the Chair.

## **9. ANNUAL PERFORMANCE EVALUATION**

- 9.1 The Nominating and Corporate Governance Committee of the Board has responsibility for developing and recommending to the Board a process for annually assessing the performance of the Board as a whole, the committees of the Board, the contribution of individual Directors (including as Chair of the Board and chair of each standing committee of the Board), including through peer review, and management. The Board shall conduct a self-evaluation annually to

determine whether it and its committees are functioning effectively and every three years the Board evaluation shall be conducted by an external advisor. The Nominating and Corporate Governance Committee is responsible for overseeing the execution of the assessment process approved by the Board.

## **10. RELATED PARTY TRANSACTIONS**

- 10.1 From time to time on an ad hoc basis, if and when required or otherwise viewed by the Board as being prudent in the circumstances, the Board will form a special committee of disinterested Directors to review and evaluate any material related party or other significant conflict of interest transactions involving Celestica (except for material transactions solely involving Celestica and one or more wholly-owned subsidiaries of Celestica).

## **11. NO RIGHTS CREATED**

- 11.1 These corporate governance guidelines are intended as an overall summary 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, by-laws and the specific provisions of the mandates of the Board and its committees, these corporate governance guidelines are not intended to, and shall not, establish any legally binding obligations.