

CORPORATE GOVERNANCE

The Corporation is committed to high standards of corporate governance in all aspects of its decision making processes.

The Corporation is listed on the NYSE and, although it is not required to comply with all of the NYSE corporate governance requirements to which the Corporation would be subject if it were a U.S. corporation, the Corporation's governance practices differ significantly in only one respect from those required by the NYSE of U.S. domestic issuers. The Corporation complies with applicable TSX rules, which require shareholder approval of share compensation arrangements involving new issuances of shares, and of certain amendments to such arrangements, but do not require such approval if the compensation arrangements involve only shares purchased in the open market. NYSE rules require shareholder approval of all equity compensation arrangements (and material revisions thereto), subject to limited exceptions, regardless of whether new issuances or treasury shares are used.

Each of the following documents, which are referred to throughout this Corporate Governance section, are posted on the Corporation's website at www.celestica.com under "Investor Relations" | "Corporate Governance" (information on our website is not incorporated by reference into this Circular):

1. Corporate Governance Guidelines;
2. Board of Directors Mandate ("**Board Mandate**");
3. Written position descriptions for each of the Chair of the Board, the Chair of each standing committee of the Board and the CEO;
4. Celestica's Corporate Values;
5. The Business Conduct Governance Policy (the "**BCG Policy**");
6. The Finance Code of Professional Conduct;
7. Audit Committee Mandate;
8. NCGC Mandate; and
9. HRCC Mandate.

The Corporation's annual report, financial statements and management's discussion and analysis are also available on our website at www.celestica.com under "Investor Relations" | "Annual Reports" | "Quarterly Reports" (information on our website is not incorporated by reference into this Circular). Additional information about the Corporation is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. You can request copies of any of the documents mentioned above by contacting Celestica's Corporate Secretary at clsir@celestica.com.

Board of Directors

Role of the Board

Under the Board Mandate, the Board has explicitly assumed stewardship responsibility for the Corporation. The duties and responsibilities of the Board include:

- satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
- adopting a strategic planning process and approving, on at least an annual basis, a strategic plan;
- identifying the principal risks of the business and ensuring the implementation of appropriate systems to manage such risks;
- succession planning;
- reviewing financial reporting and regulatory compliance;
- reviewing internal control and management information systems;

- reviewing and approving material transactions;
- establishing measures for receiving feedback from securityholders;
- overseeing the general strategy, policies and initiatives relating to environmental, social and governance matters, including, among other things, sustainability;
- reviewing board operations and evaluating board, committee and individual Director effectiveness;
- developing the Corporation's approach to corporate governance;
- reviewing and approving the annual director assessment process;
- nominating and appointing directors;
- reviewing and approving financial and business goals and objectives used as a basis for measuring the performance of the CEO and relevant to CEO compensation;
- reviewing and approving Celestica's quarterly and annual financial statements after the Audit Committee has reviewed and made a recommendation to the Board regarding such statements;
- approving director compensation; and
- monitoring compliance with the BCG Policy.

The Board Mandate is attached to this Circular as Schedule A.

Independence

Director Independence

The Board has determined that all directors, except for Messrs. Mionis and Popatia, are independent as determined in accordance with applicable Canadian securities laws and NYSE listing standards. To determine whether directors are independent, the Board uses information about their personal and business relationships with Celestica. The Board collects this information from sources such as directors' responses to a detailed annual questionnaire, director biographical information and internal records of direct or indirect material relationships (such as any relationship with the Corporation, any of the Corporation's subsidiaries or with Onex (which holds approximately 80.9% of the voting rights of the Corporation's securities)) which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment.

The following chart details the Board's determination with respect to the independence status of each director nominee:

Table 6: Directors' Relationships to the Corporation

<i>Name</i>	<i>Independent</i>	<i>Not Independent</i>	<i>Reason not Independent</i>
Robert A. Cascella	✓		
Deepak Chopra	✓		
Daniel P. DiMaggio	✓		
Laurette T. Koellner	✓		
Robert A. Mionis		✓	President and CEO of Celestica
Carol S. Perry	✓		
Tawfiq Popatia		✓	Senior Managing Director of Onex
Eamon J. Ryan	✓		
Michael M. Wilson	✓		

Independent Chair

Mr. Wilson is the Chair of the Board and is an independent director under applicable Canadian rules and NYSE listing standards. In this capacity, Mr. Wilson is responsible for the effective functioning of the Board.

As part of his duties, he establishes procedures to govern the Board’s work and ensure the Board’s full discharge of its duties. Celestica shareholders and other interested parties may communicate directly to the Chair any concerns that they may have regarding the Corporation. See the contact information under *Questions and Answers on Voting and Proxies — How Can I Contact the Independent Directors and Chair?* in this Circular.

Public Company Board Membership

None of the current directors of the Corporation serve together as directors of other corporations. See *Election of Directors — Nominees for Election as Director* for the other public companies on which the directors currently serve.

Under the Corporate Governance Guidelines, directors must advise the Chair and the Chair of the NCGC before accepting membership on other public company boards and must also notify the Chair and Celestica’s Chief Legal Officer of any change of primary employment.

Position Descriptions

The Board has developed and approved written position descriptions for the Chair of the Board, the Chair of each standing committee of the Board and the CEO. The CEO has full responsibility for the day-to-day operations of the Corporation’s business in accordance with the Corporation’s strategic plan, current year operating plan and capital expenditure budget, each as approved by the Board. The CEO must develop and implement processes that are intended to ensure the achievement of the Corporation’s financial and operating goals and objectives.

Director Attendance

Directors are expected to be prepared for and attend all Board and respective committee meetings. The following table sets forth the attendance of directors at Board meetings and at meetings of those standing committees of which they are members, from January 1, 2020 to February 22, 2021. All then-members of the Board attended the Corporation’s last annual meeting of shareholders.

Table 7: Directors’ Attendance at Board and Committee Meetings

Director	Board	Audit Committee	HRCC	NCGC	Meetings Attended %	
					Board	Committee
Robert A. Cascella	8 of 8	6 of 6	6 of 6	3 of 3	100%	100%
Deepak Chopra	8 of 8	6 of 6	6 of 6	3 of 3	100%	100%
Daniel P. DiMaggio	8 of 8	6 of 6	6 of 6	3 of 3	100%	100%
Laurette T. Koellner	8 of 8	6 of 6	6 of 6	3 of 3	100%	100%
Robert A. Mionis	8 of 8	—	—	—	100%	—
Carol S. Perry	8 of 8	6 of 6	6 of 6	3 of 3	100%	100%
Tawfiq Popatia	7 of 8	—	—	—	88%	—
Eamon J. Ryan	8 of 8	6 of 6	6 of 6	3 of 3	100%	100%
Michael M. Wilson	8 of 8	6 of 6	6 of 6	3 of 3	100%	100%

In response to the COVID-19 pandemic, all Board and Committee meetings held in 2020 were held virtually by electronic means (with the exception of those held in person in January 2020).

In Camera Sessions

The independent directors meet separately as part of every Board and Committee meeting. The Chair presides at every *in camera* session of the Board, or in the absence of the Chair, another independent director selected by those in attendance.

Ad Hoc Committees

From time to time, the Board establishes *ad hoc* committees. During 2020, Messrs. Cascella, Mionis, Popatia and Wilson served on the Director Search Committee.

Committees of the Board

Audit Committee

The Board has a fully independent Audit Committee (pursuant to applicable Canadian and U.S. Securities and Exchange Commission (“SEC”) rules and NYSE listing standards) and is currently comprised of Laurette T. Koellner (Chair), Robert A. Cascella, Deepak Chopra, Daniel P. DiMaggio, Carol S. Perry, Eamon J. Ryan and Michael M. Wilson. The Audit Committee members and its Chair are appointed annually by the Board. Shareholders may obtain further information regarding the Corporation’s Audit Committee in Part I, Item 6C and Part II, Item 16A of the Corporation’s 2020 Annual Report on Form 20-F.

No member of the Audit Committee serves on more than three audit committees of public companies, including that of the Corporation.

The Audit Committee is directly responsible for the compensation, retention and oversight of the work of a registered public accounting firm for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. In addition, the Committee has sole authority for recommending the person to be proposed to Celestica’s shareholders for appointment as external auditor and whether at any time the incumbent external auditor should be removed from office. The Audit Committee also has the authority to retain, in addition to the external auditor, such other outside legal, accounting or other advisors as it may consider appropriate and is not required to obtain the approval of the Board in order to retain, compensate or terminate such advisors.

The Audit Committee and its Chair are appointed annually by the Board. As part of each meeting at which (i) the Committee recommends that the Board approve the annual audited financial statements or (ii) the Committee reviews the quarterly financial statements, the Committee members meet separately with each of: management; the external auditor; and the internal auditors.

In addition to fulfilling the responsibilities as set forth in its mandate, in 2020, the Audit Committee implemented a formal annual review of the qualifications, expertise, resources and the overall performance of the Corporation’s external auditor, including conducting a survey of each member of the Audit Committee and of certain key management personnel

In accordance with National Instrument 52-110 — Audit Committees, shareholders may obtain further information regarding the Corporation’s Audit Committee in Part I, Item 6C and Part II, Item 16A of the Corporation’s Annual Report on Form 20 F for the year ended December 31, 2020 under the United States Securities Exchange Act of 1934, as amended.

Human Resources and Compensation Committee

The Board has a fully independent HRCC pursuant to applicable Canadian and SEC rules and NYSE listing standards and is currently comprised of Eamon J. Ryan (Chair), Robert A. Cascella, Deepak Chopra, Daniel P. DiMaggio, Laurette T. Koellner, Carol S. Perry and Michael M. Wilson). Mr. Cascella has been appointed as Chair of the HRCC (if elected as a director), effective at the close of the Meeting, and if elected as a director, Mr. Ryan will remain a member of the HRCC thereafter. The HRCC members and its Chair are appointed annually by the Board. As part of each meeting, the HRCC members meet without any member of management present and also meet with the Corporation’s compensation consultant without any member of management present. The HRCC has the sole authority to retain, compensate and terminate any consultants and advisors it considers necessary within its mandate.

The duties and responsibilities of the HRCC include:

- reviewing and approving an overall reward/compensation policy for the Corporation, including an executive compensation policy that is consistent with competitive practice and supports organizational objectives and ownership interests;

- reviewing the corporate goals and objectives relevant to the compensation of the CEO, as approved by the Board, evaluating the CEO's performance in light of these goals and objectives, and setting the compensation of the CEO based on this evaluation;
- reviewing and approving the appointment and terms of employment (or any material changes to terms of employment) and, upon recommendation of the CEO, any changes to the base salary for all senior executive positions that report to the CEO and certain other senior executive positions, as well as any separation agreement or compensation arrangement for any such executive whose employment has been terminated;
- reviewing, modifying and approving the elements of the Corporation's incentive-based plans and equity-based plans, including plan design, performance targets, administration and total funds/shares reserved for payment;
- making recommendations to the Board regarding the compensation of the Corporation's directors in accordance with the principles and guidelines established by the NCGC;
- maintaining and reviewing succession planning for the CEO, all positions that report to the CEO and certain other executive positions;
- reviewing and approving, in conjunction with management, public disclosure relating to executive compensation in accordance with applicable rules and regulations and preparing any report required by any applicable securities regulatory authority or stock exchange requirement to be included in applicable public disclosure documents;
- reviewing the Corporation's talent management strategy and practices;
- reviewing and approving insider trading and share ownership policies;
- regularly reviewing the risks associated with the Corporation's compensation policies and practices; and
- performing any other activities consistent with its mandate.

All members of the HRCC have direct experience that is relevant to their responsibilities relative to human resources and compensation, and have skills and experience that contribute to the ability of the HRCC to make decisions on the suitability of the Corporation's human resources and compensation policies and practices. Each member of the HRCC possesses significant knowledge in human resources and executive compensation matters gained from his or her experience as an executive in one or more major public corporations, as outlined in the biographies in *Information Relating to Our Directors — Election of Directors — Nominees for Election as Director*. This experience varies from director to director, but collectively includes having responsibility for oversight of human resources policies; the creation and implementation of executive compensation plans; participating in briefings from outside consultants retained by compensation committees with respect to executive compensation design, administration and governance; having responsibility for human resources and executive compensation decisions; and past/present service on the human resources and/or compensation committees of several other major public corporations. Mr. Wilson currently serves as Chair of the Human Resources and Compensation Committee of Air Canada; Mr. Chopra currently serves as a member of the Human Resources, Compensation and Pension Committee of The North West Company Inc.; Ms. Koellner currently serves on the Compensation Committee of The Goodyear Tire & Rubber Company and the Compensation and Executive Development Committee of Nucor Corporation, and she previously served on the Compensation Committee of AIG; and Ms. Perry previously served on the Management Resources and Compensation Committee of Softchoice Corporation (while it was a public company listed on the TSX). Accordingly, the Corporation believes that its HRCC is appropriately qualified to make decisions on the suitability of the Corporation's human resources and compensation policies and practices.

The HRCC has retained an independent compensation consultant to assist in the discharge of its mandate. For a description of the compensation consultant's role and mandate, see *Compensation Discussion and Analysis — Compensation Objectives — Independent Advice* below.

Nominating and Corporate Governance Committee

The NCGC is a fully independent committee of the Board (pursuant to applicable Canadian rules and NYSE listing standards) and is currently comprised of Michael M. Wilson (Chair), Robert A. Cascella, Deepak Chopra, Daniel P. DiMaggio, Laurette T. Koellner, Carol S. Perry and Eamon J. Ryan. The NCGC members and its Chair are appointed annually by the Board.

The NCGC is responsible for developing and recommending governance guidelines for the Corporation (and recommending changes to those guidelines), identifying individuals qualified to become members of the Board, and recommending director nominees to be put before the shareholders at each annual meeting. The duties and responsibilities of the NCGC include:

- reviewing the Corporate Governance Guidelines;
- creating a formal, rigorous and transparent procedure for the appointment of new directors to the Board;
- identifying and recommending new director nominees
- annually assessing the effectiveness of the Board Diversity Policy and its effectiveness in promoting a diverse Board, and monitoring compliance with disclosure and any other requirements under applicable corporate and securities laws and regulations, as well as any applicable stock exchange requirements, regarding diversity;
- developing a director orientation program;
- developing a director continuing education program;
- developing position descriptions for the Chair, the CEO and the chair of each committee;
- developing and overseeing annual director evaluations, including assessing the performance of the Board, the committees, individual directors and through peer review;
- reviewing director compensation guidelines;
- overseeing the Corporation's general strategy, policies and initiatives relating to ESG matters, including, among other things, sustainability, and reviewing the risks related to ESG matters; and
- annual director independence reviews.

Orientation and Continuing Education

Orientation of New Directors

The Corporation's orientation program helps new directors contribute effectively to the work of the Board as soon as possible after their appointment or election to the Board. As part of this program, new directors receive written materials on the Board and committee mandates, the Corporation's structure, organization, current priorities and issues that have been considered by the Board and each of its committees. New directors also attend meetings with the Chair, directors, the Corporation's external compensation consultant and key executives, and receive periodic presentations from senior management on major business strategy, industry trends, customer requirements and competitive issues. Through this orientation program, new directors have the opportunity to become familiar with the role of the Board and its committees, the contribution individual directors are expected to make, and the nature and operation of the Corporation's business.

Director Education

The Board recognizes ongoing director education as an important component of good governance. Directors are expected to be informed about current best practices, emerging trends in corporate governance and relevant regulatory developments.

The Corporation facilitates corporate governance best practices by maintaining a board membership with the Institute of Corporate Directors for the benefit of all our directors. In addition, the Corporation provides each director with a membership in the National Association of Corporate Directors.

While directors are required to take personal responsibility for staying current, Celestica’s Corporate Governance Guidelines require management and outside advisors to provide information and education sessions to the Board and its Committees as necessary to keep the directors up-to-date with Celestica’s business and the environment in which it operates, as well as with developments in the responsibilities of directors. In accordance with the NCGC mandate, our continuing education program has been designed to, among other things: (i) assist directors to maintain or enhance their skills and abilities as directors of the Corporation; and (ii) assist directors in ensuring that their knowledge and understanding of the Corporation’s business remains current.

The Corporation facilitates these corporate governance best practices by:

- providing directors with detailed information packages in advance of each Board and Committee meeting through an online portal which directors can access immediately upon the issuance of materials;
- providing regular updates between meetings of the Board with respect to issues that affect the business of the Corporation;
- encouraging attendance at industry conferences and educational offers in relation to the Corporation’s business;
- contributing to the cost of outside conferences and seminars that are relevant to their role (with prior approval of the Chair); and
- providing directors with full access to senior management and employees of the Corporation.

Directors review the annual work plan for Board and committee meetings, participate in setting the agendas for such meetings and participate in annual strategic planning sessions.

The Board’s continuing education program also includes management presentations, analyst reports and regular business updates from the CEO. From January 1, 2020 to February 22, 2021, management and/or external advisors provided educational sessions and/or materials on the following:

Director Education
Executive compensation trends
Executive compensation disclosure requirements in Canada and the U.S.
Developments in corporate governance
Developments in accounting rules and standards
Cyber-security
Regulatory developments; and industry trends
ESG matters, including climate change, employee and community engagement, and corporate governance
Diversity and inclusion
U.S./China relations

All of the directors were provided with the educational materials and participated in sessions relevant to the committees on which they sit.

Site visits of the Corporation’s facilities are arranged from time to time for Board members; however, these have been temporarily suspended as a result of the COVID-19 pandemic.

Director Skills Matrix

The NCGC has developed a skills matrix which identifies the functional competencies, expertise and qualifications of the Corporation's director nominees and the competencies, expertise and qualifications that the Board would ideally possess, which is set forth below.

2021	Robert A. Cascella	Deepak Chopra	Daniel P. DiMaggio	Laurette T. Koellner	Robert A. Mironis	Carol S. Perry	Tawfiq Popatia	Eamon J. Ryan	Michael M. Wilson	TOTAL
Skills										
Service on Other Public (For-Profit) Company Boards	✓	✓		✓	✓	✓	✓		✓	7
Senior Officer or CEO Experience	✓	✓	✓	✓	✓		✓	✓	✓	8
Financial Literacy	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Communications and/or Enterprise Computing		✓			✓					2
A&D				✓	✓		✓			3
HealthTech	✓									1
Capital Equipment					✓					1
Industrial					✓					1
Services (design, after market)	✓		✓		✓					3
Europe and/or Asia Business Development	✓	✓	✓	✓	✓		✓	✓	✓	8
Operations (supply chain management and manufacturing)	✓	✓	✓		✓				✓	5
Marketing and Sales	✓	✓	✓		✓		✓	✓	✓	7
Strategy Deployment / M&A	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Talent Development and Succession Planning	✓	✓	✓	✓	✓		✓		✓	7
IT and Business Transformation		✓		✓	✓			✓		4
Finance and Treasury	✓	✓		✓		✓	✓			5
Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Environment and Social	✓	✓	✓		✓		✓		✓	6
Other Characteristics										
Gender	M	M	M	F	M	F	M	M	M	7M / 2F

Board Diversity

When assessing its composition or identifying suitable candidates for appointment or re-election, the Board will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board, free of conscious or unconscious bias and discrimination.

In furtherance of Board diversity, the Board adopted a new Board Diversity Policy in January 2021. In accordance with the Board Diversity Policy, Celestica aspires to attain by its annual meeting in 2023, and thereafter maintain, a Board composition in which at least 30% of the Board are women. Further, when identifying candidates for election or appointment to the Board of Directors, including the director search which is currently underway, the Board and its NCGC will:

- consider candidates who are qualified based on a balance of skills, background, experience and knowledge;

- take into account diversity considerations such as age, geographical representation from the regions in which Celestica operates, cultural heritage (including Aboriginal peoples and members of visible minorities) and different abilities (including persons with disabilities);
- strive to use, to their fullest potential, the Board’s network of relationships, in addition to using third party organizations, that may help identify diverse candidates for joining the Board;
- ensure that the initial candidate list is comprised of no less than 50% women; and
- periodically review recruitment and selection protocols to ensure diversity remains an important component of the Board.

From time to time, the Board will review the Board Diversity Policy and assess its effectiveness in promoting a diverse Board.

The complexity of our business has required us to maintain flexibility when selecting director nominees in the past as we have addressed board refreshment and succession planning. As a result, we have extended our prior gender diversity target (Board composition of at least 30% women by 2020) to 2023. Notwithstanding previous challenges in identifying women candidates for the Board, we are committed to the target of 30% women as well as the other diversity criteria outlined in the Board Diversity Policy. While the qualifications of each individual director are paramount, diversity criteria relating to the director’s gender, age, geographic location, education, cultural heritage and different abilities will also be given due consideration. We are factoring these objectives into our current search for a new director.

The proposed Board has an average age of 64 and average tenure of seven years. Two of the proposed nine nominees are women (22%), including the current Chair of the Audit Committee. Two of the other nominees self-identify as members of visible minorities (22%) and none of the nominees self-identify as Aboriginal peoples or as persons with disabilities (each as defined under the *Employment Equity Act* (Canada)). The Board considers that the composition and number of the nominees for the position of director that it proposes will allow the Board to perform effectively and act in the best interests of the Corporation and its stakeholders.

Nomination and Election of Directors

Recognizing that new directors may be required from time to time, the NCGC maintains the skills matrix described above under *Skills Matrix* for the purpose of identifying any gaps and determining the profiles for potential director nominees that would best serve the Corporation.

The Board is committed to nominating highly qualified individuals to fulfill director roles, based on the needs of the Corporation at the relevant time. The Board believes that diversity is important to ensure that Board members provide the necessary range of complementary perspectives, experience and expertise required to achieve effective stewardship of the Corporation. To assist in meeting our diversity objectives and ensure there are no systemic barriers or biases in our policies or practices, the Board adopted the Board Diversity Policy described above under *Board Diversity*.

During 2020, the NCGC began a comprehensive Board composition review process taking into account the composition of the Board, Board diversity and the Board’s retirement policy. In addition, an *ad hoc* Director Search Committee comprised of Messrs. Cascella, Mionis, Popatia and Wilson was created for the purpose of identifying potential director nominees, and an external director search firm has been engaged to assist with such identification.

Director Assessments

The Board Mandate requires the Board to evaluate and review its performance, its committees and its directors on an annual basis. Under Celestica’s Corporate Governance Guidelines, the NCGC is responsible for developing and recommending to the Board a process for annually assessing the performance of the Board as a whole, and the committees of the Board, and assessing the contribution of individual directors (including the Chair of the Board and chair of each standing committee of the Board), including through peer review, and management. The Board conducts a self-evaluation annually to determine whether it and its committees

are functioning effectively and every three years the Board evaluation must be conducted by an external advisor. The NCGC is responsible for overseeing the execution of the assessment process approved by the Board.

The scope, focus and requirements of the evaluation and review will vary from year to year. The process may also involve soliciting feedback from senior executives as to the effectiveness of the working relationship with the Board and how to improve it. The results of the evaluation, and feedback on the evaluation process itself, are integrated into the next year's Board evaluation cycle. The 2021 director evaluations will be conducted by an external advisor and will include peer review.

Governance Policies and Practices

Majority Voting Policy

The TSX requires listed issuers that are not majority controlled to adopt a majority voting policy for the election of directors or to otherwise satisfy the TSX's majority voting requirements. Although the Corporation is exempt from the TSX's majority voting policy requirements, the Corporation chose the policy described above under *Majority Voting Policy* to appropriately and effectively reflect the application of majority voting policies to a majority controlled company, consistent with the rationale underlying the TSX majority voting requirements and good corporate governance.

Retirement Policy and Term Limits

The Board strives to achieve a balance between the need to retain directors with valuable institutional experience and the benefits obtained from new perspectives and approaches that accompany Board turnover.

Celestica's Corporate Governance Guidelines provides that, unless the Board authorizes an exception, a director shall not stand for re-election after his or her 75th birthday (and the Corporation does not provide a director with any additional financial compensation upon retirement). In light of Mr. Ryan's leadership, expertise and valuable contributions to the Board, the NCGC recommended, and the Board approved, an exception to such policy for Mr. Ryan for 2021. In accordance therewith, Mr. Ryan is standing for re-election at the Meeting.

The Board has not adopted term limits to date, but continues to assess whether or not they are appropriate. It is currently satisfied that there is a suitable level of Board turnover to ensure the ongoing addition of fresh perspectives and experience to the Board. The Board considers that the imposition of term limits would discount the value of experience and continuity amongst directors, runs the risk of excluding experienced and valuable board members, and is therefore not in the best interests of the Corporation.

To ensure adequate Board renewal, the Board relies on rigorous director assessments for evaluating directors, reviews the composition and effectiveness of the Board annually, including the tenure and performance of individual directors, and maintains the skills matrix disclosed above to ensure the Board possesses the requisite experience, expertise and business and operational insight for the effective stewardship of the Corporation.

BCG Policy and Promotion of Ethical Conduct

The Corporation's BCG Policy applies to all the Corporation's directors, officers and employees. In addition, the Corporation's CEO, senior finance officers and all personnel in the finance area are subject to the Corporation's Finance Code of Professional Conduct.

The Board reviews the BCG Policy and the process for administering the BCG Policy on an annual basis. Management provides regular reports to the Board with respect to compliance with the BCG Policy.

All employees above a designated level are required to certify compliance with the BCG Policy annually. The Corporation also provides an on-line training program for the BCG Policy. The BCG Policy requires ethical conduct from employees and encourages employees to report breaches of the BCG Policy to their manager. The Corporation provides mechanisms whereby employees can report unethical behavior, including the

Celestica Ethics Hotline which provides a method for employees in every jurisdiction in the world to report unethical conduct, on an anonymous basis if they so choose.

As part of the Board Mandate, the Board has adopted as a minimum standard that directors must demonstrate integrity and high ethical standards. The Board Mandate also requires the Board, to the extent feasible, to satisfy itself as to the integrity of the Corporation's CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization.

The Corporation's Corporate Values underpin the Corporation's commitment to strong business ethics.

Material Interests in Transactions

The Corporation has no contracts or other arrangements in place in which any of its directors or officers has a material interest and does not anticipate entering into any such arrangement.

Celestica's Corporate Governance Guidelines provide that, 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 the Corporation (except for material transactions solely involving the Corporation and one or more wholly-owned subsidiaries of the Corporation).

Succession Planning

In accordance with its mandate, the HRCC, from time to time as it considers appropriate, maintains and reviews succession planning for the CEO, all positions that report to the CEO, and certain other positions. The HRCC regularly conducts a formal, in-depth review of each of these succession plans with the CEO in order to satisfy itself that the succession plans meet the needs of the Corporation. During 2020, the HRCC reviewed a COVID-19-related emergency succession plan as well as an in-depth talent and succession plan.

Director Compensation

Director compensation is set by the Board on the recommendation of the HRCC and in accordance with director compensation guidelines and principles established by the NCGC. The HRCC retains an independent compensation consultant to provide it with market advice. See *Election of Directors — Director Compensation*.

Cybersecurity and Information Security Risk

As part of its oversight responsibilities, which include the identification of the principal risks of the business and ensuring the implementation of appropriate systems to manage such risks, the Board devotes significant time and attention to information security and risk management, including cybersecurity, data privacy, and regulatory compliance. Celestica's Chief Information Officer provides regular reports to the Board on security posture, active threats, incident response, and progress towards internal goals. These reports address a range of topics, including industry trends, benchmark and assessment reports, technology modernization, policies and practices, and specific and ongoing efforts to prevent, detect, and respond to internal and external critical threats.

Indebtedness of Directors and Officers

As at February 22, 2021, no current or former executive officers or members of the Board of the Corporation or its subsidiaries and none of their respective associates were indebted to the Corporation or any of its subsidiaries (or had indebtedness that was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries) in connection with the purchase of SVS or in connection with any other transaction.

Directors, Officers and Corporation Liability Insurance

The Corporation and certain of its subsidiaries have entered into indemnification agreements with certain of the directors and officers of the Corporation and its subsidiaries. These agreements generally provide that the Corporation or the subsidiary of the Corporation which is a party to the agreement, as applicable, will indemnify the director or officer in question (including his or her heirs and legal representatives) against all costs, charges and expenses incurred by him or her in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved by reason of being or having been a director or officer of the Corporation or a subsidiary thereof, provided that he or she has acted honestly and in good faith with a view to the best interests of the Corporation or a subsidiary thereof.

The Corporation's current directors' and officers' insurance policies provide for aggregate coverage of \$110 million. The policies protect directors and officers against liability incurred by them while acting in their capacities as directors and officers of the Corporation and its subsidiaries. Included in the \$110 million of aggregate coverage is coverage dedicated solely to individual directors and officers. The Corporation's cost for this policy is approximately \$1.6 million annually. Limits available under the policies are in excess of a self-retention of \$2.5 million for each loss or claim.

ESG MATTERS

Environmental, social and governance (“ESG”) matters are important to Celestica and we believe that responsiveness to ESG issues is an inherent component of sound corporate citizenship. As a result, we are committed to: operating our business with integrity; focusing on ESG issues that impact our customers, the industries we serve, our employees and our shareholders; contributing to the local communities in which we operate; developing our employees and workforce; and being considerate environmental and fiscal stewards. Our commitment to social responsibility extends to the environment, anti-corruption and trade compliance, responsible sourcing, human rights, labor practices and worker health and safety.

In January 2021, the Board Mandate and the NCGC Mandate were updated to expressly add oversight for Celestica's strategy, policies and initiatives relating to ESG matters, including sustainability. As part of our enterprise-wide approach to risk management, the Board and management monitor long term risks that may be impacted by ESG events.

Throughout this Circular, including in the *Corporate Governance* section above and the *Compensation Discussion and Analysis* section below, we outline our governance practices, including those relating to board renewal and diversity, shareholder engagement and compensation matters. Detailed information regarding many of our ESG efforts is available in our Sustainability Report, which can be found on our website: www.celestica.com, under the “Sustainability” section of the “About Us” tab (information on our website is not incorporated by reference into this Circular). Highlights of our approach and commitment to ESG matters are described below.

COVID-19 Response

Celestica swiftly established a COVID-19 response committee in early 2020, which included members of our regional human resources, health and safety, IT and operations teams. Our first priority was (and continues to be) the health and safety of our employees, while continuing to serve our global customers, and in connection therewith we provide cleaning supplies, personal protective equipment (“PPE”), and IT-related services to support work-from-home arrangements. We continue to follow the requirements of governmental authorities and are taking preventative and protective measures to prioritize the safety of our employees, including a range of health and safety protocols such as a cessation of employee travel (other than very limited essential inter-regional travel), a global work-from-home policy for applicable employees, and for all other employees: physical distancing, enhanced screening, mandatory mask and use of other PPE, and shift splitting.