

IN THE MATTER OF THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,  
ONTARIO, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND  
NEWFOUNDLAND, YUKON, NORTHWEST TERRITORIES AND NUNAVUT

AND

IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM  
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF CELESTICA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Ontario as well as Yukon, the Northwest Territories and Nunavut (the "Jurisdictions") has received an application from Celestica Inc. (the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") permitting the PREP Information and the PREP Changes (each as defined in National Policy Statement No. 44, *Rules for Shelf Prospectus Offerings and for Pricing Offerings after the Final Prospectus is Received* ("NP 44")), for the purposes of the (final) short form prospectus and supplemented prospectus to be filed by the Filer in connection with a proposed primary and secondary offering of subordinate voting shares, to include the information described in detail below;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission (the "Commission") is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Ontario).
2. The authorized capital of the Filer consists of an unlimited number of subordinate voting shares, an unlimited number of multiple voting shares and an unlimited number of preference shares, of which 146,543,736 subordinate voting shares, 39,065,950 multiple voting shares and no preference shares were outstanding on January 31, 2000.
3. The subordinate voting shares of the Filer are listed and posted for trading on The Toronto Stock Exchange and The New York Stock Exchange.

4. The Filer is a reporting issuer or the equivalent in Ontario and each of the other Jurisdictions and is eligible to use the POP System (as defined in NP 44).
5. On February 14, 2000, the Filer filed a registration statement on Form F-3 (the "U.S. Shelf Registration Statement") with the United States Securities and Exchange Commission (the "SEC") for the distribution of up to U.S.\$1.75 billion of securities of the Filer. The U.S. Shelf Registration Statement was declared effective on February 18, 2000.
6. On February 22, 2000, the Filer filed a preliminary short form prospectus (the "Preliminary Prospectus") with the securities commission or similar regulatory authority in each of the Jurisdictions in connection with a proposed primary and secondary offering of subordinate voting shares of the Filer in Canada and the United States (the "Offering").
7. Pursuant to the Offering, the Filer is offering subordinate voting shares (the "Treasury Shares") to the public in Canada and the United States through a syndicate of underwriters (the "Underwriters").
8. Contemporaneously, certain parties (the "Onex Affiliates") related to Onex Corporation, the Filer's controlling shareholder, are selling, through the Underwriters, debentures (the "Exchangeable Debentures") exchangeable and redeemable, in certain circumstances, for subordinate voting shares of the Filer (the "Exchange Shares") to qualified purchasers in Canada on a private placement basis.
9. In order to permit the Underwriters to deliver a "fully-hedged" position to purchasers of Exchangeable Debentures, a corporation owned by the Underwriters (the "Selling Shareholder") may borrow subordinate voting shares of the Filer from third parties and sell short in Canada and the United States a number of such shares (the "Hedge Shares") up to the number of Exchange Shares underlying the Exchangeable Debentures sold.
10. The Offering comprises, and the Preliminary Prospectus, together with the (final) short form prospectus (the "Final Prospectus") and the supplemented prospectus (the "Supplemented Prospectus") to be filed in connection with the Offering, will qualify, the distribution of both the Treasury Shares and the Hedge Shares. The Treasury Shares and the Hedge Shares will be registered in the United States under the U.S. Shelf Registration Statement.
11. The Filer and the Underwriters expect determine the price and number of the shares included in the Offering after the completion of marketing. The aggregate principal amount of the Exchangeable Debentures to be issued by each of the Onex Affiliates and the numerical basis on which the Exchangeable Debentures may be exchanged for the Exchange Shares will be determined at the time when the Offering is priced to ensure that these attributes of the Exchangeable Debentures are consistent with the pricing of the Hedge Shares under the Offering.
12. Subsequently, the Filer will deliver a copy of the prospectus forming part of the U.S. Shelf Registration Statement and a prospectus supplement relating to the Treasury Shares and the Hedge Shares (together, the "U.S. Prospectus"), which will include the pricing information, to purchasers of such shares in the United States. The Filer will be required to file the U.S.

Prospectus with the SEC pursuant to Rule 424(b) under the *Securities Act of 1933* no later than the second business day following pricing of the Offering.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision maker with the jurisdiction to make the Decision has been met.

THE DECISION of the Decision Makers pursuant to the Legislation is that PREP Information (as defined in NP44), which will be omitted from the Final Prospectus, and the PREP Changes (as defined in NP44), which will be made in the Supplemented Prospectus, may include:

- (a) the aggregate number of subordinate voting shares included in the Offering;
- (b) the aggregate principal amount of the Exchangeable Debentures to be issued by each of the Onex Affiliates;
- (c) the numerical basis on which the Exchangeable Debentures may be exchanged for Exchange Shares; and
- (d) any information that is dependant on the aggregate number of Subordinate Voting Shares included in the Offering, the aggregate principal amount of the Exchangeable Debentures to be issued by each of the Onex Affiliates or the numerical basis on which the Exchangeable Debentures may be exchanged for Exchange Shares,

provided, in each case, that all such information is included in the Supplemented Prospectus and any amendment thereto.

DATED at Toronto, this "1st" day of "March" , 2000.

Manager, Corporate Finance