

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA, MANITOBA, NEWFOUNDLAND AND LABRADOR, NOVA SCOTIA,  
ONTARIO, QUEBEC AND SASKATCHEWAN

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 Alberta, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Quebec and Saskatchewan (collectively, the "Jurisdictions") has received an application from Celestica Inc. ("Celestica") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of Celestica, on the grounds that they are "nominal vice-presidents", as that term is defined in CSA Staff Notice 55-306 (the "Notice");

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

AND WHEREAS Celestica has represented to the Decision Makers that:

1. Celestica is a corporation incorporated under the *Business Corporations Act* (Ontario). Celestica is a leading provider of electronics manufacturing services to original equipment manufacturers worldwide. Celestica has facilities in over 40 locations throughout the Americas, Europe and Asia. Celestica provides a broad range of services to its customers in the information technology and communications industries;
2. The authorized capital of Celestica consists of an unlimited number of subordinate voting shares and an unlimited number of multiple voting shares, of which 190,294,986 subordinate voting shares and 39,065,950 multiple voting shares were outstanding as at November 25, 2002;
3. The subordinate voting shares of Celestica are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange;
4. Celestica is a reporting issuer or the equivalent under the Legislation in each of the Jurisdictions. Celestica is not in default of any requirement under the Legislation;

5. Currently, 91 individuals are insiders of Celestica by reason of being an officer or director of Celestica or its subsidiaries. Of those individuals, 28 are currently exempt from the insider reporting requirements of the Legislation by reason of the exemptions contained in National Instrument 55-101 ("NI 55-101"). Celestica has made this application to seek the requested relief in respect of 41 individuals;

6. Celestica maintains a trading policy (the "Policy") which it distributes to its insiders and persons in a "special relationship" (as that term is defined in Section 76(5) of the Securities Act (Ontario)) with Celestica. The Policy describes the trading restrictions and reporting requirements to which such persons are subject under applicable law and sets out guidelines with which all such individuals must comply when trading or contemplating a trade in securities of Celestica. These guidelines include a prohibition on trading in securities of Celestica during certain "blackout periods" prior to the release of Celestica's financial results and following the issuance of a press release disclosing material information about Celestica;

7. The Policy requires that persons to whom it applies advise Celestica's Chief Financial Officer or Chief Executive Officer prior to undertaking any trades in securities of Celestica;

8. Celestica has compiled a list of individuals who it has determined meet the criteria for exemption set out in the Notice (the "Nominal VPs"), by considering each such person's activities and responsibilities within Celestica and its major subsidiaries. Based on the nature of their job functions and after consulting with each Nominal VP, Celestica has determined that none of the Nominal VPs as a matter of course receives or has access to material undisclosed information relating to Celestica;

9. Each of the Nominal VPs meets the definition of "nominal vice-president", as defined in the Notice, for the following reasons:

(a) each of the individuals is a vice-president;

(b) none of the individuals is in charge of a principal business unit, division or function of Celestica or a "major subsidiary" of Celestica, as such term is defined in NI 55-101;

(c) none of the individuals in the ordinary course receives or has access to information as to material facts or material changes concerning Celestica before the material facts or material changes are generally disclosed; and

(d) none of the individuals is an insider of Celestica in any other reporting capacity;

10. On an ongoing basis, Celestica intends to monitor the eligibility for the exemption available under the Notice of each of the Nominal VPs, and that of other employees of Celestica and its major subsidiaries whose title is Vice President and who may satisfy the criteria of "nominal vice-president" from time to time. This will be effected by monitoring such persons' respective job functions and responsibilities and assessing the extent to which in the ordinary course they

receive notice of material facts or material changes with respect to Celestica prior to such facts or changes being generally disclosed; and

11. In connection with this application, Celestica has filed with the Decision Makers a copy of the Policy and the list of Nominal VPs;

AND WHEREAS pursuant to 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 Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation to file insider reports shall not apply to the Nominal VPs or any other employee of Celestica or its major subsidiaries who hereafter is given the title Vice President, provided that:

(a) each such person satisfies the definition of "nominal vice-president" contained in the Notice;

(b) Celestica prepares and maintains a list of all individuals who propose to rely on the exemption granted, submits the list on an annual basis to the board of directors for approval and files the list with the Decision Makers;

(c) Celestica files with the Decision Makers a copy of its internal policies and procedures relating to monitoring and restricting the trading activities of its insiders and other persons whose trading activities are restricted by Celestica; and

(d) the relief granted will cease to be effective on the date when NI 55-101 is amended.

January 21, 2003.

"Robert W. Korthals"

"H. Lorne Morphy"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to certain vice-presidents of a reporting issuer from the insider reporting requirements subject to certain conditions as outlined in CSA Staff Notice 55-306 - Applications for Relief from the Insider Reporting Requirements by Certain Vice Presidents.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii).

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Part VIII.

Rules Cited

National Instrument 55-101 - Exemption From Certain Insider Reporting Requirements.