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Supplier Financial Health

Roles and Responsibilities – CLS & Customers

Nov 2008

Supplier Financial Health and Overview

In today's volatile financial environment, Celestica continues to monitor the continuity of its key supply-base partners. This proactive approach prepares us, in advance of supplier-related issues, and promotes agility within our supply-chain.

This document outlines :

- Steps taken by Celestica to monitor supply-base health
- Celestica and Customer roles and responsibilities
- Additional service offerings

Celestica Analysis and Investigation

- 1. Evaluate** our Preferred Supplier List (PSL), Top Spend and High-Risk suppliers on a quarterly basis, using industry publications and service-providers
- 2. Monitor** supply-base through daily interactions and business activities
- 3. Report** all opportunities for further review
 - Monthly Marketplace update (please contact your Celestica representative to receive this publication)
 - Supplier Risk Alert Process

Celestica Analysis and Investigation

Alert Defined

- An alert is an internal notification regarding a supplier, when it's condition / position jeopardizes the continuity of our supply chain.
- Sample conditions include:
 - Financial non-viability (Receivership or Bankruptcy)
 - Headquarter closure

Alerts and Notifications

- No notifications or alerts will be sent unless validated by industry sources
- Once validated, Celestica will notify the customers affected, along with the associated product lines, as best as possible
- Email notifications will be sent to relevant Celestica Customer contacts for dissemination

Celestica's Responsibilities for action

For parts where Celestica has sourced (i.e. full AVL control):

- Build-to-Print Commodity – alternate sourcing and/or tooling transfer
- Electrical Components – alternate AVL recommendations
- Both – Last time buy and standard shortage mitigation activities

Customer's Responsibilities for action

Upon receipt of a Celestica alert, Celestica recommends:

- Customer to investigate the supplier and assess if mitigation is required
- Customer to investigate alternate sources for qualification, redesign / design-out of the supplier / component, and tooling ownership transfer

Additional Service Offerings

Celestica can also provide additional services :

- Engineering Services to assist the Customer in mitigation activities
- Incremental financial analysis for additional suppliers (on best effort basis)
- Gold BOM risk analysis
- Alternate AVL analysis
- CoreSim value engineering services

Recent Alerts Issued

Supplier Name	Date Issued
APW Galway Ltd.	Nov 11, 2008
Grafikom Services	Nov 11, 2008
Qimonda	Jan 23, 2009
Spansion	March 2, 2009

Thank you



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