



Canadian Imperial Bank of Commerce Corporate Governance Committee Mandate

1. **PURPOSE**

- (1) The primary function of the Corporate Governance Committee is to assist the Board of Directors in fulfilling its corporate governance oversight responsibilities.
- (2) The Corporate Governance Committee shall be the conduct review committee of CIBC under the *Bank Act* (Canada).

2. **MEMBERSHIP AND ORGANIZATION**

- (1) **Composition** — In addition to any other member of the Board appointed as a member of the Corporate Governance Committee, the chair or another member of each Board committee shall be a member of the Corporate Governance Committee. The Corporate Governance Committee shall consist of not less than four or more than eight independent members of the Board. At the invitation of the Corporate Governance Committee, members of CIBC's senior management and others may attend Corporate Governance Committee meetings as the Corporate Governance Committee considers necessary or desirable.
- (2) **Appointment and Removal of Corporate Governance Committee Members** — Each member of the Corporate Governance Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of shareholders of CIBC at which the member's term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Corporate Governance Committee or from the Board. The Board may fill a vacancy in the membership of the Corporate Governance Committee.
- (3) **Chair** — At the time of the annual appointment of the members of the Corporate Governance Committee, the Board shall appoint a Chair of the Corporate Governance Committee. The Chair shall: be a member of the Corporate Governance Committee, preside over all Corporate Governance Committee meetings, coordinate the Corporate Governance Committee's compliance with this mandate, work with management to develop the Corporate Governance Committee's meeting agendas and annual work-plan and provide reports of the Corporate Governance Committee to the Board. The Chair may vote on any matter requiring a vote and shall provide a second vote in the case of a tie vote.
- (4) **Independence** — Each member of the Corporate Governance Committee shall meet the independence standards established by the Board and any additional standards required of a member of a conduct review committee under the *Bank Act* (Canada).

3. **MEETINGS**

- (1) **Meetings** — The members of the Corporate Governance Committee shall hold meetings as are required to carry out this mandate. The Chair, any member of the Corporate

Governance Committee, the Chair of the Board or the Chief Executive Officer may call meetings of the Corporate Governance Committee by notifying the Corporate Secretary of CIBC who will notify the members of the Corporate Governance Committee. In the absence of the Chair, the members of the Corporate Governance Committee present may appoint a chair from their number for a meeting.

- (2) **Notices of Meetings** — Notices of Corporate Governance Committee meetings may be provided by: prepaid mail, personal delivery, facsimile, electronic-mail or telephone, provided that the method of notification chosen shall be capable of being received by members of the Corporate Governance Committee at least 24 hours before a Corporate Governance Committee meeting at the member's contact information last recorded with the Corporate Secretary. Any member of the Corporate Governance Committee may in any manner waive notice of a Corporate Governance Committee meeting and attendance at a Corporate Governance Committee meeting is waiver of notice of the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not properly called.
- (3) **Secretary and Minutes** — The Corporate Secretary, his or her designate or any other person the Corporate Governance Committee requests, shall act as secretary of Corporate Governance Committee meetings. Minutes of Corporate Governance Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Corporate Governance Committee for approval.
- (4) **Quorum** — A majority of the members of the Corporate Governance Committee shall constitute a quorum. If a quorum cannot be obtained for a Corporate Governance Committee meeting, members of the Board who would qualify as members of the Corporate Governance Committee may, at the request of the Chair or the Chair of the Board, serve as members of the Corporate Governance Committee for that meeting.
- (5) **Resident Canadian Majority** — The Corporate Governance Committee shall not transact business at a Corporate Governance Committee meeting unless a majority of the members present are "resident Canadians" as defined under the *Bank Act* (Canada).
- (6) **Access to Management and Outside Advisors** — The Corporate Governance Committee shall have unrestricted access to management and employees of CIBC. The Corporate Governance Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the compensation for these advisors without consulting or obtaining the approval of the Board or any officer of CIBC. CIBC shall provide appropriate funding, as determined by the Corporate Governance Committee, for the services of these advisors.
- (7) **Meetings Without Management** — The Corporate Governance Committee shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.
- (8) **Access to Other Committees** — The Chair or any member of the Corporate Governance Committee may request the in-pu of another Board committee on any accountability or responsibility set out in this mandate.

4. ACCOUNTABILITIES AND RESPONSIBILITIES

The Corporate Governance Committee shall have the accountabilities and responsibilities set out below as well as any other matters that are specifically delegated to the Corporate Governance Committee by the Board. In addition to these accountabilities and responsibilities, the Corporate Governance Committee shall perform the duties required of a corporate governance committee, nominations committee and a conduct review committee by the *Bank Act* (Canada), requirements of the stock exchanges on which the securities of CIBC are listed and all other applicable laws.

(1) Oversight of Corporate Governance Matters

- (a) Governance Framework — At least annually, the Corporate Governance Committee shall review and, if advisable, approve and recommend for Board approval, CIBC's corporate governance framework generated by management.
- (b) Governance Activity — At least annually, the Corporate Governance Committee shall review CIBC's corporate governance activities and approve changes it considers appropriate. As part of its review, the Corporate Governance Committee shall take into account regulatory requirements and best practices. At least annually, the Corporate Governance Committee shall report to the Board on the state of CIBC's corporate governance activities.
- (c) Disclosure Policy — At least annually, the Corporate Governance Committee shall review CIBC's processes for administering CIBC's Disclosure Policy. The Corporate Governance Committee shall also review, and if advisable, recommend for Board approval, material changes to CIBC's Disclosure Policy.
- (d) Governance Disclosure — The Corporate Governance Committee shall prepare, in conjunction with management, corporate governance disclosure for CIBC's annual reports and management proxy circulars. This corporate governance disclosure must be approved by the Corporate Governance Committee prior to its dissemination.
- (e) Organizational Structure — The Corporate Governance Committee shall review and, if advisable, approve any proposed change to CIBC's organization structure which has a significant effect on controls or the independence of key control groups such as internal audit, finance, legal, compliance and risk management.

(2) Composition and Performance of the Board and its Committees

- (a) Nomination or Appointment of Directors — The Corporate Governance Committee shall consider and, if advisable, recommend for Board approval, candidates for nomination or appointment to the Board.
- (b) Committee Appointments — The Corporate Governance Committee shall consider and recommend for Board approval, the appointment of directors to Board committees.
- (c) Removal of Director from Board Committee — The Corporate Governance Committee may recommend for Board approval the removal of a director from a Board committee if he or she is no longer qualified to serve as a director under applicable law or for any other reason the Corporate Governance Committee considers appropriate.
- (d) Director Qualifications/Competencies — The Corporate Governance Committee shall establish and recommend for Board approval appropriate criteria for the selection of Board and Board committee members, including competencies and skills that the Board, as a whole, should possess and criteria for determining director independence. At least annually, the Corporate Governance Committee shall review CIBC's director qualification criteria including criteria for determining independence, and recommend for Board approval changes it considers appropriate.

- (e) Director Development — The Corporate Governance Committee shall oversee the development of a director development program. At least annually, the Corporate Governance Committee shall review this program and approve changes it considers appropriate.
- (f) Chair of the Board — At least annually, the Corporate Governance Committee shall review and, if advisable, approve and recommend for Board approval, the performance goals of the Chair of the Board.
- (g) Director Remuneration — At least annually, the Corporate Governance Committee shall review and, if advisable, approve and recommend for Board approval the remuneration paid to directors.
- (h) Mandate Review — At least annually, the Corporate Governance Committee shall review and, if advisable, approve and recommend for Board approval the mandates for the Board, each Board committee, the Chief Executive Officer, the Chair of the Board and a chair of a Board committee. This review shall include a review of the delegations of authority between the Board and its committees and shall be conducted in conjunction with the applicable Board committee or person, having regard to best practices, regulatory requirements and an assessment of significant risk areas for CIBC within the mandate of the applicable person or committee, including, strategic, operational, financial and regulatory risks.
- (i) Performance Assessment — At least annually, the Corporate Governance Committee shall conduct an assessment of the performance of the Board, the directors, each Board committee and the Chair of the Board against criteria the Corporate Governance Committee considers appropriate. The Corporate Governance Committee shall report its findings to the Board and, based on those findings, recommend any action plans that the Corporate Governance Committee considers appropriate.
- (j) Evaluation of Independence — At least annually, the Corporate Governance Committee shall evaluate each director against the independence criteria approved by the Board and shall make a recommendation to the Board, based on these criteria, on the independence of each director.
- (k) Director Tenure — At least annually, the Corporate Governance Committee shall review and, if advisable, approve and recommend for Board approval, criteria for the tenure of directors, including without limitation, retirement and other factors the Committee considers appropriate.
- (3) **Chair of the Board Succession** — At least annually, the Corporate Governance Committee shall review a succession and emergency preparedness planning process for the Chair of the Board and recommend the process for Board approval. The Corporate Governance Committee may recommend for Board approval the removal of the Chair of the Board for any reason the Corporate Governance Committee considers appropriate. Upon the vacancy of the Chair of the Board, the Corporate Governance Committee may make a replacement recommendation to the Board based on the succession planning process.
- (4) **Conflicts of Interest and Conduct Review**
 - (a) Self Dealing and Conflicts of Interest — The Corporate Governance Committee shall:
 - (i) require management to establish procedures for complying with Part XI of the *Bank Act* (Canada) (self dealing) and review these procedures and their compliance effectiveness;
 - (ii) review the practices of CIBC to verify that procedures are in place to identify any transactions with related parties of CIBC that may have a material effect on the stability or solvency of CIBC;

- (iii) confirm that management has established criteria that measure whether the value of a transaction entered into with a related party of CIBC is nominal or immaterial to CIBC;
- (iv) review and, if advisable, approve the terms and conditions of all loans to senior officers of CIBC, other than margin loans that are no more favourable to members of management than those offered to the public by CIBC;
- (v) review and, if advisable, approve the terms and conditions of a loan to the spouse or common-law partner of a senior officer of CIBC, where (i) the loan is on the security of the principal residence of the spouse or common-law partner, (ii) the loan is permitted under section 418 of the *Bank Act* (Canada) and (iii) the terms and conditions of the loan are more favourable than those offered to the public by CIBC;
- (vi) review and, if advisable, approve a policy of making financial services (other than loans or guarantees) available to a senior officer of CIBC, or to his or her spouse or common-law partner or child who is less than eighteen years of age, on terms and conditions more favourable than those offered to the public by CIBC if the financial services are offered by CIBC to employees of CIBC on those favourable terms and conditions;
- (vii) monitor the procedures established by the Board to resolve conflicts of interest, including techniques for the identification of potential conflict situations and for restricting the use of confidential information, as required by the *Bank Act* (Canada); and
- (viii) monitor the procedures established by the Board to provide disclosure of information to customers of CIBC that is required to be disclosed by the *Bank Act* (Canada) and for dealing with complaints, and satisfy itself that the procedures are being adhered to.

(b) Compliance with Employee Code of Conduct and Director Code of Ethics — The Corporate Governance Committee shall:

- (i) at least annually, review and, if advisable, approve and recommend for Board approval CIBC's Employee Code of Conduct and CIBC's Code of Ethics for directors;
- (ii) review and, if advisable, approve CIBC's processes for administering the Code of Conduct and the Code of Ethics;
- (iii) review with management the results of their assessment of CIBC's compliance with the Code of Conduct and their plans to remediate any deficiencies identified;
- (iv) review and, if advisable, approve any waiver¹ from a provision of the Code of Conduct requested by a member of senior management;
- (v) review and, if advisable, approve any waiver² from a provision of the Code of Ethics requested by a director; and
- (vi) review and, if advisable, approve policies and procedures with respect to officers' and directors' expenses and perquisites and consider the results of any review of these areas by the internal auditors or the external auditors.

¹ Under CIBC's Code of Conduct, any waiver must be promptly disclosed to shareholders.

² Under CIBC's Code of Ethics, any waiver must be promptly disclosed to shareholders

- (c) **Reputation Risk Review** — At least annually, the Corporate Governance Committee shall review the policies and processes established by management to create and sustain CIBC's image and mitigate reputation risk, including policies, procedures and/or reports to address: customer complaints; privacy related risks and privacy incidents; Board and employee compliance with the Code of Ethics or Code of Conduct, respectively; promoting accurate, timely and broadly disseminated disclosure of material information about CIBC; CIBC's efforts to conduct its business in an ethical and socially responsible manner; and CIBC's efforts to maintain relationships with the governments and regulators having authority over CIBC in jurisdictions where CIBC operates.
- (d) **Regulated Subsidiaries** — The Corporate Governance Committee shall be the conduct review committee for those subsidiaries of CIBC that require a conduct review committee under applicable law.
- (5) **Regulatory Reports and Returns** — The Corporate Governance Committee shall provide or review, as applicable, all reports and returns required of the Corporate Governance Committee under applicable law.
- (6) **Assessment of Regulatory Compliance** — The Corporate Governance Committee shall review management's assessment of compliance with laws and regulations as they pertain to responsibilities under this mandate, report any material findings to the Board and recommend changes it considers appropriate.
- (7) **Delegation** — The Corporate Governance Committee may designate a sub-committee to review any matter within this mandate as the Corporate Governance Committee deems appropriate.

5. REPORTING TO THE BOARD

- (1) The Chair shall report to the Board on material matters arising at Corporate Governance Committee meetings and, where applicable, shall present the Corporate Governance Committee's recommendations to the Board for its approval.
- (2) After each meeting of the Corporate Governance Committee where conduct review matters are discussed, the Chair shall report to the Board on the conduct review matters considered by the Corporate Governance Committee.

6. COMMITTEE MEMBER DEVELOPMENT AND PERFORMANCE REVIEW

- (1) The Chair shall co-ordinate orientation and continuing director development programs relating to this mandate for Corporate Governance Committee members.
- (2) At least annually, the Corporate Governance Committee shall evaluate and review the performance of the Corporate Governance Committee, each of its members and the adequacy of this mandate.

7. CURRENCY OF THE CORPORATE GOVERNANCE COMMITTEE MANDATE

- (1) This mandate was last revised and approved by the Board on May 29, 2008.