



Canadian Imperial Bank of Commerce Management Resources and Compensation Committee Mandate

1. PURPOSE

- (1) The primary function of the Management Resources and Compensation Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities and to provide strategic oversight in relation to CIBC's executive compensation practices and key human resource policies.

2. MEMBERSHIP AND ORGANIZATION

- (1) **Composition** — The Management Resources and Compensation Committee shall consist of not less than three or more than eight independent members of the Board. At the invitation of the Management Resources and Compensation Committee, members of CIBC's senior management and others may attend Management Resources and Compensation Committee meetings as the Management Resources and Compensation Committee considers necessary or desirable.
- (2) **Appointment and Removal of Management Resources and Compensation Committee Members** — Each member of the Management Resources and Compensation 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 Management Resources and Compensation Committee or from the Board. The Board may fill a vacancy in the membership of the Management Resources and Compensation Committee.
- (3) **Chair** — At the time of the annual appointment of the members of the Management Resources and Compensation Committee, the Board shall appoint a Chair of the Management Resources and Compensation Committee. The Chair shall: be a member of the Management Resources and Compensation Committee, preside over all Management Resources and Compensation Committee meetings, coordinate the Management Resources and Compensation Committee's compliance with this mandate, work with management to develop the Management Resources and Compensation Committee's meeting agendas, annual work-plan, and provide reports of the Management Resources and Compensation 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 Management Resources and Compensation Committee shall meet the independence standards established by the Board.

3. MEETINGS

- (1) **Meetings** — The members of the Management Resources and Compensation Committee shall hold meetings as are required to carry out this mandate. The Chair, any member of the Management Resources and Compensation Committee, the Chair of the Board or the Chief Executive Officer may call meetings of the Management Resources and Compensation

Committee by notifying the Corporate Secretary of CIBC who will notify the members of the Management Resources and Compensation Committee. The Chair shall preside over all Management Resources and Compensation Committee meetings, and in the absence of the Chair, the members of the Management Resources and Compensation Committee present may appoint a chair from their number for a meeting.

- (2) **Notices of Meetings** — Notices of Management Resources and Compensation 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 Management Resources and Compensation Committee at least 24 hours before a Management Resources and Compensation Committee meeting at the member's contact information last recorded with the Corporate Secretary. Any member of the Management Resources and Compensation Committee may in any manner waive notice of a Management Resources and Compensation Committee meeting and attendance at a Management Resources and Compensation 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 grounds that the meeting is not properly called.
- (3) **Secretary and Minutes** — The Corporate Secretary, his or her designate or any other person the Management Resources and Compensation Committee requests, shall act as secretary at Management Resources and Compensation Committee meetings. Minutes of Management Resources and Compensation Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Management Resources and Compensation Committee for approval.
- (4) **Quorum** — A majority of the members of the Management Resources and Compensation Committee shall constitute a quorum. If a quorum cannot be obtained for a Management Resources and Compensation Committee meeting, members of the Board who would qualify as members of the Management Resources and Compensation Committee may, at the request of the Chair or the Chair of the Board, serve as members of the Management Resources and Compensation Committee for that meeting.
- (5) **Resident Canadian Majority** — The Management Resources and Compensation Committee shall not transact business at a Management Resources and Compensation 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 Management Resources and Compensation Committee shall have unrestricted access to management and employees of CIBC. The Management Resources and Compensation 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 of 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 Management Resources and Compensation Committee, for the services of these advisors.
- (7) **Meetings Without Management** — The Management Resources and Compensation 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 Management Resources and Compensation Committee may request the in-put of another Board committee on any accountability or responsibility set out in this mandate.

4. ACCOUNTABILITIES AND RESPONSIBILITIES

The Management Resources and Compensation Committee shall have the accountabilities and responsibilities set out below as well as any other matters that are specifically delegated to the Management Resources and Compensation Committee by the Board. In addition to these accountabilities and responsibilities, the Management Resources and Compensation Committee shall perform the duties required of a management resources and compensation 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) Chief Executive Officer Performance, Compensation, Employment Arrangements and Succession

- (a) Performance Goals — At least annually, the Management Resources and Compensation Committee shall review and, if advisable, approve and recommend for Board approval strategic, annual business and individual performance goals for the Chief Executive Officer.
- (b) Performance Evaluation — At least annually, the Management Resources and Compensation Committee shall evaluate the performance of the Chief Executive Officer in relation to his or her strategic annual business and individual performance goals. The Chief Executive Officer evaluation shall be conducted in conjunction with the Chair of the Board and shall be presented to the Board for its review. Feedback is provided directly to the Chief Executive Officer, highlighting possible areas for development, in accordance with CIBC policies and processes.
- (c) Compensation — At least annually, the Management Resources and Compensation Committee shall review, and, if advisable, approve and recommend for approval by the non-management members of the Board, the Chief Executive Officer's compensation package. The compensation package recommendation shall be based on the Chief Executive Officer's performance evaluation conducted pursuant to subsection 4(1)(b) of this mandate, as well as other factors and criteria, as may be determined by the Management Resources and Compensation Committee from time to time.
- (d) Employment Arrangements — The Management Resources and Compensation Committee shall review, and, if advisable, approve and recommend for Board approval any arrangement with the Chief Executive Officer relating to employment terms, termination, severance, change in control or any similar arrangements. In undertaking this review, the Management Resources and Compensation Committee shall take into account the overall structure, costs and general implications of these arrangements.
- (e) Succession — At least annually, the Management Resources and Compensation Committee shall review a succession and emergency preparedness planning process for the Chief Executive Officer and recommend the process for approval by the non-management members of the Board. The Management Resources and Compensation Committee may recommend for Board approval the removal of the Chief Executive Officer for any reason the Management Resources and Compensation Committee considers appropriate. Upon the vacancy of the Chief Executive Officer position, the Management Resources and Compensation Committee will make a replacement recommendation to the Board based on the succession planning process.
- (f) Share Ownership — At least annually, the Committee shall review the share holdings, including share-equivalent units, of the Chief Executive Officer relative to the established share ownership guidelines.

(2) Compensation, Employment Arrangements, Severance and Succession Planning

- (a) Senior Management Performance Goals and Performance Evaluation — At least annually, the Committee shall review strategic, annual business and individual performance goals for the senior management reporting directly to the Chief Executive Officer, as well as for the Chief

Financial Officer, Controller, Chief Auditor, Chief Compliance Officer, Chief Human Resources Officer, Chief Legal Officer, Chief Risk Officer, Chief Information Security Officer and senior management on the Wholesale Banking Management Committee and shall review the performance evaluation of these officers in relation to their performance goals.

- (b) Senior Management Compensation and Employment Arrangements — At least annually, the Management Resources and Compensation Committee shall review and, if advisable, approve and recommend for Board approval the compensation and other employment arrangements of the senior management reporting directly to the Chief Executive Officer, as well as for the Chief Financial Officer, Controller, Chief Auditor, Chief Compliance Officer, Chief Human Resources Officer, Chief Legal Officer, Chief Risk Officer, Chief Information Security Officer and members of the Wholesale Banking Management Committee. The annual compensation recommendations shall be based on performance evaluations conducted pursuant to subsection 4(2)(a) of this mandate, as well as other factors and criteria, as may be determined by the Committee from time to time.
- (c) Compensation — Prior to making any annual compensation determinations, the Committee shall review a comprehensive assessment from the Chief Financial Officer and the Chief Risk Officer of CIBC performance, CIBC performance relative to its peer group of companies, and the performance of each strategic business unit. The Management Resources and Compensation Committee shall review and approve aggregate annual incentive compensation allocations for each strategic business unit and infrastructure group, under the Annual Incentive Plan and Short Term Incentive Plan (including cash and deferred equity incentive plans) and for all employees covered under these plans. At least annually, the Committee shall review and, if advisable, approve aggregate annual pools for ad hoc grants of deferred equity awards and delegate to the Chief Executive Officer the approval of individual ad hoc grants.
- (d) Employment Arrangements — The Management Resources and Compensation Committee shall review, and, if advisable, approve and recommend for Board approval arrangements relating to appointments of all management at the Executive Vice-President level and above. In undertaking this review, the Management Resources and Compensation Committee shall review material or non-standard employment terms, termination, severance, change in control or any similar arrangements and shall take into account the overall structure, costs and general implications of these arrangements.
- (e) Severance — The Management Resources and Compensation Committee shall review, and if advisable, approve CIBC's executive severance policy and, for management at the Executive Vice-President level and above, any individual severance arrangement that deviates materially from the policy. In addition, the Management Resources and Compensation Committee shall review and, if advisable, approve and recommend for Board approval all severance arrangements for senior management reporting directly to the Chief Executive Officer, for members of the Wholesale Banking Management Committee and such other individuals as set out in CIBC's severance policy.
- (f) Succession Planning and Executive Development — At least annually the Management Resources and Compensation Committee shall review and, if advisable, approve and recommend for Board approval a succession and emergency preparedness plan for the Chief Financial Officer and all senior management reporting directly to the Chief Executive Officer. At least annually, the Chief Executive Officer shall present a formal updated succession plan in respect of these positions for approval by the Management Resources and Compensation Committee. The Committee shall review the succession pools for the balance of senior management and review progress against any corresponding development plans to address succession gaps. Upon the vacancy of any of these senior management reporting directly to the Chief Executive Officer, the Management Resources and Compensation Committee, with the recommendation of the Chief Executive Officer,

may make a replacement recommendation for Board approval based on the succession plan.

- (g) Share Ownership — The Committee shall review the share holdings, including share-equivalent units, of the senior management reporting directly to the Chief Executive Officer, as well as a summary reports of other management at the Vice-President level and above, relative to the established share ownership guidelines.

(3) Internal Controls, Regulatory Compliance and Human Resource Risks

- (a) Assessment of Risk and Internal Controls — At least annually, the Management Resources and Compensation Committee shall review management's assessment of significant human resource risks and the effectiveness of related internal controls, including controls relating to CIBC's pension plans, equity compensation plans and other incentive compensation arrangements and shall review a report on critical employee matters.
- (b) Assessment of Regulatory Compliance — The Management Resources and Compensation 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.
- (c) Organization Changes — The Management Resources and Compensation Committee shall review and, if advisable, approve or recommend for Board approval any significant organization changes, provided the Corporate Governance Committee shall review and approve any such change that impacts controls or the independence of key control groups such as internal audit, finance, legal, compliance and risk management.

(4) Compensation Principles, Policies and Plans, Incentive Compensation Plans and Equity-Based Plans

- (a) Compensation Principles Philosophy and Methodologies — At least annually, the Management Resources and Compensation Committee shall review and, if advisable, approve CIBC's compensation principles philosophy and methodologies.
- (b) Compensation Policies — The Committee shall review and, if advisable, approve any new compensation policies for management at the Vice-President level and above. The Committee shall review existing compensation policies for management at the Vice-President level and above in accordance with the established policy review cycle and, if advisable, approve any revisions to these policies. The Committee may, if advisable, delegate the approval of non-material amendments to such policies to officers of CIBC who have been designated by the Committee to make such amendments.
- (c) Compensation Plans — The Management Resources and Compensation Committee shall review CIBC's compensation plans for management at the Vice-President level and above, including incentive compensation plans and equity-based plans, and shall determine whether these plans are consistent with CIBC's compensation principles and philosophy.
- (d) Plan Amendments — The Management Resources and Compensation Committee shall review and, if advisable, approve any material amendments to incentive compensation plans and equity-based plans that affect management at the Vice-President level and above or at the Managing Director level and above in Wholesale Banking. In addition, the Management Resources and Compensation Committee may, if advisable, delegate the approval of non-material amendments to CIBC's compensation plans to officers of CIBC who have been designated by the Management Resources and Compensation Committee to make such amendments.
- (e) New Plans — The Management Resources and Compensation Committee shall review and, if advisable, approve and recommend for Board approval any new incentive compensation or equity-based plans that affect management at the Vice-President level and above or at the Managing Director level and above in Wholesale Banking. In addition, the Management

Resources and Compensation Committee may, if advisable, delegate the approval of non-material amendments to these compensation plans to officers of CIBC who have been designated by the Management Resources and Compensation Committee to make such amendments.

(5) CIBC Pension Funds and Pension Plans

- (a) **Administrator Duties** — Acting in the role of administrator of the plans and funds, and as a fiduciary representing the best interests of beneficiaries of the plans, the Management Resources and Compensation Committee shall review the performance, including the funded status and material risks, of the plans and related pension funds, the governance structures relating to CIBC's pension plans and related pension funds and shall, if advisable, approve changes to the governance of such plans and funds, other than governance changes relating to the role of the Management Resources and Compensation Committee.
- (b) **Employer Functions** — Acting in the role of employer, representing the best interests of the shareholders, the Management Resources and Compensation Committee shall review and, if advisable, approve material amendments to CIBC's pension plans, including design changes, mergers or terminations affecting existing plans, and shall review and approve any new pension plans. In addition, the Management Resources and Compensation Committee may, if advisable, delegate the approval of non-material amendments to CIBC's pension plans to officers of CIBC who have been designated by the Management Resources and Compensation Committee to make such amendments.
- (6) **Benefit Plans** — The Management Resources and Compensation Committee shall review and, if advisable, approve any new plans or material amendments to the non-pension benefit plans that affect management at the Vice-President level and above. In addition, the Management Resources and Compensation Committee may, if advisable, delegate the approval of non-material amendments to CIBC's benefit plans to officers of CIBC who have been designated by the Management Resources and Compensation Committee to make such amendments.
- (7) **Disclosure** — The Management Resources and Compensation Committee shall prepare, in conjunction with management, the annual report regarding executive compensation in CIBC's management proxy circular. The report must be approved by the Management Resources and Compensation Committee prior to its dissemination. The Management Resources and Compensation Committee should also, if advisable, approve any other disclosures required to be approved by it under applicable law prior to public release.
- (8) **Delegation** — The Management Resources and Compensation Committee may designate a sub-committee to review any matter within this mandate as the Management Resources and Compensation Committee deems appropriate.

5. REPORTING TO THE BOARD

- (1) The Chair shall report to the Board on material matters arising at Management Resources and Compensation Committee meetings and, where applicable, shall present the Management Resources and Compensation Committee's recommendations to the Board for its approval.

6. COMMITTEE MEMBER DEVELOPMENT AND PERFORMANCE REVIEW

- (1) The Chair shall co-ordinate orientation and continuing director development programs relating to this mandate for Management Resources and Compensation Committee members.
- (2) At least annually, the Management Resources and Compensation Committee shall evaluate and review the performance of the Management Resources and Compensation Committee, each of its members and the adequacy of this mandate. This review will be undertaken in consultation with the Corporate Governance Committee of the Board.

7. CURRENCY OF THE MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE MANDATE

(1) This mandate was last revised and approved by the Board on May 28, 2009.