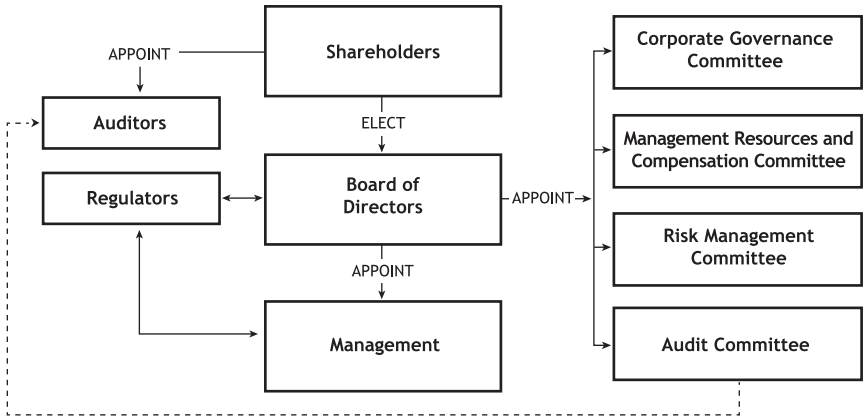


## Statement of Corporate Governance Practices

Good governance is the foundation of our business sustainability and underpins CIBC's purpose – to help make your ambition a reality. CIBC's corporate governance framework guides the Board and management in fulfilling their responsibilities to CIBC and its stakeholders. As a recognized leader in corporate governance, we strive each year for continuous improvements to achieve excellence in governance. This statement of corporate governance practices was last reviewed and approved by the Board in February 2020.

The diagram below provides a snapshot of the relationships among the Board, management, shareholders, auditors and regulators.



Read about key elements of our governance practices:

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## Statement of Corporate Governance Practices

### 1. Governance Structure

At the foundation of CIBC's governance structure are knowledgeable, independent and effective directors. Documenting clear roles and responsibilities for the Board and its committees helps the Board supervise the management of CIBC's business and affairs. Every year, the Board reviews and approves the mandates of the Board of Directors, Chair of the Board, Board Committees and a Board Chair.

*Find Mandates of the Board, Board Committees, Chair of the Board and Board Committee Chair at [www.cibc.com](http://www.cibc.com) or [www.sedar.com](http://www.sedar.com).*

### 2. Board Composition

The composition of the Board and its committees is affected by legal requirements, CIBC's strategic priorities and the annual Board evaluation process.

**Legal requirements** – The Board complies with legal and regulatory requirements on the qualifications, number, affiliation, residency and expertise of directors. These requirements come from the *Bank Act* (Canada) (the Bank Act), securities laws and stock exchanges on which CIBC shares are listed.

**Board size** – The Corporate Governance Committee reviews Board size and composition annually. The Committee considers changes in legal requirements, best practices, the skills and experiences required to enhance the Board's effectiveness and the number of directors needed to discharge the duties of the Board and its committees effectively. The Committee is aiming for a Board size of 14 over time.

**Director skill set and competency matrix** – The Corporate Governance Committee assesses the skills and experiences of Board members and reviews the composition of the Board and its committees annually using a competency matrix. The matrix lists desired skills and experiences under broad categories such as leadership, functional capabilities, market knowledge and board experience. The Corporate Governance Committee updates the matrix regularly to reflect the Board's current and long-term needs, as well as CIBC's strategic priorities. Each Board member self-assesses their skills and experiences identified in the matrix. The Corporate Governance Committee uses the results of the self-assessments to help identify gaps in the Board's collective skill set, promote continuing education and determine committee composition. Charles Brindamour was appointed to the Board effective February 1, 2020. Mr. Brindamour brings more than 25 years of operating experience in the financial services industry to the Board, with key strengths in strategic planning and capital management.

Information on the skills and experience of our director nominees in areas the Board considers important to CIBC is on page 26 of the 2020 Management Proxy Circular (the "Circular").

### 3. Board Responsibilities

The Board is responsible for supervising the management of CIBC's business and affairs. The Mandate of the Board of Directors is incorporated into this document by reference. The Board's key responsibilities are outlined below.

**Culture of integrity** - The Board oversees CIBC's Code of Conduct and is responsible for satisfying itself about the culture of integrity throughout CIBC.

**Strategic planning** – The Board reviews and approves CIBC's strategic, financial and capital plans, and monitors their effectiveness. In carrying out these responsibilities, the Board considers CIBC's risk appetite, risk profile, capital and liquidity levels, emerging trends and the competitive environment.

**Risk management** – The Board approves CIBC's risk appetite statement and, with support from the Risk Management Committee, oversees CIBC's risk profile and processes to identify, measure, monitor and control CIBC's principal risks.

**Internal control** - With support from the Audit Committee, the Board oversees and monitors the integrity and effectiveness of CIBC's internal control over financial reporting, system of internal control, and compliance with legal, regulatory, accounting and financial reporting requirements.

**Human resources management** – With support from the Management Resources and Compensation Committee, the Board oversees CIBC's human capital strategy, including talent, succession planning and total rewards, and the alignment with CIBC's strategy, risk appetite and controls.

**Corporate governance** – With support from the Corporate Governance Committee, the Board establishes standards which allow the Board to function independently from management and Board policies that set out expectations and responsibilities of directors to contribute effectively to the Board's operations.

**Communications and disclosure** – The Board reviews and monitors the effectiveness of CIBC's communication framework, processes for maintaining effective stakeholder relationships and measures for receiving feedback from stakeholders.

#### 4. Director Independence

Director independence is an important part of how the Board satisfies its duty to supervise the management of CIBC's business and affairs. The Board considers regulatory requirements, best practices and good judgment to define independence. In addition, the Board applies independence standards, which have tests to assess a director's independence, as well as a description of relationships between CIBC and a director that would not affect a director's independence. The Board and its committees promote independence by:

- reviewing the impact of any board interlocks (where two or more CIBC directors are on the board of another public company);
- retaining advisors when needed for independent advice and counsel;
- conducting regular in camera sessions of the Board and its committees without the Chief Executive Officer (CEO) or any other member of management;
- adhering to CIBC's Director Tenure Policy and tenure limits (see "Director Tenure" on page 45);
- determining whether directors have a material interest in a transaction; and
- appointing an independent Chair of the Board to oversee the Board's operations and decision-making.

*All director nominees are independent except Victor Dodig, President and CEO of CIBC.*

#### Independence standards

The Board independence standards require a substantial majority of its directors to be independent. A director is considered independent only where the Board affirmatively determines that the director has no material relationship with CIBC, including as a partner, shareholder or officer of an organization that has a relationship with CIBC. A "material relationship" is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment and includes an indirect material relationship. In determining whether a director is independent, the Board applies standards that incorporate the Affiliated Persons (Banks) Regulations, the New York Stock Exchange (NYSE) corporate governance rules and Canadian Securities Administrators corporate governance guidelines. The Board determines the independence of a director when the Board approves director nominees to be named in the Circular and at other times if necessary or desirable. For example, if a director joins the Board mid-year, the Board makes a determination on the new director's independence at that time. The Board bases its determination of independence primarily on questionnaires completed by each director nominee.

## Statement of Corporate Governance Practices

All members of the Audit Committee, Management Resources and Compensation Committee and Corporate Governance Committee must be independent. A majority of the members of the Risk Management Committee must be independent. Audit Committee members must satisfy additional independence standards under the U.S. Sarbanes-Oxley Act of 2002. Management Resources and Compensation Committee members voluntarily adopted additional independence standards under the NYSE rules.

### Immaterial relationships

The Board has identified immaterial relationships that do not affect a director's independence (unless the Board decides otherwise based on a director's circumstances). These "immaterial relationships" include:

- routine banking services where a director, their immediate family members or entities they control, receive personal banking services, loans and other financial services in the ordinary course of business from CIBC or one of its subsidiaries as long as the services are on market terms, comply with applicable laws and do not exceed the monetary thresholds in the Board's independence standards; and
- the employment of an immediate family member of a director with CIBC or a subsidiary (provided the immediate family member is not the director's spouse or an executive officer of CIBC or a subsidiary) and, as long as the compensation and benefits received by the family member were established by CIBC in accordance with policies and practices that apply to CIBC employees in comparable positions.

### Outside board memberships

The Board does not limit the number of public companies on which a director may serve, but has strong expectations of Board members in managing time demands and increasing Board responsibilities. The Board recognizes that some directors have the time and ability to maintain the focus and commitment expected at CIBC's Board and committee meetings as well as other public companies. The Board also recognizes that multiple public company board service enhances a director's breadth and depth of experience and provides another means of staying abreast of topical issues, trends, governance practices and the evolving regulatory environment.

*A director is required to obtain approval from the Chair of the Board before joining a new public company board.*

The Corporate Governance Committee believes it is important for directors to balance the insights gained from their roles on other boards (including as CEO) with the ability to prepare for, attend and participate effectively in their CIBC Board and committee meetings. As a result, the Committee monitors director performance to make sure directors continue to have the time and commitment to fulfill their obligations to CIBC's Board. The Committee considers a number of factors in assessing director performance, including meeting attendance; individual contributions at meetings; results of the annual Board effectiveness evaluation; the role of the director on other boards; the time demands of outside activities; the industry, size, location and financial cycle of other public companies a director serves; and peer review feedback from one-on-one meetings between the Chair of the Board and each Board member. The Committee monitors the overboarding policies of proxy governance advisory firms and institutional shareholders, many of which have different numerical limits on the number of boards a director may serve. The Committee believes that monitoring director performance is more effective than setting a numerical limit on public company service.

**Board interlocks**

An “interlock” occurs when two or more CIBC directors are on the board of another public company. The Board does not restrict board interlocks but recognizes that it is important for directors to remain impartial and independent even if they have a common board membership. There is one interlocking board membership among CIBC’s directors.

Company	Director	Committee Memberships
Capital Power Corporation	Jane Peverett	Corporate Governance; Compensation and Nominating; Health, Safety and Environment
	Katharine Stevenson	Audit (Chair); Corporate Governance, Compensation and Nominating

The Corporate Governance Committee does not believe that this common board membership impacts the ability of these directors to act in the best interests of CIBC and does not impair their independence.

**Service on other public company audit committees**

No member of CIBC’s Audit Committee may be on the audit committee of more than two other public companies unless the Board determines that this simultaneous service does not impair the ability of the member to be effective on CIBC’s Audit Committee.

The Corporate Governance Committee reviews service on multiple audit committees as part of its assessment of a director’s performance by looking at the annual Board effectiveness evaluation; questionnaires completed by the directors each year to assess financial literacy; qualifications to be designated as an audit committee financial expert; time demands on the director; and the director’s background and related experience.

No member of CIBC’s Audit Committee is on the audit committee of more than two other public companies.

**In camera sessions**

The Board and each of its committees set aside time for in camera sessions at their meetings to have open and candid discussion without the CEO or other members of management. The sessions are led by the Chair of the Board at Board meetings and the chair of each committee at committee meetings.

**Conflicts of interest**

To promote the Board’s independent decision-making, CIBC has a process in place to identify and deal with director conflicts of interest. If directors or executive officers have an interest in a material transaction or agreement with CIBC that is being considered by the Board or a Board committee, they: 1) disclose that interest; 2) leave the meeting during Board or committee discussion; and 3) do not vote on the matter.

**Independent Chair of the Board**

The Chair of the Board meets the Board’s independence standards and the additional independence standards for the Audit Committee. The Board believes that the Chair’s independence is important for leading the Board in carrying out its duties.

## Statement of Corporate Governance Practices

### 5. Director Nomination Process

#### Nominating a new candidate for election

The Corporate Governance Committee oversees Board renewal and is responsible for recommending director candidates. The Committee creates a candidate profile outlining the desired skills and experiences that will deepen the Board's collective skills and experiences and support CIBC's strategic priorities. The Committee might use an external recruitment firm to identify potential candidates who meet the desired profile. The Committee also maintains a list of potential director candidates based on recommendations from Board members, shareholders, clients and employees. Once the best candidates are identified, the Chair of the Board, Chair of the Corporate Governance Committee and other Board members meet with each candidate to discuss the candidate's background, skills, experiences and ability to devote the time and commitment required to be on CIBC's Board. The Corporate Governance Committee looks at each candidate's integrity and suitability by obtaining references, verifying educational background, conducting a security check and assessing any potential conflicts, independence concerns or other issues.

There are mechanisms for stakeholders to recommend director candidates:

- Under the Bank Act, shareholders may propose a director nominee to be included in CIBC's proxy circular, provided they hold 5% of CIBC's outstanding common shares.
- Under CIBC's Proxy Access Policy, qualifying shareholders may submit director nominations to be included in CIBC's proxy circular. This policy is aligned with the approach to proxy access in the United States, except where Canadian law requires CIBC to comply with different requirements on share ownership. The policy is available at [www.cibc.com](http://www.cibc.com).
- A shareholder, client, employee or any other stakeholder may contact the Chair of the Board at any time to recommend director candidates. The Chair of the Board would then ask the Corporate Governance Committee to review the recommendation and report on the outcome of that review to the stakeholder.

#### Nominating an existing director for re-election

Before recommending an existing director for re-election to the Board, the Corporate Governance Committee reviews the director's:

- continuing integrity and suitability;
- overall performance and capability to contribute effectively to the Board and its oversight responsibilities;
- compliance with CIBC's Code of Conduct;
- attendance at regularly scheduled Board and committee meetings; and
- tenure on the Board.

## 6. Director Tenure

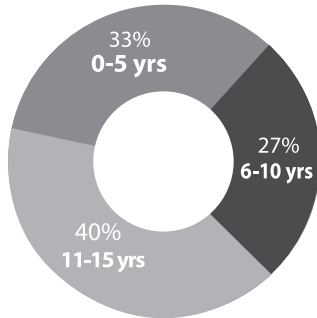
CIBC has a Director Tenure Policy which outlines factors that affect a director's tenure.

### Term limits

Under the Bank Act directors are elected by shareholders for a one-year term that expires at the next annual meeting. Under CIBC's Director Tenure Policy, the maximum period of time a director can be on CIBC's Board is the earlier of 15 years after joining the Board or 75 years of age. A director would not stand for re-election at the annual meeting following that event. The Corporate Governance Committee might recommend a director for re-election after the expiry of their maximum term if it is in the best interests of CIBC to do so. In addition, the Board Chair may serve a five-year term after initial appointment as Chair of the Board, regardless of age or number of years served as a director.

The Board believes that term limits help create a balance between the fresh perspective of a new director and the experience of a seasoned director. This chart shows the amount of time that the director nominees for election at the 2020 annual meeting have served on CIBC's Board. The average tenure of the director nominees is eight years.

At the request of the Board, Mr. John Manley agreed to act as Chair of the Board for an additional one-year term.



### Resignation of a director

The Director Tenure Policy requires a director to provide notice of resignation to the Chair of the Board in certain circumstances, including:

- the director no longer satisfies the director qualification requirements under applicable law;
- there is a material change in the status of the director's employment;
- the director accepts a role with a company or organization which could have a material conflict with CIBC;
- the director, or a company controlled by the director, causes CIBC to incur an irrecoverable loss; or
- the director becomes aware that personal circumstances might have an adverse impact on the reputation of CIBC.

The Corporate Governance Committee makes a recommendation to the Board on whether to accept a resignation. The director who tenders a resignation does not take part in the decision-making process.

### Majority voting

In an uncontested election where shareholders are asked to vote on the election of a director, a director nominee who receives a greater number of shareholder votes that are "withheld" than "for" will immediately tender their resignation to the Board. An "uncontested election" means an election where the number of nominees for director equals the number of directors to be elected. The Corporate Governance Committee will recommend that the Board accept the resignation absent exceptional circumstances. The Board will make its decision within 90 days after the election and issue a press release either announcing the resignation or explaining why it was not accepted. The director who tendered the resignation will not take part in the decision-making process.

*You can find our majority voting policy at [www.cibc.com](http://www.cibc.com).*

## Statement of Corporate Governance Practices

### Meeting attendance record

Regular Board and committee meetings are set about three years in advance. Special meetings are scheduled when required. A director is encouraged to attend all meetings and expected to attend at least 75% of all regularly scheduled Board and committee meetings, except where the Corporate Governance Committee determines that personal circumstances beyond the director's control prevent the director from doing so. This standard is not applied to attendance at special Board or committee meetings which are called on short notice.

During fiscal 2019, directors attended 99% of regular Board and committee meetings. In addition, all the nominees for election as directors at the 2019 annual meeting attended CIBC's most recent annual meeting of shareholders. See pages 9 to 25 of the Circular for information on Board and committee meeting attendance.

### Former Chief Executive Officer

Under the Director Tenure Policy, the CEO would not be re-elected as a director after ceasing to act as the CEO. However, the Corporate Governance Committee may recommend that a former CEO be re-elected as a director if in the best interests of CIBC to do so.

## 7. Annual Board Evaluation Process

The Corporate Governance Committee oversees the annual evaluation of the performance and effectiveness of the Board, its committees, the CEO and individual directors. An external advisor conducts the evaluation to encourage candid feedback, maintain confidentiality and promote objectivity. The external advisor also provides information on the corporate governance practices and board processes of other public companies.

*Every director participates in an annual self-assessment and peer review process.*

The evaluation includes:

- a survey completed by each director;
- a survey completed by senior executives on the performance of the CEO, the Board and the Board committees they support; and
- individual one-on-one meetings between each director and the Chair of the Board.

The surveys ask questions about the effectiveness of the Board and committees in addressing areas of focus in the current year, what was done well and what could be done better. The topics covered by the survey are Board leadership, the Board and CEO relationship, talent management and succession planning, strategy, compliance, risk management, stakeholder engagement, tone at the top, culture, director education, board composition and operations. The survey also asks for input on areas of focus for the coming year.

One-on-one meetings between each director and the Chair of the Board provide an opportunity for open discussion about the contributions of the director and other fellow board members to the Board and its committees, what the Board and committees could do better, other responsibilities the director might be interested in and other comments or recommendations the director might have about the operation and performance of the Board. The Chair of the Board reports to the Corporate Governance Committee on broad themes from these meetings and uses peer feedback to review individual director performance, identify opportunities for individual director development and succession planning for the Board and committees.

The Corporate Governance Committee reviews the performance of the Chair of the Board each year and the Chair of the Corporate Governance Committee provides director feedback to the Chair of the Board.

The evaluation process helps identify opportunities for continuing Board and director development and forms the basis of action plans for improving the Board's operations. Each Board committee monitors progress against its action plan.



## 8. The Chief Executive Officer

The CEO leads the management of CIBC's business and affairs. In carrying out this responsibility, the CEO is responsible for duties relating to CIBC's vision and values; strategy and operational direction; risk governance and internal control; financial information; human resources management; and effective communication with shareholders, clients, employees, regulators and other stakeholders.

## 9. The Chair of the Board

The Chair of the Board is responsible for providing effective leadership of the Board, facilitating the operations and deliberations of the Board and overseeing the satisfaction of the Board's mandate. In carrying out these responsibilities, the Chair of the Board presides over Board and shareholder meetings; leads director development; leads the Board in overseeing the development of CIBC's strategic plan; coordinates execution of the Board's mandate and action plans; and communicates with shareholders, clients, employees, regulators and other stakeholders.

## 10. Board Committees

The Board has four committees. In determining committee membership, the Board tries to strike a balance between having members with the right experience and expertise on the committee and rotating membership to bring new ideas and insights.

The **Audit Committee** is responsible for reviewing the integrity of CIBC's financial statements, management's discussion and analysis and internal control over financial reporting; monitoring the system of internal control; monitoring CIBC's compliance with legal and regulatory requirements; recommending the external auditors for shareholder approval; monitoring audit quality of the external auditors; reviewing the qualifications, independence and service quality of the external auditors and CIBC's internal auditors; and acting as the audit committee for certain federally regulated subsidiaries. The Audit Committee also oversees succession planning for the Chief Financial Officer (CFO) and the Chief Auditor. The Audit Committee meets regularly with the external auditors, the CFO and the Chief Auditor. All Committee members are independent and are "audit committee financial experts" under the U.S. Securities and Exchange Commission rules.

The **Management Resources and Compensation Committee** is responsible for global oversight of CIBC's human capital strategy, including talent and total rewards, and the alignment with CIBC's strategy, risk appetite and controls. The Management Resources and Compensation Committee reviews and approves CIBC's compensation philosophy, methodology and governance; recommends Board approval of annual incentive compensation funding; has duties relating to CIBC's pension funds; and oversees the preparation of the compensation related disclosure in the Circular. The Management Resources and Compensation Committee reviews, approves or recommends Board approval of employment arrangements, goals and measures, performance, compensation, and succession plans for the CEO, Executive Committee members and other key officers. All Committee members are independent.

The **Corporate Governance Committee** is responsible for overseeing CIBC's corporate governance framework; CIBC Board and committee composition; evaluation of CIBC's Board committees and director effectiveness; director orientation and continuing education; and CIBC's corporate responsibility reporting, stakeholder engagement framework and matters relating to conduct. All Committee members are independent.

## Statement of Corporate Governance Practices

The **Risk Management Committee** is responsible for assisting the Board in fulfilling its responsibilities for defining CIBC's risk appetite and overseeing CIBC's risk profile and performance against the defined risk appetite; overseeing the identification, measurement, monitoring and controlling of CIBC's principal risks (including those impacting capital or liquidity); reviewing and approving key frameworks, policies and risk limits established to control CIBC's exposures to its principal risks; and overseeing CIBC's Risk Management function. The Risk Management Committee also provides input to the Management Resources and Compensation Committee on risk-related aspects of executive compensation decisions and oversees succession planning for the Chief Risk Officer (CRO), Chief Compliance Officer and Chief Anti-Money Laundering Officer. All Committee members are independent.

### 11. Board Access to Independent Advisors and Management

To assist the Board, the Chair of the Board and the Board committees in satisfying their responsibilities and to foster their independence, the Board, the Chair of the Board and the Board committees may retain independent advisors and set their compensation without consulting or obtaining approval of management. The Board, the Chair of the Board and the Board committees also have unrestricted access to management and employees of CIBC, as well as the external auditors. The Management Resources and Compensation Committee has an independent compensation advisor that reports directly to the Committee and does not work on any other CIBC mandate. The Audit Committee and Risk Management Committee retain an independent advisor periodically to review the effectiveness of Internal Audit, Finance, Compliance and Risk Management.

### 12. Director Orientation and Continuing Education

CIBC's Director Development Program fosters the continuous education of Board members. The program has two components: 1) orientation to help new directors become fully engaged as quickly as possible; and 2) continuing education to help directors understand new and emerging governance practices and regulatory developments related to the director's Board and committee responsibilities.

*The Board and its committees dedicated 17% of meeting time to educational presentations.*

#### **New director orientation**

CIBC has an orientation program for new directors which consists of written materials and orientation events. There is a director orientation manual that includes Board policies and procedures; CIBC's by-law and organizational structure; CIBC's strategic, financial and capital plans; the most recent annual and quarterly financial reports; and a summary of key business issues. In addition, a new director has separate one-on-one meetings with the Chair of the Board, the CEO and members of management. Management also hosts tours of CIBC businesses and operations. The committee chair arranges orientation sessions about the committee when a new director joins. To help a new director better understand the role of the Board and its committees and the commitment expected of a director, the Chair of the Board arranges for another Board member to act as mentor.

#### **Continuing director education**

During fiscal 2019, approximately 17% of agenda time was dedicated to continuing education, exceeding the Board's goal of 10%. The Chair of the Board is responsible for coordinating director education at the Board level. Each Board committee chair is responsible for coordinating director education at the committee level. Directors identify continuing education topics in many ways - at Board and committee meetings, in surveys completed for the annual board performance evaluations and through regular feedback to the Chair of the Board and committee chairs. Directors may attend all committee education sessions, even if they are not a member of that committee.

## Statement of Corporate Governance Practices

During fiscal 2019, directors participated in the following education sessions.

Attended	Session	Date
<b>Board</b>	• Investor Community Perspective on CIBC including Annual Report on Share Ownership	November 2018
	• Payments Modernization	November 2018
	• Open Banking	November 2018
	• Cyber Security Update	February 2019
	• Direct Banks Strategy Update	February 2019
	• OSFI Revised Corporate Governance Guidelines	February 2019
	• Investor Relations Report	February, May and August 2019
• Technology Strategy	August 2019	
• The Canadian Context – Public and Consumer Sentiment	August 2019	
<b>Audit Committee</b>	• Climate Related Risk Management Programs and Disclosures	April 2019
	• The Enhanced Auditors Report and Best Industry Practices in Audit	April 2019
	• Audit Quality Matters - Agile Auditing	August 2019
	• Residual Risk Methodology	October 2019
	• Finance Readiness for M&A	October 2019
	• IFRS 16 Deep Dive	October 2019
<b>Corporate Governance Committee</b>	• Report on Business Governance Ranking	November 2018
	• Proxy Disclosure - Peer Bank Review	May 2019
	• Governance Update	November 2018 and February, May and August 2019
<b>Management Resources and Compensation Committee</b>	• Stakeholder Engagement Update	November 2018, February and May 2019
	• Regulatory Update	May and August 2019
	• Pension Plan Strategy Review	August 2019
	• Attracting, Retaining and Inspiring Diverse Talent at CIBC	August 2019
	• Market Performance and Pay Trends	October 2019
<b>Risk Management Committee</b>	• Environmental, Social and Governance Overview	November 2018
	• Artificial Intelligence Strategy	November 2018
	• Amendments to the Bank and FCAC Acts (Bill C-86)	November 2018
	• Repurchase Agreements (Repos) Review	February 2019
	• Credit Portfolio Overview	February 2019
	• Retail Credit Portfolio Review	April 2019
	• Australia Royal Commission: Conduct Risk Update	May 2019
	• Enterprise Fraud Program (Payments Modernization)	May 2019
	• Bill C-86 Financial Consumer Protection Framework	May 2019
	• Network Assessment	August 2019
	• Anti-Money Laundering Education and Tour	August 2019
	• Code of Conduct for Delivering Banking Services to Seniors	August 2019
	• Building a Sustainable Future - CIBC's Task Force in Climate Related Disclosures Report	August 2019

In addition, the Board fosters continuing education by each director individually, outside of Board and committee director education sessions. Directors receive an updated catalogue of internal and external educational opportunities periodically throughout the year. Individual director education consists of external courses; regular education presentations by internal and external experts; one-on-one sessions between a director and an internal or external expert on a specific topic; tours of CIBC businesses and operations; and educational reports posted to the Board website. CIBC pays the cost of all director continuing education relating to CIBC.

## Statement of Corporate Governance Practices

### 13. Director Compensation

CIBC's director compensation program is designed to attract and retain people with the skills and experience to act as directors of CIBC. The Corporate Governance Committee reviews director compensation annually to make sure it aligns with the interests of CIBC shareholders, is competitive with the market and reflects best practices. The Corporate Governance Committee also reviews the workload, time commitment and responsibility of Board members. The Corporate Governance Committee may use an external advisor for advice on its director compensation policy and practices.

### 14. Executive Compensation

The Management Resources and Compensation Committee oversees performance evaluation and compensation for the CEO, Executive Committee members and other key officers. When making incentive compensation decisions, the Management Resources and Compensation Committee looks at several factors, which include: CIBC's financial performance and sustainability of earnings; adherence to CIBC's risk appetite statement and controls; progress on client experience metrics; the review of qualitative considerations, including relative performance versus peers; and individual performance against goals approved by the Board or Committee with a focus on strategy execution.

The Management Resources and Compensation Committee considers input from the CFO, CRO, Chief Client Experience Officer and the Chair of the Risk Management Committee when it reviews and recommends Board approval of incentive compensation funding for CIBC and the allocations to strategic business units. The Management Resources and Compensation Committee recommends for Board approval the annual incentive targets and individual compensation amounts for the CEO, Executive Committee members and other key officers, and approves compensation for any individual whose total compensation is above a certain materiality threshold.

### 15. Inclusion and Diversity

CIBC is committed to building a fair and inclusive work environment where diverse ideas and perspectives are valued. The Board and management believe it is imperative when executing CIBC's strategy to leverage individual differences that reflect the diverse background of CIBC's clients and employees including, but not limited to, age, gender, ethnicity, ability, experience, Indigenous status and sexual orientation.

The Board has a diversity policy which recognizes the value that all aspects of diversity bring to the boardroom in gaining new perspectives and delivering better business results for CIBC and its clients, shareholders and employees. This policy outlines the Board's commitment to diversity among its members.

This past year, the Board updated its diversity policy to reflect that the Board seeks gender parity, however, since the appointment or retirement of a single Board member has a notable impact on the percentage of men and women on the Board, the Board's gender diversity target continues to be at least 30% women and at least 30% men. Over the next five years, the Board anticipates fluctuation in the percentage of women and men on the Board as new directors join to fill the vacancy resulting from retiring directors who have reached their maximum term of service. The Board is committed to adhering to its gender diversity target.

CIBC's progress on gender balanced leadership continues. Currently women comprise:

- 40% of Board nominees;
- 27% of Executive Committee members; and
- 32% of global boarded executives.

*CIBC named one of Canada's Best Diversity Employers for the past nine years and listed on the Bloomberg Gender Equality Index for the past five years.*

**Board processes** – Through the annual board evaluation process, the Board assesses its own diversity, including skills and experiences. See the “Annual Board Evaluation Process” on page 46. In addition, when recruiting new directors, the Board strives to enhance diversity while seeking the best candidates with the qualifications and range of skills and experience needed to fulfill its mandate. The Corporate Governance Committee establishes director selection criteria and assesses the skills, diversity, competencies and experiences of Board members annually. This assessment helps the Corporate Governance Committee measure progress on its diversity objectives. See “Board Composition – Director skill set and competency matrix” on page 40.

For more information, see “Inclusion and Diversity” on pages 50 and 78 of the Circular, CIBC’s public webpage at [www.cibc.com/inclusion](http://www.cibc.com/inclusion) and CIBC’s 2019 Sustainability Report at [www.cibc.com](http://www.cibc.com).

### 16. Talent Management and Succession Planning

CIBC is committed to developing employees at all levels of the organization and ensuring that the diversity of our workforce reflects the markets where we do business.

The Management Resources and Compensation Committee and the Board review regular updates on the progress of our talent strategy and the strength and diversity of our pipeline of future leaders. At least once a year, the Management Resources and Compensation Committee and the Board review succession plans for the CEO and Executive Committee members across various time frames to ensure that management and the Board have choices when appointing talent in key roles. The Management Resources and Compensation Committee and management also discuss talent deeper in the pipeline, with potential over a longer horizon to develop into senior roles in the organization.

The Management Resources and Compensation Committee also reviews the succession plans for positions identified as other key officer and critical roles; the Audit Committee reviews the succession plans of the CFO and Chief Auditor; and the Risk Management Committee reviews the succession plans of the CRO, Chief Compliance Officer and Chief Anti-Money Laundering Officer.

### 17. CIBC Code of Conduct

The Code of Conduct (“Code”) is our playbook that outlines the principles for how our team members behave, as we bring our values of trust, teamwork and accountability to life through our actions with our stakeholders. The Code applies to our team members - employees, contingent workers and members of the boards of directors of CIBC and its wholly-owned subsidiaries.

The Code sets out the following principles to help our clients make their ambitions a reality:

- We act with honesty and integrity.
- We ensure a respectful and safe workplace.
- We identify and avoid conflicts.
- We serve our clients and protect our brand, our investors and our environment.
- We safeguard information of our clients and team members, and we protect other CIBC assets.
- We cooperate with investigations.

There is a training program on the Code and every year all team members must attest that they have read, understood and will always follow the Code.

## Statement of Corporate Governance Practices

CIBC team members across the globe are obliged to speak up when they become aware of activities that they believe are inconsistent with the Code, or that might be damaging to CIBC or our stakeholders. There is no retaliation for speaking up. Our confidential Whistleblower Hotline, available 24/7 and in many languages, allows for anonymous reporting of concerns. No identifying information (including a caller's name or telephone number) is available to the hotline service provider and calls are not recorded. CIBC's other reporting channels include Human Resources/Employee Relations, Corporate Security or a Board member.

Changes to the Code are reviewed by the Board for approval. Legal requirements provide that CIBC's Board of Directors must approve waivers for Board members and certain executive officers, and publicly disclose any waivers. No waiver has been granted to date.

### 18. Corporate Sustainability

The Corporate Governance Committee, Management Resources and Compensation Committee and Risk Management Committee have oversight accountabilities related to CIBC's corporate responsibility and sustainability.

The Corporate Governance Committee reviews reports and disclosure on CIBC's approach to conducting its business in an ethical and socially responsible and environmentally conscious manner. This review includes CIBC's 2019 Sustainability Report; Code of Conduct; client complaint processes; privacy matters; donations and community investments; and our stakeholder engagement practices.

The Management Resources and Compensation Committee considers how effectively CIBC's corporate responsibilities have been discharged when determining performance-based compensation for senior executives, including the CEO and Executive Committee members. The Management Resources and Compensation Committee is also responsible for reviewing CIBC's approach to important social factors like culture, inclusion and diversity, as well as their alignment to our corporate strategy.

The Risk Management Committee reviews and approves CIBC's frameworks and policies on the identification and control of a variety of risks. This review includes CIBC's Reputation Risk Management Framework and Global Conduct Risk Framework.

Inspired by our purpose to help make your ambition a reality, we are integrating sustainability into everything we do, focusing on environmental, social and governance (ESG) matters of importance to our stakeholders. The Board participated in a development session with internal and external ESG leaders on enhancements being made to CIBC's ESG framework in support of our corporate strategy and our related ESG disclosure. CIBC is committed to being transparent with stakeholders on our efforts to address climate change through our participation in the CDP (formerly Carbon Disclosure Project) and our recent report aligned to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Developing a comprehensive TCFD report is a multi-year journey and sharing approaches across organizations is critical to the development of a climate report that is consistent and comparable. As such, we are participating in the United Nations Environment Program – Finance Initiative Task Force on Climate Related Financial Disclosure (UNEP-FI TCFD) working group to develop an industry consistent approach to tools and methodologies. Through energy reduction initiatives such as HVAC improvements, lighting retrofits and smart controls, we reduced our greenhouse gas emissions by 6% in 2019. In September 2019, we launched our 10-year sustainable finance target. The commitment of \$150 billion in environmental and sustainable finance by 2027 supports the use of innovative market based solutions to address critical environmental challenges, including climate change. Read more about CIBC's focus on ESG topics in our 2019 Sustainability Report.

*Find the 2019  
Sustainability  
Report at  
[www.cibc.com](http://www.cibc.com).*

## 19. Subsidiary Governance

CIBC's Enterprise Subsidiary Governance Framework provides guidance on the oversight responsibilities between the CIBC Board and its subsidiary boards, including certain subsidiary boards in the U.S. region. The framework outlines key principles of CIBC's enterprise-wide approach to subsidiary governance, including board composition, director selection criteria, tenure and board size. The framework supports CIBC's multi-disciplinary approach to subsidiary governance through strategic business units; control and governance functions; the CIBC Board; subsidiary boards and reporting to those boards.

The Corporate Governance Committee is responsible for overseeing the framework and reviewing reports on governance matters relating to CIBC subsidiaries. See "Report of the Corporate Governance Committee" on page 34 of the Circular for information on the committee's continuing work regarding oversight responsibilities and interconnectivity among the boards of CIBC and certain U.S. legal entities.

## 20. Stakeholder Engagement

The Board and management believe that understanding the perspectives of CIBC's stakeholders is key to being a relationship-oriented bank. Some of the ways CIBC engages with its stakeholders are set out below.

*Feedback from stakeholders provides valuable input to the Board.*

**Disclosing material information to the market** – CIBC's disclosure policy outlines our commitment to promote consistent disclosure practices aimed at accurate, timely and broadly disseminated disclosure of material information about CIBC to the market. The Corporate Governance Committee reviews how management administers the policy annually. The Board reviews and approves changes to the policy. CIBC has a Disclosure Committee which meets with responsible officers each quarter to review CIBC's interim or annual financial reports to shareholders and related earnings release, as well as controls around CIBC's disclosure and financial reporting.

**Communication strategy** – The Board reviews CIBC's overall communication strategy annually to understand progress in furthering CIBC's relationship with employees, clients, the investment community, the media, and government. The Chair of the Board and senior officers meet regularly with shareholders, shareholder advocacy groups and others in the investment community to talk about CIBC's approach to corporate governance, risk governance, talent management, executive compensation and emerging environmental, social and governance practices.

**Whistleblowing and Confidential Whistleblower Hotline** – The Audit Committee oversees CIBC's Whistleblower Policy, which provides a framework for investigating and reporting concerns raised by CIBC employees, contingent workers or others (e.g., clients, suppliers and shareholders) about accounting, internal accounting controls or auditing matters at CIBC. In addition, CIBC employees, contingent workers and others can report concerns through the Whistleblower Hotline about irregular business activities or behavior that may expose CIBC to reputation risk, including fraud, integrity of financial reporting, ethics, actual or potential violations of CIBC's Code of Conduct, or violations of a law or regulation. Reports to the Whistleblower Hotline are confidential and callers can choose to remain anonymous.

## Statement of Corporate Governance Practices

**Annual Meeting** – CIBC’s annual meeting of shareholders is held at different locations across Canada so that directors and management can meet shareholders, clients and employees. The meeting is also conducted as a live webcast, so that all shareholders can participate.

**‘Say on Pay’** – Shareholders can have a say on pay by voting for or against an advisory resolution on CIBC’s approach to executive compensation described in the Circular. The vote is advisory, not binding and does not diminish the Board’s roles and responsibilities. However, the Board and the Management Resources and Compensation Committee consider the results of this vote in making future executive compensation decisions.

*Last year 95% of shareholder votes were in favor of CIBC’s approach to executive compensation.*

**Hearing from shareholders** – CIBC’s Investor Relations website at [www.cibc.com](http://www.cibc.com) contains helpful information about upcoming reporting dates, quarterly investor presentations, fact sheets on CIBC’s financial performance and webcast links. CIBC’s Investor Relations group welcomes dialogue with shareholders and potential investors.

### Contacting CIBC’s Board

Anyone may contact the Board, the Chair of the Board, a Board committee or a director at [corporate.secretary@cibc.com](mailto:corporate.secretary@cibc.com) or CIBC Corporate Secretary’s Division, 199 Bay Street, Commerce Court West, Suite 4460, Toronto, Ontario M5L 1A2.

### Requesting paper copies

Our statement of corporate governance practices refers to material available on CIBC’s website. Shareholders may send a request for printed copies of any of these materials to the Corporate Secretary at [corporate.secretary@cibc.com](mailto:corporate.secretary@cibc.com) or CIBC Corporate Secretary’s Division, 199 Bay Street, Commerce Court West, Suite 4460, Toronto, Ontario M5L 1A2.

**We encourage you to join our digital movement and go paperless by accessing these materials at [www.cibc.com](http://www.cibc.com).**