



CIBC Sydney Branch – CPS 511 Remuneration Framework Disclosure

1.0 Summary

This Remuneration Framework Disclosure (**Disclosure**) has been prepared for Canadian Imperial Bank of Commerce (**CIBC**) Sydney Branch (**Sydney Branch**) in accordance with the remuneration disclosure requirements under the Prudential Standard CPS 511 Remuneration (**CPS 511**) as published by the Australian Prudential Regulation Authority (**APRA**). Sydney Branch is a non-significant financial institution (**non-SFI**) for the purposes of APRA CPS 511. The policies that the Disclosure refers to ensures alignment with and supports the business strategy, goals, values and long-term interests of Sydney Branch, including underlying practices and procedures that are gender-neutral and taking into account environmental and social risks. Sydney Branch employees are aligned with either the CIBC Capital Markets Strategic Business Unit or a functional group Strategic Business Unit (SBU).

This document applies to all employees of Sydney Branch, with specific provisions on variable remuneration applicable to Material Risk Takers (**MRTs**) and to Accountable Persons, as defined under the Financial Accountability Regime Act 2023 (**FAR**). An MRT (if applicable) is a person whose activities have a material potential impact on the entity's risk profile, performance and long-term soundness, as defined by CPS 511.

2.0 Governance

2.1. Role of the Board of Directors of CIBC

- The Board of Directors of CIBC (**CIBC Board**) and two of its sub-committees – the Management Resources and Compensation Committee (**MRCC**) and the Risk Management Committee (**RMC**) provide oversight of CIBC's group compensation process across Sydney Branch and other entities of CIBC. The MRCC and RMC provide guidance on compensation matters and compensation risk management to the CIBC Board. In addition, the MRCC oversees key talent management and human resources strategies and practices, including compensation and compensation risk management, employee engagement, diversity and inclusion, and health and wellness initiatives. The MRCC will: (i) review and recommend CIBC Board approval of year-end performance and compensation for Senior Management¹; (ii) review and recommend CIBC Board approval of changes to compensation targets, or one-time awards, if any, for Senior Management; and (iii) approve annual compensation for any employee whose total direct compensation exceeds the materiality threshold determined by the MRCC. The MRCC met 6 times in the 2025 fiscal year.
- The MRCC approves corporate-wide incentive funding, reviews annual compensation recommendations and assesses the appropriateness of compensation based on business performance and risks undertaken. This includes the approval of compensation outcomes for all Sydney Branch employees as well as those in Specified Roles.

2.2. CIBC Sydney Senior Officer outside Australia (SOoA)

The SOoA has responsibility for overseeing the operation of Sydney Branch and activities relating to Sydney Branch with delegated authority from the CIBC Board and assists the CIBC Board by:

- Approving a remuneration policy for Sydney Branch that meets applicable requirements under APRA CPS 511 and the FAR;
- Conducting annual reviews, and making recommendations on the remuneration of the Branch Manager of the Sydney Branch and/or other persons whose activities may, in the opinion of the SOoA, affect the financial soundness of the institution, and any other person specified by APRA; and

¹ Senior Management is composed of the Chief Executive Officer (CEO) and individuals who are directly accountable to the CEO (as defined in the MRCC Mandate).

- Assessing and reviewing any material deviations of remuneration outcomes from the intent of the remuneration policy including any unreasonable or undesirable outcomes that flow from existing remuneration arrangements.

2.3. Role of Sydney Management Committee (SMC)

The SMC meets regularly and has reviewed the Disclosure to ensure it is in line with: (i) the designed principles; and (ii) CPS 511.

3.0 Specified roles

Role	Description of role
Senior Managers and Executive Directors	Leaders in Finance, Risk Management, Liquidity Management, Compliance, and the SOoA and Branch Manager within Sydney Branch who are responsible for setting strategic direction, overseeing major business operations, and ensuring the achievement of organizational objectives and upholding ethical standards.
Material Risk Takers (MRTs)	Employees who (within the scope of their role responsibilities) pose a material impact to Sydney Branch's risk profile as well as performance and long-term soundness. This includes, but is not limited to, decision-making authority, size and scope of business activity in a given jurisdiction/entity.
Highly Paid MRTs	MRTs whose total fixed remuneration plus actual variable remuneration is equal to or greater than 1 million AUD in a financial year.
Accountable Persons	Hold positions of significant responsibility and influence, as defined under the FAR. These are typically senior executives or directors whose decisions and actions can materially impact the whole, or a substantial part, of the institution's operations or financial standing. Accountable Persons are required to act with honesty, integrity, due skill, and diligence, and to take reasonable steps to prevent regulatory breaches within their area of responsibility.
All Risk and Financial Control Personnel	Responsible for developing and implementing risk management frameworks, monitoring regulatory compliance, and optimizing financial processes to support strategic decision-making.

4.0 Remuneration structure

Remuneration for Sydney Branch employees is governed under CIBC's global remuneration framework which recognizes that the caliber of our talent is critical to achieving our goal of delivering superior client experience and top-tier shareholder returns while maintaining our financial strength by executing on our strategic priorities. CIBC's remuneration philosophy is comprised of three key principles that are intended to guide all steps of the remuneration process, from plan design and variable incentive remuneration pool determination through to individual award decisions:

- Support CIBC's ability to attract, motivate and retain the right talent;
- Pay for performance and encourage behaviours aligned with CIBC's purpose and values; and
- Align with CIBC's business strategy, risk appetite, creation of sustainable shareholder value and the evolving regulatory environment.

Remuneration for Sydney Branch employees is comprised of base salary (fixed remuneration including any applicable allowances), pension and benefits and variable remuneration.

Remuneration framework ensures that the balance of fixed to variable remuneration is appropriate for the various types of roles across the organization with consideration to market, performance and risk management and in accordance with regulatory requirements.

Remuneration Key Design Features

Remuneration is aligned to our strategy of being a modern relationship-oriented bank that delivers superior client experience and top-tier shareholder returns while maintaining our financial strength, risk discipline and advancing our purpose-driven culture.

Pay for Performance

Incentive remuneration design reinforces “one CIBC team” aligned through the corporate-wide incentive plan that considers business performance, overall bank performance relative to peers, and individual accomplishments

Attract and Retain Talent

Market competitiveness is assessed when setting compensation targets.

Risk Management

Adherence to CIBC’s risk appetite and effective risk management objectives are considered in compensation design, incentive funding and individual payouts.

Shareholder Interests

The creation of enduring shareholder value is reinforced by promoting share ownership for all employees and a significant equity deferral for executives.

Good Corporate Governance

All remuneration programs are designed and delivered to be in alignment with regulatory requirements and good governance practices.

Remuneration for Sydney Branch employees is comprised of the following:

Fixed Remuneration, Applicable Allowances, Pensions and Benefits

Fixed remuneration is defined as any remuneration, whether monetary or non-monetary, which an employee is entitled to receive, for example;

- A. Base salary that is market competitive which recognizes the skills and experiences an individual requires to execute the accountabilities of the role;
- B. Any applicable allowances including any fixed allowances;
- C. Any pension benefits calculated on the basis of the employee’s base salary or a part thereof; and
- D. Any non-pay benefits, which are granted or made available to the employee on a continuous basis (e.g. health insurance, laptop, etc.).

Variable Remuneration and Performance

Sydney Branch employees, including employees under Specified Roles, participate in corporate-wide incentive programs that provide a strong link between pay and performance. Allocation for the incentive programs is managed vertically throughout the organization ensuring a balanced ratio between fixed and variable remuneration as to prevent any excessive risk.

Sydney Branch employees, including those in Specified Roles, variable remuneration is tied to performance measures on an individual basis as well as on a collective basis in accordance with predefined qualitative and quantitative objectives, including financial and non-financial criteria followed corporate-wide.

Funding of incentives, for Sydney Branch employees, including those in Specified Roles, reflects consideration of CIBC's performance, the business environment / market conditions, competitive requirements, and the regulatory environment, including conduct, which is used to award short-, mid- and long-term incentives based on the employee's job grade and level.

CIBC's achievement against its strategic priorities considers the following:

- Financial strength and operational efficiency measured by the adjusted Earnings per Share (EPS), adjusted operating leverage and adjusted revenue growth.
- Client experience measured by the Client Experience Index (CX Index).
- Environmental and Social related metrics measured by the Sustainability Index.
- In the case of an SBU other than Capital Markets, an additional metric is used to capture the SBU's performance as measured by the SBU's Net Income Before Bonus and Tax (NIBBT).
- In the case of Capital Markets, Capital Markets NIBBT together with the Capital Markets Funding Rate captures performance.

The metrics outlined above may also be subject to discretionary qualitative criteria to arrive at the final incentive funding.

Payout of Variable Remuneration

Variable remuneration for Sydney Branch employees typically consists of a single payment in cash, unless the Sydney Branch employees are eligible to participate in Medium/Long-term incentive awards based on their role or incentive award value, subject to FAR deferral requirements.

Medium and Long-Term Incentive Plan (M/LTIP) Awards:

Some Sydney Branch employees may receive part of their variable remuneration as a M/LTIP award which may be granted as a Restricted Share Award (RSA) and/or a Performance Share Unit (PSU).

M/LTIP awards are subject to the following provisions:

- A. The awards will be deferred over at least a three-year period or more (4 years with the inclusion of the performance year);
- B. The instruments shall vest fully at the end of the deferral period and be paid in cash;
- C. Australian FAR Participant's (Accountable Person) RSA Units in respect of an RSA Award (or a portion thereof), shall vest on the first day after the fourth anniversary of the start of the performance period (if applicable).

For more information on the RSA and PSU performance measures, please refer to the [2026 Management Proxy Circular](#) and [Corporate Governance](#) section on the CIBC website.

Performance Assessment

Sydney Branch leverages the Goals Performance Success Program (GPS) used CIBC-wide.

The various performance criteria used for defining the variable remuneration are aligned with sound and effective risk management and compliance principles. The performance measures are designed in a way to avoid risk-taking that exceeds the level of tolerated risk of Sydney Branch.

The performance criteria consist of an appropriate combination of financial (quantitative) and non-financial (qualitative) performance criteria.

5.0 Consequence & risk management: Adjustments to incentive compensation

Formulaic incentive funding and expense accruals are reviewed quarterly for CIBC, including Sydney Branch, by the MRCC and the RMC and are independently reviewed by the CFO and CRO to ensure: (i) sustainability of earnings; and (ii) adjustments are made for material risk, compliance and/or audit issues. The CIBC Board may exercise discretion if it deems that a material event occurred which impacts CIBC's financial or market performance.

Compensation Risk Management

The Sydney Branch Risk Management Process establishes a consistent approach to review business performance against risk appetite and employee risk conduct, to support Risk Management's (**RM**) assessment / inputs into the incentive compensation funding and individual performance measurement and compensation. The process is designed to ensure clarity of roles and responsibilities of the three Lines of Defence (**LOD**) to support the effective prevention, mitigation and management, of risks, including conduct risk. This aligns to CIBC's entity-wide Risk Appetite Statement (**RAS**), balancing risk and financial results in a manner that does not encourage inappropriate risk-taking and ensures effective regulatory adherence and remediation. RM's assessment of CIBC's risk culture and performance is shared with the SOoA and the RMC, and is a key input to the annual performance measurement and compensation processes.

In this process, RM considers a number of factors and metrics to assess whether impact to incentive compensation funding or individual compensation is warranted. Focus of this process is on risk behaviours, including conduct matters, risk culture and appropriate approach to balance business objectives with risk considerations. Matters identified at individual level are aggregated to understand trends for consideration into incentive funding adjustments which is reviewed and assessed by the SOoA and the RMC.

Clawback and Forfeiture

The Misconduct Clawback and Performance Clawback are applicable to CIBC Sydney Branch employees. Employees who are identified in Specified Roles noted in section 3, may be subject to additional clawback requirements in accordance with applicable legislation, i.e., FAR and CPS 511.

Forfeiture may be applied to Accountable Persons if they fail to comply with their accountability obligations under FAR. The CIBC CEO may determine that the individual's equity award, or a portion thereof, will be forfeited so as to comply with any applicable requirements of Australian law, and the individual will not be entitled to any compensation as a consequence of the forfeiture.

For more information on the CIBC Board and MRCC role and responsibilities, composition and its independent advisor and the number of meetings held, please refer to the [2026 Management Proxy Circular](#) and the [Corporate Governance](#) section on the CIBC website.