



**CHECK AGAINST DELIVERY**  
**Remarks by Charles Sirois, Chair of the Board**  
**CIBC Annual General Meeting**  
**Winnipeg, Manitoba**  
**April 28, 2011**

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It is a great pleasure to be with you in Winnipeg for CIBC's 144th annual general meeting.

Winnipeg and the province of Manitoba are a big part of CIBC's history. In 1880, Henry Stark Howland, the principal founder and first president of the Imperial Bank of Canada, made the long rail journey from Toronto to Winnipeg to open their first branch outside of Ontario. The booming Western town of Winnipeg impressed Howland, and after opening a branch in Winnipeg the following year, the Imperial continued its pioneer banking in the West, opening branches in Calgary in 1886 and Edmonton in 1891.

Since then, CIBC has built an extensive network of branches across Manitoba and throughout Western Canada that today provide millions of clients with a broad range of financial services.

The end of 2010 marks the completion of my second year as Chair of the Board at CIBC. This past year has been a dynamic one in the financial services industry as regulators balanced the need to support the economic recovery with efforts to mitigate global financial risk. Throughout all of this, your Board has kept its focus on maintaining CIBC's tradition of sound corporate governance.

Embracing strong governance is the foundation to delivering against CIBC's strategic imperative of consistent and sustainable performance. Your board had a full and productive agenda in 2010, focusing our efforts in several key areas:

- We devoted considerable time and attention to maintaining a dialogue with investors as well as devising a process for more proactive shareholder engagement.
- We worked closely with CIBC management to further develop a strategy for long-term success, and we continued our efforts to revise

CIBC's risk appetite to maintain alignment with our strategic imperative of consistent and sustainable earnings.

- We renewed our talent management strategy to focus more on organizational effectiveness and leadership development, and took further steps to redesign our executive compensation framework by applying the principles introduced last year to a broader executive population.
- And, we have maintained our efforts at board renewal to ensure CIBC's board continues to have the requisite diversity of skills, backgrounds and fresh perspectives to provide active oversight and stewardship of the bank.

I am proud of the work we have done during the last year. In fact, GovernanceMetrics International has awarded CIBC a global rating of 10 in their last three quarterly assessments. This is the highest level that can be assigned by this organization and places CIBC in the top 1% of companies ranked according to corporate governance standards.

Let me briefly review our progress in more detail for each of the areas I just mentioned.

### **Stakeholder Engagement**

CIBC's board has made it a priority to maintain an ongoing dialogue with our investors and other key stakeholders. Our emphasis on effective stakeholder engagement extends beyond the meetings we have with investors to our overall communications strategy. Although we have always had direct discussions with investors, our enhanced process and focus in this area have allowed us to be more proactive in our engagements with CIBC's shareholders.

In a related development, CIBC received a Governance Gavel Award from the Canadian Coalition for Good Governance in recognition of our proxy circular disclosure about the company's approach to executive compensation. We are honoured to have received this award.

### **Strategy**

In 2010, the Board continued to oversee and contribute to the development of CIBC's strategic direction and risk appetite.

Corporate strategy, and its successful execution, is a key determinant of shareholder value. Although strategy is management's responsibility, your Board continues to be an active participant in CIBC's evolving process for strategic planning, as well as CIBC's process for measuring progress against the strategic priorities set by management. The independent insights from our experienced directors bring a balanced and value-added perspective to this process.

In addition, your Board has been actively engaged in educational sessions focused on understanding the impact of the changing environment on themes that are critical to CIBC's strategy.

## **Risk**

Last year, in response to the changing environment in which we operate, your Board took an active role in updating CIBC's risk appetite to reflect current economic conditions and the bank's strategic imperative. Managing risk is a shared responsibility at CIBC. Senior management and the Board work in collaboration to ensure that business strategies and activities are consistent with our risk appetite.

In 2010, the Board approved refinements to CIBC's risk appetite that better recognize the company's goal to be a lower-risk Canadian bank with a view to growing in select businesses where we have strong competitive capabilities and market opportunities.

We continue to view our risk appetite statement as an important tool to support a risk-aware culture across CIBC.

## **Talent Management**

The development and deepening of CIBC's management capabilities and leadership is another board priority. With assistance from the Management Resources and Compensation Committee, the Board approved the implementation of year one of a three-year Talent Strategy.

This strategy focuses on refining CIBC's talent management practices and improving organizational effectiveness and leadership development across the company.

Consistent with this, CIBC last month announced a number of changes in CIBC's Senior Executive Team that will provide key members with expanded responsibilities and new mandates to help CIBC achieve its long-term objectives.

## **Executive Compensation**

Executive compensation is another key area of focus for the Board and the Management Resources and Compensation Committee. In 2009, we redesigned our senior executive compensation program to better align with CIBC's strategy and emerging best practices in the marketplace.

Following this, we introduced changes in 2010 that cover our broader executive population. These changes, which include the greater use of

performance vesting, equity deferrals and clawbacks are described in CIBC's 2011 management proxy circular.

Executive compensation is an imperfect science and a moving target. We have sought to design a program that supports CIBC's ability to recruit and retain top-flight people, reward them for performance and advance a culture built upon trust, teamwork, accountability, the execution of CIBC's strategy and the fulfillment of our strategic imperative of consistent and sustainable earnings.

## **Board Renewal**

Finally, board renewal remains an ongoing priority for CIBC. A board is only as good as the skills of its members and the extent to which they are able to share their perspectives and express their views, both among themselves and with management. Our focus on these factors has produced what we believe is a high quality and well-functioning board.

As I mentioned earlier in the meeting, Jalynn Bennett is retiring from our Board today. I wish to thank Jalynn for her contributions over many years of valuable service on our Board.

As we say goodbye to Jalynn, we welcome an outstanding new director, Kate Stevenson, who joined the Board in January of this year. Kate is an experienced corporate director with deep financial expertise. We are fortunate to have the services of this highly accomplished person, and I thank Kate for committing herself to CIBC.

We will continue to ensure that we have the right blend of skills and experience to effectively carry out our mandate. I believe we achieved that goal this year.

## **Concluding Remarks**

In all, 2010 has been another productive year for your Board and one of progress for CIBC. I would like to recognize Gerry, his management team and all of the employees at CIBC for their continued efforts on behalf of our clients and shareholders. I would also like to thank my fellow directors and shareholders for their support during the last year.

I look forward to reporting to you in 2012.

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### *A NOTE ABOUT FORWARD-LOOKING STATEMENTS*

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