

Canadian Imperial Bank of Commerce

Women in Leadership

Bond Framework



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1. Introduction

CIBC is a leading Canadian-based financial institution providing a full range of financial products and services to 11 million individual, small business, commercial, corporate and institutional clients in Canada, the U.S and around the world. CIBC employs over 44,000 individuals who help clients achieve their financial goals and deliver on our promise of “Banking that fits your life”. This focus drives CIBC’s decision making and is underpinned by our commitment to corporate responsibility.

CIBC is dedicated to expanding opportunities for women in business and enhancing gender balance at all levels of the organization, including the executive population. CIBC is a proud signatory of the Catalyst Accord 2022 and the first Canadian bank to sign the Women in Finance Charter in the U.K.

In line with our dedication to corporate responsibility, and to further promote social responsibility, CIBC is planning to issue a Women in Leadership Bond. The Women in Leadership Bond will commit to fund organizations that have demonstrated leading practices or have made an active effort to foster greater gender diversity in leadership positions. All organizations must be eligible as per the Use of Proceeds criteria described in the CIBC Women in Leadership Bond Framework (“Framework”). The Framework is aligned with the International Capital Market Association’s Social Bond Principles 2018 (“SBP”). The Framework applies to Women in Leadership Bonds issued by CIBC on or after September 2018.

2. CIBC Women in Leadership Bond Framework

2.1 Use of Proceeds

CIBC's Women in Leadership Bond is a fixed income or floating rate instrument where the proceeds are allocated towards assets that meet the Eligibility and Exclusionary Criteria outlined in the Framework (the "Eligible Assets"). An amount equal to the net proceeds from each issue will be allocated to the finance or re-finance, in part or in full, new and / or existing Eligible Assets. Eligible Assets include existing assets underwritten by CIBC as per its Corporate and Commercial Banking Credit Standards and Guidelines, and approved consistent with the CIBC Risk Appetite Statement, within 24 months preceding the date of the Women in Leadership Bond issuance and / or new Eligible Assets committed post issuance.

It is CIBC's intention to fully allocate the net proceeds of the Women in Leadership Bond within 18 months of issuance.

2.2 Eligibility and Exclusionary Criteria

Eligibility Criteria

Eligible Assets for Women in Leadership Bonds will include committed loans that CIBC Corporate Banking has made to a corporation or its parent corporation that meet both of the following criteria:

Criterion #1

- A. Minimum of 30% of board positions are held by women; or
- B. Minimum of 30% of executive positions are held by women; or
- C. Signatory of the Catalyst Accord 2022
 - The Catalyst Accord 2022 calls on Canadian boards and CEOs to pledge to accelerate the advancement of women in business through these actions:
 - i. Increase the average percentage of women on boards and women in executive positions in corporate Canada to 30% or greater by 2022
 - ii. Share key metrics with Catalyst for annual benchmarking of its collective progress

Criterion #2

- A. Minimum of one woman on the board and one woman in an executive position

Exclusionary Criteria

CIBC has established a list of exclusionary criteria for the proceeds of any Women in Leadership Bond as outlined below:

1. Women in Leadership Bond proceeds will not knowingly be allocated to finance any corporation whose current principal industry or primary activity has been assessed by CIBC as being any of the following:
 - Alcohol
 - Tobacco
 - Gambling

- Military Contracting
 - Predatory Lending
 - Palm Oil
 - Adult Entertainment
2. Women in Leadership Bond proceeds will not be knowingly allocated to financing any corporation that are involved in major environmental, social or governance controversies (Category 5 controversies), as assessed by Sustainalytics.

Please see Appendix 1 for details on Sustainalytics' controversy assessment methodology.

2.3 Project Evaluation and Selection Process

Project Evaluation and Selection Process

1. CIBC's Corporate Banking Team will assess its loan book against the Eligibility Criteria to identify a potential pool of Eligible Assets.
The data used to determine board and executive representation will be from the Ontario Securities Commission ("OSC"), gathered as part of a joint Canadian Securities Administrators ("CSA") initiative, CSA Multilateral Staff Notice – Staff Review of Women on Boards and in Executive Officer Positions – Compliance with National Instrument 58-101 Disclosure of Corporate Governance Practices, and is publically available. The OSC amalgamates this data for Toronto Stock Exchange listed firms from data collected through compliance with National Instrument 58-101 Disclosure of Corporate Governance Practices. There is a potential lag between when this data is publically reported and when CIBC applies it to screen for Eligible Assets. In the event where current data sources cease to be available, CIBC will seek alternative data sources.
The list of signatories of the Catalyst Accord 2022 is publically available at <http://www.catalyst.org/catalyst-accord-2022>.
2. The potential pool of Eligible Assets will then be filtered by CIBC's Corporate Banking Team through the Exclusionary Criteria and eligibility under the Framework as a whole. The remaining assets will form the pool of Eligible Assets. From these Eligible Assets, CIBC's Corporate Banking Team will recommend to CIBC's Women in Leadership Bond Council a selection of Eligible Assets for allocation to CIBC's Women in Leadership Bond.
3. CIBC's Women in Leadership Bond Council, comprised of members of senior management of CIBC, including the Treasurer, Managing Director and Head, Global Corporate Banking and the Senior Executive Vice President and Chief Risk Officer, is responsible for the final review and selection of the Eligible Assets, to which the net proceeds of the Women in Leadership Bond will be allocated. CIBC's Corporate Banking Team will be responsible for coordinating such meetings.
4. This process will be completed annually. Previously allocated loans will be reviewed by CIBC's Corporate Banking Team to ensure compliance on an annual basis with the Framework. In the event that an allocated asset is no longer eligible under the Framework or the allocated assets decrease, new Eligible Assets will be allocated. Any newly allocated assets must be approved by CIBC's Women in Leadership Bond Council prior to allocation.

2.4 Management of Proceeds

CIBC will track, on an annual basis, the allocation of the net proceeds from Women in Leadership Bonds to Eligible Assets. The net proceeds from any Women in Leadership Bond issue will be deposited in CIBC's General Fund account and an amount equal to the net proceeds will be earmarked for allocation to Eligible Assets in accordance with the Framework.

CIBC's objective is for Women in Leadership Bond proceeds to be fully allocated within 18 months of any Bond issue. Any portion of the Women in Leadership Bond net proceeds that have not been allocated to Eligible Assets will be invested in accordance with CIBC Treasury's existing liquidity management procedures.

Women in Leadership Bonds will be tracked and contain relevant information to identify each Bond and the assets allocated to it, including at a minimum the dollar amount, and applicable eligibility category. CIBC's Corporate Banking Team will ensure this information is updated annually, following the annual meeting of CIBC's Women in Leadership Bond Council. This information will form the basis for CIBC's annual Allocation Reporting and Impact Reporting.

Payment of principal and interest on any Women in Leadership Bond issuance will be made from CIBC's General Fund account and will not be directly linked to the performance of any Eligible Asset nor will there be Eligible Assets ring-fenced as collateral to the specified unsecured bonds.

2.5 Reporting

Allocation Reporting

CIBC will report on the Use of Proceeds annually, as long as there are Women in Leadership Bonds outstanding. The reporting will include the allocation of proceeds by category per the Eligibility Criteria. Annually, CIBC's external auditor will provide reasonable assurance that the processes, policies and systems for managing CIBC's eligible lending from the Women in Leadership Bond are in accordance with this Framework ("Reasonable Assurance").

Compliance Review

CIBC has committed to undertaking an annual compliance review of allocated assets with Sustainalytics as long as there are Women in Leadership Bonds outstanding. Sustainalytics will review allocated assets in order to determine whether they meet the Eligibility Criteria in the Framework. As part of the annual compliance review, Sustainalytics will undertake a review and analysis of the corporations that comprise the assets and its involvement in any controversies, in accordance with its Controversy Assessment Methodology. Sustainalytics will provide a letter stating the results of the compliance review.

Impact Reporting

To the extent available, CIBC will report on an annual basis:

1. The year-over-year percentage change in the number of corporations in CIBC's Corporate loan book that meet the Eligibility Criteria of the Women in Leadership Bond;
2. The percentage change in the aggregate number of women in executive ranks of the corporations that have been allocated to the Women in Leadership Bond; and
3. The percentage change in the aggregate number of women on the boards of the corporations that have been allocated to the Women in Leadership Bond.

The Allocation Reporting, Reasonable Assurance, Sustainalytics Compliance Review and potential Impact Reporting will all be published annually on CIBC's web site under the investor relations portal.

Appendix 1:

Sustainalytics Controversy Assessment Methodology

Controversies are an assessment of a company's past involvement in incidents that had a negative impact on stakeholders, and that pose outstanding risks to the company. Sustainalytics analyses companies' involvement in controversies based on several factors, including impact of the incident, recurrence and pattern of incidence, company response, and managerial responsibility. After analysis, companies' involvement in controversies is classified on a hurricane scale of 1 to 5. Controversies are assessed as Category 1 if they have a low impact on the environment and society, and pose negligible risks to the company. Controversies are assessed as Category 5 if they have a severe impact on the environment and society, and pose a serious risk to the company. Category 5 represents the most severe corporate conduct.

