

CIBC Retirement Savings Plan

Statement of Investment Principles – September 2019

1. **Introduction**

The purpose of this Statement of Investment Principles (the “Statement”) is to record the investment arrangements (and the rationale behind those arrangements) adopted by the Trustees of the CIBC Retirement Savings Plan (the “Plan”).

The Statement is also designed to comply with the requirements of the Pensions Act 1995, as amended by the Pensions Act 2004, the Occupational Pension Schemes (Investment) Regulations 2005, as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015 and subsequent legislation and to fulfil the spirit of the Code of Best Practice published in 2001. Section 5.4 provides the required statement in relation to the Defined Contribution section default investment option.

The Trustees have consulted Canadian Imperial Bank of Commerce London Branch (the “Company”) over Investment Objectives and Strategy and have taken the Company’s views into account in setting both the objectives and strategic benchmark. However, the Trustees have made the final decision having taken written advice from the Plan’s investment advisor, Mercer Limited (“Mercer”).

The advice received and arrangements implemented are, in the Trustees’ opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

The Plan divides into two sections. There is a Defined Benefit (“DB”) section and this is dealt with in Sections 2 and 3. There is also a Defined Contribution (“DC”) section which is dealt with in Sections 4 and 5. Sections 6, 7, 8 and 9 cover those investment issues which apply to both the DB and DC sections.

The investment arrangements of both the DB and DC sections can be divided into two areas: the strategic management of the assets and the day-to-day management of the assets. The strategic management of the assets is fundamentally the responsibility of the Trustees and is driven by their investment objectives as set out in Sections 2 and 4 below. The day-to-day management of the assets has been delegated to professional investment managers, selected by the Trustees, and their roles are described in Sections 5 and 6.

The Trustees will review this Statement at least every three years, and without delay if there are relevant material changes to the Plan, to ensure it remains accurate. Further details are set out in Section 9.

The Trustees investment responsibilities are governed by the Plan’s Trust Deed. A copy of the relevant clause, of which this Statement takes full regard, is available for inspection.

DB Section

2. Investment Objectives and Risk

2.1 Investment Objectives

The Trustees' overall aim is to make sure that the obligations to the beneficiaries of the Plan are met. Additional aims encompass the following:

- To pay due regard to the Company's interest on the size and incidence of the Company's contribution payments.
- To invest the assets in a low risk manner in order to minimise the likelihood of deterioration on the Plan's funding level by seeking to match the changes in the Plan's liabilities.

2.2 Financially Material Considerations, Risk Measurement and Risk Management

The Trustees have considered the following risks in formulating the above objectives, which they believe may be financially material to the Plan over its anticipated lifetime. These considerations are taken into account in the selection, retention and realisation of investments. The Trustees acknowledge that it is not possible to monitor all the risks listed below at all times. The resulting combination of assets and investment management approaches has been selected to be consistent with the investment objective, risk tolerance and return target detailed above:

Funding level and mismatching risk

The risk of a deterioration in the Plan's ongoing funding level or a shortfall of assets relative to the liabilities as determined if the Plan was to wind up. The Trustees pay close regard to the risks which may arise through a mismatch between the Plan's assets and its liabilities. The Trustees' willingness to take investment risk is dependent on the continuing financial strength and support of the Company. Therefore, a key risk is the failure of the Company to be able or willing to support the Plan. As a result, the Trustees monitor the Plan's funding position through ongoing triennial actuarial valuations, with appropriate action to prevent value deterioration of the funding position. To mitigate funding level and mismatch risk the Trustees have implemented an investment strategy which is fully invested in bonds and cash, to broadly match the interest rate and inflation characteristics of the liabilities.

Interest rate risk

- The risk that the cashflow profile of the Plan's assets differs from that of the projected liabilities. The Trustees seek to mitigate this risk via investments in pooled gilt funds and aim to broadly match the interest rate sensitivity of the Plan's projected liabilities.

Inflation risk

- Inflation risk exists if the assets and the projected liabilities have different linkages to inflation. The Trustees seek to mitigate this risk via investments in pooled index-linked gilt funds and aim to broadly match the interest rate sensitivity of the Plan's projected liabilities.

Liquidity risk

- Liquidity risk exists if the Plan's assets are not readily marketable and realisable. Currently, the Trustee has implemented an investment strategy which is fully invested in bonds and cash, which are realisable at short notice.

Custody risk

- The safe custody of the Plan's assets is delegated to professional custodians via the use of pooled vehicles.

Manager risk

- Manager risk is the risk that the investment manager does not perform in line with the applicable benchmarks. The Trustees are comfortable that the investment manager possesses the skill and judgement required to track the respective benchmarks with an acceptable degree of tracking error.

Risks arising from Environmental, Social and Corporate Governance ("ESG") issues, including climate change and stewardship

- The Trustees believe that these factors present threats but also opportunities over certain timeframes. The current investment strategy is comprised of passive gilt and index-linked gilt funds and cash, which are managed with the aim of achieving index or index-like performance and as such do not create significant ESG issues. Section 8 provides dedicated comments on the Trustees' approach.

Other risks

- The risks that the Plan is exposed to are not limited to those set out above.

In considering the selection, retention and realisation of investments the Trustees does not take account of non-financially material considerations, including member views.

Investment Strategy

The Trustees have adopted a 100% bonds and cash investment strategy, which is intended to provide a broad match for the Plan's liabilities. In March 2019 the Trustees undertook a high level review of the matching characteristics and broadly adjusted the strategy to, at a high level, more closely align with the liabilities. The Plan's asset allocation at the time of implementation was as follows:

Initial Asset Allocation (%)*	
Bonds	100.0
Fixed Interest Gilts	48.7
Index-Linked Gilts	51.3
Total	100.0

*Cash may be held on a strategic basis from time to time.

The Trustees undertake quarterly meetings with the investment advisor in order to review the investment manager's reporting, monitor the asset allocation versus the strategic benchmark allocation and assess short term cash requirements.

3. Day-to-Day Management of the Assets

The Plan's DB assets are invested entirely with Legal & General Assurance (Pensions Management) Limited ("L&G"). The DB assets at L&G have been split into two separate portfolios; the Bond Portfolio and the Cash Fund.

3.1 L&G Bond Portfolio

The Plan invests in a range of L&G's gilt and index-linked gilt funds. The allocation between each of the L&G funds reflect the Plan's investment strategy and are set out in Section 4.3.

Performance objective: Within each asset class, the aim of the sub-fund is to match the relevant underlying market index or bond return (if appropriate).

Tracking error target: The tracking error target for each sub-fund is shown in the table in section 3.3.

The aim of holding fixed interest and index-linked gilts is to better match the duration and inflation sensitivity of the pension liabilities of the Plan.

3.2 L&G Cash Fund

This fund is used to help manage the Plan's cashflows with the aim of minimising costs by reducing the need for regular disinvestments from the Plan's other funds to meet benefit payments.

In order to ensure there are positive cash flows to cover any benefit payments an arrangement is in place to pay 'notional dividends' from a number of the L&G funds into the cash fund.

3.3 Asset Allocation

The table below shows the initial target weights and relevant benchmarks for each of the L&G bond funds in which the Plan's assets are invested. There are no rebalancing ranges in place to allow the asset portfolio to move in line with market movements, in a similar manner to how the Plan's liabilities would be expected to move.

Fund	Initial Allocation (%)	Benchmark	Tracking Error Tolerance ^(a)
Fixed Interest Gilts	48.7		
All Stocks Gilts Index Fund	5.0	FTSE A Government (All Stocks) Index	±0.25% p.a.
Over 15 Year Gilts Index Fund	25.9	FTSE A Government (Over 15 Year Index)	±0.25% p.a.
2046 Gilt Fund	5.2	Single Stock Treasury 4.25% 7 December 2046	±0.25% p.a.
2049 Gilt Fund	4.3	Single Stock Treasury 4.25% 7 December 2049	±0.25% p.a.
2055 Gilt Fund	8.3	Single Stock Treasury 4.25% 7 December 2055	±0.25% p.a.
Index-Linked Gilts	51.3		
Under 5 Year Index-Linked Gilts Fund	9.5	FTSE A Index-Linked (Under 5 Year) Index	±0.25% p.a.
Under 15 Year Index-Linked Gilts Index Fund	21.1	FTSE A Index-Linked (Under 15 Year) Index	±0.25% p.a.
Over 15 Year Index-Linked Gilts Fund	13.8	FTSE A Index-Linked (Over 15 Year) Index	±0.25% p.a.
2030 Index-Linked Gilt Fund	3.5	Single Stock Treasury 4.25% 22 July 2030 Index-Linked Gilt	±0.25% p.a.
2035 Index-Linked Gilt Fund	2.1	Single Stock Treasury 2.00% 26 January 2035 Index-Linked Gilt	±0.25% p.a.
2042 Index-Linked Gilt Fund	1.3	Single Stock Treasury 0.625% 22 November 2042 Index-Linked Gilt	±0.25% p.a.

Figures may not sum due to rounding.

(a) For two years out of every three

DC Section

4. Investment Objectives and Risks

4.1 Investment Objectives

The investment objectives for the DC section encompass the following:

- To offer an appropriate default investment option for new members of the Plan that are unable, through lack of interest or knowledge, to select investments for themselves.
- To ensure there is a sufficient number of appropriate investment options available to allow members to plan for retirement and tailor their investments to their own personal and financial circumstances.
- To provide general guidance as to the purpose of each investment option.
- To encourage members to seek financial advice from an FCA regulated adviser in determining the profile of their own investments.

The Trustees regularly review the suitability of the investment options provided and from time to time will change managers or introduce additional investment option(s). The advice received and arrangements implemented are, in the Trustees' opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

The Trustees believe that the items discussed in Sections 5 and 6 of this Statement are in relation to financially material considerations. The Trustees believe the appropriate time horizon for which to assess these considerations within should be viewed at a member level. This will be dependent on the member's age and when they expect to retire.

A range of asset classes has been made available, including: developed market equities, emerging market equities, real estate, money market investments, gilts, index-linked gilts and diversified growth funds.

Members can combine the investment funds in any proportion in order to achieve the desired balance between different kinds of investments which they deem appropriate for their needs, the full list of available funds can be found in section 5.3. This balance of investments will also determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerances. Each of the available funds is considered to be diversified across a reasonable number of underlying holdings / issuers.

4.2 Risks

The Trustees have considered risk from a number of perspectives for the DC Section. The list below is not exhaustive but covers the main risks that the Trustees consider and how they are managed. The Trustees consider each of these risks to be financially material.

Risk	How it is managed	How it is measured
Inflation Risk The real value (i.e. post inflation) value of members' accounts decreases.	The Trustees provide members with a range of funds, across various asset classes, with the majority expected to keep pace with inflation (with the exception of the money market and fixed interest bond funds). Members are able to set their own investment allocations, in line with their risk tolerances.	Considering the real returns (i.e. return above inflation) of the funds, with positive values indicating returns that have kept pace with inflation

Risk	How it is managed	How it is measured
<p>Pension Conversion Risk</p> <p>Member's investments do not match how they would like to use their pots in retirement.</p>	<p>The Trustees make available a lifestyle strategy targeting annuity.</p> <p>Lifestyle strategies automatically switch member assets as they approach retirement into investments that are expected to be less volatile relative to how they wish to access their pension savings. These lifestyle strategies increase the proportion of assets that more closely match the chosen destination as members approach retirement. This aims to reduce the risk of a substantial fall in the purchasing power of their accumulated savings near retirement.</p> <p>A range of self-select funds are available for members who wish to target alternative outcomes in retirement</p>	<p>Considering the returns of the funds used within the switching phase of the lifestyle strategy.</p>
<p>Market Risk</p> <p>The value of securities, including equities and interest bearing assets, can go down as well as up.</p>	<p>The Trustees provide members with a range of funds, across various asset classes. Members are able to set their own investment strategy in line with their risk tolerances.</p> <p>For the multi-asset funds which are targetting non-market benchmarks this is delegated to investment managers.</p>	<p>Monitoring the performance of investment funds on a quarterly basis.</p>
<p>Counterparty Risk</p> <p>A counterparty, either an underlying holding or pooled arrangement, cannot meet its obligation.</p>	<p>Delegated to external investment manager.</p> <p>Members are able to set their own investment allocations, in line with their risk tolerances.</p>	<p>Monitoring the performance of external investment funds on a quarterly basis.</p> <p>Security of assets review.</p>
<p>Currency Risk</p> <p>The value of an investment in the member's base currency may change as a result of fluctuating foreign exchange rates.</p>	<p>The Trustees provide diversified investment options that invest in local as well as overseas markets and currencies.</p> <p>Delegated to investment managers.</p> <p>Members are able to set their own investment allocations, in line with their risk tolerances.</p>	<p>Monitoring the performance of external investment funds on a quarterly basis.</p> <p>Considering the movements in foreign currencies relative to pound sterling.</p>
<p>Operational Risk</p> <p>A lack of robust internal processes, people and systems.</p>	<p>The Trustees meet with Aegon from time to time. Members are able to set their own investment allocations, in line with their risk tolerances.</p>	<p>The Trustees maintain a risk register which includes this risk.</p>
<p>Liquidity Risk</p> <p>Assets may not be readily marketable when required.</p>	<p>The Trustees access daily dealt and daily priced pooled funds through a unit-linked insurance contract with Aegon.</p>	<p>The pricing and dealing terms of the funds underlying the unit-linked insurance contract.</p>

Risk	How it is managed	How it is measured
Valuation Risk The value of an illiquid asset is based on a valuer's opinion, the realised value upon sale of the asset may differ from this valuation.	Some multi-asset managers may hold illiquid assets. In such cases, the management of valuation risk is delegated to the external investment manager. The majority of investment managers invest solely in liquid quoted assets.	The Trustees monitor performance of funds on a quarterly basis, and where relevant delegates the monitoring of valuation risk to the Investment Consultant.
Environmental, Social and Governance Risk ESG factors can have a significant effect on the performance of the investments held by the Plan e.g. extreme weather events, poor governance.	Delegated to external investment managers. The Trustees' policy on ESG risks is set out in Section 7.5 of this Statement.	The Trustees review their external investment managers' policies and actions in relation to this on an annual basis.
Manager Skill / Alpha Risk Returns from active investment management may not meet expectations, leading to lower than expected returns to members.	The Trustees make available a number of actively managed funds to DC members where they deem appropriate; for example, multi-asset or property funds. The actively managed funds made available are highly rated by their Investment Consultant, based on forward-looking expectations of meeting objectives. The Trustees are selective when making actively managed fund available. The majority of funds available are passively managed.	The Trustees consider the ratings of investment strategies from their Investment Consultant during the selection process. Trustees monitor performance and rating of funds on an ongoing basis relative to the fund's benchmark and stated targets/objective.

The Trustees monitor and manage the risks set out above by keeping the investment arrangements under regular review and taking advice from their investment consultant on their continuing appropriateness.

4.3 Range of Funds

The Trustees access investment funds through an insurance policy with Aegon Investment Solutions Limited Life Limited ("Aegon"). The underlying funds are managed by a range of investment managers. There are both active and passively managed funds available to the membership.

Self Select Investment Options Available To The Membership	
Core Funds	Non Core Funds
Multi Asset Funds (active): <ul style="list-style-type: none"> Global Growth Multi Asset Fund for the CIBC DC Plan¹ Aberdeen Standard GARS (DGF) BlackRock DC Diversified Growth Fund (DGF) Schroder Diversified Growth Fund (DGF) 	Regional Equity (passive): <ul style="list-style-type: none"> BlackRock DC Aquila UK Equity Index BlackRock DC Aquila World (ex-UK) Equity Index BlackRock DC Aquila US Equity Index BlackRock DC Aquila European Equity Index BlackRock DC Aquila Pacific Rim Equity Index BlackRock DC Aquila Japanese Equity Index
Global Equity (passive): <ul style="list-style-type: none"> BlackRock DC Aquila (30:70) Currency Hedged Global Equity Index 	
Global Equity (active): <ul style="list-style-type: none"> BlackRock Global Equity (70/30) BlackRock Global Equity (50/50) 	
Gilts (passive): <ul style="list-style-type: none"> BlackRock DC Aquila Over 15 Year Gilt Index BlackRock DC Aquila Over 5 Year Index Linked Gilt Index 	Corporate Bonds (active): <ul style="list-style-type: none"> BlackRock DC Corporate Bond
Cash (active): <ul style="list-style-type: none"> BlackRock DC Cash 	
Lifestyle Option	
<ul style="list-style-type: none"> Global Growth Multi Asset Fund for the CIBC DC Plan¹ BlackRock DC Aquila Over 15 Year Gilt Index BlackRock DC Cash Fund 	

¹ 20% Aberdeen Standard GARS, 20% BlackRock DC Diversified Growth Fund, 20% Schroder Diversified Growth Fund and 40% BlackRock DC Aquila (30:70) Currency Hedged Global Equity Index

DC members can choose to invest in any individual fund or any combination of the individual funds. In addition to the various self-select fund options, the Trustees make available a lifestyle option. This is the default investment option for members of the Plan who do not, through lack of interest or knowledge, select investments for themselves.

The Trustees believe that the range of Funds and flexibility offered to members broadly meets their policy aims for the DC section at this point in time.

4.4 The aims of the Default Investment Option

The aims of the current default investment option, and the ways in which the Trustees seek to achieve these aims are detailed below:

- To provide a fund that can be used to provide income for members in retirement.

At the member's selected retirement date, assets will be invested in a manner deemed appropriate for targeting purchase of an annuity and a lump sum cash withdrawal.

- To protect the accrued value of a member's fund as their nominated retirement age nears.

As a member's pot grows, investment risk (defined as volatility of returns) will typically have a greater impact on member outcomes than contributions. Therefore, the Trustees believe that a default investment option should seek to reduce investment risk as the

member approaches their nominated retirement age. This type of investment approach is known as a “lifestyle” strategy.

- The Default Investment Option invests in assets that are expected to grow, in excess of inflation, for the majority of a typical member’s membership of the Plan. As a member moves within 5 years of their nominated retirement age assets are switched to investments that are expected to more closely match cash returns and changes in the cost of buying a retirement income (in the form of a fixed annuity).
- In designing the Default Investment Option, the Trustees have considered the return potential of assets, their risk, the charges levied on members and the expected outcomes for members.

The Trustees have explicitly considered the trade-off between risk and expected returns. They believe that, as pensions are typically a long term investment, a degree of volatility can be tolerated in the growth phase in the expectation that greater returns will be achieved than would be in lower risk assets. In the switching phase ahead of the nominated retirement age, risk is reduced significantly relative to cash and the cost of buying a retirement income. They have also considered charges, and believe that member outcomes should be considered net of charges, and that simply adopting the lowest cost approach could mean an inferior outcome.

The Trustees’ policies in relation to the default investment options are detailed below:

- The current default investment option manages investment risks through a diversified strategic asset allocation consisting of traditional and alternative assets. Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. In designing the default options, the Trustees have explicitly considered the trade-off between risk and expected returns. In setting the investment strategy of the default investment options, the Trustees consider risk quantitatively in terms of the variability of investment returns and potential retirement outcomes for members.
- The Trustees have considered the balance of investments to be held in the default investment option, including the characteristics of particular asset classes and the balance between the use of active and passive investments where appropriate.
- Information regarding the risks and financially material considerations detailed by the Trustees can be found in section 4.2, these financially material considerations are applicable to the default investment option.
- Assets in the default investment option are invested in the best interests of members and beneficiaries, taking into account the profile of members. In particular, the Trustees considered high level profiling analysis of the Plan’s membership in order to inform decisions regarding the default investment option and the appropriate target. Based on this understanding of the membership, default investment option that target annuity purchase at retirement is considered appropriate.
- Members are supported by clear communications regarding the aims of the default investment option and the access to alternative investment options. Moreover, members do not have to take their retirement benefits in line with those targeted by the default investment option; the target benefit is merely used to determine the investment strategy held pre-retirement.
- Assets in the default investment options are invested in daily traded pooled funds which hold highly liquid assets. The pooled funds are commingled investment vehicles which are managed by various investment managers. The selection, retention and realisation of assets within the pooled funds are delegated to the respective investment managers in line with the mandates of the funds.

- Further information regarding the policy on environmental, social and governance considerations (“ESG”) including the extent to which non-financial matters are taken into account in the selection, retention and realisation of investments, the exercise of rights (including voting rights) attached to the investments and undertaking engagement activities in respect of the investments can be found in section 6.5. The safe custody of the Plan’s assets is delegated to professional custodians, as appointed by the governing bodies of the respective pooled funds.

Implementation of the Default Investment Option

- The Default Investment Option’s growth phase invests in the Global Growth Multi Asset Fund for the CIBC DC Plan, a bespoke fund which invests 40% in global equities and 60% in diversified growth funds as set out in the table in section 4.3. Diversified growth funds provide exposure to a wide variety of different assets and investment management strategies which seek to provide growth but with lower variability in returns than equities. The appointed investment managers are responsible for day to day management of the assets making up the units and for meeting any cash flow requirements of the Plan administrators.
- As the nominated retirement age approaches, the Default Investment Option switches assets over 5 years to that age from the growth phase to the pre-retirement phase, with a focus on an investment strategy that targets a tax-free cash lump sum (25% of a member’s pot) via investment in the BlackRock DC Cash Fund, and a non-increasing retirement income (75% of a member’s pot). The latter proportion invests in a fund that the Trustees believe will broadly match the changing cost (up or down) of purchasing a fixed annuity that would provide this income; the BlackRock DC Aquila Over 15 Year Gilt Index.
- Members do not have to take their benefits in this format at retirement – it merely determines the investment strategy that will be in place pre-retirement. Members who intend to take their retirement benefits in cash or through income drawdown have the option of choosing their own investment strategy.

The Trustees are aware that no default investment option can be appropriate for all members because of members’ varying needs and attitudes to risk. However, they believe that by offering the Default Investment Option outlined above - with its diversified asset strategy, phasing into funds seeking to provide protection relative to a tax free cash lump sum and fixed annuity purchase, and regular monitoring - alongside a variety of other options for members who wish to make their own decisions, they are acting in the best interests of members.

The Default Investment Option was implemented in Q1 2015 modifying the default investment option implemented in July 2013 to ensure compliance with the introduction of the 0.75% p.a. charge cap. The Trustees introduced the Schroder Diversified Growth Fund to the Global Growth Multi Asset Fund for the CIBC DC Plan in Q3 2017 and reviewed the underlying allocations between global equity and diversified growth funds. A further review was conducted in Q4 2018 and considered the target of the default and structure of the growth phase, the Trustees are still considering the outcomes of this review and will make future changes as deemed necessary and in line with member’s best interests.

The Trustees will continue to review the default investment option over time, at least triennially, or after significant changes to the Plan’s demographic or regulatory requirements, if sooner. The Trustees review the performance of the funds within the Default Investment Option every quarter.

The Trustees recognise that providing a lifestyle investment option is not a perfect match for every individual member’s circumstances and therefore every member’s liabilities. In particular, a lifestyle investment option provides little protection for the risks facing members

who are forced to retire early at short notice and who have either not yet reached the switching stage or are only partially through the switching process.

The Trustees' policy on realising assets and environmental, social and governance ("ESG") issues are covered in Sections 6.3 and 6.5 respectively.

5. Day-to-day Management of the Assets

5.1 Main Assets

The general guidelines of the funds that are available to members are set out in Appendix A.

5.2 Investment Performance Benchmark

The performance of the funds managed by the Plan's fund managers are measured in comparison to the benchmarks listed in Appendix A. Aegon will report on the performance of all Funds relative to the respective benchmark.

5.3 Custodianship

As the assets are invested in pooled funds, custody arrangements are provided by the relevant investment managers. Further details are available on request. The pooled funds' custodians are responsible for holding the assets for safekeeping and settling the transactions made by their investment managers.

Both Sections

6. Day-to-Day Management of the Assets

6.1 Additional Assets

6.1.1 Additional Voluntary Contributions (AVCs)

The Additional Voluntary Contributions ("AVCs") for the Plan relate to the Defined Benefit members and these are invested in policies with Equitable Life, Aviva and Prudential Assurance Company Limited ("Prudential"). These policies are closed to new members.

DC Section investments are available to Defined Benefit members who wish to switch their AVCs into these funds. The Trustees do not operate a default investment arrangement within the meaning of Pensions Act 2008 in relation to AVC policies.

6.2 Investment Restrictions

Investment is only allowed in the range of funds as made available by the Trustees. Each of the funds is subject to certain restrictions as detailed in the various funds' governing documents.

6.3 Policy on Realising Assets

In general, within each fund, the relevant fund manager has responsibility for the timing of any realisation of assets and for decisions on the liquidity of those assets.

6.4 Monitoring the Managers

The Trustees retain Mercer as investment consultants to assist in the monitoring of the managers.

6.5 Responsible Investment and Corporate Governance

The Trustee believes that environmental (including climate change), social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole.

The Trustees also recognise that both short and long-term sustainability issues, particularly climate change, present risks and opportunities. The Trustees appreciate that the Plan is a long term savings vehicle and so sustainability is important.

The Trustees expect the underlying managers to evaluate ESG factors, including climate change considerations, exercising voting rights and stewardship obligations attached to investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. As a result, the Trustees have given the Investment Managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations attached to the Plan's investments. Where deemed appropriate the Trustees will engage with investment managers regarding undertaking of activities in respect of investments if they are deemed to be falling behind wider peers or not meeting the responsibilities expected of them.

The Trustees believe that ESG risk and integration is a key consideration for the employer and can affect an organisation's reputation. Therefore the values of the employer, alongside risk and return objectives should be considered in the formulation of this policy. The Trustees believe that this policy aligns with the position of CIBC as an employer to integrate ESG considerations into investment decisions with the expectation for better risk assessment and better investment decisions.

The Trustees consider how ESG, climate change and stewardship is integrated within investment processes when selecting new investment managers and monitoring exiting managers. Mercer's ESG ratings for each of the strategies is included in the quarterly investment monitoring provided by the Investment Consultant. When making investment decisions, the Trustees will consider the ESG information available to them to help identify potentially material financial issues, responsibility of implementation will lie with investment managers.

These policies relating to responsible investment and corporate governance are applicable to both the DB Section and DC section, including the default investment option and all other arrangements within the section including the Freestyle Fund range options. The aims and objectives of these policies are intended to ensure that the assets are invested in the best interest of members. However, these policies are most relevant to the DC Section as assets within the DB section are fully invested in UK government bonds and cash instruments.

Non-financial matters refer to the views of the members and beneficiaries including (but not limited to) their ethical views and their views in relation to social and environmental impacts of investments and the future quality of life of members.

The Trustees did not seek member views in forming their current approach to considerations around ESG, stewardship, climate change and other non-financial matters within the Plan's investments, including in the selection, retention and realisation of investments.

The Trustees keep the topic of corporate governance and responsible investment under periodic review and will review this policy from time to time to ensure that the policy is applicable, appropriate and in line with expectations of the majority of the membership.

7. Fee Structures

7.1 Manager Fees

The basis under which the DB sections investment manager (L&G) is remunerated is through a flat fee depending on the nature of the gilts held and a tiered fee based on the value of assets invested in the Cash Fund. For the DC assets, the management fee is incorporated in the individual member's fund value. The investment management fees for the DC Funds managed by Aegon and the 'guest' fund managers are listed in Appendix A.

7.2 Investment Advisor Fees

Mercer fees are either based on fixed quotes for particular projects or, are on a time-cost basis. This approach has proved satisfactory in the past.

Mercer are appointed as Investment advisor to the Plan. The Investment advisor provides advice to the Trustees but does not have responsibility for decision making in any area. The role encompasses, but is not limited, to the following:

- Assistance in helping the Trustees formulate investment objectives.
- Advice on investment strategy.
- Advice on devising an appropriate investment manager structure.
- Assistance in selecting, implementing and monitoring of investment managers.

8. Compliance with this Statement

The Trustees will monitor compliance with this Statement annually.

9. Review of this Statement

The Trustees will review this Statement in response to any material changes to any aspects of the Plan, its liabilities, finances and the attitude to risk of the Trustees and the sponsoring Company, which it judges to have a bearing on the stated Investment Policy.

This review will occur at least every three years. Any such review will again be based on expert investment advice and will be in consultation with the Company.

Signed: _____ Trustee

Signed: _____ Trustee

For and on behalf of the Trustees of the CIBC Retirement Savings Plan (the "Plan")

Appendix A

Fund	Benchmark	Objective	AMC (% p.a.)
BlackRock Global Equity (70/30)	70% FTSE All Share Index 30% Fixed Overseas Weights (10% Continental Europe, 10% North America, 5% Japan, 4% Pacific Basin, 1% Emerging Markets)	Invests mainly in UK equities (around 70%) and overseas equities (around 30%). The overseas equities are split between geographical regions in fixed percentages. The Fund aims to produce a return in excess of its benchmark.	0.45
BlackRock Global Equity (50/50)	50% FTSE All Share Index 50% Fixed Overseas Weights (17% Continental Europe, 17% North America, 8% Japan, 7% Pacific Basin, 1% Emerging Markets)	Invests mainly in UK equities (around 50%) and overseas equities (around 50%). The overseas equities are split between geographical regions in fixed percentages. The Fund aims to produce a return in excess of its benchmark.	0.45
BR DC Aquila UK Equity Index	FTSE All Share Index	Invests in shares of UK companies and aims to produce a return in line with its benchmark.	0.10
BR DC Aquila World (ex-UK) Equity Index	FTSE All-World Developed ex-UK Index	Invests in shares of overseas companies (Europe ex-UK, Japan, Pacific Rim, US and Canadian markets) according to market capitalisation weightings and aims to produce a return in line with its benchmark.	0.13
BR DC Aquila US Equity Index	FTSE All World USA Index	This fund invests in the shares of US companies and aims to achieve a return that is consistent with the return of the FTSE All-World USA Index. This index is widely regarded as the benchmark for UK pension fund investment in shares of companies in the US.	0.13
BR DC Aquila European Equity Index	FTSE All World Developed Europe Ex-UK Index	This fund invests in the shares of companies in Europe and aims to achieve a return that is consistent with the return of the FTSE All-World Developed Europe ex-UK Index. This index is widely regarded as the benchmark for UK pension fund investment in European company shares.	0.13
BR DC Aquila Pacific Rim Equity Index	FTSE All World Developed Asia Pacific Ex-Japan Index	This fund invests in the shares of companies in the Pacific Rim and aims to achieve a return that is consistent with the return of the FTSE All-World Developed Asia Pacific ex-Japan Index. This index is widely regarded as the benchmark for UK pension fund investment in shares of companies in the Pacific Rim.	0.13
BR DC Aquila Japanese Equity Index	FTSE All World Japan Index	This fund invests in the shares of Japanese companies and aims to achieve a return that is consistent with the return of the FTSE All-World Japan Index. This index is widely regarded as the benchmark for UK pension fund investment in shares of companies in Japan.	0.13
BR DC Aquila Over 15 Year Gilt Index	FTSE UK Gilts Over 15 Years Index	Invests in UK government bonds with a maturity period of 15 years or longer and aims to produce a return in line with its benchmark.	0.10
BR DC Aquila Over 5 Year Index Linked Gilt Index	FTSE UK Gilts Index-Linked Over 5 Years Index	Invests in index-linked UK government bonds with a maturity period of 5 years or longer and aims to produce a return in line with its benchmark.	0.10
BR DC Corporate Bond	BofA ML Sterling Corporate Bond Index	Aims to maximise total return by investing principally in corporate bonds and other interest-bearing securities. Exposure to non sterling denominated assets will typically be hedged back to sterling. Separately, the Fund may also invest in preference shares, convertibles, other transferable securities and collective investment schemes.	0.45

BR DC Cash	7 Day LIBID Rate	Aims to produce a return in excess of its benchmark principally from a portfolio of Sterling denominated cash, deposits and money-market instruments.	0.10
Global Growth Multi Asset Fund for the CIBC DC Plan *	Composite **	Aims to provide reasonable growth over the long term while experiencing short term returns that are less volatile than equity markets on their own. The Fund aims to meet this objective by using a combination of underlying funds, which collectively provide diversification across a range of different asset classes and geographies.	0.51
Aberdeen Standard GARS***	6 Month LIBOR	Aims to provide positive investment returns in all market conditions over the medium to long term. The team look to exploit market inefficiencies through active allocation to highly diversified market positions. The fund manager utilises a combination of traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques resulting in a highly diversified portfolio. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts.	0.90
BlackRock DC Diversified Growth Fund	Bank of England official Bank Rate (target is benchmark plus 3.5%p.a.)	This fund targets an investment return of 3.5%p.a. above the Bank of England official Bank Rate measured over rolling 3 year periods by utilising a multi-asset flexible investment approach. In aiming to achieve the target, this Fund will generally hold a variety of different types of assets at any one time.	0.55
Schroder Diversified Growth Fund	Consumer Price Index (target is benchmark +5%p.a.)	This fund targets an investment return of 5.0% p.a. above the UK Consumer Price Index over a rolling 5 year period, with volatility less than two thirds of global equities. The fund may invest in equities, bonds, infrastructure, property, commodities and absolute return strategies. The fund may utilise transferable securities, derivatives (for investment purposes and efficient portfolio management), deposits, collective investment schemes, warrants, money market instruments and cash.	0.78
BR DC Aquila (30:70) Currency Hedged Global Equity Index	30% FTSE All Share Index 60% Developed Overseas Equities with currency hedging back to sterling 10% Emerging Market Equities	Invests primarily in equities, both in the UK and overseas markets. Approximately 30% is invested in the shares of UK companies, 60% of the assets are invested at market capitalisation weights into developed equities with the currency exposure hedged back to Sterling and the remaining 10% is invested into Emerging Market Equities.	0.15

* Objective has been set by the Trustees based on the underlying holdings.

** Composite index is based on the underlying funds' respective benchmarks (20% 6 Month LIBOR, 20% Bank of England official Bank Rate, 20% Consumer Price Index, 12% FTSE All Share Index, 24% Developed Overseas Equities with currency hedging back to sterling, 4% Emerging Market Equities)

*** Objective has been provided by Aberdeen Standard