



Notice of change to Personal Portfolio Services Account Agreement and Disclosures Booklet

Canadian securities regulators have recently amended our regulatory obligations, including those relating to conflicts of interest, so we are updating and expanding our relationship disclosure information to you. Effective June 30th, 2021 the following disclosures will be added to the *CIBC Personal Portfolio Services Account Agreement and Disclosures Booklet*.

We take steps to identify material conflicts of interest that we reasonably expect to arise between you and our firm or between you and each individual acting on our behalf, as we did before the recent regulatory amendments. We will respond to each such conflict of interest by avoiding, controlling, or disclosing it to you.

The *CIBC Code of Conduct* applies to all employees, contingent workers and directors of Canadian Imperial Bank of Commerce and its wholly-owned subsidiaries. This and other Imperial Investor Service policies set out how we identify and address or avoid conflicts of interest.

We want to make sure that you are informed about potential material conflicts, the potential impact to you and how we have addressed them in your best interests.

CONFLICTS OF INTEREST

The Portfolio or Portfolio Fund that you select will be invested exclusively in proprietary mutual funds offered by our parent company CIBC or its affiliates, including the Imperial Pools, Income Generation Portfolios, CIBC Index Mutual Funds, CIBC Smart Investment Solutions and other mutual funds from time to time. Therefore, the suitability determination we conduct for your will not consider the larger market of non-proprietary products or whether those non-proprietary products would be better, worse or equal in meeting your investment needs and objectives. We manage this inherent conflict of interest by:

- regularly comparing our proprietary products to alternatives available in the market
- making a full suite of Portfolio options available, with competitive rates and investment performance,
- leveraging affiliates' advice and services to reduce client costs, and
- having a straightforward structure for your CIBC advisor to assess and understand.

Advisor Compensation

Your CIBC advisor does not receive selling commissions in connection with the sale of the CIBC Personal Portfolio Services program, but is compensated in the form of salary and bonus payment based on a balanced scorecard across various categories including client satisfaction, client retention, net sales and revenue. For the sales and revenue component, products are grouped into categories so there is no incentive to sell one equivalent product over another within each category classification, so that representatives' interests are aligned with yours when recommending one of the available products or services.

The compensation that your CIBC advisor receives does not vary based on the particular Portfolio or Portfolio Fund that is purchased, so that your CIBC advisor's interests are aligned with yours when making recommendations in connection with the PPS program.

We may refer you to another member of the CIBC Group of Companies. While we do not pay or receive any referral payments, your CIBC advisor's annual compensation will take into account referrals among the CIBC Group of Companies. Our compensation plan is structured so that the financial benefit received by your CIBC advisor for referrals is effectively the same as for sales, so that any referral recommendations to you will always be in your best interests.