

# **Information Statement**

Dated November 2, 2009



## **CIBC GOVERNMENT BOND ROC DEPOSIT NOTES, SERIES 3**

**Due December 16, 2014**

Principal Protected Deposit Notes

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**Price: \$100.00 per Deposit Note**

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*Canadian Imperial Bank of Commerce ("CIBC") has taken all reasonable care to ensure that the facts stated in this Information Statement in relation to the Deposit Notes (as defined below) are true and accurate in all material respects and that there are no other material facts in relation to the Deposit Notes the omission of which would make any statement herein, whether of fact or opinion, misleading as of the date hereof.*

*No person has been authorized to give any information or to make any representations other than those that may be contained in:*

- (a) this Information Statement,*
- (b) any amendments made from time to time to this Information Statement, or*
- (c) any supplementary terms and conditions provided in any related global deposit note lodged with a depository or other definitive replacement deposit note therefor,*

*in connection with the offering or sale of the Deposit Notes and, if given or made, such information or representations must not be relied upon as having been authorized. Neither the delivery of this Information Statement nor the issue of the Deposit Notes nor any sale thereof will, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of CIBC since the date hereof.*

*This Information Statement constitutes an offering of the Deposit Notes only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and then only through persons duly qualified to effect such sales. This Information Statement does not constitute an offer or invitation by anyone in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Information Statement and the offering and sale of the Deposit Notes in some jurisdictions may be restricted by law. Persons into whose possession this Information Statement comes are required by CIBC and the Selling Agent to inform themselves of and observe any and all such restrictions.*

*The Deposit Notes have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act"), and subject to certain exceptions, may not be offered or sold within the United States or to U.S. persons as contemplated under the U.S. Securities Act and the regulations thereunder.*

*No securities commission or similar authority has in any way passed upon the merits of the Deposit Notes or reviewed this Information Statement and any representation to the contrary is an offence.*

*In this Information Statement, capitalized terms have the meanings ascribed to them and references to "\$" are to Canadian dollars, unless otherwise expressly indicated.*

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DEX VBLOX Ontario Bond Index is a trademark of TSX Inc. This mark has been sublicensed for use for certain purposes to CIBC World Markets Inc. by PC-BOND. The Deposit Notes are not sponsored, endorsed, sold or promoted by TSX Inc., PC-BOND, its affiliates (including TSX Group Inc.) or third party data suppliers. TSX Inc., PC-BOND, its affiliates (including TSX Group Inc.) and third party data suppliers make no representation, warranty, or condition regarding the advisability of investing in the Deposit Notes.

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*Dated November 2, 2009*

**CIBC Government Bond ROC Deposit Notes, Series 3**  
*Due December 16, 2014*

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## SUMMARY

The following is a summary only and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Information Statement. Capitalized terms that are used but not defined in this summary are defined elsewhere in this Information Statement. See page 23 for an index of defined terms.

CIBC Government Bond ROC Deposit Notes, Series 3 (each a "Deposit Note") are principal protected notes to be issued by Canadian Imperial Bank of Commerce. The Deposit Notes are linked to the total return of a notional portfolio (the "Portfolio") with 100% of the initial notional investment in the DEX VBLOX Ontario Bond Index (the "Index"). The Index is designed to be a broad measure of the Ontario provincial government fixed income market and is wholly owned by TSX Inc.

A holder of a Deposit Note will receive:

- (i) semi-annual partial repayments of the Principal Amount of each Deposit Note (each, a "Partial Principal Repayment"), equal in each case to 2.00% of the Principal Amount, payable on the 16<sup>th</sup> day of each June and December during the term of the Deposit Notes, with the first Partial Principal Repayment payable in June, 2010 and the last Partial Principal Repayment payable in June, 2014; plus
- (ii) an amount per Deposit Note equal to the \$100.00 Principal Amount minus the aggregate of the Partial Principal Repayments made prior to the Maturity Date (the "Remaining Principal Amount") payable at maturity; and
- (iii) a final variable payment (the "Final Variable Payment") payable at maturity equal to the amount, if positive, by which the NAV<sub>FINAL</sub> of the Portfolio exceeds the Remaining Principal Amount of the Deposit Note on the third Exchange Day prior to the Maturity Date. The NAV of the Portfolio is equal to the realizable value of the Portfolio minus any accrued and unpaid Portfolio Fees.

Payment of the Partial Principal Repayments during the term of the Deposit Notes and the Remaining Principal Amount at maturity will ensure that the full \$100.00 Principal Amount per Deposit Note will have been repaid by maturity, regardless of the performance of the Portfolio.

Initially, the Portfolio will be created by notionally investing an amount equal to the net proceeds of \$98.50 per Deposit Note in the Index. The Portfolio will remain fully notionally invested in the Index at all times during the term of the Deposit Notes, unless a Protection Event occurs prior to the Maturity Date. A Protection Event will occur if the Distance falls below 3.00%. The Distance at any time is the NAV of the Portfolio minus the Floor, expressed as a percentage of the NAV of the Portfolio. The Floor at any time is the price of a notional zero-coupon bond (the "Bond") with a face amount equal to the Remaining Principal Amount maturing on the Maturity Date, determined on the basis of the prevailing Canadian dollar inter-bank swap rate. If a Protection Event occurs, all or a portion of the Portfolio equal in value to the price of the Bond will be re-allocated from the Index to the Bond. Any residual notional investment in the Index following a Protection Event will likely be nominal in value and could be zero, and at maturity will be liquidated and the proceeds thereof distributed to Investors, pro rata on the basis of the number of Deposit Notes outstanding at that time. Each Partial Principal Repayment will result in a dollar-for-dollar reduction in the NAV of the Portfolio and in the notional investment in the Index. In addition, each Partial Principal Repayment will result in a reduction in the Remaining Principal Amount and a corresponding reduction in the Floor. If a Protection Event occurs, no further Partial Principal Repayments will be made. **It is important to note that if a Protection Event occurs, an Investor will only receive the Remaining Principal Amount at maturity together with an amount, which will likely be nominal in value and could be zero, equal to any portion of the Portfolio which is still notionally invested in the Index. Other than any such nominal amount, an Investor will not have received any return on the original Principal Amount invested.**

The Calculation Agent will be paid a portfolio fee equal to 0.45% per annum of the NAV of the Portfolio. The portfolio fee will be calculated daily and payable semi-annually in arrears. The portfolio fee payable to the Calculation Agent will have the effect of reducing the NAV of the Portfolio. If a Protection Event occurs, no further portfolio fee will be payable to the Calculation Agent.

The Portfolio is a notional portfolio only. An Investor will not have, and the Deposit Notes will not represent, any direct or indirect ownership or other interest in the Index. Investors will not have any direct or indirect recourse to the Index, and will only have a right against CIBC to be paid the Partial Principal Repayments, the Remaining Principal Amount and any Final Variable Payment at maturity. All actions (e.g., purchases, sales, liquidations, etc.) taken in connection with the Portfolio are notional actions only.

Prospective investors should carefully consider with their advisors the suitability of the Deposit Notes in light of their investment objectives and the information in this Information Statement, and should carefully consider certain risk factors associated with an investment in the Deposit Notes, including those set out under "CERTAIN RISK FACTORS".

The Deposit Notes will mature on December 16, 2014.

**Issuer:** The Deposit Notes will be issued by Canadian Imperial Bank of Commerce ("CIBC").  
**Principal Amount:** The Deposit Notes will be sold in a denomination of \$100.00 per Deposit Note (the "Principal Amount") with a minimum subscription of fifty (50) Deposit Notes per investor (each an "Investor").

<b>Issue Price:</b>	<u>Price to an Investor</u> <sup>(1)</sup>	<u>Selling Agent's Fees</u>	<u>Net Proceeds to CIBC</u>
	\$100.00 (par) per Deposit Note	\$1.50	\$98.50

- (1) The price to be paid by each Investor upon issuance (the "Issue Price") has been set by CIBC and CIBC World Markets Inc. (the "Selling Agent").

<b>Selling Agent and Selling Fees:</b>	CIBC and CIBC World Markets Inc. (the "Selling Agent") have entered into an agency agreement (the "Agency Agreement") pursuant to which the Selling Agent has agreed to promote, on a best efforts basis, the sale of the Deposit Notes in Canada and to form a selling group for the purposes of offering the Deposit Notes for sale if, as and when issued by CIBC. The Selling Agent will be paid a fee of 1.50% of the gross proceeds of the offering of the Deposit Notes, for further payment by the Selling Agent to the selling group and the brokers and other investment advisors in the selling group who sold Deposit Notes to Investors. CIBC will pay all other expenses of issue out of its general funds.
<b>Issue Date:</b>	The Deposit Notes will be issued on or about December 16, 2009 (the actual date of issuance being the "Issue Date").
<b>Maturity Date/Term:</b>	The Deposit Notes will mature on December 16, 2014 (the "Maturity Date"), resulting in a term to maturity of approximately five years.
<b>Portfolio:</b>	<p>A Deposit Note's return will be linked to the performance of the Portfolio. The Portfolio will initially be 100% notionally invested in the Index. The Portfolio will remain fully notionally invested in the Index at all times during the term of the Deposit Notes, unless a Protection Event occurs prior to the Maturity Date. See "DESCRIPTION OF THE DEPOSIT NOTES - <i>Portfolio and Portfolio Allocation Rules</i>" for further details.</p> <p>The Portfolio is a notional portfolio only. An Investor will not have, and the Deposit Notes will not represent, any direct or indirect ownership or other interest in the Index. Investors will not have any direct or indirect recourse to the Index, and will only have a right against CIBC to be paid any Partial Principal Repayments, the Remaining Principal Amount and any Final Variable Payment at maturity. All actions (e.g., purchases, sales, liquidations, etc.) taken in connection with the Portfolio are notional actions only.</p>
<b>Principal Amount Repayment:</b>	<p>If the Deposit Notes are held until the Maturity Date, the full Principal Amount of \$100.00 per Deposit Note will have been repaid by maturity, regardless of the performance of the Index, through the semi-annual Partial Principal Repayments and payment of the Remaining Principal Amount at maturity. The Deposit Notes cannot be redeemed or retracted prior to the Maturity Date, but they may be able to be sold in any available secondary market as described under "DESCRIPTION OF THE DEPOSIT NOTES - <i>Secondary Trading</i>". CIBC will pay the Partial Principal Repayments and the Remaining Principal Amount to CDS or its nominee and CIBC understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant CDS participants.</p> <p><b><i>Partial Principal Repayments.</i></b> Partial Principal Repayments equal in each case to 2.00% of the Principal Amount will be payable on the 16<sup>th</sup> day of each June and December during the term of the Deposit Notes, with the first Partial Principal Repayment payable in June, 2010 and the last Partial Principal Repayment payable in June, 2014. If any such date is not a Business Day, then such Partial Principal Repayment will be made on the next following Business Day and no interest or other compensation will be paid in respect of such postponement.</p> <p>Each Partial Principal Repayment will result in a dollar-for-dollar reduction in the NAV of the Portfolio and in the notional investment in the Index. In addition, each Partial Principal Repayment will result in a reduction in the Remaining Principal Amount and a corresponding reduction in the Floor. If a Protection Event occurs, no further Partial Principal Repayments will be made. <b>It is important to note that if a Protection Event occurs, an Investor will only receive the Remaining Principal Amount at maturity together with an amount, which will likely be nominal in value and could be zero, equal to any portion of the Portfolio which is still notionally invested in the Index. Other than any such nominal amount, an Investor will not have received any return on the original Principal Amount invested.</b></p> <p><b><i>Remaining Principal Amount.</i></b> The Remaining Principal Amount on the Maturity Date, being the Principal Amount of \$100.00 per Deposit Note minus the aggregate Partial Principal Repayments made up to that time, will be repaid to Investors on the Maturity Date, regardless of the performance of the Index.</p>
<b>Final Variable Payment:</b>	The Final Variable Payment is linked to the NAV <sub>FINAL</sub> . The Final Variable Payment, if any, per Deposit Note will be payable in Canadian dollars on the Maturity Date and will equal the amount, if any, by which the NAV <sub>FINAL</sub> exceeds the Remaining Principal Amount of the Deposit Note on the Maturity Date. See "DESCRIPTION OF THE DEPOSIT NOTES - <i>Final Variable Payment</i> " for further details. CIBC will pay the Final Variable Payment to CDS or its nominee and CIBC understands that such payment will be credited by CDS or its nominee in the appropriate amounts to the relevant CDS participants.
<b>The Index:</b>	The Deposit Notes will initially be 100% notionally invested in the DEX VBLOX Ontario Bond Index. However, if a Protection Event occurs, the Portfolio Allocation Rules will require a reallocation of the Portfolio from the Index to the Bond, which will have a value at maturity

equal to the Remaining Principal Amount. See "DESCRIPTION OF THE DEPOSIT NOTES - *Portfolio and Portfolio Allocation Rules*" for further details.

A brief description of the Index is provided under "THE INDEX". An Investor may obtain further information in respect of the Index from PC-Bond's website, [www.canadianbondindices.com](http://www.canadianbondindices.com), which contains a full description of the Index methodology and also provides daily Index returns and statistics for the Index.

**Portfolio Allocation Rules:**

Initially, the Portfolio will be created by notionally investing an amount equal to the net proceeds (namely, \$98.50 per Deposit Note) in the Index.

The Portfolio will remain fully notionally invested in the Index at all times during the term of the Deposit Notes, unless a Protection Event occurs prior to the Maturity Date. If the Distance falls to less than 3.00% (referred to as a "Protection Event"), then the notional investment in the Index will be notionally sold and the net proceeds will be notionally invested in the Bond, so that the value of the Bond at maturity will equal the Remaining Principal Amount. The "Distance" at any time (defined further below) is the NAV of the Portfolio minus the Floor, expressed as a percentage of the NAV of the Portfolio. The Floor at any time is the price of the Bond (being a notional zero-coupon bond that will pay an amount equal to the Remaining Principal Amount on the Maturity Date determined by the Calculation Agent, acting reasonably, on the basis of the prevailing Canadian dollar inter-bank swap rate). Any residual notional investment in the Index following a Protection Event will likely be nominal in value and could be zero, and at maturity will be liquidated and the proceeds thereof distributed to Investors, pro rata on the basis of the number of Deposit Notes outstanding at that time.

The Calculation Agent will be responsible for administering the Portfolio Allocation Rules, including facilitating any notional sale or purchase of the Index or Bond (as the case may be).

See "DESCRIPTION OF THE DEPOSIT NOTES—*Portfolio and Portfolio Allocation Rules*" for further details.

**Portfolio Fee:**

A portfolio fee (the "Portfolio Fee") of 0.45% per annum of the NAV of the Portfolio will be calculated daily and payable semi-annually to the Calculation Agent in consideration of the services provided by the Calculation Agent in connection with the Portfolio. The Portfolio Fee will be deducted daily from the NAV of the Portfolio. If a Protection Event occurs, no further Portfolio Fee will be payable to the Calculation Agent.

**Calculation Agent:**

CIBC World Markets Inc. will act as the Calculation Agent, provided that CIBC may appoint a successor calculation agent.

**Special Events:**

If the Calculation Agent determines, acting reasonably and in good faith, that an event has occurred, or will occur within 60 Exchange Days of such determination, that adversely and materially affects the ability or cost of CIBC to hedge its obligations under the Deposit Notes, then CIBC may, after consultation with the Calculation Agent, replace the Index with another index that is reasonably representative of the market which was represented by the Index that is being replaced. The replacement or substitution of the Index may adversely affect the performance of the Portfolio. If no such other index can be identified by CIBC, then CIBC shall, in lieu of making any further Partial Principal Repayments and any Final Variable Payment at maturity, make a final payment based on NAV<sub>FINAL</sub> determined at that time (on an adjusted basis). Payment of the Remaining Principal Amount will not be accelerated and will be made on the Maturity Date. See "DESCRIPTION OF THE DEPOSIT NOTES—*Special Events*" for further details.

**Eligibility for Investment:**

The Deposit Notes, if issued on the date of this Information Statement, would be qualified investments under the *Income Tax Act* (Canada) (the "Act") for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans ("RESPs"), registered disability savings plans ("RDSPs"), deferred profit sharing plans ("DPSPs") (other than a trust governed by a DPSP to which contributions are made by CIBC or a person or partnership with which CIBC does not deal at arm's length within the meaning of the Act) and tax-free savings accounts ("TFSA"). Provided that the holder of a TFSA does not hold a significant interest (as defined in the Act) in CIBC or any person or partnership that does not deal at arm's length with CIBC within the meaning of the Act, and provided that such holder deals at arm's length with CIBC within the meaning of the Act, the Deposit Notes will not be a prohibited investment for a trust governed by such TFSA. Where an Investor purchases Deposit Notes through dealers and other firms that use the FundSERV Inc. ("FundSERV") network to facilitate order flow and payments, such dealers or other firms may not be able to accommodate a purchase of Deposit Notes through certain registered plans. Investors should consult their financial advisors as to whether their orders for Deposit Notes will be made using the FundSERV network and any limitations on their ability to purchase Deposit Notes through registered plans.

**Secondary Market:**

The Deposit Notes will not be listed on any stock exchange. However, CIBC World Markets Inc. will maintain a secondary market for sale of the Deposit Notes by Investors, but reserves the right not to do so in the future in its sole discretion, without providing prior notice to Investors. The Deposit Notes may only be sold to CIBC World Markets Inc. using the FundSERV network. The Deposit Notes will not be available for purchase by Investors in the secondary market maintained by CIBC World Markets Inc. An Investor who sells a Deposit Note to CIBC World Markets Inc. prior to the Maturity Date will receive sales proceeds equal to the CIBC World Markets Inc.'s bid price for the Deposit Note minus any applicable Early Trading Charge. **The price received by an Investor who sells a Deposit Note to CIBC World Markets Inc. prior to the Maturity Date may be less than the Remaining Principal Amount at that time, resulting in the Investor receiving less than the amount originally invested in the Deposit Notes.** See "DESCRIPTION OF THE DEPOSIT NOTES –*Secondary Trading*". A sale of Deposit Notes will be subject to certain additional procedures and limitations established by the FundSERV network. See "DESCRIPTION OF THE DEPOSIT NOTES – *The FundSERV Network*".

The Deposit Notes are generally not suitable for an Investor who requires liquidity prior to maturity. An Investor should consult his or her investment advisor on whether it would be more favourable in the circumstances at any time to sell Deposit Notes in the secondary market, if available, or to hold Deposit Notes until maturity. An Investor should also consult with his or her tax advisor as to the income tax consequences arising from a sale of the Deposit Notes prior to maturity as compared to holding the Deposit Notes until maturity. Please see "CANADIAN FEDERAL INCOME TAX CONSIDERATIONS".

A sale of Deposit Notes to CIBC World Markets Inc. prior to the Maturity Date may be subject to an Early Trading Charge. The proceeds of sale of the Deposit Notes will be reduced initially by an amount equal to 2.88% of the Principal Amount of the Deposit Notes sold, reducing daily by .004% to 0% after two years. An Investor wishing to sell Deposit Notes prior to the Maturity Date should consult with his or her investment advisor regarding any applicable Early Trading Charge. Please see "DESCRIPTION OF THE DEPOSIT NOTES – *Secondary Trading*".

**Book-Entry Registration:**

The Deposit Notes will be evidenced by a single global deposit note held by a depository, initially being CDS Clearing and Depository Services Inc. ("CDS"), or its nominee on its behalf, as registered holder of the Deposit Notes. Registration of interests in and transfers of the Deposit Notes will be made only through the depository's book-entry registration and transfer system. Subject to certain limited exceptions, no Investor will be entitled to any certificate or other instrument from CIBC or the depository evidencing the ownership thereof and no Investor will be shown on the records maintained by the depository except through an agent who is a participant of the depository. See "DESCRIPTION OF THE DEPOSIT NOTES – *Forms of the Deposit Notes*".

**Ongoing Information about the Deposit Notes:**

Certain ongoing information regarding the Deposit Notes will be available to Investors at [www.cibcnotes.com](http://www.cibcnotes.com), including:

- the current level of the Index;
- the formula for determining the Partial Principal Repayments and the Final Variable Payment, if any; and
- if available, CIBC World Markets Inc.'s most recent secondary market bid price for the Deposit Notes (and the applicable Early Trading Charge).

Investors may also contact their investment advisor to request any of the above information.

**Status:**

The Deposit Notes will constitute direct, unsubordinated and unsecured obligations of CIBC ranking *pari passu* among themselves with all other direct, unsubordinated and unsecured indebtedness of CIBC from time to time outstanding, including its deposit liabilities. The Deposit Notes are not insured by the Canada Deposit Insurance Corporation or any other entity.

**Credit Rating:**

The Deposit Notes have not been and will not be specifically rated by any rating agency. However, the deposit liabilities of CIBC with a term to maturity of one year or more (which would include CIBC's obligations under the Deposit Notes) are rated AA (negative outlook) by DBRS, Aa2 (negative outlook) by Moody's Rating Service, AA- (negative outlook) by Fitch Ratings and A+ (stable outlook) by Standard & Poor's. A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.

**Income Tax Considerations:**

An Investor should consider the income tax consequences of an investment in the Deposit Notes. Generally, Partial Principal Repayments received in respect of the Deposit Notes will

reduce the Principal Amount of the Deposit Notes and will reduce the Investor's adjusted cost base of the Deposit Notes. There should be no amounts included in income of an Investor in respect of the Deposit Notes (including Partial Principal Repayments) until the Investor's taxation year that includes the Maturity Date. Generally, an Investor will be required to include the full amount of any Final Variable Payment in the Investor's income in the taxation year that includes the Maturity Date.

An Investor should also consider the income tax consequences of a disposition of the Deposit Notes prior to maturity. See "CANADIAN FEDERAL INCOME TAX CONSIDERATIONS" for a summary of certain Canadian federal income tax considerations generally applicable to a Canadian resident individual who invests in the Deposit Notes.

**Certain Risk Factors:**

An Investor should consider certain risk factors before reaching a decision to purchase the Deposit Notes, including but not limited to (i) the Deposit Notes are not suitable for all Investors; (ii) the Deposit Notes are different than conventional fixed income investments; (iii) that no Final Variable Payment may be payable at maturity; (iv) if a Protection Event occurs, an Investor will only receive the Remaining Principal Amount at maturity together with an amount, which will likely be nominal in value and could be zero, equal to any portion of the Portfolio which is still notionally invested in the Index. Other than any such nominal amount, an Investor will not have received any return on the original Principal Amount invested; (v) Investors in the Deposit Notes have no ownership of, or recourse to the Index or the bonds underlying the Index; (vi) there is no assurance that CIBC World Markets Inc. will maintain a secondary market for the Deposit Notes and if it does not, no other secondary market may be available; (vii) the occurrence of Special Circumstances may delay the payment of any Partial Principal Repayments or Final Variable Payment, or accelerate the payment of any Final Variable Payment and change the manner in which it is calculated; however, the Remaining Principal Amount will not be repaid until maturity; (viii) CIBC has not performed any review of the Index and an investor should undertake an independent investigation as deemed necessary; (ix) the market value of the Bond will change in response to interest rate changes, swap spreads and other factors; (x) Investors should consider the tax consequences of an investment in the Deposit Notes; (xi) CIBC is the issuer of the Deposit Notes, will calculate the amount of the Final Variable Payment that may be payable and may be required to exercise its judgment in relation to the Deposit Notes from time to time. CIBC or one or more of its affiliates may publish research reports with respect to the Index that may express opinions inconsistent with purchasing the Deposit Notes. CIBC World Markets Inc. provides the bid price and facilitates sales of the Deposit Notes in the secondary market. As such, CIBC and CIBC World Markets Inc. may have economic interests that are adverse to those of Investors; (xii) the fees and expenses associated with the Portfolio (specifically the Portfolio Fee) are satisfied through a reduction in the NAV of the Portfolio and may exceed the income generated by the Portfolio. The Portfolio Fee reduces the NAV of the Portfolio, thereby decreasing any future Final Variable Payment; (xiii) the payment of amounts by CIBC under the Deposit Notes is dependent upon the creditworthiness of CIBC; (xiv) changes in economic conditions may adversely affect the level of the Index and are not within the control of CIBC; and (xv) changes made to federal and provincial legislation, regulations or administrative practice may adversely affect Investors. See "RISK FACTORS TO CONSIDER" for further details.



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## DESCRIPTION OF THE DEPOSIT NOTES

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### **Issue**

CIBC Government Bond ROC Deposit Notes, Series 3 will be issued by CIBC on the Issue Date. CIBC reserves the right to issue the Deposit Notes in an aggregate number as CIBC may determine in its absolute discretion.

### **Amount and Minimum Subscription**

Each Deposit Note will be issued in a face amount of \$100.00. The price to be paid by each Investor upon issuance has been set by CIBC and the Selling Agent. The minimum subscription per Investor will be fifty (50) Deposit Notes (i.e., \$5,000.00).

### **Maturity and Repayment of Principal Amount**

Each Deposit Note matures on the Maturity Date, on which date the Remaining Principal Amount will be paid, so that the full Principal Amount of \$100.00 per Deposit Note will have been repaid to the Investor by maturity in the manner described below. If the Maturity Date is not a Business Day, then the Maturity Date will be deemed to occur on the next following Business Day and no interest or other compensation will be paid in respect of such postponement. A "Business Day" is any day, other than a Saturday, Sunday or any day on which CIBC is closed in Toronto, Ontario. CIBC will pay the Partial Principal Repayments and the Remaining Principal Amount to CDS or its nominee and CIBC understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant CDS participants.

### **Partial Principal Repayments**

Partial Principal Repayments, equal in each case to 2.00% of the Principal Amount, will be payable semi-annually in Canadian dollars on the 16<sup>th</sup> day of each June and December, with the first Partial Principal Repayment payable in June, 2010 and the last Partial Principal Repayment payable in June, 2014. If any such date is not a Business Day, then such Partial Principal Repayment will be made on the next following Business Day and no interest or other compensation will be paid in respect of such postponement.

Each Partial Principal Repayment will result in a dollar-for-dollar reduction in the NAV of the Portfolio and in the notional investment in the Index. In addition, each Partial Principal Repayment will result in a reduction in the Remaining Principal Amount and a corresponding reduction in the Floor. If a Protection Event occurs, no further Partial Principal Repayments will be made. **It is important to note that if a Protection Event occurs, an Investor will only receive the Remaining Principal Amount at maturity together with an amount, which will likely be nominal in value and could be zero, equal to any portion of the Portfolio which is still notionally invested in the Index. Other than any such nominal amount, an Investor will not have received any return on the original Principal Amount invested.**

### **Remaining Principal Amount**

On any given day during the term of the Deposit Notes, the Remaining Principal Amount per Deposit Note will be equal to the \$100.00 Principal Amount of the Deposit Notes minus the aggregate Partial Principal Repayments per Deposit Note made up to that time. The Remaining Principal Amount at maturity will be repaid to Investors on the Maturity Date.

The Partial Principal Repayments made during the term of the Deposit Notes and payment of the Remaining Principal Amount at maturity will ensure that the \$100.00 Principal Amount per Deposit Note will have been fully repaid by maturity, regardless of the performance of the Index.

### **Final Variable Payment**

The Final Variable Payment, if any, on a Deposit Note will be payable in Canadian dollars on the Maturity Date in the amount, if any, by which the NAV<sub>FINAL</sub> exceeds the Remaining Principal Amount at maturity. The Final Variable Payment may be expressed as follows:

$$\text{Final Variable Payment} = \text{NAV}_{\text{FINAL}} - \text{Remaining Principal Amount}$$

"NAV<sub>FINAL</sub>" means the net asset value of the Portfolio determined on the third Exchange Day prior to the Maturity Date, expressed as an amount per Deposit Note. No Final Variable Payment will be made unless the NAV<sub>FINAL</sub> exceeds the Remaining Principal Amount.

"Exchange Day" means, in respect of the Index, any day on which the Exchange is scheduled to be open for trading during its regular trading sessions, notwithstanding the Exchange closing prior to its normally scheduled closing time.

"Exchange" means in respect of the Index, any exchange or trading system from which prices of securities are used to calculate the official closing value of the Index.

"Related Exchange" means, in respect of any security underlying the Index, any exchange or trading system on which futures or options contracts on such security are listed from time to time.

Payment and calculation of the Final Variable Payment is subject to the provisions outlined under "DESCRIPTION OF THE DEPOSIT NOTES – *Special Events*".

There is a possibility that the Final Variable Payment will be nil. No Final Variable Payment will be made unless the NAV<sub>FINAL</sub> is greater than the Remaining Principal Amount at maturity. In addition, if a Protection Event occurs during the term of the Deposit Notes, the Final Variable Payment is effectively limited to the value of any portion of the Portfolio which is still notionally invested in the Index, expressed as an amount per Deposit Note.

In no event will payment of the Remaining Principal Amount or any Final Variable Payment be made by CIBC before the Maturity Date. The timing and manner of determining the Final Variable Payment is subject to the provisions outlined under "DESCRIPTION OF THE DEPOSIT NOTES – *Special Events*". CIBC will pay the Final Variable Payment to CDS or its nominee and CIBC understands that such payment will be credited by CDS or its nominee in the appropriate amounts to the relevant CDS participants.

There is no cap or maximum amount of the Final Variable Payment that theoretically may be payable at maturity, except that Federal laws of Canada prohibit anyone from charging or receiving interest or other amounts for the advancing of credit at effective rates in excess of 60% per annum.

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### **Portfolio and Portfolio Allocation Rules**

#### **General**

The Portfolio is a notional portfolio initially consisting entirely of a notional investment in the Index. Since the Portfolio is notional only, an Investor will have no ownership or other interest in the Index, and will only have a right against CIBC to be paid any Partial Principal Repayments, the Remaining Principal Amount and the Final Variable Payment, if any, based on the performance of the Portfolio. For the avoidance of doubt, all actions (e.g., purchases, sales, liquidations, etc.) taken in connection with the Portfolio are notional actions only.

The Portfolio may be affected by certain Special Events. See "DESCRIPTION OF THE DEPOSIT NOTES – *Special Events*".

#### **Application of the Portfolio Allocation Rules**

The Portfolio will be initially created by notionally investing an amount equal to the net proceeds of \$98.50 per Deposit Note in the DEX VBLOX Ontario Bond Index.

The Portfolio will remain fully notionally invested in the Index at all times during the term of the Deposit Notes, unless a Protection Event occurs prior to the Maturity Date. If the Distance falls to less than 3.00% (referred to as a "Protection Event"), then all or a portion of the Portfolio equal in value to the price of the Bond will be sold and the net proceeds will be notionally invested in a Bond that will have a value at maturity equal to the Remaining Principal Amount. Any residual notional investment in the Index following a Protection Event will likely be nominal in value and could be zero, and at maturity will be liquidated and distributed to Investors, pro rata on the basis of the number of Deposit Notes outstanding at that time. CIBC will provide notice to Investors without delay following the occurrence of a Protection Event.

The "Distance" at any time (defined below) is the NAV of the Portfolio minus the Floor, expressed as a percentage of the NAV of the Portfolio. The Floor at any time is the price of the Bond (being a notional zero-coupon bond that will pay an amount equal to the Remaining Principal Amount on the Maturity Date, determined by the Calculation Agent, acting reasonably, on the basis of the prevailing Canadian dollar inter-bank swap rate). Each Partial Principal Repayment will result in a dollar-for-dollar reduction in the NAV of the Portfolio and in the notional investment in the Index. In addition, each Partial Principal Repayment will result in a reduction in the Remaining Principal Amount and a corresponding reduction in the Floor. If a Protection Event occurs, no further Partial Principal Repayments will be made. **It is important to note that if a Protection Event occurs, an Investor will only receive the Remaining Principal Amount at maturity together with an amount, which will likely be nominal in value and could be zero, equal to any portion of the Portfolio which is still notionally invested in the Index. Other than any such nominal amount, an Investor will not have received any return on the original Principal Amount invested.**

Related definitions are as follows:

- "Bond" means a notional zero-coupon bond with a face amount equal to the Remaining Principal Amount maturing on the Maturity Date, valued on the basis of the prevailing Canadian dollar inter-bank swap rate.
- "Distance" means, at any time, a number (expressed as a percentage, rounded to two decimal places) calculated as follows:

$$\text{Distance} = \frac{\text{NAV} - \text{Floor}}{\text{NAV}}$$

- "Floor" means, at any time, the price at that time for a Bond, as reasonably determined by the Calculation Agent.
- "Protection Event" will occur when the Distance falls to less than 3.00%.
- "Net Asset Value" or "NAV" means at any time, an amount (expressed as an amount per Deposit Note) equal to the realizable value of the Portfolio, minus the portion of any accrued and unpaid Portfolio Fees. The NAV of the Portfolio on the Issue Date will be \$98.50.

The Calculation Agent will be responsible for administering the Portfolio Allocation Rules, including facilitating any notional purchase of the Bond. Where the Calculation Agent determines that a notional purchase of the Bond is required to be made by the Calculation Agent, such notional purchase will be made at such times and at such prices as the Calculation Agent determines, in its discretion, acting in good faith and in a commercially reasonable manner.

### Hypothetical Example Calculations

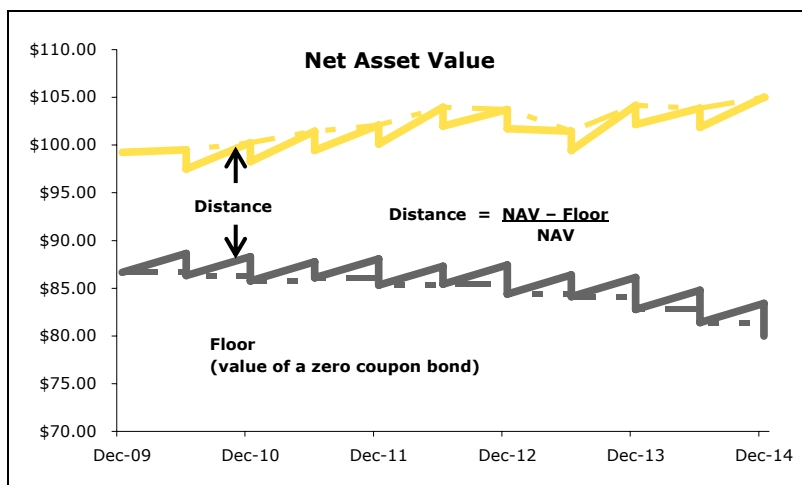
The examples set out below demonstrate how the Final Variable Payment is to be calculated pursuant to the above formula and are included for illustration purposes only. The NAV<sub>FINAL</sub> used to illustrate the calculation of the Final Variable Payment is hypothetical and is not an estimate or forecast of the NAV<sub>FINAL</sub> of the Deposit Notes. The examples assume the Investor has purchased a single Deposit Note. The diagrams below demonstrate that each Partial Principal Repayment will result in a dollar-for-dollar reduction in the NAV of the Portfolio and in the notional investment in the Index. In addition, each Partial Principal Repayment will result in a reduction in the Remaining Principal Amount and a corresponding reduction in the Floor.

#### Example #1: Assumes strong performance of the Portfolio and, therefore, a Final Variable Payment being paid on the Maturity Date.

Assumptions: NAV<sub>FINAL</sub> = \$105.00  
Remaining Principal Amount = \$82.00  
Total of semi-annual Partial Principal Repayments = \$18.00

Final Variable Payment = NAV<sub>FINAL</sub> – Remaining Principal Amount  
= \$105.00 – \$82.00  
= \$23.00

Therefore, under this example, a Final Variable Payment of \$23.00 would have been paid on the Maturity Date. In addition, the Remaining Principal Amount of \$82.00 would have been paid on the Maturity Date which, together with the Partial Principal Repayments of \$18.00 received over the term of the Deposit Notes, would have resulted in the Principal Amount of \$100.00 being repaid by maturity.

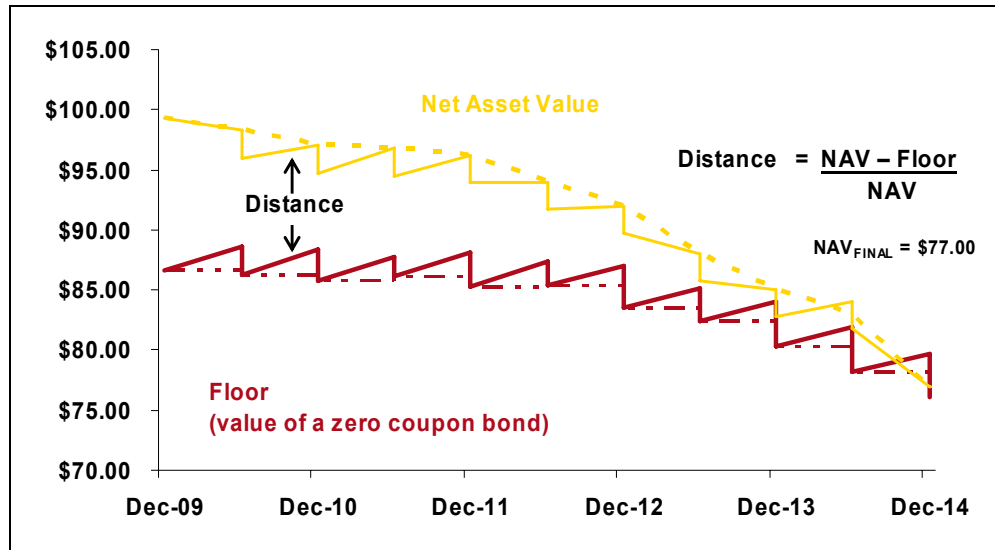


#### Example #2: Assumes relatively weak performance of the Portfolio and, therefore, no Final Variable Payment being paid on the Maturity Date.

Assumptions: NAV<sub>FINAL</sub> = \$77.00  
Remaining Principal Amount = \$82.00  
Total of semi-annual Partial Principal Repayments = \$18.00

Final Variable Payment = NAV<sub>FINAL</sub> – Remaining Principal Amount  
= \$77.00 – \$82.00  
= Nil

Therefore, under this example, no Final Variable Payment would have been paid to the Investor. However, the Remaining Principal Amount of \$82.00 would still have been paid on the Maturity Date. The \$82.00 received on the Maturity Date, combined with the Partial Principal Repayments of \$18.00 received over the term of the Deposit Notes, would have resulted in the Principal Amount of \$100.00 being repaid by maturity.



### ***What Investors Should Note About the Portfolio Allocation Rules***

Investors should note that the amount, if any, of the Final Variable Payment will generally depend upon the NAV of the Portfolio and the timing and extent of the rises and falls in the NAV of the Portfolio over the term to maturity and other factors. Specifically:

- A Deposit Note's return will be linked to the performance of the Portfolio.
- The Portfolio will initially be created by notionally investing the net proceeds of \$98.50 per Deposit Note in the Index.
- Partial Principal Repayments, equal in each case to 2.00% of the Principal Amount, will be payable on the 16<sup>th</sup> day of each June and December, with the first Partial Principal Repayment payable in June, 2010 and the last Partial Principal Repayment payable in June, 2014. If any such date is not a Business Day, then such Partial Principal Repayment will be made on the next following Business Day and no interest or other compensation will be paid in respect of such postponement.
- Each Partial Principal Repayment will result in a dollar-for-dollar reduction in the NAV of the Portfolio and in the notional investment in the Index. In addition, each Partial Principal Repayment will result in a reduction in the Remaining Principal Amount and a corresponding reduction in the Floor. If a Protection Event occurs, no further Partial Principal Repayments will be made.
- The Partial Principal Repayments made during the term of the Deposit Notes and payment of the Remaining Principal Amount on the Maturity Date will ensure that the \$100.00 Principal Amount per Deposit Note will have been fully repaid by maturity, regardless of the performance of the Index.
- A Final Variable Payment will only be payable if the  $\text{NAV}_{\text{FINAL}}$  of the Portfolio exceeds the Remaining Principal Amount at maturity. The initial NAV of the Portfolio will be \$98.50 per Deposit Note. The Final Variable Payment will be uncertain until maturity.
- The Portfolio will remain fully notionally invested in the Index at all times during the term of the Deposit Notes, unless a Protection Event occurs prior to the Maturity Date.
- Following a Protection Event, all or substantially all of the Portfolio notionally invested in the Index will be notionally sold and the proceeds notionally reinvested in the Bond with a value on the Maturity Date equal to the Remaining Principal Amount. In this event, an Investor will only receive the Remaining Principal Amount at maturity together with an amount, which will likely be nominal in value and could be zero, equal to any portion of the Portfolio which is still notionally invested in the Index. The Investor will not participate in any subsequent performance (positive or negative) of the Index (or, if a residual investment in the Index remains in the Portfolio following a Protection Event, the Investor will not participate meaningfully in any subsequent performance of the Index). Other than any such nominal amount, an Investor will not have received any return on the original Principal Amount invested. CIBC will provide notice to Investors without delay following the occurrence of a Protection Event.
- The Portfolio Fee payable to the Calculation Agent will have the effect of reducing the NAV of the Portfolio. If a Protection Event occurs, no further Portfolio Fee will be payable to the Calculation Agent.
- The return on the Deposit Notes will most likely be different from the return on a direct investment in the Index for a number of reasons, including the presence of the Portfolio Fee payable to the Calculation Agent and the Portfolio Allocation Rules that require all or substantially all of the notional investment in the Index to be notionally sold and the proceeds notionally reinvested in the Bond until the Maturity Date following a Protection Event.
- The Calculation Agent's calculations and determinations in respect of the Deposit Notes will be final and binding on Investors. Investors will not be entitled to any compensation from CIBC or the Calculation Agent for any loss suffered as a result of any of the Calculation Agent's calculations and determinations.
- Investing in the Deposit Notes is subject to various risks. See "CERTAIN RISK FACTORS".

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## **Fees and Expenses**

### **Expenses of Offering**

In consideration of the services performed by the Selling Agent, the Selling Agent will be paid from the gross proceeds of the offering a fee of \$1.50 (1.50%) per Deposit Note on the Issue Date, resulting in net proceeds to CIBC from the offering of \$98.50 per Deposit Note. The Selling Agent will pay all or a portion of that fee to sub-agency groups including an Investor's broker or other investment advisor in connection with the sale of the Deposit Notes to Investors. The Portfolio will initially be created by notionally investing the net proceeds of \$98.50 per Deposit Note in the Index. The initial NAV of the Portfolio will be \$98.50 per Deposit Note.

### **Portfolio Fee**

A portfolio fee (the "Portfolio Fee") of 0.45% per annum of the NAV of the Portfolio will be calculated daily and payable semi-annually to the Calculation Agent in consideration of the services provided by the Calculation Agent in connection with the Portfolio. The Portfolio Fee will be deducted daily from the NAV of the Portfolio. If a Protection Event occurs, no further Portfolio Fee will be payable to the Calculation Agent.

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## **Secondary Trading**

An Investor cannot elect to receive the Final Variable Payment, if any, or the Remaining Principal Amount prior to the Maturity Date. The Deposit Notes will not be listed on any exchange and will not be available for purchase by Investors in the secondary market maintained by CIBC World Markets Inc. However, Investors may be able to sell the Deposit Notes using the FundSERV network prior to maturity to CIBC World Markets Inc. CIBC World Markets Inc. will maintain a secondary market for the Deposit Notes (for sale of the Deposit Notes by Investors using the FundSERV network only), but reserves the right, in its sole discretion, not to do so in the future, without providing any prior notice to Investors. The sale of a Deposit Note to CIBC World Markets Inc. will be effected at a price equal to CIBC World Markets Inc.'s bid price for the Deposit Note (which may be less than the remaining Principal Amount to be repaid per Deposit Note), minus any applicable Early Trading Charge. **The price received by an Investor who sells a Deposit Note to CIBC World Markets Inc. prior to the Maturity Date may be less than the Remaining Principal Amount resulting in the Investor receiving payments under the Deposit Notes that are less than the amount originally invested in the Deposit Notes.** See "DESCRIPTION OF DEPOSIT NOTES — *The FundSERV Network*" for additional details in respect of secondary market trading using the FundSERV network. If available, CIBC World Markets Inc.'s most recent bid price for the Deposit Notes (and the applicable Early Trading Charge) will be provided to Investors at [www.cibcnotes.com](http://www.cibcnotes.com).

Investors should not base their decision to purchase the Deposit Notes on the availability of a secondary market or, if a secondary market is available, on the expectation that the bid price for the Deposit Notes will be equal to or greater than the Principal Amount invested by the Investor. An Investor should be prepared to hold the Deposit Notes until the Maturity Date. Investors choosing to sell their Deposit Notes prior to the Maturity Date may be unable to sell their Deposit Notes and, if a sale is possible, may receive sales proceeds that do not reflect the performance of the Indices up to that time.

### **Factors Affecting the Bid Price of the Deposit Notes**

Many factors may affect the bid price of the Deposit Notes. These factors interrelate in complex ways and the effect of one factor may offset or magnify the effect of another factor, potentially having a negative effect on the bid price of the Deposit Notes. It is also important to note that the net proceeds received by an Investor who sells a Deposit Note to CIBC World Markets Inc. during the first 720 days from the Issue Date will be reduced by an Early Trading Charge that is applicable at the time that the Deposit Notes are sold to CIBC World Markets Inc.

The following list, although not exhaustive, identifies some of the factors that may affect the bid price of the Deposit Notes and where possible, how each factor may affect the bid price of the Deposit Notes given a change in the factor, assuming all other factors affecting the bid price, or the Deposit Notes generally, remain unchanged.

*The performance of the Index* – The bid price of the Deposit Notes will be affected by how much the Closing Level of the Index has risen or fallen since the Issue Date. However, the bid price, might have a non-linear sensitivity to the rises and falls in the Closing Level of the Index (i.e. the bid price of a Deposit Note might increase and decrease at a different rate compared to the respective percentage increase and decrease of the Closing Level of the Index).

*The NAV of the Portfolio* – The bid price of the Deposit Notes will be affected by the NAV of the Portfolio. The NAV of the Portfolio will be \$98.50 on the Issue Date and each Partial Principal Repayment will result in a dollar-for-dollar reduction in the NAV of the Portfolio and in the notional investment in the Index. The Portfolio Fee will be calculated daily and payable semi-annually in arrears and will have the effect of reducing the NAV of the Portfolio.

*The Partial Principal Repayments payable on the Deposit Notes* – Investors should realize that the bid price of the Deposit Notes will be reduced by the Partial Principal Repayment, if any, approximately three days prior to the 16<sup>th</sup> of each June and December during the term of the Deposit Notes.

*The value of CIBC's obligation to repay the Remaining Principal Amount at maturity* – The Remaining Principal Amount of the Deposit Notes will be repaid on the Maturity Date regardless of the performance of the Index. The value at any time of CIBC's obligation to repay the Remaining Principal Amount of a Deposit Note is effectively the value of a Canadian dollar zero-coupon bond issued by CIBC with a face amount of \$100.00 that is purchased on the Issue Date (with such face amount being reduced with each Partial Principal Repayment made during the term of the Deposit Notes) and that matures on the Maturity Date. The value of the zero-coupon bond at any time will depend on a number of factors, including the initial discount rate at which the zero-coupon bond was purchased, the time remaining to maturity, prevailing market interest rates, the perceived creditworthiness of CIBC and the Partial Principal Repayments made to date, all of which may affect the bid price of the Deposit Notes.

*Changes in the level of interest rates* – The bid price of the Deposit Notes will be affected by changes in Canadian interest rates. If Canadian interest rates increase, it is expected that the bid price of the Deposit Notes will decrease because the Deposit Notes may

be less attractive relative to other interest bearing investments. Conversely, if Canadian interest rates decrease, it is expected that the bid price of the Deposit Notes will increase.

*CIBC's credit rating, financial condition and results of operations* – Actual or anticipated changes in CIBC's current credit rating for its senior, unsubordinated debt, CIBC's financial conditions or results of operations may significantly affect the bid price of the Deposit Notes.

*The "time value" associated with the Deposit Notes* – There is "value" within the Deposit Notes associated with the passing of time. Time value is the value that can be attributed to the potential to receive a future, as yet unknown, Final Variable Payment. The magnitude of the time value within the Deposit Notes and whether it has a positive or negative impact on the bid price of the Deposit Notes will depend upon a number of related factors including but not limited to, the length of the remaining term of the Deposit Notes and the amount by which the Closing Level of the Index is expected to fluctuate over this remaining term.

*Volatility in the Index* – Volatility is the term used to describe the size and frequency of market fluctuations in a given time period. Expectations of the volatility of the Index over the remaining term of the Deposit Notes will affect the bid price. The magnitude of the impact and whether it is positive or negative will depend upon a number of related factors including but not limited to, the current Closing Level of the Index and the length of the remaining term of the Deposit Notes. For example, at Issue Date, an increase in the expected volatility of the Index will tend to result in a higher bid price for the Deposit Notes.

*Upfront sales fee paid by CIBC* – The upfront sales fee paid by CIBC, through the Selling Agent to the investment advisors who sold the Deposit Notes to Investors will be recovered from any Investors who sell their Deposit Notes prior to the Maturity Date, initially through the Early Trading Charge that will be deducted from the proceeds of sale of the Deposit Notes and, as the Early Trading Charge declines to zero after 720 days, through a corresponding adjustment to the bid price for the Deposit Notes.

*CIBC's expected profit* – CIBC's profit in relation to the Deposit Notes (which may or may not be realized) will be the difference between the amount it is obligated to pay under the Deposit Notes to Investors and the total cost incurred by CIBC in creating, issuing, maintaining and hedging the Deposit Notes and will depend, in part, on CIBC's ability to successfully hedge its obligations under the Deposit Notes during the term of the Deposit Notes. All or a portion of the profit the CIBC group of companies expects to realize in consideration for creating, issuing and maintaining the Deposit Notes, and for assuming the risks associated with establishing and maintaining its hedge for the Deposit Notes, may be recovered by CIBC World Markets Inc. from any Investors who sell their Deposit Notes prior to the Maturity Date through an adjustment to the bid price of the Deposit Notes.

A sale of a Deposit Note to CIBC World Markets Inc. prior to the Maturity Date may be subject to an early trading charge ("Early Trading Charge"). If a Deposit Note is sold to CIBC World Markets Inc. within the first 720 days the proceeds from the sale of the Deposit Note will be reduced by an Early Trading Charge equal to a percentage of the Principal Amount of the Deposit Note. The Early Trading Charge will be 2.88% initially, declining daily by 0.004% of the Principal Amount to 0% after 720 days. The applicable Early Trading Charge will be available to investors at [www.cibcnotes.com](http://www.cibcnotes.com).

These Early Trading Charges are payable to CIBC World Markets Inc. and are specifically applicable only with respect to sales of the Deposit Notes to CIBC World Markets Inc. in the secondary market. Sales to other parties may or may not be subject to early trading charges which, if applicable, are not determined or maintained by CIBC World Markets Inc.

An Investor should understand that any valuation price for the Deposit Notes appearing in the Investor's investment account statement, as well as any bid price quoted to the Investor to sell Deposit Notes prior to the Maturity Date, will be before the application of any applicable Early Trading Charge. An Investor wishing to sell Deposit Notes prior to the Maturity Date should consult with an investment advisor about whether the Investor will bear an Early Trading Charge and, if so, how much it will be.

The Deposit Notes are generally not suitable for an Investor who requires liquidity prior to maturity. An Investor should consult with his or her investment advisor about whether it would be more favourable in the circumstances at any time to sell the Deposit Notes (assuming the availability of a secondary market) or to hold the Deposit Notes until the Maturity Date. An Investor should also consult with a tax advisor about the income tax consequences arising from a sale prior to the Maturity Date as compared to holding the Deposit Note until the Maturity Date (see "CANADIAN FEDERAL INCOME TAX CONSIDERATIONS").

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## **Special Events**

### **Market Disruption Event**

Subject to the occurrence of a Market Disruption Event, payment of the Remaining Principal Amount and any Final Variable Payment is expected to occur on the Maturity Date or, if the Maturity Date is not a Business Day, the Business Day immediately following the Maturity Date.

If CIBC determines that a Market Disruption Event (as defined below) in respect of the Index has occurred and is continuing on the third Exchange Day prior to the Maturity Date, then the calculation of any Final Variable Payment will be postponed to the immediately following Exchange Day on which there is no Market Disruption Event in effect in respect of the Index. If the Market Disruption Event continues for eight successive Exchange Days, then the NAV<sub>FINAL</sub> and the Final Variable Payment will be determined on that eighth day by the Calculation Agent using its good faith estimate of the value of the Index. If there is a Market Disruption Event, payment of the Remaining Principal Amount and the Final Variable Payment (if any) will be made on the day that is three Exchange Days after the NAV<sub>FINAL</sub> and the Final Variable Payment have been determined by the Calculation Agent.

A "Market Disruption Event" means, in respect of the Index, the occurrence of any of the following events:

- (a) any failure of trading to commence, or the permanent discontinuation of trading, or any suspension or limitation on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the securities underlying the Index on the Exchange, or (ii) in futures or options contracts in respect of any security underlying the Index on the applicable Exchange or Related Exchange;

- (b) the closure ("Early Closure") on any Exchange Day of the Exchange prior to its scheduled closing time unless such earlier closing time is announced by PC-Bond at least one hour prior to the earlier of (i) the actual closing time for the regular trading session of the Exchange on such Exchange Day and (ii) the submission deadline for orders to be entered into the Exchange for execution at the close of trading on such Exchange Day;
- (c) any event (other than an Early Closure) that disrupts or impairs (as determined by CIBC) the ability of market participants in general (i) to effect transactions in, or obtain market values for, any security underlying the Index on the applicable Exchange or Related Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to any security underlying the Index on the applicable Exchange or Related Exchange; or
- (d) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of CIBC to perform its obligations under the Deposit Notes or of dealers generally to place, maintain or modify hedges of positions with respect to securities that may comprise the Index or a material and adverse effect on the Canadian economy or the trading of securities generally on any relevant Exchange or Related Exchange.

***Extraordinary Events***

If the Calculation Agent determines, acting reasonably and in good faith, that an event (an "Extraordinary Event") has occurred or will occur, within 60 Exchange Days of such determination, that adversely and materially affects the ability of or cost to CIBC to hedge its obligation to pay one or more Partial Principal Repayments, the Remaining Principal Amount or the Final Variable Payment under the Deposit Notes, which event may include, but is not limited to, any of the following events:

- (a) failure by the Index to comply with, or a material change to, the Index rules or method of calculating the Index, including provisions regarding the Index's eligibility, weighting, term, re-balancing, valuation or risk criteria;
- (b) the Index announcing that it will be discontinued or otherwise wound-up or that it will be merged, consolidated or combined with any other index;
- (c) the commencement or continuation of litigation or regulatory action involving the Index;
- (d) the failure by PC-Bond to fulfill any of its obligations under any agreement with CIBC;
- (e) CIBC determines that it has ceased to have any necessary licensing rights to utilize that Index in connection with the Deposit Notes,
- (f) the adoption of or any change in any applicable law or regulation (including tax law), or the promulgation or any change in the interpretation by any court, tribunal or regulatory authority of any applicable law or regulation (including by a taxing authority),
- (g) the termination of any hedging contract with a third party,
- (h) the inability of CIBC, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset for hedging its risk in relation to such Index, or realize, recover or remit the proceeds of any such transaction, or
- (i) a material increase in the amount of tax, duty, expense or fee to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset for hedging its risk,

then CIBC may, after consultation with the Calculation Agent, replace the Index with another index that is reasonably representative of the market which was represented by the Index immediately prior to the occurrence of the Extraordinary Event (the "Replacement Index"), provided that such replacement will, in the determination of the Calculation Agent, have the effect of eliminating the Extraordinary Event (the effective date of such replacement being the "Substitution Date"). The Replacement Index will be substituted for the Index on the Substitution Date by notionally selling the Portfolio's investment in the Index on the Substitution Date and, on the following Exchange Day, with the redemption proceeds from the notional sale of the Index, notionally purchasing the Replacement Index. Upon any such replacement (a "Substitution Event"), the Replacement Index shall be deemed to be the Index for purposes of applying the Portfolio Allocation Rules and calculating any remaining Partial Principal Repayments and the Final Variable Payment.

If CIBC, after consultation with the Calculation Agent, is unable to identify another index that is reasonably representative of the market which was represented by the Index immediately prior to the occurrence of the Extraordinary Event, then CIBC will elect (the date of such election being the "Extraordinary Event Date") to discharge its obligations in respect of the Final Variable Payment by determining, as of the Extraordinary Event Date, the amount of a final payment (the "Final Payment Amount") per Deposit Note. The Final Payment Amount will be determined by the Calculation Agent, acting reasonably and in good faith, based on the NAV of the Portfolio at such time and a number of other factors, including how much the Portfolio has risen or fallen since the Issue Date and the performance of the Portfolio concluded up to such time, the fact that the Remaining Principal Amount would have been payable at maturity regardless of the performance of the Portfolio up to such time, volatility in the Index, prevailing interest rates, and the time remaining to maturity. Payment of the Final Payment Amount, if any, per Deposit Note will be made on the tenth Business Day after the Extraordinary Event Date. In these circumstances, no further Partial Principal Repayments will be made and the payment of the Remaining Principal Amount per Deposit Note will not be accelerated and will remain due and payable on the Maturity Date.

The Calculation Agent's calculations and determinations in respect of the Deposit Notes will, absent manifest error, be final and binding on Investors. Investors will not be entitled to any compensation from CIBC or the Calculation Agent for any loss suffered as a result of any of the Calculation Agent's calculations and determinations.

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### ***Forms of the Deposit Notes***

Each Deposit Note will be generally represented by a global deposit note (a "Global Deposit Note") representing the entire issuance of all Deposit Notes purchased by Investors. CIBC will issue Deposit Notes evidenced by certificates in definitive form to a particular Investor only in limited circumstances. Certificated Deposit Notes in definitive form and Global Deposit Notes will be issued in registered form, whereby CIBC's obligation will run to the holder of the security named on the face of such security. Definitive Deposit Notes, if issued, will name Investors or nominees as the owners of the Deposit Notes and, in order to transfer or exchange these definitive Deposit Notes or receive payments other than Partial Principal Repayments, the Investors or nominees (as the case may be) must physically deliver the Deposit Notes to CIBC. A Global Deposit Note will name a depository or its nominee as the owner of the Deposit Notes, which will initially be CDS or its nominee. Each Investor's beneficial ownership of Deposit Notes will be shown on the records maintained by the Investor's broker/dealer, bank, trust company or other representative that is a participant in the relevant depository, as explained more fully below. Interests of participants will be shown on the records maintained by the relevant depository. Neither CIBC nor any depository will be bound to see to the execution of any trust affecting the ownership of any Deposit Note or be affected by notice of any equity that may be subsisting with respect to any Deposit Note.

#### ***Global Deposit Note***

CIBC will issue the registered Deposit Notes in the form of the fully registered Global Deposit Note that will be deposited with a depository (initially being CDS) and registered in the name of such depository or its nominee in a denomination equal to the aggregate Principal Amount of all Deposit Notes (i.e., \$100.00 per Deposit Note purchased by Investors). Unless and until the registered Global Deposit Note is exchanged in whole for Deposit Notes in definitive registered form, the registered Global Deposit Note may only be transferred in whole and with the prior consent of CIBC.

CIBC expects that the following provisions will apply to all arrangements in respect of a depository.

Ownership of beneficial interests in a Global Deposit Note will be limited to persons (called participants, which will typically be an Investor's broker, bank, trust company, or other investment entity) that have accounts with the relevant depository or persons that may hold interests through participants. Upon the issuance of a registered Global Deposit Note, the depository will credit, on its book-entry registration and transfer system, the participants' accounts with the respective principal amounts of the Deposit Notes beneficially owned by the participants. Any dealers, underwriters or agents participating in the distribution of the Deposit Notes will designate the accounts to be credited. Ownership of beneficial interests in a registered Global Deposit Note will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depository, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants.

So long as the depository, or its nominee, is the registered owner of a registered Global Deposit Note, that depository or its nominee, as the case may be, will be considered the sole owner or holder of the Deposit Notes represented by the registered Global Deposit Note for all purposes. Except as described below, owners of beneficial interests in a registered Global Deposit Note will not be entitled to have the Deposit Notes represented by the registered Global Deposit Note registered in their names, will not receive or be entitled to receive physical delivery of the Deposit Notes in definitive form, and will not be considered the registered owners or registered holders of Deposit Notes. Accordingly, each person owning a beneficial interest in a registered Global Deposit Note must rely on the procedures of the depository for that registered Global Deposit Note and, if that person is not a participant, on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder. CIBC understands that under existing industry practices, if CIBC requests any action of holders or if an owner of a beneficial interest in a registered Global Deposit Note desires to give or take any action that a holder is entitled to give or take in respect of the Deposit Notes, the depository for the registered Global Deposit Note would authorize the participants holding the relevant beneficial interests to give or take that action, and the participants would authorize beneficial owners owning through them to give or take that action or would otherwise act upon the instructions of beneficial owners holding through them.

Payments on the Deposit Notes represented by a registered Global Deposit Note registered in the name of a depository or its nominee will be made to the depository or its nominee, as the case may be, as the registered owner of the registered Global Deposit Note. CIBC will not have any responsibility or liability whatsoever for any aspect of the records relating to payments made on account of beneficial ownership interests in the registered Global Deposit Note or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

CIBC expects that the depository for any of the Deposit Notes represented by a registered Global Deposit Note, upon receipt of any payment on the Deposit Notes, will immediately credit participants' accounts in amounts proportionate to their respective beneficial interests in that registered Global Deposit Note as shown on the records of the depository. CIBC also expects that payments by participants to owners of beneficial interests in a registered Global Deposit Note held through participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of those participants.

#### ***Definitive Deposit Notes***

If the depository for any of the Deposit Notes represented by a registered Global Deposit Note is at any time unwilling or unable to continue to properly discharge its responsibilities as depository, and a successor depository is not appointed by CIBC within 90 days, CIBC will issue Deposit Notes in definitive form in exchange for the registered Global Deposit Note that had been held by the depository.

In addition, CIBC may at any time and in its sole discretion decide not to have any of the Deposit Notes represented by one or more registered Global Deposit Notes. If CIBC makes such decision, CIBC will issue Deposit Notes in definitive form in exchange for all of the registered Global Deposit Notes representing the Deposit Notes.

Except in the circumstances described above, beneficial owners of the Deposit Notes will not be entitled to have any portions of such Deposit Notes registered in their name, will not receive or be entitled to receive physical delivery of the Deposit Notes in certificated, definitive form and will not be considered the registered owners or registered holders of a Global Deposit Note.



Any Deposit Notes issued in definitive form in exchange for a registered Global Deposit Note will be registered in the name or names that the depository gives to CIBC or its agent, as the case may be. It is expected that the depository's instructions will be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the registered Global Deposit Note that had been held by the depository.

The text of any Deposit Notes issued in definitive form will contain such provisions as CIBC may deem necessary or advisable. CIBC will keep or cause to be kept a register in which will be recorded registrations and transfers of Deposit Notes in definitive form, if issued. Such register will be kept at the offices of CIBC, or at such other offices notified by CIBC to Investors.

No transfer of a definitive Deposit Note will be valid unless made at such offices upon surrender of the certificate in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to CIBC or its agent in their sole discretion, and upon compliance with such reasonable conditions as may be required by CIBC or its agent and with any requirement imposed by law and entered on the register.

Payments on a definitive Deposit Note will be made by cheque and mailed to a registered Investor at the address of the Investor appearing in the aforementioned register in which registrations and transfers of Deposit Notes are to be recorded or, if requested in writing by the Investor at least five Business Days before the date of the payment and agreed to by CIBC in its sole discretion, by electronic funds transfer to a bank account nominated by the Investor with a bank in Canada. Payment under any definitive Deposit Note (other than Partial Principal Repayments) is conditional upon the Investor first delivering the Deposit Note to CIBC who reserves the right to mark on the Deposit Note that the Final Variable Payment has been paid in full, or, in the case of payment of the Final Variable Payment and the Remaining Principal Amount under the Deposit Note in full when due, to retain the Deposit Note and mark the Deposit Note as cancelled.

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### **Status and Credit Rating**

The Deposit Notes will constitute direct, unsubordinated and unsecured obligations of CIBC ranking *pari passu* among themselves with all other direct, unsubordinated and unsecured indebtedness of CIBC outstanding from time to time, including its deposit liabilities. The Deposit Notes are not insured by the Canada Deposit Insurance Corporation or any other entity.

The Deposit Notes have not been and will not be specifically rated by any rating agency. However, the deposit liabilities of CIBC with a term to maturity of one year or more (which would include CIBC's obligations under the Deposit Notes) are rated AA (negative outlook) by DBRS, Aa2 (negative outlook) by Moody's Rating Service, AA- (negative outlook) by Fitch Ratings and A+ (stable outlook) by Standard & Poor's. A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.

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### **Plan of Distribution**

Each Deposit Note will be issued for an Issue Price of 100% of the Principal Amount thereof (i.e., \$100.00). The Issue Price was determined by negotiation between CIBC and the Selling Agent. Under an agreement (the "Agency Agreement") between CIBC and the Selling Agent, the Selling Agent has agreed to offer the Deposit Notes for sale on a best efforts basis, if as and when issued by CIBC in accordance with the provisions of the Agency Agreement. During the selling period and before the Issue Date, the continuing obligations of the Selling Agent under the Agency Agreement may be terminated and the Selling Agent may withdraw all subscriptions for Deposit Notes on behalf of the subscribers at its sole discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of other stated events.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Upon receipt of a subscription, the Selling Agent will send out, or cause to be sent out, a confirmation of receipt by prepaid mail or other means of delivery to the subscriber. An Investor in Deposit Notes will receive from CIBC credit for interest accruing on funds deposited with a distributor on the FundSERV network pending closing of the offering at a rate of 0.25% per annum. For funds deposited on or prior to the Thursday of a given week, interest will accrue from and including the first Business Day of such week to but excluding the Issue Date. For funds deposited after the Thursday of a given week, interest will accrue from and including the first Business Day of the next following week to but excluding the Issue Date. Such interest will be payable solely by the issuance of additional Deposit Notes (or fractions of Deposit Notes) in respect of an investment in Deposit Notes and, for the avoidance of doubt, will not be payable in cash or in any other manner. CIBC shall issue to each Investor in Deposit Notes entitled to such interest a number of additional Deposit Notes (or fractions of Deposit Notes) equal to the amount of such interest (net of applicable non-resident withholding tax, if any) due to such Investor divided by 100, rounded to three decimal places. The Investor will be required to include the full amount of such interest in the Investor's income in computing its income for the purposes of the *Income Tax Act* (Canada). No other interest or other compensation will be paid to the Investor in respect of delivered funds or to the distributor on the FundSERV network representing such Investor. Notwithstanding the above, if for any reason Deposit Notes are not issued to a person who has deposited funds with a distributor on the FundSERV network for the subscription of Deposit Notes, such funds will be forthwith returned, without any interest, to the prospective investor's distributor on the FundSERV network. Fractional ownership interests in the Deposit Notes of Investors or their nominees will be recorded and maintained by CIBC in its records of beneficial ownership of Deposit Notes. The payment of any interest, whether or not in the form of additional Notes, is the responsibility of CIBC, and the Selling Agent has no responsibility for the payment of such interest.

The Selling Agent will receive an upfront sales fee of 1.50% of the Principal Amount per Deposit Note, payable on the Issue Date. The fee payable to the Selling Agent will be paid on account of services rendered in connection with the offering and will be paid against receipt of the proceeds of the offering, resulting in net proceeds of the offering to CIBC of \$98.50 per Deposit Note. Dealers and other firms will sell the Deposit Notes to Investors. The Selling Agent will pay from the upfront sales fee received an upfront commission to these dealers and firms in connection with the sale of the Deposit Notes to Investors. These dealers and other firms may pay a portion of these commissions to their advisors who sell the Deposit Notes to Investors.

CIBC reserves the right to issue additional Deposit Notes of this series or a series previously issued, and other debt securities which may have terms substantially similar to the terms of the Deposit Notes offered hereby, which may be offered by CIBC concurrently with the offering of Deposit Notes. CIBC further reserves the right to purchase for cancellation at its sole discretion any amount of Deposit Notes in a secondary market, without notice to the Investors in general. Any Deposit Notes purchased for cancellation by CIBC in the secondary market will be made at the then current "net asset value" posted on the FundSERV network for the Deposit Notes for the relevant day.

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## ***The FundSERV Network***

### ***General***

Investors must purchase Deposit Notes through dealers and other firms that use the FundSERV network to facilitate order flow and payments for the Deposit Notes. The following FundSERV information is pertinent for all Investors. Investors should consult with their financial advisors to obtain further information on FundSERV procedures applicable to them.

Where an Investor's purchase order for Deposit Notes is effected by a dealer or other firm using the FundSERV network, such dealer or other firm may not be able to accommodate a purchase of Deposit Notes through certain registered plans for purposes of the *Income Tax Act* (Canada). Investors should consult their financial advisors as to whether their orders for Deposit Notes will be made using the FundSERV network and any limitations on their ability to purchase Deposit Notes through certain registered plans.

The FundSERV network is owned and operated by both fund sponsors and distributors and provides distributors of funds and certain other financial products (including brokers and dealers who sell investment funds, companies who administer registered plans that include investment funds and companies who sponsor and sell financial products) with online order access to such financial products. The FundSERV network was originally designed and is operated as a mutual fund communications network facilitating members in electronically placing, clearing and settling mutual fund orders. In addition, the FundSERV network is currently used in respect of other financial products that may be sold by financial planners, such as the Deposit Notes. The FundSERV network enables its participants to clear certain financial product transactions between participants, to settle the payment obligations arising from such transactions, and to make other payments between themselves

### ***FundSERV-enabled Deposit Notes Held Through CIBC, a CDS Participant***

All Deposit Notes will be initially issued in the form of a fully registered Global Deposit Note that will be deposited with CDS. Deposit Notes purchased using the FundSERV network ("FundSERV-enabled Deposit Notes") will also be evidenced by that global deposit note, as are all other Deposit Notes. See "DESCRIPTION OF THE DEPOSIT NOTES - *Forms of the Deposit Notes*" for further details on CDS as a depository and related matters with respect to the global deposit note. Investors holding FundSERV-enabled Deposit Notes will therefore have an indirect beneficial interest in the global deposit note. That beneficial interest will be recorded in CDS as being owned by CIBC as a direct participant in CDS. CIBC in turn will record in its records respective beneficial interests in the FundSERV-enabled Deposit Notes. An Investor should understand that CIBC will make such recordings as instructed by the Investor's financial advisor using the FundSERV network.

### ***Purchase using the FundSERV network***

In order to complete the purchase of FundSERV-enabled Deposit Notes, the full Issue Price (i.e., the aggregate Principal Amount therefor) must be delivered to CIBC in immediately available funds by no later than 3 Business Days prior to the Issue Date. Despite delivery of such funds, CIBC reserves the right not to accept any offer to purchase FundSERV-enabled Deposit Notes. If FundSERV-enabled Deposit Notes are not issued to the Investor for any reason, such funds will be returned forthwith to the Investor. In any case, whether or not the FundSERV-enabled Deposit Notes are issued, no interest or other compensation will be paid to the Investor on such funds.

A dealer or other firm that places and clears its purchase orders using the FundSERV network may not accommodate a purchase of Deposit Notes through certain registered plans. Generally, a dealer or firm may effect a purchase of Deposit Notes through (i) a client account (a "client-name" purchase) or (ii) a nominee or trust account held by the dealer or firm on behalf of the Investor (a "nominee" purchase). CIBC offers a self-directed RRSP for client-name purchases using the FundSERV network only. A dealer or other firm may, at its discretion, accommodate nominee purchases using the FundSERV network using other registered plans, such as RRIFFs, RESPs or DPSPs. Investors should consult their financial advisors as to whether their orders for Deposit Notes will be made using the FundSERV network and any limitations on their ability to purchase Deposit Notes through registered plans.

### ***Sale using the FundSERV network***

An Investor wishing to sell FundSERV-enabled Deposit Notes prior to the Maturity Date is subject to certain procedures and limitations to which an Investor holding Deposit Notes through a "full service broker" with direct connections to CDS may not be subject. Investors wishing to sell a FundSERV-enabled Deposit Note should consult with their financial advisor in advance in order to understand the timing and other procedural requirements and limitations of selling. Investors must sell FundSERV-enabled Deposit Notes by using the "redemption" procedures of the FundSERV network; any other sale or redemption is not possible. Accordingly, an Investor will not be able to negotiate a sales price for FundSERV-enabled Deposit Notes. Instead, the financial advisor for the Investor will need to initiate an irrevocable request to "redeem" the FundSERV-enabled Deposit Note in accordance with the then established procedures of the FundSERV network. Generally, this will mean the financial advisor will need to initiate such request by 1:00 p.m. (Toronto time) on a Business Day (or such other time as may hereafter be established by the FundSERV network). Any request received after such time will be deemed to be a request sent and received on the next following Business Day. Sale of the FundSERV-enabled Deposit Note will be effected at a sale price equal to (i) the "net asset value" of a Deposit Note as of the close of business on the applicable Business Day as posted to the FundSERV network by CIBC World Markets Inc., minus (ii) any applicable Early Trading Charge (as outlined under "DESCRIPTION OF THE DEPOSIT NOTES - *Secondary Trading*"). The Investor should be aware that, although the "redemption" procedures of the FundSERV network would be utilized, the FundSERV-enabled Deposit Notes of the Investor will not be redeemed by CIBC, but rather will be sold in the secondary market to CIBC World Markets Inc. In turn, CIBC

World Markets Inc. will be able in its discretion to sell those FundSERV-enabled Deposit Notes to third parties at any price or to hold them in its inventory.

Investors should also be aware that from time to time such "redemption" mechanism to sell FundSERV-enabled Deposit Notes may be suspended for any reason without notice, thus effectively preventing Investors from selling their FundSERV-enabled Deposit Notes. Potential Investors requiring liquidity should carefully consider this possibility before purchasing FundSERV-enabled Deposit Notes.

CIBC World Markets Inc. is the "fund sponsor" for the FundSERV-enabled Deposit Notes within the FundSERV network. It is required to post a "net asset value" for the FundSERV-enabled Deposit Notes on a daily basis, which value may also be used for valuation purposes in any statement sent to Investors. See "DESCRIPTION OF THE DEPOSIT NOTES – *Secondary Trading*" for some of the factors that will determine the "net asset value" or bid price of the Deposit Notes at any time. The sale price will actually represent CIBC World Markets Inc.'s bid price for the Deposit Notes as of the close of business for the applicable Business Day less any applicable Early Trading Charge. There is no guarantee that the sale price for any day is the highest bid price possible in any secondary market for the Deposit Notes, but will represent CIBC World Markets Inc.'s bid price generally available to all Investors as at the relevant close of business, including clients of CIBC World Markets Inc.

An Investor holding FundSERV-enabled Deposit Notes should realize that such FundSERV-enabled Deposit Notes may not be transferable to another dealer, if the Investor were to decide to move his or her investment account to such other dealer. In that event, the Investor would have to sell the FundSERV-enabled Deposit Notes pursuant to the procedures outlined above.

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### ***Dealings with the Index***

CIBC may from time to time, in the course of its normal business operations, hold interests linked to the Index, deal in the securities underlying the Index, and may enter into business dealings with the issuer of any security underlying the Index. All such actions by CIBC will be taken based on commercial criteria in the particular circumstances and CIBC will not be required to take into account the effect, if any, of such actions on the value of the Index or the amount of any Partial Principal Repayment or the Final Variable Payment that may be payable on the Deposit Notes.

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### ***Notification***

CIBC will provide notice to Investors of events relating to the Deposit Notes as required by applicable regulations. All such notices will be mailed or otherwise delivered directly by CIBC to Investors.

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### ***Amendments***

Terms of the Deposit Notes may be amended without notice to Investors by agreement between CIBC and the Selling Agent if, in the reasonable opinion of CIBC and the Selling Agent, the amendment would not have an impact on the interest payable under the Deposit Notes. In all other cases, CIBC will provide notice to Investors of the amendment prior to making the amendment or without delay after the amendment is made.

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### ***Investors' Right of Cancellation***

An Investor may cancel an order to purchase a Deposit Note (or cancel the purchase of a Deposit Note if the Deposit Note has been issued) by providing instructions to CIBC through his or her investment advisor any time up to 48 hours after the later of (i) the day on which the agreement to purchase the Deposit Note is entered into and (ii) deemed receipt of this Information Statement.

The agreement to purchase the Deposit Notes will be entered into (i) if the order to purchase is received via telephone or electronic means, on the day on which the order to purchase is received, and (ii) if the order to purchase is received in person, on the later of the second day following (a) the day of deemed receipt of this Information Statement and (b) the day on which the order to purchase is received.

An Investor will be deemed to have received the Information Statement (i) on the day recorded as the time of sending by the server or other electronic means, if provided by electronic means; (ii) on the day recorded as the time of sending by fax machine, if provided by fax; (iii) five Business days after the postmark date, if provided by mail, and (iv) when it is received, in any other case.

Upon cancellation, the Investor is entitled to a refund of the Principal Amount and any fees relating to the purchase that have been paid by the Investor. This right of cancellation does not extend to Investors buying a Deposit Note in the secondary market.

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### ***Calculation Agent***

"Calculation Agent" means the calculation agent for the Deposit Notes appointed by CIBC from time to time. The Calculation Agent initially will be CIBC World Markets Inc., whose address is Brookfield Place, P.O. Box 500, 161 Bay Street, 5th Floor, Toronto, Ontario, Canada M5J 2S8 – Attention: Global Derivatives and Strategic Risk.

The Calculation Agent will make all necessary calculations and determinations required in respect of the Deposit Notes, including the application of the Portfolio Allocation Rules. Whenever the Calculation Agent determines that a notional purchase or sale of the Index or the Bond is required to be made by the Calculation Agent, such notional purchase or sale will be made at such times and at such prices as the Calculation Agent determines, in its discretion, acting in good faith and in a commercially reasonable manner.

The Calculation Agent's calculations and determinations in respect of the Deposit Notes will be made in good faith and in a commercially reasonable manner, and will, absent manifest error, be final and binding on Investors. Investors will not be entitled to any compensation from CIBC or the Calculation Agent for any loss suffered as a result of any of the Calculation Agent's calculations and determinations.

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## THE INDEX

All information in this Information Statement relating to the Index is current as of November 2, 2009 and is derived from publicly available sources and is presented in this Information Statement in summary form. As such, neither CIBC nor any investment dealer, broker or agent selling the Deposit Notes assumes any responsibility for the accuracy or completeness of such information, or accepts responsibility for the calculation of the NAV of the Portfolio or the provision of any future information in respect of the Index.

### ***Who Publishes the Index?***

PC-Bond has been publishing indices to measure the performance of the Canadian fixed income market since 1947. PC-Bond indices are the most widely used fixed income performance benchmarks in Canada.

### ***The DEX VBLOX Ontario Bond Index***

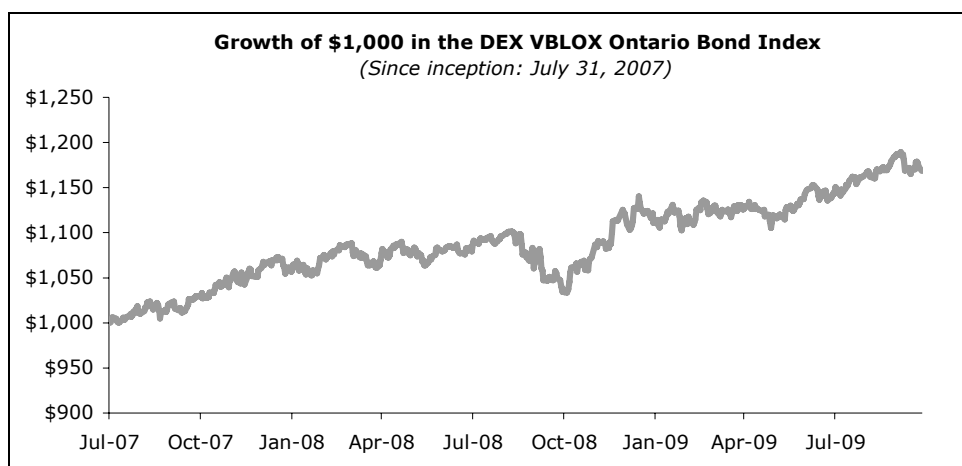
The DEX VBLOX Ontario Bond Index is designed to be the most liquid benchmark on the run Provincial Government Index structure, selected from the constituents of the DEX Universe Bond Index. The DEX VBLOX Ontario Bond Index consists of 6 bonds at the terms 2, 5, 7, 10, 20 and 30 years. The index constituents are rebalanced at each month end utilizing the previous three months trade volume data for each eligible issue. The market value as of December 31, 2008 was approximately \$24.3 billion. An Investor may obtain further information in respect of the Index from PC-Bond's website, [www.canadianbondindices.com](http://www.canadianbondindices.com), which contains a full description of the Index methodology and also provides daily Index returns and statistics for the Index.

### ***Methodologies***

Returns are calculated daily, and each bond in the Index utilizes its unique amount outstanding as reflected in the DEX Universe Bond Index to calculate market weights, so that the return on a bond influences the return on the Index in proportion to the bond's market value. Market value of a bond equals the adjusted amount outstanding, multiplied by the gross price (market price plus accrued interest), with the gross price expressed as a percentage. The total amount outstanding of each issue is adjusted so that Bank of Canada and Caisse de dépôt et placement holdings and stripped securities are excluded, and reconstituted securities are included. Capitalization weighting effectively assumes an investor "buys the market." Coupon income, realized and unrealized, is reinvested daily across all bonds in the index in proportion to their market values.

### ***Historical Performance***

The chart below shows the total return of the DEX VBLOX Ontario Bond Index between July 31, 2007 and October 26, 2009. Historical performance will not necessarily predict future performance of the Index or the amount, if any, of the Final Variable Payment that may be payable at maturity under the Deposit Notes.



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## ***Index Disclaimer***

The Deposit Notes are not sponsored, endorsed, sold or promoted by PC-Bond, a business unit of TSX Inc., TSX Inc., its affiliates (including TSX Group Inc.) or third party data suppliers (collectively, "PC-Bond Group"). The PC-Bond Group makes no representation, condition or warranty, express or implied, to the owners of the Deposit Notes or any member of the public regarding the advisability of investing in securities generally or in the Deposit Notes particularly or the ability of the Index to track general bond market performance or any other economic factors. PC-Bond's relationship to CIBC World Markets Inc. (CIBC WM) is the licensing (or sublicensing) of certain trademarks and the licensing of the Index, which is determined, composed and calculated by PC-Bond without regard to CIBC WM or the Deposit Notes. CIBC WM is also one of the participants contributing pricing data to PC-Bond. PC-Bond has no obligation to take the needs of CIBC WM or the owners of the Deposit Notes into consideration in determining, composing or calculating the Index. PC-Bond is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Deposit Notes to be issued or in the determination or calculation of the equation by which the Deposit Notes are to be converted into cash. PC-Bond has no obligation or liability in connection with the administration, marketing or trading of the Deposit Notes.

PC-Bond Group does not guarantee the accuracy and/or the completeness of the Index or any data included therein or any other data provided by the PC-Bond Group and PC-Bond Group shall have no liability for any interruptions, delays, errors or omissions therein. PC-Bond Group makes no warranty, condition or representation, express or implied, as to results to be obtained by CIBC WM, owners of the Deposit Notes, or any other person or entity from the use of the Index or any data included therein or any other data provided by the PC-Bond Group. PC-Bond Group makes no express or implied warranties, representations or conditions, and expressly disclaims all warranties or conditions of merchantability, merchantable quality or fitness for a particular purpose or use and any other express or implied warranty or condition with respect to the Index or any data included therein or any other data provided by the PC-Bond Group. Without limiting any of the foregoing, in no event shall PC-Bond Group have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

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## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations generally applicable to an Investor who purchases a Deposit Note at the time of its issuance and who, for the purposes of the *Income Tax Act* (Canada) (the "Act") and, at all relevant times, is an individual resident in Canada, who deals at arm's length and is not affiliated with CIBC and holds a Deposit Note as capital property. This summary does not apply to an Investor that is a corporation, partnership, unit trust or trust of which a corporation or partnership is beneficiary, including a "financial institution" within the meaning of section 142.2 of the Act. This summary is based on the Act and the regulations made under the Act (the "Regulations") as in force on the date of this Information Statement, all specific proposals (the "Proposals") to amend the Act or Regulations publicly announced by the Minister of Finance prior to the date of this Information Statement and the administrative policies and assessing practices of the Canada Revenue Agency ("CRA") as made publicly available by it prior to the date of this Information Statement. Except for the Proposals, this summary does not take into account or anticipate any changes to the law or the CRA's administrative policies and assessing practices whether by legislative, governmental or judicial action. Provincial, territorial and foreign income tax considerations are not addressed. This summary is not intended to constitute, nor should it be relied upon as, tax advice to any particular Investor. All Investors should consult their own tax advisors with respect to their tax positions. In particular, Investors should consult their tax advisors as to whether they will hold the Deposit Notes as capital property for purposes of the Act, which determination should take into account, among other factors, whether the Deposit Notes are acquired with the intention or secondary intention of selling them prior to the Maturity Date, and as to whether the Investor is eligible for and should file an irrevocable election under subsection 39(4) of the Act to treat every "Canadian security" owned by the Investor, including the Deposit Notes, as capital property.

### ***Income on the Deposit Note***

In the event that an Investor holds a Deposit Note until the Maturity Date, the full amount of the Final Variable Payment generally will be included in the Investor's income in the Investor's taxation year that includes the Maturity Date except to the extent that some part or all of the Final Variable Payment has already been included in the Investor's income for that or a preceding taxation year.

In certain circumstances, provisions of the Act can deem interest to accrue on a "prescribed debt obligation" (as defined for purposes of the Act). The Deposit Notes will be "prescribed debt obligations" within the meaning of the Act. Based in part on an understanding of the CRA's administrative practice and because prevailing interest rates and other market forces will make it impossible to determine the amount of the Final Variable Payment prior to the Maturity Date, there should be no amounts included in income of an Investor in respect of the Deposit Notes (including Partial Principal Repayments) until the Investor's taxation year that includes the Maturity Date. If a Final Payment Amount is paid as a consequence of an Extraordinary Event, such Final Payment Amount will generally be included in income in the taxation year of the Investor in which such amount is calculable except to the extent that the amount was otherwise included in the Investor's income for the taxation year or a preceding taxation year.

The receipt of the Remaining Principal Amount at maturity will not be included as interest in the Investor's income in the Investor's taxation year that includes the Maturity Date but will be included in the proceeds of disposition of the Deposit Note (see "*Disposition of Deposit Notes*").

Counsel to CIBC has advised that CRA is reviewing whether the existence of a secondary market for "prescribed debt obligations" such as the Deposit Notes should be taken into consideration in determining whether interest is deemed to accrue on such obligations. This review could result in changes to the existing administrative position of the CRA and the tax consequences to an Investor as described above.

### ***Partial Principal Repayments***

Partial Principal Repayments received in respect of a Deposit Note will reduce the Principal Amount of the Deposit Notes and will reduce the Investor's adjusted cost base of the Deposit Note, subject to the discussion above under "*Income on the Deposit Note*".

### ***Disposition of Deposit Notes***

In certain circumstances where a holder of a debt obligation assigns or otherwise transfers such debt obligation, the amount of interest accrued but not yet paid on the debt obligation to that time will be excluded from the proceeds of disposition of the debt obligation and will be required to be included as interest when computing the holder's income for the taxation year in which such assignment or transfer has occurred, except to the extent that such interest has otherwise been included in income for that taxation year or a preceding taxation year. Under the terms of the Deposit Notes, there should be no amount that will be treated as accrued interest on any disposition or deemed disposition of a Deposit Note prior to the date upon which the Final Variable Payment to be paid on the Maturity Date becomes calculable, unless there has been an Extraordinary Event. On any disposition or deemed disposition of a Deposit Note by an Investor (other than a purchase by CIBC) prior to the date on which the amount of the Final Variable Payment is calculable as a consequence of an Extraordinary Event, while the matter is not free from doubt, the Investor should realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any amount required to be included in the income of the Investor and net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Deposit Note to the Investor as adjusted by any receipt of Partial Principal Repayments by the Investor.

There can be no assurance that any change in or qualification of CRA's administrative policies and assessing practices concerning the accrual of interest on prescribed debt obligations which may result from the review the CRA is currently undertaking will not affect CRA's treatment of any amount received on the disposition of a Deposit Note prior to maturity.

Investors who dispose of a Deposit Note prior to the Maturity Date, particularly those who dispose of a Deposit Note within a short period of time prior to the Maturity Date should consult their own tax advisor with respect to their particular circumstances.

### ***Eligibility for Investment by Registered Plans***

The Deposit Notes, if issued on the date hereof, would be qualified investments under the Act for trusts governed by RRSPs, RRFs, RESPs, RDSPs, DPSPs (other than a trust governed by a DPSP to which contributions are made by CIBC or a person or partnership with which CIBC does not deal at arm's length within the meaning of the Act) and TFSAs. Provided that the holder of a TFSA does not hold a significant interest (as defined in the Act) in CIBC or any person or partnership that does not deal at arm's length with CIBC within the meaning of the Act, and provided that such holder deals at arm's length with CIBC within the meaning of the Act, the Deposit Notes will not be a prohibited investment for a trust governed by such TFSA.

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## CERTAIN RISK FACTORS

Investing in the Deposit Notes is subject to various risks. Before reaching a decision to purchase any Deposit Notes, a person should carefully consider a variety of risk factors, including but not limited to the following:

### ***Suitability for Investment***

A person should reach a decision to invest in the Deposit Notes after carefully considering with their advisors the suitability of the Deposit Notes in light of that person's investment objectives and the information in this Information Statement. An investment in Deposit Notes is suitable only for Investors prepared to assume risks with respect to a return linked to the performance of the Index. An investment in a Deposit Note is not suitable for a person looking for a guaranteed return. The Deposit Notes are designed for Investors with a long-term investment horizon who are prepared to hold the Deposit Notes to maturity. The Deposit Notes are not suitable for Investors who do not understand the terms of the Deposit Notes or the risks involved in holding the Deposit Notes. CIBC makes no recommendation as to the suitability of the Deposit Notes for investment.

The Remaining Principal Amount is only repaid if the Deposit Notes are held to the Maturity Date. If a Protection Event occurs during the term of the Deposit Note, the Final Variable Payment at maturity will be limited to the aggregate value per Deposit Note of any residual notional investment in the Index, which will likely be a nominal value only and could be zero.

### ***Non-Conventional Investment***

The Deposit Notes have certain investment characteristics that differ from conventional fixed income investments. The Deposit Notes do not provide Investors with a return or income stream prior to or at maturity that is calculated or determined by reference to a fixed or floating rate of interest. A Deposit Note's return is reflected in the Final Variable Payment. At maturity, the Deposit Notes entitle the Investor to be paid the Final Variable Payment, if any, as described in this Information Statement. The Partial Principal Repayments made during the term of the Deposit Notes and payment of the Remaining Principal Balance at maturity will ensure that the full \$100.00 Principal Amount per Deposit Note will have been repaid to the Investor by maturity. The Deposit Notes cannot be redeemed or retracted prior to the Maturity Date.

### ***Final Variable Payment Uncertain until Maturity and may be zero***

The NAV<sub>FINAL</sub> of the Portfolio and, therefore, the amount of any Final Variable Payment, will be uncertain until maturity. The amount of the Final Variable Payment will depend upon the performance of the Portfolio. There can be no assurance that the Portfolio will generate a positive return. The Final Variable Payment at maturity could be zero. No Final Variable Payment will be made unless the NAV<sub>FINAL</sub> exceeds the Remaining Principal Amount. Investors will not have any influence over the determinations made by the Calculation Agent under the Portfolio Allocation Rules.

### ***Protection Event***

The Portfolio will remain fully notionally invested in the Index at all times during the term of the Deposit Notes, unless a Protection Event occurs prior to the Maturity Date. A Protection Event will occur if the Distance falls below 3.00%. Thereafter, no further Partial Principal Repayments will be made. In addition, following the occurrence of a Protection Event, the notional investment in the Index will be notionally sold and the net proceeds will be notionally invested in a Bond, so that the value of the Bond at maturity will equal the Remaining Principal Amount. The Bond is a notional zero-coupon bond with a face amount equal to the Remaining Principal Amount maturing on the Maturity Date, with a value based on the prevailing Canadian dollar inter-bank swap rate. Any residual notional investment in the Index following a Protection Event will likely be nominal in value and could be zero, and at maturity will be liquidated and the proceeds thereof distributed to Investors, pro rata on the basis of the number of Deposit Notes outstanding at that time. Each Partial Principal Repayment will result in a dollar-for-dollar reduction in the NAV of the Portfolio and in the notional investment in the Index. In addition, each Partial Principal Repayment will result in a reduction in the Remaining Principal Amount and a corresponding reduction in the Floor. **It is important to note that if a Protection Event occurs, an Investor will only receive the Remaining Principal Amount at maturity together with an amount, which will likely be nominal in value and could be zero, equal to any portion of the Portfolio which is still notionally invested in the Index. Other than any such nominal amount, an Investor will not have received any return on the original Principal Amount invested.**

### ***Forward Looking Statements***

Certain statements in this Information Statement may constitute "forward-looking statements" which involve known and unknown risks, uncertainties, and other factors that may cause actual results or performance of the Deposit Notes to be materially different from any future results or performance expressed or implied by such forward-looking statements. Actual performance may vary depending on a number of factors, many of which are beyond the control of CIBC or CIBC World Markets Inc., as Calculation Agent.

### ***No Ownership of, or Recourse to, the Index***

An Investor's exposure under the Deposit Notes to the Index is not the same as a direct investment in the Index or the securities comprising the Index. Investors will not have, and the Deposit Notes will not represent, any direct or indirect ownership interest or rights in the Index or securities underlying the Index, other than a right to be paid a return on the Deposit Notes based on the performance of the Index. The Portfolio is a notional portfolio only.

### ***Calculation Agent***

The Calculation Agent will be responsible for administering the Portfolio in accordance with the Portfolio Allocation Rules. The administration by the Calculation Agent of the Portfolio Allocation Rules may not result in any Final Variable Payment being made at maturity to Investors. The Calculation Agent's calculations and determinations in administering the Portfolio Allocation Rules are final and binding on Investors, absent manifest error, without any liability on CIBC or the Calculation Agent. There can be no assurance that the Calculation Agent's administration of the Portfolio will result in a Final Variable Payment being made at maturity to Investors.

### ***Secondary Market***

Partial Principal Repayments will be made to an Investor in accordance with the terms set out in this Information Statement. However, the Remaining Principal Amount and the Final Variable Payment, if any, per Deposit Note are only payable at maturity (subject to any restrictions contained in this Information Statement). The Investor cannot elect to receive the Remaining Principal Amount or the Final Variable Payment prior to the Maturity Date. The Deposit Notes will not be listed on any stock exchange and will not be available for purchase by Investors in the secondary market maintained by CIBC World Markets Inc. However, CIBC World Markets Inc. will maintain a secondary market for sale of the Deposit Notes by Investors, but reserves the right not to do so in the future in its sole discretion, without providing prior notice to the Investors. The Deposit Notes may only be sold to CIBC World Markets Inc. using the FundSERV network. If CIBC World Markets Inc. does not maintain a secondary market for the sale of the Deposit Notes, Investors may not be able to sell their Deposit Notes prior to the Maturity Date. Investors requiring liquidity should carefully consider this possibility before purchasing Deposit Notes. Any secondary trading price will be dependent on a number of factors and their relationship. **The price received by an Investor who sells a Deposit Note to CIBC World Markets Inc. prior to the Maturity Date may be less than the Remaining Principal Amount resulting in the Investor receiving payments under the Deposit Notes that are less than the amount originally invested in the Deposit Notes.** A sale of Deposit Notes originally purchased using the FundSERV network will be subject to certain additional procedures and limitations established by the FundSERV network. An Investor who sells a Deposit Note prior to the Maturity Date may have to pay an Early Trading Charge to the Selling Agent of up to 2.88% of the original Principal Amount. See "DESCRIPTION OF THE DEPOSIT NOTES – *Secondary Trading*".

### ***Special Events***

If the Calculation Agent determines, acting reasonably and in good faith, that an event has occurred, or will occur within 60 Exchange Days of such determination, that adversely and materially affects the ability or cost of CIBC to hedge its obligations under the Deposit Notes, then CIBC may, after consultation with the Calculation Agent, replace the Index with another index that is reasonably representative of the market which was represented by the Index that is being replaced. The replacement or substitution of the Index may adversely affect the performance of the Portfolio. If no such other index can be identified by CIBC, then CIBC shall, in lieu of making any further Partial Principal Repayments and any Final Variable Payment at maturity, make a final payment based on NAV<sub>FINAL</sub> determined at that time (on an adjusted basis). Payment of the Remaining Principal Amount will not be accelerated and will be made on the Maturity Date. See "DESCRIPTION OF THE DEPOSIT NOTES—*Special Events*" for further details.

### ***Index Risk***

CIBC assumes no responsibility for the adequacy of the information concerning the Index in this Information Statement or publicly available. An Investor should undertake an independent investigation of the Index as they deem necessary to allow them to make an informed investment decision with respect to an investment in the Deposit Notes.

The Final Variable Payment will be affected by the performance of the Index. The performance of the Index will depend on the value of the securities that comprise the Index. The value of the securities that comprise the Index rises and falls based on a number of complex and inter-related political, economic, financial and other factors. There can be no assurance that the Index will generate positive returns, in which case the value of the Portfolio, and the Deposit Notes, will be adversely affected. Past performance of the Index is not indicative of future returns.

### ***Bond Risk***

The market value of the Bond will change in response to interest rate changes, swap spreads and other factors. During periods of falling interest rates, the value of the Bond in the Portfolio will generally rise. Conversely, during periods of rising interest rates, the value of the Bond in the Portfolio will generally decline. A Bond with a longer time to maturity is subject to greater fluctuations in value than a Bond with a shorter time to maturity.

### ***Income Tax Considerations***

An Investor should consider the income tax consequences of an investment in the Deposit Notes, including the tax treatment of the Partial Principal Repayments and any Final Variable Payment received by the Investor. An Investor should also consider the income tax consequences of a disposition of the Deposit Notes prior to maturity. See "CANADIAN FEDERAL INCOME TAX CONSIDERATIONS" for a summary of certain Canadian federal income tax considerations generally applicable to a Canadian resident individual who invests in the Deposit Notes. Counsel to CIBC has advised that the CRA is reviewing whether the existence of a secondary market for a "prescribed debt obligation" such as the Deposit Notes should be taken into consideration in determining whether interest is deemed to accrue on such obligation. This review could result in changes to the existing published administrative position of the CRA and the tax consequences to an Investor as described herein. Please see "CANADIAN FEDERAL INCOME TAX CONSIDERATIONS" above.

### ***Potential Conflicts of Interest***

CIBC is the issuer of the Deposit Notes. CIBC or one or more of its affiliates may, at present or in the future, publish research reports with respect to the Index. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Deposit Notes. Any of these activities may affect the market value of the Portfolio or the Deposit Notes.

CIBC World Markets, the Calculation Agent and an affiliate of CIBC, will calculate the amount of the Partial Principal Repayments and the Final Variable Payment paid to Investors at maturity and may exercise certain judgment in relation to the Deposit Notes from time to time. For example, CIBC World Markets, as Calculation Agent, may have to determine whether an Extraordinary Event has occurred, and may, as a consequence, have to determine whether the Index should be replaced by another index or whether, in lieu of paying any further Partial Principal Repayments or making any Final Variable Payment, an alternative final payment should be made. All of the Calculation Agent's calculations and determinations will be final and binding on Investors, absent manifest error, without any liability on CIBC or the Calculation Agent, and Investors will not be entitled to any compensation from CIBC or the Calculation Agent for any loss suffered as a result of any of the Calculation Agent's calculations and determinations. The Calculation Agent will have sole responsibility for determining the Partial Principal Repayments and the Final Variable Payment. No independent calculation agent will be retained to confirm these determinations.

CIBC World Markets will receive the Portfolio Fee in connection with its services as Calculation Agent. The Portfolio Fee will be equal to 0.45% per annum of the NAV of the Portfolio. CIBC World Markets, as Selling Agent, has agreed to offer the Deposit Notes for sale. CIBC



World Markets, as Selling Agent, will receive an up-front sales fee of 1.50% per Deposit Note, for further payment by CIBC World Markets to the dealers and other firms who sell the Deposit Notes to Investors.

In addition, CIBC World Markets Inc. an affiliate of CIBC, provides the bid price and facilitates sales of the Deposit Notes in a secondary market as described under "DESCRIPTION OF THE DEPOSIT NOTES – *Secondary Trading*" and, in providing such bid price and facilitating such sales, may have economic interests that are adverse to those of Investors.

#### ***Fees and Transaction Costs***

The fees and expenses associated with the Portfolio (specifically the Portfolio Fee) are satisfied through a reduction in the NAV of the Portfolio and may exceed the income generated by the Portfolio. The Portfolio Fee reduces the NAV of the Portfolio, thereby decreasing any future Final Variable Payment.

#### ***Credit Rating***

The Deposit Notes have not been and will not be specifically rated by any rating agency. At the date of this Information Statement, the deposit liabilities of CIBC with a term to maturity of one year or more (which would include CIBC's obligations under the Deposit Notes) are rated AA (negative outlook) by DBRS, Aa2 (negative outlook) by Moody's Rating Service, AA- (negative outlook) by Fitch Ratings and A+ (stable outlook) by Standard & Poor's. There can be no assurance that, if the Deposit Notes were specifically rated by these rating agencies, the Deposit Notes would have the same rating as the conventional deposit liabilities of CIBC. A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.

#### ***Credit Risk***

The obligation to make payments under the Deposit Notes is an obligation of CIBC. The likelihood that Investors will receive the payments owing to them under the Deposit Notes will be dependent on the financial health and creditworthiness of CIBC.

#### ***No Benefit of CDIC Insurance***

The Deposit Notes are not insured by the Canada Deposit Insurance Corporation or any other entity.

#### ***Limitation on Final Variable Payment by Applicable Law***

There is no cap or maximum amount of the Final Variable Payment that theoretically may be payable at maturity, except that Federal laws of Canada prohibit anyone from charging or receiving interest or other amounts for the advancing of credit at effective rates in excess of 60% per annum.

#### ***Changes in Economic Conditions***

Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, war, tax laws and innumerable other factors, can affect substantially and adversely the value of the Index. None of these conditions are within the control of CIBC.

#### ***Legislative, Administrative and Regulatory Changes***

Changes may be made to federal and provincial legislation, regulations or administrative practices, including with respect to taxation, in a manner which may adversely affect Investors.

These Deposit Notes may be distributed by firms other than CIBC or its affiliates. CIBC does not review other firms to ensure that appropriate licensing and registration requirements have been satisfied by them in connection with the sale of the Deposit Notes.

The Deposit Notes are generally not subject to Canadian securities laws. No securities commission or similar authority has reviewed this Information Statement or has in any way passed upon the merits of the Deposit Notes, and the absence of statutory prospectus liability under Canadian securities laws in relation to the disclosure provided in the Information Statement could result in less due diligence being conducted in respect of the Deposit Notes and CIBC, as issuer of the Deposit Notes, than under a prospectus offering.

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