



NOTICE OF REDEMPTION OF

NON-CUMULATIVE RATE RESET CLASS A PREFERRED SHARES SERIES 39 (NON-VIABILITY CONTINGENT CAPITAL ("NVCC"))

NOTICE IS HEREBY GIVEN that Canadian Imperial Bank of Commerce ("CIBC") will redeem on July 31, 2024 all of its outstanding Non-cumulative Rate Reset Class A Preferred Shares Series 39 (NVCC) (the "Series 39 Shares") for cash. The amount paid on redemption for each such share is \$25.00 (the "Redemption Price"). All of the Series 39 Shares held by the person to whom this notice is addressed are to be redeemed.

The regular dividend for the period from May 1, 2024 to July 31, 2024 will be paid on July 29, 2024 in the amount of \$0.232063 per Series 39 Share to shareholders of record on June 28, 2024. The dividend will be paid separately from the Redemption Price.

Payment of the Redemption Price will be made by CIBC on or after July 31, 2024, on presentation and surrender by the holders of certificates representing the Series 39 Shares together with a completed Letter of Transmittal at any of the offices of TSX Trust Company or its agent set out on the reverse side of the enclosed Letter of Transmittal form. From and after July 31, 2024, the holders of Series 39 Shares will not be entitled to dividends or to exercise any rights of holders of Series 39 Shares in respect of such shares except to receive the amount paid on redemption.

DATED at Toronto, Ontario this 20th day of June, 2024.

CANADIAN IMPERIAL BANK OF COMMERCE



CANADIAN IMPERIAL BANK OF COMMERCE ("CIBC")

Redemption of Non-Cumulative Rate Reset Class A Preferred Shares Series 39 (the "Series 39 Shares")

Tax Questions & Answers

The redemption of the Series 39 Shares will not give rise to a deemed dividend for Canadian income tax purposes. For Canadian-resident individual shareholders (other than trusts) who hold their Series 39 Shares as capital property for purposes of the *Income Tax Act* (Canada), this explains the general tax treatment of the redemption.

As the redemption will not give rise to a deemed dividend, the tax consequences that may be expected for such a shareholder from a redemption of the Series 39 Shares would generally be the same as a sale before the redemption date.

These comments are provided for general informational purposes only and should not be construed as legal, tax or investment advice. You should consult your tax advisor regarding the appropriate tax treatment of this redemption in your circumstances.

What amount will be paid on redemption?

On the redemption date of July 31, 2024, holders of Series 39 Shares will receive \$25.00 per share.

Separately from the redemption amount, a dividend for the period from May 1, 2024 to July 31, 2024 will be paid on July 29, 2024 to shareholders of record on June 28, 2024. The dividend will be \$0.232063 per Series 39 Share.

How will this redemption affect my taxes?

The redemption may result in a capital gain or capital loss, depending on your cost of the Series 39 Shares.

The dividend for the period from May 1, 2024 to July 31, 2024 will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations. Certain "eligible dividends" paid by corporations resident in Canada are eligible for an enhanced gross-up and dividend tax credit if the paying corporation provides written notice designating the dividend as an "eligible dividend". **CIBC has provided the required notice in respect of the dividend for the period from May 1, 2024 to July 31, 2024.**

How is the capital gain or loss calculated?

On redemption, you will dispose of your Series 39 Shares for tax purposes. This disposition may give rise to a capital gain or loss, depending on the cost of your Series 39 Shares for tax purposes (the "adjusted cost base"). The capital gain or loss is determined by calculating the difference between your proceeds of disposition and your cost (i.e., adjusted cost base) of the redeemed Series 39 Shares. Your proceeds of disposition will be \$25.00 per Series 39 Share which is the redemption price.

Assuming that all of your Series 39 Shares were purchased at \$27.00 or \$24.00 per Series 39 Share including acquisition costs, (e.g., brokerage commissions) the capital gain/loss will be calculated as follows:

	<u>Loss</u>	<u>Gain</u>
Proceeds of disposition	\$25.00	\$25.00
Less adjusted cost base	<u>27.00</u>	<u>24.00</u>
<i>Capital gain/ (loss) per share</i>	\$ (2.00)	\$ 1.00

Generally, subject to the Capital Gains Amendments discussed below, one-half of a capital gain (a "taxable capital gain") is required to be included in income and one-half of a capital loss (an "allowable capital loss") is deductible only against taxable capital gains in accordance with the detailed provisions of the *Income Tax Act* (Canada). An allowable capital loss may only be claimed against taxable capital gains realized in that year, any future year, or one of the three preceding years. An allowable capital loss cannot be deducted from other income including dividends or deemed dividends.

Pursuant to proposed amendments released by the Minister of Finance (Canada) on June 10, 2024 (the "Capital Gains Amendments"), the capital gains inclusion rate applicable for the purposes of determining the amount of a taxable capital gain and an allowable capital loss for a particular taxation year is proposed to increase from one-half to two-thirds. However, the Capital Gains Amendments provide certain adjustments for individuals (other than certain trusts) that are intended to effectively reduce the net inclusion rate to the original one-half for up to \$250,000 of net capital gains realized in the year that are not offset by net capital losses carried back or forward from another taxation year. The Capital Gains Amendments, which are generally proposed to apply for taxation years ending after June 24, 2024, also contain various transitional rules for the 2024 taxation year. You should consult your tax advisor with respect to these proposals.

What if I sell my Series 39 Shares before the redemption date?

If you sell your Series 39 Shares to a third party before July 31, 2024, you may realize a capital gain or loss. Your proceeds of disposition will be the sale price of the shares and your capital gain or loss will be calculated as the difference between the proceeds, net of any reasonable disposition costs (e.g., brokerage commissions), and your cost (i.e., adjusted cost base) of the Series 39 Shares sold.