



**CANADIAN IMPERIAL BANK OF COMMERCE**  
(*a Canadian chartered bank*)

**US\$20,000,000,000**  
**Note Issuance Programme**

Under the Note Issuance Programme (the “**Programme**”) described in this prospectus (the “**Prospectus**”), Canadian Imperial Bank of Commerce (“**CIBC**” or the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Notes (the “**Notes**”). Any Notes issued under the Programme on or after the date of this Prospectus are issued subject to the provisions hereof. This does not affect any notes of CIBC issued prior to the date hereof. Notes to be issued under the Programme will be either unsubordinated Notes constituting deposit liabilities of CIBC (“**Deposit Notes**”) or subordinated Notes constituting subordinated indebtedness of CIBC as described herein (“**Subordinated Notes**”). The aggregate nominal amount of Notes outstanding under the Programme will not at any time exceed US\$20,000,000,000 (or the equivalent in other currencies). Notes may be offered directly to persons other than the Dealers specified herein.

This Prospectus supersedes and replaces the prospectus dated December 16, 2011 prepared in connection with the Programme.

Application has been made to the Financial Services Authority in its capacity as the competent authority (the “**UK Listing Authority**”) under the Financial Services and Markets Act 2000 (U.K.) (the “**FSMA**”) for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the official list of the UK Listing Authority (the “**Official List**”) and application has also been made to the London Stock Exchange plc (the “**London Stock Exchange**” or the “**Exchange**”) for such Notes to be admitted to trading on either the London Stock Exchange’s Regulated Market (the “**Regulated Market**”) or the Professional Securities Market (the “**PSM**”) of the London Stock Exchange. The Regulated Market is a regulated market for purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (“**MiFID**”). The PSM is not a regulated market for purposes of MiFID. References in this Prospectus to Notes being “**listed**” (and all related references) shall mean that such Notes have been (or will upon issue be) admitted to the Official List and to trading on either the Regulated Market or the PSM. Notes may also be listed or admitted to trading on such other or further stock exchange(s) or market(s) as may be agreed between the Issuer and the relevant Dealer(s) and specified in the applicable Final Terms in relation to such issue. The Issuer may also issue Notes that are not listed or admitted to trading on any market or stock exchange. Definitive N Registered Notes (as defined herein) will not be listed or admitted to trading on any market or stock exchange.

Any person (an “**Investor**”) intending to acquire or acquiring any securities from any person (an “**Offeror**”) should be aware that, in the context of an offer to the public as defined in section 102B of the FSMA, the Issuer may be responsible to the Investor for the Prospectus under section 90 of the FSMA, only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents it should take legal advice. This paragraph should be read in conjunction with the fourth paragraph on page 2 of this Prospectus. Information in relation to an offer to the public will be made available at the time such sub-offer is made, and such information will be also provided by the relevant Offeror.

**Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Notes. Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. Certain issues of Notes involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer or any Dealer in that regard.**

**ARRANGER**  
**CIBC**

**DEALERS**

**Barclays**  
**CIBC**  
**HSBC**  
**The Royal Bank of Scotland**

**BOFA Merrill Lynch**  
**Deutsche Bank**  
**J.P. Morgan**  
**UBS Investment Bank**

The date of this Prospectus is June 18, 2012

*continued from previous page*

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States and Notes issued in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)). The Notes may be offered and sold only (i) in registered form only within the United States to qualified institutional buyers (each, a “**QIB**”), as defined in Rule 144A under the Securities Act (“**Rule 144A**”), in reliance on the exemption from registration provided by Rule 144A (the “**Rule 144A Notes**”) and (ii) to non-U.S. persons in offshore transactions in reliance on Regulation S (the “**Regulation S Notes**”). Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain other restrictions, see “Subscription and Sale”.

**The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “SEC”), the securities commission of any State or other jurisdiction in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.**

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The previous paragraph should be read in conjunction with the fourth paragraph on the first page of this Prospectus. Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in the applicable Final Terms as the Financial Intermediaries, as the case may be.

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION AND AN INVESTOR MUST OBTAIN SUCH INFORMATION FROM THE OFFEROR.**

Tranches (as defined in “Summary”) of Notes may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”) will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation and such registration has not been withdrawn or refused. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such registration, endorsement action or certification, as the case may be, is not refused and has not been withdrawn or suspended). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Each of Moody’s Investors Service, Inc. (“**Moody’s**”), Standard & Poor’s Financial Services LLC (“**S&P**”), Fitch, Inc. (“**Fitch**”) and DBRS Limited (“**DBRS**”) has provided issuer ratings for CIBC. Except in the case of S&P, the ratings as specified on page 84 of the 2011 Annual Report (as defined in the section entitled “Documents Incorporated by Reference”) incorporated by reference in this Prospectus remain current as of the date hereof. On December 13, 2011, S&P affirmed CIBC’s ‘A+’ long-term senior debt and ‘A-1’ short-term debt ratings and lowered its ratings on CIBC’s non-deferrable subordinated debt to ‘A-’ from ‘A’ and preferred shares to ‘P-2(H)’ from ‘P-1(L)’. The ratings on CIBC’s Class A Preferred Shares Series 26 and 27 were also lowered to ‘P-2’ from ‘P-2(H)’.

None of S&P, Moody’s, Fitch or DBRS (the “**non-EU CRAs**”) is established in the European Union or has applied for registration under the CRA Regulation. However, Standard and Poor’s Credit Market Services Europe Ltd., Moody’s Investors Service Ltd., DBRS Ratings Limited and Fitch Ratings Limited, which are affiliates of S&P, Moody’s, Fitch and DBRS, respectively, are established in the European Union and registered under the CRA Regulation and each disclosed an intention to endorse credit ratings of their affiliated non-EU CRAs.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. Prospective investors are advised to exercise caution in relation to the offering of Notes. If prospective investors are in any doubt about any of the contents of this document, independent professional advice should be obtained.

In the case of Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (as defined below), the minimum Specified Denomination (as defined herein) shall not be less than €1,000 (or its equivalent in any other currency as at the date of issue of the Notes). In the case of Rule 144A Notes, the minimum denomination shall not be less than US\$200,000 (or its equivalent in any other currency at the date of issue of the Notes), and in the case of Definitive N Registered Notes, the minimum denomination shall not be less than €200,000 (or its equivalent in any other currency at the date of issue of the Notes).

Notes may be issued in bearer form or in registered form. Each Tranche of a Series of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**” and together with a temporary Global Note, collectively referred to as “**Global Notes**”). The temporary Global Note representing the interest in a Tranche of a Series of Notes will be exchangeable, in whole or in part, for a permanent Global Note, or if so indicated in the applicable Final Terms (as defined herein), definitive Notes, representing such interest on or after the day that is 40 days after the later of the commencement of the offering of the particular Tranche and the relevant issue date, upon certification as to non-U.S. beneficial ownership.

Global Notes which are stated in the applicable Final Terms to be issued in new global note (“NGN”) form will be delivered on or prior to the issue date of the relevant Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”). Global Notes which are stated in the applicable Final Terms not to be issued in NGN form may be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg or any other agreed clearing system.

Each Tranche of a Series of Notes in registered form (other than Definitive N Registered Notes, as defined herein) will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes, other than Definitive N Registered Notes, which are sold in an “offshore transaction” within the meaning of Regulation S under the Securities Act, will initially be represented by a permanent registered global certificate (each an “**Unrestricted Global Certificate**”). Global Certificates (as defined below) which are held in Euroclear and Clearstream, Luxembourg (or any other agreed clearing system) will be registered in the name of a nominee for Euroclear and Clearstream, Luxembourg (or any other agreed clearing system), or a common nominee for both, and the respective Global Certificate(s) will be delivered to the appropriate depositary or, as the case may be, a common depositary. Notes may also be issued in the form of Registered Notes in definitive form made out in the name of a specific creditor governed by German law (the “**Definitive N Registered Notes**”) (*Namensschuldverschreibungen*).

Rule 144A Notes will initially be represented by a permanent registered global certificate (each a “**Restricted Global Certificate**” and, together with the Unrestricted Global Certificate, the “**Global Certificates**”), which will be deposited on the issue date with a custodian for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company (“**DTC**”). Beneficial interests in a Restricted Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants, including Euroclear and Clearstream, Luxembourg.

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in “Summary of Provisions Relating to the Notes while in Global Form”.

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and listing particulars for the purposes of the Listing Rules of the UK Listing Authority.

Copies of Final Terms for Notes that are issued to the public in circumstances requiring publication of a prospectus under the Prospectus Directive or admitted to trading on the Regulated Market will be published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer and the headline “Publication of Prospectus”, and/or will be available without charge from the registered office of the Issuer and the specified office of each Paying Agent, as set out at the end of this Prospectus.

This Prospectus is to be read in conjunction with any supplementary prospectus (a “**Supplement**”) to this prospectus as approved by the UK Listing Authority from time to time and with all documents which are deemed to be incorporated herein or therein by reference (see “Documents Incorporated by Reference”) and, in relation to any Tranche or Series of Notes, should be read and construed together with the applicable Final Terms. Any reference herein to Prospectus means this document together with the documents incorporated by reference herein and any such approved Supplement and the documents incorporated by reference therein.

**The Issuer may issue Notes with principal, premium, interest or amounts deliverable determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other financial variables (each, a “Reference Item”). The applicable Final Terms will (if applicable) contain information relating to Reference Item(s) to which the relevant Notes relate and which is contained in such Final Terms. However, unless otherwise expressly stated in the applicable Final Terms, any information contained therein relating to Reference Item(s) will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item(s). The Issuer will, unless otherwise expressly stated in the applicable Final Terms, confirm that such extracts**

or summaries have been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Reference Item(s), no facts have been omitted that would render the reproduced information inaccurate or misleading.

**The Issuer may issue Notes that will carry significant risks not associated with conventional fixed rate or floating rate debt securities. These risks include the possibility that a holder of the Notes will receive little or no principal, interest or other return or may receive payments at different times than expected. An investment in Notes is not suitable for a purchaser who does not understand (either on its own or with the help of a financial adviser) the terms of the Notes or the risks associated with the Notes and with structured products, options or similar financial instruments generally. See “Risk Factors”.**

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in “Summary”). Neither the delivery of this Prospectus or any Final Terms nor any offering or sale made in connection herewith shall, under any circumstances, create any implication that there has been no adverse change in the affairs or financial condition of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented by a Supplement or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. In particular, no action has been taken by the Issuer or the Dealers which would permit a public offering of the Notes outside the United Kingdom (or such other countries in the European Economic Area as may be set out in the applicable Final Terms) or distribution of this Prospectus (or any part of it) in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus (or any part of it) or any Final Terms come are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction.

The Notes may not be offered, sold or delivered, directly or indirectly, in Canada or to or for the benefit of residents of Canada in contravention of the securities laws of Canada or any province or territory thereof. Neither this Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Notes in Canada, the United States, the European Economic Area (including the United Kingdom and Italy), Hong Kong, Singapore, Taiwan and Japan, see “Subscription and Sale”.

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. For the purpose of this paragraph, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

Notes (including Subordinated Notes) issued by the Issuer do not evidence or constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.

Neither this Prospectus nor any financial statements or other information supplied in relation to the Programme constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

None of the Dealers or the Arranger makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in or incorporated by reference in this Prospectus. Neither this Prospectus nor any Final Terms nor any financial statements or other information supplied in relation to the Programme are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Prospectus or of any Final Terms or of any such financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in or incorporated by reference in this Prospectus and the applicable Final Terms and its purchase of Notes should be based upon such investigation as it deems necessary. Any purchaser of the Notes is deemed by its purchase to acknowledge that it is relying solely on the information contained herein or incorporated by reference herein and on its own investigations in making its investment decision and is not relying on the Dealers or the Arranger in any manner whatsoever in relation to its investigation of the Issuer or in relation to such investment decision. None of the Dealers or the Arranger undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger. The Dealers and the Arranger accept no liability in relation to the information contained herein or incorporated by reference herein or any other information provided by the Issuer in connection with the Notes, except for any liability arising from or in respect of any applicable law or regulation.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved.

Certain of the Dealers and their affiliates have engaged and may in the future engage in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates.

None of the Dealers or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should satisfy itself that it is able to bear the economic risk of an investment in the Notes for an indefinite period of time.

All references in this Prospectus to the “**European Economic Area**” or “**EEA**” are to the Member States of the European Union together with Iceland, Norway and Liechtenstein.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “**U.S. dollars**”, and “**US\$**” are to United States dollars, references to “**C\$**” are to Canadian dollars, references to “**sterling**”, and “**£**” are to British pounds sterling, references to “**Yen**” are to Japanese yen and references to “**€**” and “**euro**” are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union as amended. In the documents incorporated by reference in this Prospectus, unless otherwise specified or the context otherwise requires, references to “**\$**” are to Canadian dollars.

In this Prospectus, references to a “**branch**” mean a branch of CIBC, unless the context otherwise requires. Notes issued by any branch are obligations of CIBC.

From November 1, 2011 the Issuer has maintained its financial books and records and prepared its consolidated financial statements in accordance with International Financial Reporting Standards (“**IFRS**”).

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as stabilising manager(s) in the applicable Final Terms (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the applicable terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

**CERTAIN ISSUES OF NOTES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.**

**PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH UNDER THE HEADING “RISK FACTORS” BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY, INCLUDING (WITHOUT LIMITATION) WITH THEIR OWN FINANCIAL, TAX AND LEGAL ADVISERS WITHOUT RELYING ON THE ISSUER OR ANY DEALER.**

**AN INVESTMENT IN NOTES LINKED TO ONE OR MORE REFERENCE ITEMS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT UNDER THE HEADING “RISK FACTORS” BELOW. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF THE NOTES MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. WHERE THE NOTES ARE REDEEMED BY THE ISSUER BY DELIVERY OF REFERENCE ITEM(S) THE VALUE OF THE REFERENCE ITEM(S) MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.**

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (ii) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (iii) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, an investment in Index Linked Notes, Equity Linked Notes, Commodity Linked Notes, Credit Linked Notes (each as defined below) or other Notes linked to one or more Reference Item(s) may entail significant risks not associated with investments in a conventional debt security, including but not limited to, the risks set out in “Risks related to the structure of a particular issue of Notes” set out below.

Some Notes are complex financial instruments that are generally not purchased as stand-alone investments. Such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to an overall portfolio. A potential investor should not invest in Notes which are complex financial instruments unless it can (either alone or with the help of a financial adviser) evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and bear the loss of all or a part of their investment.

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## SUMMARY OF THE PROGRAMME

**This summary must be read as an introduction to this Prospectus and any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including any documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Issuer in any such Member State solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.**

*Words and expressions defined in “Forms of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this summary.*

**Issuer**

Canadian Imperial Bank of Commerce (“CIBC” or the “Issuer”).

CIBC is a diversified financial institution governed by the *Bank Act* (Canada) (the “Bank Act”). CIBC was formed through the amalgamation of The Canadian Bank of Commerce and Imperial Bank of Canada in 1961. The Canadian Bank of Commerce was originally incorporated as Bank of Canada by special act of the legislature of the Province of Canada in 1858. Subsequently, the name was changed to The Canadian Bank of Commerce and it opened for business under that name in 1867. Imperial Bank of Canada was incorporated in 1875 by special act of the Parliament of Canada and commenced operations in that year.

As extracted from its latest unaudited consolidated financial statements, as at April 30, 2012 CIBC had total assets of C\$387.5 billion, total deposits of C\$244.2 billion and common shareholders’ equity of C\$14.3 billion.

CIBC is a leading Canadian-based global financial institution. Through its three major businesses - Retail and Business Banking, Wealth Management and Wholesale Banking - CIBC provides a full range of financial products and services to 11 million individual, small business, commercial, corporate and institutional clients in Canada and around the world.

To the extent known to CIBC, CIBC is not directly or indirectly owned or controlled by any person.

**Description:**

Euro Medium Term Note Programme (the “Programme”).

**Size**

Up to US\$20,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.

**Arranger**

CIBC World Markets plc

**Dealers**

CIBC World Markets Corp.  
CIBC World Markets plc  
Barclays Bank PLC  
Deutsche Bank AG, London Branch  
HSBC Bank plc  
J.P. Morgan Securities Ltd.  
Merrill Lynch International  
The Royal Bank of Scotland plc  
UBS Limited

<b>Fiscal Agent and Principal Paying Agent</b>	Deutsche Bank AG, London Branch.
<b>Fiscal Agent and Paying Agent</b>	Deutsche Bank AG, Hong Kong Branch.
<b>Registrar</b>	Deutsche Bank Trust Company Americas.
<b>Method of Issue</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ <b>Series</b> ”), and each Series (other than a Series of Definitive N Registered Notes) may be issued in one or more tranches (each a “ <b>Tranche</b> ”) on the same or different issue dates, on terms otherwise identical (or identical other than in respect of the issue date, the issue price, and the amount and/or date of the first payment(s) of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series.
<b>Issue Price</b>	Notes may be issued at par or at a discount to, or premium over par. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments. Subordinated Notes may not be issued on a partly paid basis.
<b>Form of Notes</b>	The Notes may be issued in bearer form only, in bearer form exchangeable for Notes in registered form or in registered form only.
<b>Clearing System</b>	Euroclear and/or Clearstream, Luxembourg (in relation to any Regulation S Notes) and DTC (in relation to any Rule 144A Notes) and/or, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).
<b>Specified Currencies</b>	As agreed by the Issuer and the relevant Dealers and indicated in the applicable Final Terms.
<b>Maturities</b>	Notes may be issued with any maturity between one month and 99 years. Unless otherwise permitted by then current laws, regulations and directives, Subordinated Notes will have a maturity of not less than five years.
<b>Specified Denomination</b>	As specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) and all relevant laws, regulations or directives applicable to the specified currency and (i) in the case of any Notes issued in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be €1,000 (or its equivalent in any other currency as at the date of issue of the Notes), (ii) unless permitted by then current laws, regulations and directives, Rule 144A Notes will have a minimum denomination of not less than US\$200,000 and (iii) Definitive N Registered Notes will have a minimum denomination of not less than €200,000 (or its equivalent in any other currency as at the date of issue of the Notes).
	Notes (including Notes denominated in sterling) which have a maturity of less than one year and whose issue otherwise constitutes a contravention of Section 19 of the FSMA will have a minimum denomination of not less than £100,000 (or its equivalent in other currencies).
<b>Redenomination</b>	The applicable Final Terms may provide that certain Notes may be redenominated into euro will set out in full the provisions applicable to any such redenomination.
<b>Risk Factors</b>	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. These are set out under “Risk Factors” below and include risks concerning general economic conditions in Canada and globally the Issuer’s creditworthiness, legislative and regulatory changes, market rates and price changes and counterparty risk

exposure.

In addition, there are certain factors set out under “Risk Factors” below which are material for the purpose of assessing the market risks associated with Notes issued under the Programme, including (i) there being no assurance that a trading market for the Notes will develop or be maintained, (ii) that the Notes may be redeemed prior to their maturity, (iii) the fact that the Notes are subject to certain transfer restrictions, (iv) that the Issuer may rely on paying agents and clearing systems, (v) that the Issuer’s obligations under the Subordinated Notes are subordinated and (vi) the loss of all or part of a Noteholder’s initial investment or anticipated return due, *inter alia*, to Notes bearing a fixed-to-floating (or floating-to-fixed) rate of interest, an inverse floating rate of interest, a capped or variable rate of interest or to payments of principal or interest on Notes being determined by reference to an index, formula, asset or other reference factor (each, a “Reference Item”), as specified in the applicable Final Terms.

Where the applicable Final Terms specify one or more Reference Item(s), the relevant Notes will represent an investment linked to the performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in the Notes will depend upon the performance of the relevant Reference Item(s). See “Risks related to the structure of a particular issue of Notes” in “Risk Factors”.

**IN THE CASE OF REFERENCE ITEM LINKED NOTES, PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH ANY CASH AMOUNTS OR ASSET AMOUNTS ARE PAYABLE OR DELIVERABLE AND HOW ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED NOTES.**

**Fixed Rate Notes**

Interest on Fixed Rate Notes will be payable in arrear on the date or dates in each year specified in the applicable Final Terms.

**Floating Rate Notes**

Floating Rate Notes will bear interest set separately for each Series by reference to the benchmark rate specified in the applicable Final Terms, as adjusted for any applicable margin. Interest periods will be specified in the applicable Final Terms.

**Change of Interest/Payment Basis**

Notes may be converted from one interest and/or payment basis to another.

**Index Linked Notes**

Payments of principal and/or interest in respect of Index Linked Notes will be calculated by reference to a single index or a basket of indices and/or such formula as set out in the applicable Final Terms.

If an Index Adjustment Event occurs, the Issuer may redeem the Notes as more fully set out in the Conditions.

**Equity Linked Notes**

Payments of principal and/or interest in respect of Equity Linked Notes will be calculated by reference to a single equity security or a basket of equity securities as set out in the applicable Final Terms.

Equity Linked Redemption Notes may also provide that redemption will be by physical delivery of a given number of Reference Item(s).

**Protection Amount**

Where a Protection Amount is specified as applicable in the applicable Final Terms, the Final Redemption Amount will in no circumstances be repayable at

the stated Maturity Date at less than the Protection Amount specified in the applicable Final Terms. The Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date or upon the occurrence of a redemption for taxation reasons, an Index Adjustment Event, a Potential Adjustment Event or an Event of Default.

**Additional Disruption Events (Index Linked Notes, Equity Linked Notes and Commodity Linked Notes only)**

If Additional Disruption Events are specified as applying in the applicable Final Terms, the Notes will be subject to adjustment or may be redeemed upon the occurrence of any of the Additional Disruption Events specified as applying in the applicable Final Terms.

**Disrupted Days**

Where the Notes are Index Linked Redemption Notes, Commodity Linked Notes or Equity Linked Redemption Notes, the Calculation Agent may determine that a Disrupted Day has occurred or exists at a relevant time. Any such determination may have an effect on the value of the Notes and/or may delay settlement in respect of the Notes.

**Commodity Linked Notes**

Payments of principal and/or interest in respect of Commodity Linked Notes will be calculated by reference to such commodity-related index and/or formula or to changes in the prices of commodities (which may include precious and base metals, oil, gas, electricity, power and agricultural commodities) and similar indexes or formulas (such as formulas used in weather derivatives) and such other factors as set out in the applicable Final Terms.

**Variable Coupon Amount Notes**

Payments of interest in respect of Variable Coupon Amount Notes will be calculated by reference to an index and/or formula or as set out in the applicable Final Terms.

**Variable Redemption Amount Notes**

Payments of principal (whether at maturity or otherwise) in respect of Variable Redemption Amount Notes will be calculated by reference to such index and/or formula as set out in the applicable Final Terms.

**Credit Linked Notes**

Payments of principal and/or interest in respect of Credit Linked Notes will depend upon the occurrence of a credit event on (a) Reference Item(s) as set out in the applicable Final Terms and/or any relevant Supplement or Drawdown Prospectus specific to a Tranche of a Series of Notes.

**Zero Coupon Notes**

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

**Dual Currency Notes**

Payments of principal and/or interest in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as set out in the applicable Final Terms.

**Definitive N Registered Notes  
(Namensschuldverschreibungen)**

Notes issued in the form of Registered Notes in definitive form made out in the name of a specific creditor governed by German law (“**Definitive N Registered Notes**”) (*Namensschuldverschreibungen*) may be issued. Where specified in the applicable Final Terms, the Issuer may waive any right to set-off in relation to the Definitive N Registered Notes.

**Other Notes**

Terms applicable to any other type of Notes will be set out in the applicable Final Terms and/or any relevant Supplement or Drawdown Prospectus specific to a Series.

**Illegality**

In the event that the Calculation Agent determines in good faith that the performance of the Issuer’s obligations under a Series or that any arrangements made to hedge the Issuer’s position under such Notes has or will become unlawful, illegal, or otherwise prohibited in whole or in part, the Issuer may, having given notice to Noteholders, redeem all, but not some only, of the Notes of such Series, each Note being redeemed at the Early Redemption Amount,

together, if appropriate, with accrued interest.

<b>Interest Periods and Rates of Interest</b>	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Final Terms.
<b>Redemption</b>	The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts or redeemable prior to such stated maturity at the option of the Issuer and/or the Noteholders upon giving notice at a price and on such dates as are indicated in the applicable Final Terms.  Subordinated Notes may not be redeemed prior to maturity at the option of Noteholders and may be redeemed by the Issuer prior to maturity only with the consent of the Superintendent of Financial Institutions (Canada).
<b>Branch of Account</b>	The Head Office of the Issuer in Toronto or such other branch as may be specified in the applicable Final Terms, which is the branch of account for purposes of the <i>Bank Act</i> (Canada).  Subject to meeting certain conditions described in Condition 10(d), the Issuer may change the Branch of Account for Deposit Notes.
<b>Substitution</b>	Subject to the Conditions, a subsidiary or affiliate of the Issuer may be substituted as the issuer in place of the Issuer or a previous substitute company.
<b>Negative Pledge</b>	None.
<b>Cross Default</b>	None.
<b>Withholding Tax</b>	All payments of principal and interest will be made without withholding for or on account of taxes imposed by Canada or such other country in which the Branch of Account is located unless any such withholding is required by law whereupon, subject to certain exceptions set out in Condition 11, the Issuer will pay additional amounts to cover the amounts deducted.
<b>Governing Law</b>	Notes are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein unless otherwise provided in the applicable Final Terms. Deposit Notes issued on a non-syndicated basis may be governed by the laws of England if so provided in the applicable Final Terms. Definitive N Registered Notes are governed by German Law.
<b>Listing</b>	Each Series may be listed on the Official List and admitted to trading on the Regulated Market or the PSM or as otherwise specified in the applicable Final Terms. A Series of Notes may be unlisted.  Definitive N Registered Notes will not be listed.
	In certain circumstances, the Issuer may terminate the listing of the Notes. The Issuer is not under any obligation to Noteholders to maintain any listing of the Notes. See “Risk Factors”.
<b>Ratings</b>	Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the applicable Final Terms.
<b>Selling Restrictions</b>	See “Subscription and Sale” and, in respect of any Tranche or Series, such additional selling restrictions as are set out in the applicable Final Terms.

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring or the likelihood or extent to which any such contingencies may affect the ability of the Issuer to pay interest, principal or other amounts in connection with the Notes.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and there may be other factors relevant to assessing the market risks associated with Notes issued under the Programme than those described below. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding or investing in any Notes are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties, including those not presently known to the Issuer or that it currently believes to be immaterial, could also have a material impact on the Issuer's business and could adversely affect the ability of the Issuer to pay interest, principal or other amounts in connection with the Notes. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any Supplement to this Prospectus and any documents deemed to be incorporated by reference herein or therein, including the description of additional risk factors contained in the Issuer's 2011 Annual Report on pages 63 to 87 and the Issuer's Second Quarter Report on pages 27 to 35) and any applicable Final Terms and reach their own views prior to making any investment decision.*

*References to "Conditions" means, in respect of the Notes of any Series, the terms and conditions applicable thereto which shall be substantially in the form set out under "Terms and Conditions of the Notes" as modified, with respect to any Notes represented by a Global Certificate or a Global Note, by the provisions of such Global Certificate or Global Note, and which shall incorporate any additional provisions forming part of such terms and conditions set out in the applicable Final Terms applicable to such Series (or, if Notes are issued in more than one Tranche, in the applicable Final Terms relating thereto).*

### **Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme**

*The value of the Notes will be affected by the general creditworthiness of the Issuer.*

Management's Discussion & Analysis for the year ended October 31, 2011 found at pages 26 to 108 of the Issuer's 2011 Annual Report and for the period ended April 30, 2012 found at pages 4 through 43 of the 2012 Second Quarter Report (defined herein), which are incorporated by reference in this Prospectus, provide an analysis of the Issuer's financial condition, results of operations and cash flows and discusses, among other things, known material trends, demands, commitments, events and risks or uncertainties that are reasonably likely to have a material effect on the Issuer's business. Prospective purchasers of Notes should consider the categories of risks identified and discussed related to CIBC and its business, and the steps taken to manage those risks in the section entitled "Management of Risk" on pages 63 to 87 of the 2011 Annual Report, as updated in the section entitled "Management of Risk" on pages 27 to 35 of the Q2 Report to Shareholders, including credit, market, liquidity, strategic, operational, reputation and legal, regulatory and environmental risk.

*Legislative and regulatory developments in the jurisdictions where the Issuer operates could affect the Issuer's results*

Changes to statutes, regulations or regulatory policies in the jurisdictions where the Issuer operates, including changes in their interpretation, implementation or enforcement, could adversely affect the Issuer in a number of ways including, but not limited to, increasing the ability of competitors to compete with the products and services the Issuer provides, limiting the products and services the Issuer can provide and increasing the Issuer's costs of compliance.

***Legal proceedings and judicial or regulatory decisions or judgments against the Issuer may adversely affect the Issuer's results***

From time to time the Issuer may be party to a number of legal proceedings arising in the ordinary course of its business, including the current proceeding commenced on behalf of Lehman Brothers Holdings, Inc. estate disclosed at page 73 of the Issuer's 2012 Second Quarter Report, incorporated herein by reference, under the heading "Contingent Liabilities". The adverse resolution of any such proceedings, individually or in the aggregate, could have a material adverse effect on the Issuer's results or could give rise to significant reputational damage, which could impact the Issuer's future business prospects. While the Issuer takes what it believes are reasonable measures designed to ensure compliance with governing statutes, laws, regulations and regulatory policies in the jurisdictions in which it conducts business, there can be no assurance that the Issuer will always be in compliance or deemed to be in compliance. It is possible that the Issuer could receive judicial or regulatory decisions or judgments that result in fines, criminal prosecution, damages and other costs that would damage its reputation and have a negative impact on the Issuer's results.

***The Issuer relies on third parties to provide certain components of its business infrastructure***

Third parties provide key components of the Issuer's business infrastructure such as Internet connections and network access. Given the high volume of transaction the Issuer processes on a daily basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. Disruptions in Internet, network access or other voice or data communication services provided by these third parties could adversely affect the Issuer's ability to deliver products and services to clients and otherwise conduct business.

***Counterparty risk exposure***

The ability of the Issuer to make payments under the Notes is subject to general credit risks, including credit risks of borrowers. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans granted, trading counterparties, counterparties under swaps and credit and other derivative contracts, agents and other financial intermediaries. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

***Changes in market rates and prices may adversely affect the value of financial products held by the Issuer***

The performance of financial markets may affect the value of financial products held by the Issuer. This market risk arises from positions in securities and derivatives held in the Issuer's trading portfolios, and from its retail banking business, investment portfolios and other non-trading activities. Market risk is the potential for financial loss from adverse changes in underlying market factors, including interest and foreign exchange rates, credit spreads, and equity and commodity prices. While the Issuer has implemented risk management methods to mitigate and control these and other market risks to which the Issuer is exposed, it is difficult to predict with accuracy changes in economic and market conditions and to anticipate the effects that such changes could have on the Issuer's financial performance.

***Failure to obtain accurate and complete information from or on behalf of the Issuer's clients and counterparties could adversely affect the Issuer's results***

The Issuer depends on the accuracy and completeness of information about clients and counterparties. When deciding to extend credit or enter into other transactions with clients and counterparties, the Issuer may rely on information provided to it by or on behalf of clients and counterparties, including audited financial statements and other financial information. The Issuer also may rely on representations of clients and counterparties as to the completeness and accuracy of that information. The Issuer's financial results could be adversely affected if the financial statements and other financial information relating to clients and counterparties on which it relies do not comply with generally accepted accounting principles, are materially misleading, or do not fairly present, in all material respects, the financial condition and results of operations of clients and counterparties.

***The Issuer faces intense competition in all aspects of its business from established competitors and new entrants in the financial services industry***

The competition for clients among financial services companies is intense. Client loyalty and retention can be influenced by a number of factors, including the prices and attributes of the Issuer's products or services, relative service levels, the Issuer's reputation and actions taken by the Issuer's competitors. Non-financial companies can provide consumers with the option to pay bills and transfer funds without involving banks.

Securities transactions can be conducted through the Internet and other alternative, non-trading systems. The Issuer expects these trends to continue. Such developments could reduce revenues and adversely affect the Issuer's earnings.

***The Issuer's revenues and earnings are substantially dependent on the economies of Canada, the United States and the Caribbean which can in turn be affected by general business and economic conditions worldwide***

The Issuer's revenues and earnings are dependent on the level of financial services its customers require. Levels of customer activity can be affected by factors such as interest rates, foreign exchange rates, consumer spending, business investment, government spending, the health of the capital markets, inflation and terrorism. The Issuer conducts most of its business in Canada, the United States and the Caribbean. Consequently, its performance is influenced by the level and cyclical nature of business and home lending activity in these countries, which is in turn affected by both domestic and international economic and political events, including the still unresolved European sovereign debt situation. There can be no assurance that a weakening in the Canadian, United States, Caribbean or European economies will not materially affect the Issuer's financial condition and results of operations. The economic conditions of other regions where the Issuer conducts operations can also affect its future performance.

***The Issuer's success in developing and introducing new products and services, expanding distribution channels, developing new distribution channels and realizing revenue from these channels could affect the Issuer's revenues and earnings***

The Issuer's ability to maintain or increase its market share depends, in part, on its ability to adapt products and services to evolving industry standards. There is increasing pressure on financial services companies to provide products and services at lower prices. This can reduce the Issuer's net interest income and revenues from fee-based products and services. In addition, the widespread adoption of new technologies, including Internet-based services, could require the Issuer to make substantial expenditures to modify or adapt existing products and services. The Issuer might not be successful in developing and introducing new products and services, achieving market acceptance of its products and services, developing and maintaining loyal clients, developing and expanding distribution channels and/or realizing revenue from these channels.

***Movements of the Canadian dollar relative to other currencies, in particular the U.S. dollar and the currencies of other jurisdictions in which the Issuer has operations, may affect the Issuer's revenues, expenses and earnings***

The Issuer's revenues, expenses and earnings denominated in currencies other than the Canadian dollar are subject to fluctuations in the movement of the Canadian dollar relative to such currencies. Such fluctuations may affect the Issuer's overall business and results.

***The Issuer's earnings are affected by the monetary policies of central banks and other financial market developments***

Changes in central banks' monetary policies and the general level of interest rates can impact the Issuer's profitability. A change in the level of interest rates can affect the interest spread between the Issuer's deposits and loans and as a result could impact the Issuer's net interest income. Changes in monetary policy and developments in the financial markets are beyond the Issuer's control and difficult to predict or anticipate.

***The accounting policies and methods the Issuer utilizes determine how it reports its financial condition and results of operations, and they may require management to make estimates or rely on assumptions about matters that are inherently uncertain. Such estimates and assumptions may require revision, and changes to them could have a material impact on the Issuer's financial results and financial condition***

The Issuer's financial condition and results of operations are reported using accounting policies and methods prescribed by IFRS. In certain cases, IFRS allows accounting policies and methods to be selected from two or more alternatives, any of which might be reasonable, yet could result in the reporting of materially different amounts. Additionally, the preparation of consolidated financial statements requires management to make assumptions and estimates within a reasonable range, which could also result in the reporting of materially different amounts.

Management exercises judgment in selecting and applying the Issuers' accounting policies and methods as well as making assumptions and estimates to ensure that, while IFRS compliant, they reflect the Issuers' best

judgment of the most appropriate manner in which to record and report the Issuers' financial condition and results of operations. Significant accounting policies applicable to the consolidated financial statements of the Issuer are described in Note 1 thereto on pages 50 to 61 of the 2012 Second Quarter Report, which pages are incorporated herein by reference.

#### ***The Issuer is exposed to operational and infrastructure risks***

The Issuer is exposed to many types of operational risk, including the risk of loss resulting from inadequate or failed internal processes and systems, from human error or external events and from fraud or unauthorized transactions by employees, clients and other third parties. Given the high volume of transactions the Issuer processes on a daily basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. Shortcomings or failures in the Issuer's internal processes, systems or people, including any of the Issuer's financial, accounting or other data processing systems, could lead to, among other consequences, financial loss and reputational damage. In addition, despite the contingency plans the Issuer has in place, the Issuer's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the Issuer's businesses and the communities in which they are located. This may include a disruption involving electrical, communications, transportation or other services used by the Issuer or by third parties with which the Issuer conducts business. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the Financial Services Authority.

#### ***Changes to the Issuer's credit ratings***

There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. In the event that a rating assigned to the Notes or the Issuer is subsequently suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes, the Issuer may be adversely affected, the market value of the Notes is likely to be adversely affected and the ability of the Issuer to make payments under the Notes may be adversely affected.

#### ***Other factors***

Other factors that may affect future results include amendments to, and interpretations of, risk-based capital guidelines and reporting instructions, the effect of changes to accounting standards, rules and interpretations, changes in the Issuer's estimates of reserves and allowances, changes in tax laws, political conditions and developments, the possible effect on the Issuer's business of international conflicts and the war on terror, natural disasters, public health emergencies, disruptions in public infrastructure and other catastrophic events, technological changes, the ability of the Issuer to attract and retain key employees and executives, changes in client spending habits, the failure of third parties to comply with their obligations to the Issuer and its affiliates, the Issuer's ability successfully to execute its strategies and complete and integrate acquisitions and joint ventures and the Issuer's ability to anticipate and manage the risks associated with all of the above factors.

### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

Each of the risks highlighted below could adversely affect the trading price of, or the ability to resell, any Notes or the rights of investors under any Notes and, as a result, investors could lose some or all of their investment. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay or deliver amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

#### ***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features.

#### ***Notes subject to optional redemption by the Issuer***

An optional redemption feature of Notes is likely to limit the market value and could reduce secondary market liquidity of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those

Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### ***Considerations relevant for Reference Item Linked Notes***

The Issuer may issue Index Linked Notes, Equity Linked Notes, Commodity Linked Notes, Credit Linked Notes (each as defined below) and other Notes (together, “**Reference Item Linked Notes**”) with principal, premium or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other financial variables (each, a “**Reference Item**”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. An investment in such Notes entails significant risks that are not associated with similar investments in a conventional fixed rate or floating rate debt security and in some circumstances the value of the Notes may be less than the principal amount of the Notes and may be zero in which case an investor may lose some or all of the amount it invested in the Notes. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) investors may receive no interest or they may receive interest at a rate that is less than that payable on a conventional fixed rate or floating rate debt security issued at the same time;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) if the principal of and/or premium on such a Note is so indexed, the amount of principal and/or premium payable in respect thereof may be less than the original purchase price of such Note and less than the nominal or face amount of such Note, and the amount of principal and/or premium payable may even be zero;
- (vi) investors should be willing to hold these Notes until the maturity date as the secondary market for such Notes may be limited or non-existent and if there is a limited secondary market then the lack of demand may reduce the market price at which Notes may be sold prior to maturity;
- (vii) the market price will be affected by a number of factors independent of the creditworthiness of the Issuer and will depend on the value of the applicable Reference Item(s) as well as the volatility of the applicable Reference Item(s), the time remaining to the maturity of such Notes, the amount outstanding of such Notes, market interest rates and the market for other types of related and unrelated financial instruments;
- (viii) a Reference Item may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and may depend on a number of interrelated factors over which the Issuer has no control, including economic, financial and political events. Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to such Notes contains a multiplier or leverage factor, the effect of any change in the Reference Item(s) will be increased (or decreased if the multiplier or relevant factor is less than one) and this increase (or decrease) may be significant; and
- (ix) the timing of changes in a Reference Item(s) may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Reference Item(s), the greater the effect on yield.

The historical experience of the relevant currencies, commodities, interest rates, equities, index or other financial variables should not be taken as an indication of future performance of such currencies, commodities,

interest rates, equities, index or other financial variables during the term of any Note. Prospective investors should consult their own financial and legal advisers as to the risks entailed by an investment in such Notes and the suitability of such Notes in light of their particular circumstances.

Prospective investors in Reference Item Linked Notes should understand the risks of transactions involving such Reference Item Linked Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of Reference Item Linked Notes in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Notes and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Notes may relate, as specified in the applicable Final Terms.

As the amount of interest payable periodically and/or principal payable at maturity may be linked to the performance of the Reference Item(s), an investor in such a Reference Item Linked Note must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Reference Item(s).

Where the applicable Final Terms specify one or more Reference Item(s), the relevant Reference Item Linked Notes will represent an investment linked to the economic performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in such Reference Item Linked Notes will depend upon the performance of such Reference Item(s). Potential investors should also note that while the market value of Reference Item Linked Notes is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant Reference Item(s) will vary over time. In contrast to a direct investment in the relevant Reference Item(s), Reference Item Linked Notes represent the right to receive payment or delivery, as the case may be, of the relevant cash amount and/or asset amount on the relevant Maturity Date as well as periodic payments of interest (if specified in the applicable Final Terms), all or some of which may be determined by reference to the performance of the relevant Reference Item(s). The applicable Final Terms will set out the provisions for the determination of any cash amount and/or asset amount and of any periodic interest payments.

**PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH ANY CASH AMOUNTS AND/OR ASSET AMOUNTS ARE PAYABLE OR DELIVERABLE AND HOW ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED NOTES.**

Fluctuations in the value and/or volatility of the relevant Reference Item(s) may affect the value of the relevant Reference Item Linked Notes. Investors in Reference Item Linked Notes may risk losing their entire investment if the value of the relevant Reference Item(s) does not move in the anticipated direction.

There is no return on Reference Item Linked Notes other than the potential payment or delivery, as the case may be, of the relevant cash amount and/or asset amount on the Maturity Date and payment of any periodic interest payments.

**The amount paid or the value of the specified assets delivered by the Issuer on redemption of such Notes may be less than the principal amount of the Notes, together with any accrued interest, and may in certain circumstances be zero.**

Other factors which may influence the market value of Reference Item Linked Notes include interest rates, potential dividend or interest payments (as applicable) in respect of the relevant Reference Item(s), changes in the method of calculating the level of the relevant Reference Item(s) from time to time and market expectations regarding the future performance of the relevant Reference Item(s), its composition and such Reference Item Linked Notes.

If any of the relevant Reference Item(s) is an index, the value of such Reference Item(s) on any day will reflect the value of its constituents on such day. Changes in the composition of such Reference Item(s) and factors (including those described above) which either affect or may affect the value of the constituents, will affect the value of such Reference Item(s) and therefore may affect the return on an investment in Reference Item Linked Notes.

The Issuer may issue several issues of Reference Item Linked Notes relating to particular Reference Item(s). However, no assurance can be given that the Issuer will issue any Reference Item Linked Notes other than the

Reference Item Linked Notes to which the applicable Final Terms relate. At any given time, the number of Reference Item Linked Notes outstanding may be substantial. Reference Item Linked Notes provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Reference Item(s) to which such Reference Item Linked Notes relate.

### ***Index Linked Notes***

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon the level, or changes in the level, of an index or a basket of indices (together, “**Index Linked Notes**”).

Potential investors in any such Notes should be aware that, depending on the terms of the Index Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their principal investment. In addition, movements in the level of the index or basket of indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices on principal and/or interest payable will be magnified.

If Disrupted Day is specified as applying in the applicable Final Terms, the Calculation Agent may determine that an event giving rise to a Disrupted Day (as defined in the Conditions) has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay (i) any applicable interest payments, in the case of Index Linked Interest Notes, or (ii) settlement, in the case of Index Linked Redemption Notes. Prospective purchasers should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

If an Index Adjustment Event occurs, prospective purchasers should note that the Issuer may redeem the Notes early at the Early Redemption Amount specified in the applicable Final Terms.

The market price of such Notes may be volatile and may be affected by the time remaining to the redemption date and the volatility of the level of the index or indices. The level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded.

### ***Equity Linked Notes***

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon the price of or changes in the price of an equity security or a basket of equity securities or where, depending on the price of or change in the price of an equity security or a basket of equity securities, on redemption the Issuer’s obligation is to deliver specified assets (together, “**Equity Linked Notes**”).

Potential investors in any such Notes should be aware that, depending on the terms of the Equity Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their investment. In addition, movements in the price of the equity security or basket of equity securities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the equity security or basket of equity securities may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the equity security or equity securities, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the equity security or equity securities on principal and/or interest payable will be magnified.

If Disrupted Day is specified as applying in the applicable Final Terms, the Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay (i) any applicable interest payments, in the case of Equity Linked Interest Notes, or (ii) settlement in the case of Equity

Linked Redemption Notes. Prospective purchasers should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

If De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer are specified as applying in the applicable Final Terms, prospective purchasers should note that the Notes may be subject to adjustment or the Issuer may redeem the Notes early at the Early Redemption Amount specified in the applicable Final Terms.

If Potential Adjustment Event is specified as applying in the applicable Final Terms, prospective purchasers should note that the Notes may be subject to adjustment.

In respect of Equity Linked Notes relating to an equity security or equity securities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the euro, if such equity security or equity securities is/are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant stock exchange or quotation system, prospective purchasers should note that the Calculation Agent will adjust any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of the Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. Prospective purchasers should also note that the Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the relevant Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the relevant Valuation Time.

The market price of such Notes may be volatile and may be affected by the time remaining to the redemption date, the volatility of the equity security or equity securities, the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant equity security or equity securities as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such securities may be traded.

#### ***Physical Delivery – Settlement Disruption Event***

Where the Notes provide for Physical Delivery, the Calculation Agent may determine that a Settlement Disruption Event is subsisting and/or where “Failure to Deliver due to Illiquidity” is specified as applying in the applicable Final Terms, that it is impossible or impracticable to deliver when due some or all of the assets due to be delivered due to illiquidity in the relevant market. A Settlement Disruption Event is an event beyond the control of the Issuer, as a result of which, in the opinion of the Calculation Agent, delivery of the specified assets to be delivered by or on behalf of the Issuer in accordance with the Conditions and/or the applicable Final Terms, is not practicable. Any such determination may affect the value of the Notes and/or may delay settlement in respect of the Notes.

#### ***Additional Disruption Events (Index Linked Notes, Equity Linked Notes and Commodity Linked Notes only)***

If Additional Disruption Events are specified as applying in the applicable Final Terms, the Notes will be subject to adjustment or may be redeemed upon the occurrence of any of the Additional Disruption Events specified as applying in the applicable Final Terms.

#### ***Commodity Linked Notes***

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the price or changes in the price of a commodity or basket of commodities or where, depending on the price or change in the price of the commodity or basket of commodities, on redemption the Issuer may be obliged to deliver specified assets (together, “**Commodity Linked Notes**”). Potential investors in any such Notes should be aware that depending on the terms of the Commodity Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of the commodity or commodities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the commodity or basket of commodities may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the commodities, the greater the effect on yield. If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the commodity or commodities on principal, interest payable or the amount of specified

assets deliverable will be magnified. The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the price of the commodities. The price of commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any such commodities may be traded.

#### ***Partly Paid Notes***

The Issuer may issue Notes where the issue price is payable in more than one instalment (provided however that the Issuer may not issue Partly Paid Subordinated Notes). Failure to pay any subsequent instalment could result in an investor losing all of its investment.

#### ***Variable Coupon Amount Notes with a multiplier or other leverage factor***

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

#### ***Inverse Floating Rate Notes***

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

#### ***Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

#### ***Principal at risk Notes - Reference Item Linked Notes may not be Principal Protected***

**THE ISSUER MAY ISSUE CERTAIN REFERENCE ITEM LINKED NOTES THAT DO NOT GUARANTEE ANY POSITIVE RETURN OR REPAYMENT OF ALL OF THE PRINCIPAL AMOUNT AT MATURITY. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF SUCH NOTES MAY BE LESS THAN THE PRINCIPAL AMOUNT OF THE NOTES OR THE INITIAL INVESTMENT AMOUNT AND MAY BE ZERO IN CERTAIN CIRCUMSTANCES. INVESTORS COULD LOSE ALL OR SUBSTANTIALLY ALL OF THEIR INVESTMENT IN THE NOTES AND THE REDEMPTION AMOUNT AT MATURITY MAY BE SUBJECT TO A MAXIMUM AMOUNT.**

**THERE CAN BE NO ASSURANCE THAT THE NOTES WILL PROVIDE ANY POSITIVE RETURN. THE VALUE OF THE NOTES WILL FLUCTUATE DURING THE TERM OF THE NOTES. FLUCTUATIONS IN THE VALUE OF ANY REFERENCE ITEM ARE UNPREDICTABLE AND WILL BE INFLUENCED BY FACTORS THAT ARE BEYOND THE CONTROL OF THE ISSUER. HISTORICAL VALUES OF ANY REFERENCE ITEM SHOULD NOT BE CONSIDERED AS ANY INDICATION OF THE FUTURE PERFORMANCE THEREOF.**

#### ***Reference Item Linked Notes may have principal protection only on the Maturity Date***

Prospective investors should note that Reference Item Linked Notes may have a minimum redemption amount at the Maturity Date equal to the Protection Amount. There can be no assurance that the Notes will be redeemed on the Maturity Date at an amount above the Protection Amount. The return on the Notes will depend on the performance of the Reference Item(s). If the value of Reference Item(s) does not increase over the term of the Notes, an investor in the Notes will not receive any return on its initial investment amount. Furthermore, such an investor will have lost the opportunity to earn the profit that it might have earned on a deposit or any

investment in fixed income securities of the same amount and the same duration. If the Notes are redeemed prior to their stated Maturity Date by the Issuer, investors in the Notes may not be repaid the amount originally invested by them in the Notes.

#### ***No Claim against any Reference Item(s)***

Owning Notes with principal, premium or interest and/or delivery of specified assets determined by reference to a Reference Item(s) is not the same as owning the Reference Item(s). A Note will not represent a claim against any Reference Item(s) and, in the event that the amount paid on redemption of the Notes is less than the nominal amount of the Notes, a Noteholder will not have recourse under a Note to any Reference Item(s). Accordingly, the market value of such Notes may not have a direct relationship with the market price of the Reference Item(s) and changes in the market price of the Reference Item(s) may not result in a comparable change in the market value of the Notes. For example, the market value of such Notes may not increase even if the price of the Reference Item(s) increases. It is also possible for the price of the Reference Item(s) to increase while the market price of such Notes declines.

#### ***Potential conflicts of interest in relation to hedging and trading***

The Issuer or one or more of its affiliates may hedge the obligations under Reference Item Linked Notes by purchasing or selling the Reference Item(s) or other derivative instruments with returns linked to or related to changes in the value of the Reference Item(s) and may also adjust these hedges by, among other things, purchasing or selling the Reference Item(s) or other derivative instruments at any time and from time to time. Any of these hedging activities may affect the price of the Reference Item(s) and, therefore, the value of associated Reference Item Linked Notes. It is possible that the Issuer or one or more of its affiliates could receive substantial returns from these hedging activities while the value of the Reference Item(s) may decline.

The Issuer or one or more of its affiliates may also engage in trading in the Reference Item(s) on a regular basis as part of general broker-dealer and other businesses of the Issuer or its affiliates, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including block transactions. Any of these activities could affect the price of the Reference Item(s) and, therefore, the value of the associated Reference Item Linked Notes. The Issuer or one or more of its affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the value of the Reference Item(s) and the availability of such competing products could adversely affect the value of the Reference Item Linked Notes.

#### ***No pledge or holding of Reference Item(s)***

Neither the Issuer nor any of its affiliates will pledge or otherwise hold the Reference Item(s) or other derivative instruments for the benefit of Noteholders in order to enable Noteholders to exchange Reference Item Linked Notes for the associated Reference Item(s) or other derivative commitments under any circumstances. Consequently, in the event of a bankruptcy, insolvency or liquidation of the Issuer, any of the Reference Item(s) or other derivative commitments owned by the Issuer or its affiliates will be subject to the claims of the Issuer's creditors generally and will not be available specifically for the benefit of Noteholders.

#### ***Tax treatment***

The tax treatment of any amount to be paid to a Noteholder in relation to the Notes may reduce such Noteholder's effective yield on such Notes.

Significant aspects of the tax treatment of Reference Item Linked Notes may be uncertain. In addition, tax treatment may change before the maturity or redemption of the Notes. Prospective investors should consult their tax advisers about their own tax situation. Additional aspects of the tax treatment of a specific series of Notes may be described in the applicable Final Terms.

#### ***U.S. FATCA reporting and withholding tax may apply to Notes after December 31, 2012***

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act ("FATCA") were enacted in March 2010 in an effort to assist the United States Internal Revenue Service ("IRS") in enforcing U.S. taxpayer compliance. FATCA imposes a 30% withholding tax on (i) U.S. source payments to and from certain non-U.S. financial institutions (such as the Issuer) that do not make and comply with an agreement to provide the IRS information about its accountholders and certain holders of its debt or

equity and (ii) foreign pass-thru payments to other non-U.S. entities that do not provide payors information about their substantial U.S. holders or establish that they have no substantial U.S. holders.

Under proposed U.S. Treasury regulations that have not yet been finalized, Notes issued prior to January 1, 2012 are generally exempt from FATCA withholding. As such, payments on Notes issued after December 31, 2012 (including interest, principal and redemption proceeds) could become subject to FATCA withholding tax if the Issuer or Guarantor becomes subject to a reporting agreement with the IRS and payments on the Notes are foreign pass-thru payments within the meaning of the FATCA rules. Currently proposed U.S. Treasury regulations would defer withholding on foreign pass-thru payments until January 1, 2017. Payments on Notes issued before December 31, 2012 also may become subject to FATCA withholding tax if the Notes are not characterized as debt for U.S. federal income tax purposes.

The FATCA rules have not yet been fully developed, so the future application of FATCA to the Issuer and the holders of Notes is uncertain. Holders may be required to provide certain information to the Issuer or other payors in order to avoid FATCA withholding from payments on the Notes.

No additional amounts will be paid by the Issuer to holders of the Notes in respect of any U.S. tax withheld under the FATCA rules from payments on the Notes. Potential investors should consult their tax advisers regarding the implications of the FATCA rules for their investment in Notes, including the implications resulting from the status under these rules of each financial intermediary through which they hold Notes.

#### ***Europe***

The global financial system has suffered considerable turbulence and uncertainty in recent years and the outlook for the global economy over the near to medium term remains challenging. In Europe, the on-going economic deterioration of several countries, including Greece, Italy, the Republic of Ireland, Spain and Portugal, together with the risk of contagion to other more stable countries, has exacerbated further the global economic crisis. In particular, the risk of default on the sovereign debt of those countries and the effect this would have on the Euro-zone countries, including the potential that some countries could leave the Euro-zone (either voluntarily or involuntarily) has raised concerns about the ongoing viability of the euro currency and the European Monetary Union (the “**EMU**”). Despite the various rescue packages and other stabilising measures adopted throughout Europe to deal with the worsening Euro-zone sovereign debt crisis, global markets continue to record high levels of volatility and uncertainty.

The effects on the European and global economy of the potential dissolution of the EMU, exit of one or more European Union member states from the EMU and the redenomination of financial instruments from the euro to a different currency, are impossible to predict and protect against fully in view of (i) economic and financial instability in the Euro-zone, (ii) the severity of the recent global financial crisis, (iii) difficulties in predicting whether any recovery will be sustained and at what rate, and (iv) the fact that many of the risks related to the business are totally, or in part, outside the control of the Issuer. However, if any such events were to occur they would likely (a) result in significant market dislocation; (b) heighten counterparty risk; and (c) adversely affect the management of market risk and, in particular, asset and liability management due, in part, to redenomination of financial assets and liabilities, and could adversely affect the value of the Notes.

#### ***Additional considerations relevant for Index Linked Notes or Equity Linked Notes where an equity security, basket of equity securities or equity index is the Reference Item***

Noteholders will not have voting rights or rights to receive dividends or other distributions or any other rights that holders of the reference equity securities would have and Noteholders will not have any beneficial interest in or right to acquire the reference equity securities or any derivative instruments related thereto.

The Calculation Agent may not be required to make an adjustment for every event that can affect the reference index or equity securities. If an event occurs that does not require the Issuer to adjust the amount payable at maturity in respect of the reference equity security or reference index of equity securities, the market price of the associated Reference Item Linked Notes and the amount of interest or the principal amount payable at the maturity may be materially and adversely affected.

The Issuer or one or more of its affiliates may, at present or in the future, engage in business with an issuer of reference equity securities or its competitors, including making loans to or equity investments in an issuer of reference equity securities or its competitors or providing either with investment banking, asset management or other advisory services, including merger and acquisition advisory services. These activities may present a conflict between the Issuer’s or its affiliates’ obligations and the interests of Noteholders. Moreover, the Issuer or one or more of its affiliates may have published and may in the future publish research reports on an issuer of reference equity securities or upon any reference index which may be modified from time to time without notice

and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Reference Item Linked Notes. Any of these activities could affect the price of the reference equity securities or index and, therefore, the value of the associated Reference Item Linked Notes.

If the Issuer and its affiliates are not affiliated with the issuers of the reference equity securities, the Issuer will have no ability to control or predict the actions of these issuers, including any corporate actions of the type that would require the Issuer to adjust the amount payable on the Reference Item Linked Notes, and will have no ability to control the public disclosure of these corporate actions or any other events or circumstances affecting the issuers of reference equity securities. The issuers of the reference equity securities will have no obligation to consider the interests of Noteholders in taking any corporate actions that might affect the value of the associated Reference Item Linked Notes. The issuers of the reference equity securities may take actions that will adversely affect the value of the associated Reference Item Linked Notes. None of the money paid for the Reference Item Linked Notes will go to the issuers of the reference equity securities.

Neither the Issuer nor any of its affiliates assumes any responsibility for the adequacy or accuracy of the information about the issuers of the reference equity securities contained in any terms supplement or in any publicly available filings made by the issuers of the reference equity securities. Prospective investors should make their own investigation into the relevant issuers of the reference equity securities.

#### ***Notes issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### ***Definitive N Registered Notes***

Definitive N Registered Notes will not be listed, which may have a material effect on the ability of investors to resell the Definitive N Registered Notes in the secondary market.

#### ***Canadian Usury Laws***

The *Criminal Code* (Canada) prohibits the receipt of “interest” at a “criminal rate” (namely, an effective annual rate of interest of 60%). Accordingly, provisions for the payment of interest or for the payment of a redemption amount in excess of the aggregate principal amount of Notes may not be enforceable if such provisions provide for the payment of “interest” (as calculated for the purposes of such statute) which is in excess of an effective annual rate of interest of 60%.

#### ***The Issuer’s obligations under Subordinated Notes are subordinated***

The Issuer’s obligations under Subordinated Notes will be unsecured and subordinated in right of payment to the prior payment in full of the deposit liabilities of the Issuer and all other liabilities of the Issuer except those liabilities which by their terms rank in right of payment equally with or are subordinate to indebtedness evidenced by such subordinated indebtedness. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that investors in Subordinated Notes will lose some or all of their investment should the Issuer become insolvent. Holders of Subordinated Notes have only a limited right to accelerate payment of principal on default and a default may be declared and the obligation to repay principal accelerated only in prescribed circumstances summarized under “Events of Default” in the Conditions. Except to the extent regulatory capital requirements affect the Issuer’s decisions to issue subordinated debt or more senior debt, there is no limit on the Issuer’s ability to incur subordinated debt or more senior debt.

#### ***Insolvency procedures***

In the event that the Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of Canada. The insolvency laws of Canada may be different from the insolvency laws of an investor’s home jurisdiction and the treatment and ranking of holders of Notes issued by the Issuer and the Issuer’s other creditors and shareholders under the insolvency laws of Canada may be different from the treatment and ranking of holders of those Notes and the Issuer’s other creditors and shareholders if the Issuer was subject to the insolvency laws of the investor’s home jurisdiction.

## **Risks related to Notes generally**

Set out below is a brief description of material risks relating to the Notes generally:

### ***Modification, waivers and substitution***

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders (and to modify or waive certain terms and conditions of the Notes or covenants and agreements made by the Issuer) including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Conditions permit the substitution of any company that is a Subsidiary of the Issuer for the Issuer as principal debtor under the Notes, without the consent of the Noteholders or the Couponholders, in certain circumstances.

The Conditions also provide that the Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes may be amended by the Issuer and the Agent without the consent of the holder of any Note, Receipt or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein or to provide for substitution of the Issuer, (ii) to make any further modifications of the terms of the Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes) or (iii) in any manner which the Issuer and the Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons. The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

In relation to Definitive N Registered Notes the Issuer may, without the consent of any holder, correct any manifest, clerical or calculation errors or similar manifest incorrectness in the Conditions and, provided the amendment or supplement is reasonably acceptable to a holder having regard to their interests, may amend or supplement at its reasonable discretion any contradictory or incomplete provisions of the Conditions. The Issuer may also call the Definitive N Registered Notes for redemption in whole, but not in part, if the conditions for avoidance (*Anfechtung*) pursuant to §119 *et seq.* of the German Civil Code (broadly, mistake as to essential characteristics) are fulfilled.

### ***No obligation to maintain listing***

Not all Notes will be listed on the Regulated Market and the Issuer may, in certain circumstances, seek to delist Notes which are listed on the Regulated Market or another securities exchange or market provided that in such cases the Issuer will be required to use its reasonable endeavours to obtain and maintain a listing of such Notes on an alternative stock exchange or exchanges (which may be outside the European Union) as agreed between the Issuer and the Dealers. These circumstances include any future law, rule of the Exchange or any other securities exchange or any EU Directive imposing other requirements (including new corporate governance requirements) on the Issuer or any of its affiliates that the Issuer in good faith determines are impractical or unduly burdensome in order to maintain the continued listing of any Notes issued under the Programme on the Exchange or the relevant exchange.

In these circumstances, the Issuer may, in its sole discretion, determine that it is impractical or unduly burdensome to maintain such listing and seek to terminate the listing of such Notes provided it uses all reasonable endeavours to seek an alternative admission to listing, trading and/or quotation of such Notes by another listing authority, securities exchange and/or quotation system that it deems appropriate. However, if such alternative listing is not available or, in the opinion of the Issuer is impractical or unduly burdensome, an alternative listing may not be obtained.

Although there is no assurance as to the liquidity of any Notes as a result of the listing on a regulated market in the European Union, delisting such Notes may have a material effect on the ability of investors to (a) continue to hold such Notes or (b) resell the Notes in the secondary market.

### ***EU Savings Tax Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), each Member State is required to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person within its jurisdiction to an individual resident in or to certain

other persons established in that other Member State. However, during the current transitional period Luxembourg and Austria are instead required (unless during such period they elect otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The transitional period is to terminate at the end of the first full fiscal year after agreement on exchange of information is reached between the European Union and certain non-EU countries. A number of non-EU countries (including Switzerland) and certain dependent or associated territories of certain Member States have adopted similar measures (in the case of Switzerland, a withholding system has been adopted).

If a payment were to be made or collected through a Member State (or through any non-EU country or certain dependent or associated territories of certain Member States which have adopted similar measures) which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer, nor any Paying Agent, nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to any law implementing the Savings Directive or any other directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

#### ***Integral multiples and Definitive Notes***

If so specified in the applicable Final Terms, Notes may be issued that may be traded in a minimum Specified Denomination and one or more integral multiples of another smaller amount in excess thereof. In such a case, a holder who, as a result of trading such amounts, is left with an amount that is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be provided) and may need to purchase or sell a principal amount of Notes such that its holding amounts to at least the minimum Specified Denomination (or an integral multiple thereof) on or before the relevant date on which definitive Notes are to be issued.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

#### ***The return on an investment in Notes will be affected by charges incurred by investors***

An investor's total return on an investment in Notes will be affected by the level of fees charged to the investor, including fees charged to the investor as a result of the Notes being held in a clearing system. Such fees may include charges for opening accounts, transfers of securities, custody services and fees for payment of principal, interest or other sums due under the terms of the Notes. Investors should carefully investigate these fees before making their investment decision.

#### ***Notes in New Global Note form***

The New Global Note form has been introduced to allow for the possibility of notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the “**Eurosystem**”) and intra-day credit operations by the Eurosystem either upon issue or at any or all items during their life. However, in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

The Issuer may issue additional Notes with terms identical to those of a series of previously outstanding notes. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. If the additional Notes are issued with original issue discount where the original Note had no original issue discount, or the additional Notes have a greater amount of original issue discount than the original Notes, these differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

## **Risks related to the market generally**

Set out below is a brief description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

### ***Risks relating to the secondary market generally; current lack of liquidity***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors or are not admitted to trading on the Regulated Market or another established securities exchange. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes and investors may suffer losses on the Notes in secondary market transactions even if there is no decline in the performance of the Issuer.

### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Specified Currency or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls or monetary policies that could adversely affect an applicable currency exchange rate or interest rate. As a result, investors may receive less interest or principal than expected, or no interest or principal or receive payments in a significantly devalued Specified Currency.

### ***Interest rate risks***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

### ***Market value of Notes***

The market value of an issue of Notes will be affected by a number of factors independent of the creditworthiness of the Issuer, including, but not limited to:

- (i) the value and volatility of the Reference Item(s);
- (ii) where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (iii) market interest and yield rates;
- (iv) fluctuations in exchange rates;
- (v) liquidity of the Notes or any Reference Item(s) in the secondary market;
- (vi) the time remaining to any redemption date or the maturity date; and
- (vii) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item(s) may be traded.

The price at which a Noteholder will be able to sell any Notes prior to maturity may be at a discount, which could be substantial, to the market value of such Notes on the issue date, if, at such time, the market price of the Reference Item(s) is below, equal to or not sufficiently above the market price of the Reference Item(s) on the issue date. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of any Note.

***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to the Issuer or to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

***Interests of Dealers***

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates may have a lending relationship with the Issuer and, if so, may hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, Dealers and their affiliates that hedge their exposure would do so by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been previously published or are published simultaneously with this Prospectus and which have been filed with Morningstar plc (appointed by the United Kingdom Financial Services Authority to act as the National Storage Mechanism), and are available for viewing at <http://www.hemscott.com/nsm.do> shall be incorporated in, and form part of this Prospectus.

- (a) CIBC's Annual Information Form dated November 30, 2011 (the "**2011 Annual Information Form**");
- (b) pages 6 to 7 and 26 to 224 of CIBC's Annual Report for the year ended October 31, 2011 (the "**2011 Annual Report**"), which includes:
  - (i) information concerning the directors and board committees of CIBC on pages 6 to 7;
  - (ii) Management's Discussion and Analysis of CIBC for the fiscal year ended October 31, 2011 on pages 26 to 108, including:
    - 1. information about CIBC's business lines and functional groups on pages 26 to 100;
    - 2. a description of services provided by Retail and Business Banking, Wealth Management and Wholesale Banking on pages 41 to 47;
    - 3. a discussion of risk factors related to CIBC and its business, and the steps taken to manage those risks on pages 63 to 87; and
    - 4. information on the professional service fees for services provided by CIBC's external auditor on page 108; and
  - (iii) Pages 109 to 224 of CIBC's 2011 Annual Report, comprising CIBC's audited consolidated financial statements for the years ended October 31, 2011 and 2010, together with the notes thereto and the auditors' report thereon dated November 30, 2011 included therein including:
    - 1. a description of CIBC's capital structure on pages 162 to 167 including information concerning the cash dividends declared and paid per share for each class of CIBC shares and the terms of those shares on 163 to 166;
    - 2. a description of legal proceedings to which CIBC which is a party under the heading "Contingent liabilities" on page 183; and
    - 3. information about the intercorporate relationships among CIBC and its principal subsidiaries on page 187;
- (c) the press release issued by CIBC dated January 27, 2012 announcing the release of CIBC's supplementary financial information containing CIBC's quarterly and annual consolidated financial results for the year ended October 31, 2011, prepared in accordance with IFRS, which are unaudited;
- (d) CIBC's comparative unaudited interim consolidated financial statements for the period ended April 30, 2012 prepared in accordance with IFRS together with management's discussion and analysis for the period ended April 30, 2012, set out on pages 4 through 120 of the CIBC Second Quarter 2012 Report to Shareholders (the "**2012 Second Quarter Report**"); and
- (e) the sections entitled "Terms and Conditions of the Notes" set out in the Issuer's base prospectuses dated December 16, 2011, December 17, 2010, December 17, 2009, December 17, 2008, December 20, 2007, January 30, 2007 and January 17, 2006; and for the avoidance of doubt, the applicable Final Terms for a Tranche of Notes will indicate the Terms and Conditions applicable to such Tranche of Notes and, unless otherwise indicated in the

applicable Final Terms, the Terms and Conditions of all Notes issued after the date hereof shall be those set out in this Prospectus;

save that any statement contained herein or in a document all or the relevant portion of which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a subsequent statement contained herein or in any Supplement hereto (including a statement deemed to be incorporated herein or in any such Supplement) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Information and/or documents incorporated by reference in any document incorporated by reference herein shall not form part of this Prospectus. No website shall be incorporated in and form part of this Prospectus.

Certain information contained in the documents listed above has not been incorporated by reference in this Prospectus. Such information is either (i) not considered by the Issuer to be relevant for prospective investors in the Notes to be issued under the Programme or (ii) is covered elsewhere in this Prospectus.

Copies of this Prospectus and documents incorporated by reference in this Prospectus (i) can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer and (ii) may be obtained from the head office of the Issuer and the specified office of each Paying Agent, as set out at the end of this Prospectus. In addition, CDS Inc., a subsidiary of The Canadian Depository for Securities Limited, maintains an Internet web site through which all of the documents incorporated herein by reference, or deemed incorporated herein, that CIBC files electronically can be retrieved. The address of the site is <http://www.sedar.com>.

The financial information incorporated by reference or otherwise included in this Prospectus for financial years prior to November 1, 2011 has been prepared in accordance with Canadian generally accepted accounting principles (“**Canadian GAAP**”). The financial information incorporated by reference or otherwise included in this Prospectus for financial years commencing November 1, 2011 has been prepared in accordance with IFRS. In both cases, such financial information is not comparable to the audited financial statements of companies using accounting principles generally accepted in the United States (“**US GAAP**”). A reconciliation of Canadian GAAP and US GAAP is contained in Note 31 to CIBC’s audited consolidated financial statements for the year ended October 31, 2011, which are incorporated by reference into this Prospectus.

Historical financial information prepared in accordance with Canadian GAAP is not comparable to financial information prepared in accordance with IFRS. CIBC issued a press release dated January 27, 2012 announcing the release of CIBC’s supplementary financial information containing CIBC’s quarterly and annual consolidated financial results for the year ended October 31, 2011, prepared in accordance with IFRS, which has been incorporated by reference herein.

## **CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This Prospectus and the documents incorporated herein by reference contain forward-looking statements. These statements include, but are not limited to, statements CIBC makes about its operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies and outlook for 2012 and subsequent periods. Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate" and other similar expressions or future or conditional verbs such as "will", "should", "would" and "could". By their nature, these statements require CIBC to make assumptions and are subject to inherent risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond CIBC's control, affect its operations, performance and results, and could cause actual results to differ materially from the expectations expressed in any of CIBC's forward-looking statements. These factors include credit, market, liquidity, strategic, operational, reputation and legal, regulatory and environmental risk; legislative or regulatory developments in the jurisdictions where CIBC operates; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions; the resolution of legal proceedings and related matters; the effect of changes to accounting standards, rules and interpretations; changes in CIBC's estimates of reserves and allowances; changes in tax laws; changes to CIBC's credit ratings; political conditions and developments; the possible effect on CIBC's business of international conflicts and the war on terror; natural disasters, public health emergencies, disruptions to public infrastructure and other catastrophic events; reliance on third parties to provide components of CIBC's business infrastructure; the accuracy and completeness of information provided to CIBC by clients and counterparties; the failure of third parties to comply with their obligations to CIBC and its affiliates; intensifying competition from established competitors and new entrants in the financial services industry; technological change; global capital market activity; changes in monetary and economic policy; currency value fluctuations; general business and economic conditions worldwide, as well as in Canada, the U.S. and other countries where CIBC has operations; changes in market rates and prices which may adversely affect the value of financial products; CIBC's success in developing and introducing new products and services, expanding existing distribution channels, developing new distribution channels and realizing increased revenue from these channels; changes in client spending and saving habits; CIBC's ability to attract and retain key employees and executives; our ability to successfully execute our strategies and complete and integrate acquisitions and joint ventures; and CIBC's ability to anticipate and manage the risks associated with these factors. This list is not exhaustive of the factors that may affect any of CIBC's forward-looking statements. Prospective purchasers of Notes should not place undue reliance on CIBC's forward-looking statements. Prospective purchasers of Notes should review carefully all information, including the information disclosed under "Risk Factors" in this Prospectus and in the documents incorporated herein by reference.

The forward-looking statements included in this Prospectus are made only as of the date of this Prospectus. Except as may be required by applicable law, stock exchange rules or regulations, CIBC expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in CIBC's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. New factors emerge from time to time, and it is not possible to predict which will arise. In addition, CIBC cannot assess the effect of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statement.

## SUPPLEMENTAL PROSPECTUSES

The Issuer has undertaken that if there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus (as amended and supplemented by any prior Supplements), the Issuer will prepare or procure the preparation of a Supplement which shall amend and/or supplement this Prospectus or publish a new Prospectus in compliance with Section 87G of the FSMA for use in connection with any subsequent offering by the Issuer of Notes.

If the Terms and Conditions of the Notes (as set out in this Prospectus, as amended and supplemented) are modified or amended in a manner which would make this Prospectus (as amended and supplemented) inaccurate or misleading, a further Prospectus (a “**Drawdown Prospectus**”) will be prepared to the extent required by law.

## FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression “necessary information” means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer has endeavoured to include in this Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Prospectus and which can only be determined at the time of an individual issue of a Tranche of a Series of Notes.

Any information relating to the Notes which is not included in this Prospectus and which is required in order to complete the necessary information in relation to a Tranche of a Series of Notes will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Prospectus in which case such information, together with all of the other necessary information in relation to the relevant Series of Notes, may be contained in either a Supplement (to be read together with the Prospectus and the applicable Final Terms) or in a Drawdown Prospectus, which may incorporate by reference various sections of this Prospectus, (or may be contained in any other document in a manner permitted under the Prospectus Directive).

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Prospectus and must be read in conjunction with this Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Terms and Conditions as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes, or (2) by a registration document (the “Registration Document”) containing the necessary information relating to the Issuer and a securities note (the “Securities Note”) containing the necessary information relating to the relevant Notes, in either case which may incorporate by reference various sections of this Prospectus. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or inaccuracy relating to the information included in the Registration Document which arises or is noted between the date of the Registration Document and the date of the Securities Note which is capable of affecting the assessment of the relevant Notes will be included in the Securities Note.

## U.S. INFORMATION

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is unlawful.

This Prospectus may be distributed on a confidential basis in the United States only to Qualified Institutional Buyers (“**QIBs**”) as defined in Rule 144A under the Securities Act (“**Rule 144A**”) solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from the registration requirements under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together “**Restricted Notes**”) will be deemed, by its acceptance or purchase of any such Restricted Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “Subscription and Sale and Transfer and Selling Restrictions”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “Form of the Notes”.

## AVAILABLE INFORMATION UNDER RULE 144A

For so long as any of the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is not subject to Section 13 or Section 15(d) under the U.S. Securities Exchange Act of 1934, as amended, (the “**Exchange Act**”), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

## NOTICE TO NEW HAMPSHIRE RESIDENTS

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“RSA”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

## TERMS AND CONDITIONS OF THE NOTES

*The following (except for the paragraphs in italics) is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the Global Note or Global Certificate, if applicable, and Part A of the applicable Final Terms, shall be applicable to each Tranche of Notes issued under the Programme and shall be incorporated by reference into each Global Note or Global Certificate. For Notes in definitive form (if any) issued in exchange for the Global Note(s) or Global Certificate(s) representing each Series, either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the applicable Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and in either case subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. In addition, the terms and conditions applicable to Global Notes or Global Certificates are modified or supplemented by additional provisions. See “Summary of provisions relating to the Notes while in Global Form” below.*

*All capitalised terms that are not defined in these terms and conditions will have the meanings given to them in Part A of the applicable Final Terms. Part A of the applicable Final Terms (or the relevant provisions thereof) will be endorsed on the Global or definitive Notes or Certificates, as the case may be. References in the terms and conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

*In construing the applicable Final Terms (including, but not, limited to, the application of any Business Day Conventions referred to therein) capitalised terms used in such Final Terms shall have the same meanings given to them in these terms and conditions.*

The Notes are issued pursuant to an amended and restated agency agreement dated June 18, 2012 (as amended or supplemented as at the date of issue of the Notes (the “Issue Date”), the “Agency Agreement”) among Canadian Imperial Bank of Commerce (“CIBC”), Deutsche Bank AG, London Branch and Deutsche Bank AG, Hong Kong Branch as fiscal agents and the other agents named therein and with the benefit of an amended and restated Deed of Covenant (the “Deed of Covenant”) dated December 17, 2009 executed by CIBC in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “Fiscal Agent”, the “Paying Agents” (which expression shall include the Fiscal Agent), the “Registrar”, the “Transfer Agents” and the “Calculation Agent(s)” and together, as the “Agents”. The Noteholders (as defined below), the holders of the interest coupons (the “Coupons”) appertaining to interest bearing Notes in bearer form (and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”)) (the “Couponholders”) and the holders of the receipts for the payment of instalments of principal (the “Receipts”) relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of and are bound by all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at CIBC’s registered head office at Commerce Court, 199 Bay St., Toronto, Canada M5L 1A2 and at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

The Notes are issued in series (each, a “Series”), and each Series may comprise one or more tranches (“Tranches” and each, a “Tranche”) of Notes. References in these terms and conditions (the “Conditions”), to a Tranche means Notes which are identical in all respects. References in these Conditions to Notes are to Notes of the relevant Series and any references to Coupons and Receipts are to Coupons and Receipts relating to Notes of the relevant Series.

This Note and other Notes issued in the same Tranche as this Note are subject to Part A of the applicable Final Terms for the Tranche (the “Final Terms”), a copy of which (or the relevant provisions thereof) is attached to or endorsed on the Note. The Final Terms supplement these Conditions and may specify other Conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the “applicable Final Terms” are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on the Note.

This Note is a Deposit Note or a Subordinated Note as indicated in the applicable Final Terms.

## 1. Form, Denomination and Title

The Notes are issued in bearer form (“Bearer Notes”, which expression includes Notes that are Exchangeable Bearer Notes), in registered form (“Registered Notes”) or in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”) in each case in the Specified Denomination(s) shown thereon, provided that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (Directive 2003/71/EC) the minimum Specified Denomination shall not be less than €1,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes), (ii) in the case of any Notes which are issued pursuant to Rule 144A (“Rule 144A Notes”) under the U.S. Securities Act of 1933, as amended (the “Securities Act”), the minimum Specified Denomination shall not be less than US\$200,000 and (iii) in the case of any Notes which are issued in the form of Registered Notes in definitive form made out in the name of a specific creditor governed by German law (the “Definitive N Registered Notes”) (*Namenssschuldverschreibungen*) the minimum denomination shall not be less than €200,000 (or its equivalent in any other currency at the date of issue of the Notes).

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes. Registered Notes will not be exchangeable for Bearer Notes.

*So long as the Bearer Notes are represented by a temporary Global Note or permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in the applicable Final Terms and (unless otherwise specified in the applicable Final Terms) higher integral multiples of at least 1,000 in the relevant currency as provided in the applicable Final Terms (the “Integral Amount”), notwithstanding that no definitive Notes will be issued with a denomination above the Definitive Amount in such currency. For purposes of these Conditions, the “Definitive Amount” shall be equal to two times the lowest Specified Denomination minus the Integral Amount.*

*Bearer Notes shall be issued in the new global note form if so specified in the applicable Final Terms.*

This Note may be a Note bearing interest on a fixed rate basis (“Fixed Rate Note”), a Note bearing interest on a floating rate basis (“Floating Rate Note”), a Note issued on a non-interest bearing basis (“Zero Coupon Note”), a Note with respect to which interest is calculated by reference to an index and/or a formula (“Index Linked Interest Note”), a Note with respect to which principal is calculated by reference to an index and/or a formula (“Index Linked Redemption Note”), a Note with respect to which interest is calculated by reference to the level of a commodity index or a basket of such indices, or the price of a single commodity (such as gold, oil, aluminum, copper, lead or wheat) (“Commodity Linked Interest Note”), a Note with respect to which principal is calculated by reference to the level of a commodity index or a basket of such indices, or the price of a single commodity (such as gold, oil, aluminum, copper, lead or wheat) (“Commodity Linked Redemption Note”), a Note with respect to which interest is calculated by reference to a single equity security or a basket of equity securities (an “Equity Linked Interest Note”), a Note with respect to which principal is calculated by reference to a single equity security or a basket of equity securities (an “Equity Linked Redemption Note”), a Note redeemable in instalments (“Instalment Note”), a Note to which principal is subject to the occurrence of a credit event on a specified reference entity(ies) and satisfaction of conditions to settlement is linked to the credit of a specified entity or entities (“Credit Linked Notes”), a Note with respect to which principal and/or interest is payable in one or more Specified Currencies other than the Specified Currency in which it is denominated (“Dual Currency Note”), a Note which is issued on a partly paid basis (“Partly Paid Note”), a variable rate Note whose coupon and value increases as a benchmark interest rate declines (“Inverse Floating Rate Note”), a Fixed/Floating Rate Note, or a combination of any of the foregoing or any other kind of Note, depending upon the Interest Basis and/or Redemption/Payment Basis specified in the applicable Final Terms.

The Notes are denominated in the currency specified in the applicable Final Terms.

### (a) **Bearer Notes**

Bearer Notes are serially numbered and, if so specified in the applicable Final Terms, have attached thereto at the time of their initial delivery Coupons, presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein, and, where so specified in the applicable Final Terms, shall also have attached thereto at the time of their initial delivery a talon for further coupons (a “Talon”) except that in the case of Zero Coupon Notes no Coupons or Talons shall

be attached thereto and references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. The expression “Coupons” shall, where the context so requires, include Talons.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery.

**(b) *Registered Notes***

Registered Notes are represented by registered certificates (“Certificates”) and, save as provided in Condition 2, each Certificate shall represent the entire holding of Registered Notes by the same holder. Rule 144A Notes will initially be represented by a permanent restricted global certificate (a “Restricted Global Certificate”). Registered Notes, if specified in the applicable Final Terms, will be issued in the form of one or more Restricted Global Certificates and may be registered in the name of, or in the name of a nominee for, DTC.

Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “Register”).

**(c) *Instalment Notes***

Notes, the principal amount of which is repayable by instalments (“Instalment Notes”) in such amounts as may be specified in, or determined in accordance with, the provisions of the applicable Final Terms (each an “Instalment Amount”), have endorsed thereon a grid for recording the repayment of Instalment Amounts or, if so specified in the applicable Final Terms, have attached thereto, at the time of their initial delivery, payment receipts (“Receipts”) in respect of the Instalment Amounts repaid.

**(d) *Holders***

Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the Holder.

In these Conditions, “Noteholder” or “Holder” means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them herein or in the applicable Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

For greater certainty, any Note or Certificate delivered or issued by the Issuer pursuant to Condition 2, any permanent Global Note delivered or issued upon an exchange of a temporary Global Note in accordance with the terms thereof and any direct rights arising under the Deed of Covenant shall not constitute new indebtedness but rather shall in each case evidence the same indebtedness of the Issuer evidenced by the prior existing Note or Certificate.

**2. Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes**

**(a) *Exchange of Exchangeable Bearer Notes***

Subject as provided in Condition 2(f), Notes which are designated in the applicable Final Terms to be Exchangeable Bearer Notes may be exchanged for the same Nominal Amount of Registered Notes at the request in writing of the relevant Noteholder who shall deliver an exchange notice in the form set out in Part B of Schedule 4 to the Agency Agreement to the specified office (which shall in no case be within the United States of America) of the Registrar or any Transfer Agent and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 10(b)) for any payment of interest and prior to the due date for such payment, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

**(b) Transfer of Registered Notes**

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or such other form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

Prior to the 40th day after the later of the commencement of the offering of the particular Tranche of Notes and the issue date (such period through and including the 40th day, the "Distribution Compliance Period"), transfers by an owner of a beneficial interest in a permanent registered global certificate (an "Unrestricted Global Certificate") to a transferee who takes delivery of such interest through a Restricted Global Certificate will be made only in accordance with the applicable procedures of The Depository Trust Company ("DTC") and upon receipt by the Registrar or any Transfer Agent of a written certification from Euroclear Bank S.A./N.V. ("Euroclear") or Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") as the case may be (based on a written certificate from the transferor of such interest) to the effect that such transfer is being made to a person who the transferor reasonably believes is a qualified institutional buyer ("QIB") within the meaning of Rule 144A under the Securities Act in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities law of any State of the United States or any other jurisdiction and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and/or DTC to be credited and debited, respectively, with an interest in the relevant Global Certificates. This certification will no longer be required after the expiration of the Distribution Compliance Period.

Transfers by an owner of a beneficial interest in a Restricted Global Certificate to a transferee who takes delivery of that interest through an Unrestricted Global Certificate, whether before or after the expiration of the Distribution Compliance Period, will be made only upon receipt by the Registrar or any Transfer Agent of a certification from the transferor to the effect that such transfer is being made in accordance with Regulation S or (if available) Rule 144A under the Securities Act and that, if such transfer is being made prior to the expiration of the Distribution Compliance Period, the interest transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and/or DTC to be credited and debited, respectively, with an interest in the relevant Global Certificates.

Exchanges of beneficial interests in a Global Certificate for interests in another Global Certificate will be subject to the applicable rules and procedures of DTC, Euroclear and/or Clearstream, Luxembourg and their direct and indirect participants. Any beneficial interest in one of the Global Certificates that is transferred to a person who takes delivery in the form of an interest in another Global Certificate will, upon transfer, cease to be an interest in that Global Certificate and become an interest in the Global Certificate to which the beneficial interest is transferred and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in the Global Certificate to which the beneficial interest is transferred for as long as it remains an interest in that Global Certificate.

**(c) Exercise of Options and Puts or Partial Redemption in Respect of Registered Notes**

In the case of a Call Option or a Put Option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the Holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of either a Call Option or a Put Option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a Holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

**(d) *Delivery of New Certificates***

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 5(e)) or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as such Holder may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

**(e) *Exchange Free of Charge***

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of either a Call Option or Put Option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

**(f) *Closed Periods***

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called by the Issuer for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 10(b)(ii)). An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

**3. *Status of Notes***

**(a) *Status of Deposit Notes***

This Condition 3(a) is applicable in relation to Notes specified in the applicable Final Terms as being Deposit Notes. Deposit Notes and the Receipts and Coupons relating to them will constitute deposit liabilities of CIBC for purposes of the *Bank Act* (Canada) and constitute legal, valid and binding unconditional and unsecured obligations of CIBC and will rank *pari passu* with all deposit liabilities of CIBC (except as otherwise prescribed by law) without any preference amongst themselves. Such Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act*. The deposits evidenced by Deposit Notes have been issued by the branch of CIBC specified as the Branch of Account in the applicable Final Terms (or, if no Branch of Account is specified, by the head office of CIBC in Toronto which shall be the Branch of Account), such branch being the branch of account for the purposes of the *Bank Act* (Canada).

**(b) *Status of Subordinated Notes***

Notes which are specified in the applicable Final Terms as being Subordinated Notes and the Receipts and Coupons relating to them will be direct unsecured obligations of CIBC constituting subordinated indebtedness for the purposes of the *Bank Act* (Canada) and ranking at least equally and rateably with all subordinated indebtedness of CIBC from time to time issued and outstanding. In the event of the insolvency or winding-up of CIBC, the indebtedness evidenced by subordinated indebtedness issued by CIBC, including Subordinated Notes and the Receipts and Coupons relating to them, will be subordinate in right of payment to the prior payment in full of the deposit liabilities of CIBC and all other liabilities of CIBC except liabilities which by their terms rank in right of payment equally with or are subordinate to indebtedness evidenced by such Subordinated Notes. Subordinated Notes do not

constitute deposits of CIBC and will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.

#### **4. Interest and Other Calculations**

If the Notes are specified in the applicable Final Terms as Index Linked Interest Notes, then the provisions of this Condition 4 are subject to Condition 7. If the Notes are specified in the applicable Final Terms as Equity Linked Interest Notes, then the provisions of this Condition 4 are subject to Condition 8.

##### **(a) *Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest on its outstanding Nominal Amount (or, if it is a Partly Paid Note, the amount paid up) from the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest, such interest being payable in arrear on each Interest Payment Date and on the Maturity Date. The amount of interest payable shall be calculated in accordance with Condition 4(i).

Unless otherwise specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on, but excluding such date will amount to the Fixed Coupon Amount. Payments of Interest on any Interest Payment Date will, if so specified in the applicable Final terms, amount to the Broken Amount so specified.

##### **(b) *Interest on Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Credit Linked Notes and Commodity Linked Interest Notes***

###### **(i) *Interest Payment Dates***

Each Floating Rate Note, Index Linked Interest Note, Equity Linked Interest Note, Credit Linked Notes and Commodity Linked Interest Note bears interest on its outstanding Nominal Amount (or, if it is a Partly Paid Note, the amount paid-up) from and including the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest determined in the manner specified herein, such interest being payable in arrear on each Interest Payment Date in each year. Such Interest Payment Date(s) is/are either specified in the applicable Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, "Interest Payment Date" shall mean each date which falls the number of months or other period specified in the applicable Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, subject in each case to adjustment in accordance with the applicable Business Day Convention. The amount of interest payable shall be determined in accordance with Condition 4(i).

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from and including an Interest Payment Date (or the Interest Commencement Date or, if no Interest Commencement Date is indicated in the applicable Final Terms, the Issue Date) to, but excluding, the next (or first) Interest Payment Date and on the Maturity Date).

###### **(ii) *Rate of Interest***

The Rate of Interest in respect of Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes and Commodity Linked Interest Notes shall be determined in the manner specified in the applicable Final Terms and, in the case of Floating Rate Notes, the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Final Terms.

###### **(A) ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate (adjusted as required by Condition 4(h)). For the purposes of this sub-paragraph (A), "ISDA

Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction governed by an agreement in the form of an ISDA Agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the applicable Final Terms;
- (y) the Designated Maturity is a period specified in the applicable Final Terms; and
- (z) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London Interbank Offer Rate (LIBOR) or the Euro-zone Interbank Offer Rate (EURIBOR) for a currency, the first day of that Interest Accrual Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

#### (B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined:

- (x) the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (as set forth in the applicable Final Terms) as at the Relevant Time (as set forth in the applicable Final Terms) on the Interest Determination Date (as defined below) in question as determined by the Calculation Agent (adjusted as required by Condition 4(h)). Unless otherwise specified in the applicable Final Terms if five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations;

- (y) if the Relevant Screen Page is not available or if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent (adjusted as required by Condition 4(h)); and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as

provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at the Relevant Time on the relevant Interest Determination Date, loans in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at the Relevant Time, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, (adjusted as required by Condition 4(h)) provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as specified in the applicable Final Terms.

**(c) *Interest on Zero Coupon Notes***

As from the Maturity Date, the Rate of Interest for any overdue principal of a Zero Coupon Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(b)(i)(B)).

**(d) *Interest on Dual Currency Notes***

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

**(e) *Interest on Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up Nominal Amount of such Notes and otherwise as specified in the applicable Final Terms.

**(f) *Other Notes***

The Rate(s) of Interest or amount of interest in respect of Notes with other customised interest rate provisions for each Interest Period or Interest Accrual Period shall be determined in the manner specified in the applicable Final Terms and interest will accrue by reference to a price, index, formula and/or set of definitions as specified in the applicable Final Terms. The applicable Final Terms shall specify the dates on which interest shall be payable on such Note and the basis for calculation of each amount of interest payable in respect of such Note on each such date and on any other date on which interest becomes payable in respect of such Note. Interest Amounts may be calculated by reference to such price, index, formula and/or set of definitions as the Issuer and the relevant Dealer(s) agree, such

price, index, formula and/or set of definitions to be specified, together with such other supplemental terms and conditions, in the applicable Final Terms.

Wherever Notes with customised provisions relating to payment of principal are issued to bear interest on a fixed or floating rate basis or on a non-interest bearing basis, the provisions in these Conditions relating to Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes, respectively, shall where the context so permits, apply to such other Notes.

**(g) *Accrual of Interest***

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest (if any) shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 11(b)).

**(h) *Margin, Maximum/Minimum Rates of Interest, Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts and Rounding***

- (i) If any Margin is specified in the applicable Final Terms (either (A) generally, or (B) in relation to one or more Interest Periods or Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods or Interest Accrual Periods, in the case of (B), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next two paragraphs.
- (ii) If any Maximum or Minimum Rate of Interest/Amount of Interest, Instalment Amount, Early Redemption Amount or Final Redemption Amount is specified in the applicable Final Terms, then any Rate of Interest, Amount of Interest, Instalment Amount, Early Redemption Amount or Final Redemption Amount shall be subject to such maximum or minimum, as the case may be, subject to the next paragraph. For greater certainty, "Rate of Interest" here means the rate of interest after adjustment for the applicable Margin.
- (iii) In the case of a Rate of Interest/Amount of Interest determined in accordance with Condition 4(b)(ii)(B)(z), where a different Margin or Maximum or Minimum Rate/Amount of Interest is to be applied to the next Interest Period from that which applied to the last preceding Interest Period, the relevant Margin or Maximum or Minimum Rate/Amount of Interest shall be that for the next Interest Period.

**(i) *Calculations***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Period or Interest Accrual Period shall be equal to the product of the Rate of Interest (adjusted as required by Condition 4(h)), the Calculation Amount specified in the applicable Final Terms and the Day Count Fraction for such Interest Period or Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, as specified in the applicable Final Terms, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of the relevant Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest sub-unit of the relevant Specified Currency (with halves being rounded up or otherwise in accordance with applicable market convention), save in the case of Japanese yen ("Yen"), which shall be rounded down to the nearest sub-unit.

For these purposes “sub-unit” means with respect to any currency other than the euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

**(j) *Business Day Conventions***

If any date referred to in these Conditions or in the applicable Final Terms that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

**(k) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts***

The Calculation Agent shall as soon as practicable on each Interest Determination Date, or such other time on each such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quote or make any determination or calculation, determine such rates and calculate the Interest Amounts for the relevant Interest Period or Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date is subject to adjustment pursuant to Condition 4(j), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

**(l) *Definitions***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre for such currency and each other place (if any) specified in the applicable Final Terms as a Business Centre; and/or
- (ii) in the case of euro, a TARGET Business Day and a day on which commercial banks are open for business in each place (if any) specified in the applicable Final Terms as a Business Centre.

“Calculation Agent” shall have the meaning specified in the applicable Final Terms.

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period or Interest Accrual Period, the “Calculation Period”):

- (i) if “Actual/Actual” or “Actual/Actual (ISDA)” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” or is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/Actual(ICMA)” is specified in the applicable Final Terms:
  - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or
  - (B) if the Calculation Period is longer than the Determination Period, the sum of:(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year where,
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (v) if “Actual/365 Sterling” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366
- (vi) “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“ $Y_1$ ” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“ $Y_2$ ” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ $M_1$ ” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“ $M_2$ ” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, and D1 is greater than 29, in which case D2 will be 30;

(vii) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(viii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D1 will be 30;

- (ix) if “30/360 (Fixed)” is specified in the applicable Final Terms, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of a year of 360 days consisting of twelve months of 30 days each) divided by 360; and
- (x) if “1/1” is specified in the applicable Final Terms, one.

**“Determination Date”** means such dates as specified in the applicable Final Terms.

**“Determination Period”** means the period from and including a Determination Date in any year to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

**“Euro-zone”** means the region comprised of member states of the European Union that participate in the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

**“Interest Accrual Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

**“Interest Amount”** means the amount of interest payable per Calculation Amount calculated in accordance with Condition 4(i) or as specified in the applicable Final Terms, and in the case of Fixed Rate Notes, if so specified in the applicable Final Terms, shall mean the Fixed Coupon Amount(s) or Broken Amount(s).

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified in the applicable Final Terms.

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Period or Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified, (i) the first day of such period if the Specified Currency is sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such period if the Specified Currency is neither sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such period if the Specified Currency is euro.

**“Interest Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified in the applicable Final Terms.

**“ISDA Definitions”** means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., as amended, supplemented and updated as at the Issue Date of the first Tranche of Notes, unless otherwise specified in the applicable Final Terms.

**“ISDA Agreement”** means the 2002 ISDA Master Agreement as published by the International Swaps and Derivatives Association, Inc., as amended, supplemented and updated as at the Issue Date of the first Tranche of Notes, unless otherwise specified in the applicable Final Terms.

**“Nominal Amount”** means the Nominal Amount specified in the applicable Final Terms.

**“Principal Protected”** means the Notes will be redeemed at the Maturity Date at a Final Redemption Amount equal to 100 per cent. of the Calculation Amount. For the avoidance of doubt, the protection of principal does not apply if the Notes are redeemed prior to the stated Maturity Date or sold by an investor prior to the stated Maturity Date.

**“Protection Amount”** means, in respect of a Series to which a Protection Amount is specified as applicable in the applicable Final Terms, that the Final Redemption Amount will, subject to the applicable Final Terms, in no circumstances be repayable at the stated Maturity Date, at less than the Protection Amount specified in the applicable Final Terms. For the avoidance of doubt, the Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date or upon the occurrence of an early redemption for taxation reasons, an Index Adjustment Event, a Potential Adjustment Event, or an Event of Default.

**“Rate of Interest”** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the Conditions.

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified in the applicable Final Terms.

**“Reference Rate”** means the rate specified as such in the applicable Final Terms.

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

**“Specified Currency”** means the currency specified as such in the applicable Final Terms or, if none is specified, the currency in which the Notes are denominated.

**“TARGET2”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**“TARGET Business Day”** means any day on which TARGET2 is open for the settlement of payments in euro.

**(m) *Calculation Agent***

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Final Terms and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount or the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount (as the case may be) or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap, over-the-counter index options, commodities or commodities-related market or exchange) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

The determination of each Rate of Interest, Interest Amount, Final Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

## 5. **Redemption, Purchase and Options**

### (a) ***Redemption by Instalments and Final Redemption***

- (i) Unless previously redeemed or purchased and cancelled as provided in this Condition 5, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the applicable Final Terms. The outstanding Nominal Amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the Nominal Amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed or purchased and cancelled as provided below, each Note (unless it is an Index Linked Redemption Note, Commodity Linked Redemption Note, Equity Linked Redemption Note or a Credit Linked Redemption Note or if otherwise specified in the applicable Final Terms) shall be finally redeemed on the Maturity Date specified in the applicable Final Terms at its Final Redemption Amount or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount. The applicable Final Terms may specify the basis for calculation of the amount payable upon redemption under this Condition 5(a), Condition 5(b) or Condition 5(c), or under Condition 6, Condition 7, Condition 8 or Condition 9 upon the Note becoming due and payable as provided in Condition 13 (such amount, the "Redemption Amount"), failing which the Final Redemption Amount of such Note shall be its Nominal Amount.
- (iii) In the case of Reference Item Linked Notes, if Protection Amount is specified as applicable in the applicable Final Terms, the Final Redemption Amount paid on the Maturity Date of such Note shall not be less than the Protection Amount.

### (b) ***Early Redemption***

#### (i) ***Zero Coupon Notes***

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 13 shall be the Amortised Face Amount (as defined below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be equal to the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as specified in the applicable Final Terms or if none is specified in the applicable Final Terms, the Amortisation Yield shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if the Final Redemption Amount were discounted back at such rate from the Maturity Date to the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 13 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date (as defined in Condition 11(b)). The calculation of the Amortised Face Amount in accordance with this subparagraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption

Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where any such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the applicable Final Terms.

(ii) *Reference Item Linked Notes*

In the case of an Index Linked Interest Note, an Index Linked Redemption Note, an Equity Linked Interest Note, an Equity Linked Redemption Note, a Commodity Linked Interest Note, a Commodity Linked Redemption Note, a Credit Linked Note or other Reference Item Linked Note, the Early Redemption Amount in respect of each nominal amount of such Notes equal to the Calculation Amount will be determined by reference to the provisions in the applicable Final Terms.

(iii) *Other Notes*

The Early Redemption Amount payable in respect of any Note (other than the Notes described in (i) and (ii) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 13 shall be the Final Redemption Amount unless otherwise specified in the applicable Final Terms.

(c) *Redemption for Taxation Reasons*

Except in the case of Subordinated Notes, which may only be redeemed prior to maturity with the prior consent of the Superintendent of Financial Institutions (Canada), the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note, Index Linked Note, Equity Linked Note, Commodity Linked Note or other Reference Item Linked Note) or at any time (if this Note is not a Floating Rate Note, Index Linked Note, Equity Linked Note, Commodity Linked Note or other Reference Item Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount as described in Condition 5(b) above (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 as a result of any change in, or amendment to, the laws or regulations of Canada or, in the case of Notes issued by CIBC acting through a Branch of Account outside Canada, of the country in which such Branch of Account is located, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors or senior officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or may become obliged to pay such additional amounts as a result of such change or amendment.

*Note: Prior to issuance of any Reference Item Linked Note the Issuer should obtain an opinion of counsel or otherwise obtain confirmation that the Issuer is not obliged to withhold or deduct amounts from payments of principal or interest on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Canada or, in addition, if CIBC's Branch of Account is located outside Canada, the country in which such Branch of Account is located or any political subdivision or authority therein or thereof having power to tax. Condition 5(c) should not apply if there is any withholding or deduction required under the laws in existence at the time of issuance of the relevant Tranche of the Notes but Condition 5(c) would apply if the Issuer is obliged to withhold or deduct such amounts as a result of a change of law or administrative policy made in Canada (or, if CIBC's Branch of Account is located outside Canada, the country in which such Branch of Account is located) after the date on which agreement is reached to issue the relevant Tranche of the Notes.*

**(d) *Redemption at the Option of the Issuer (“Call Option”)***

If a Call Option is specified as applying in the applicable Final Terms, the Issuer may on giving not less than 10 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the applicable Final Terms) in accordance with Condition 17 redeem all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount, as specified in the applicable Final Terms, together with interest accrued if any to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the Holder(s) of such Registered Notes, to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements. So long as the Notes are listed on the London Stock Exchange and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in London a notice specifying the aggregate Nominal Amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

Any such redemption must relate to Notes of a Nominal Amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable Final Terms.

**(e) *Redemption at the Option of Noteholders (other than holders of Subordinated Notes) (“Put Option”)***

If a Put Option is specified as applying in the applicable Final Terms, the Issuer shall, at the option of the Holder of any such Note, upon the Holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other Notice Period as may be specified in the applicable Final Terms) (the “Noteholders Option Period”) redeem such Note on the Option Redemption Date(s) at its Optional Redemption Amount, as specified in the applicable Final Terms, together with interest accrued to the date fixed for redemption.

To exercise such option the Holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (“Exercise Notice”) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Option Period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

**(f) *Partly Paid Notes***

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 5 and the provisions specified in the applicable Final Terms.

**(g) *Instalment Notes***

Any Instalment Note will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of definitive Bearer Notes, all instalments (other than the final instalment) will be paid against surrender of the relevant Receipt (which must be presented with the Note to which it appertains) and in the case of the final instalment against surrender of the relevant Note, all as more fully described in Condition 10.

**(h) *Purchases***

The Issuer and any of its Subsidiaries (with the consent of the Superintendent of Financial Institutions (Canada) in the case of Subordinated Notes) may at any time purchase Notes (provided that all

unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

**(i) Cancellation**

All Notes purchased by or on behalf of the Issuer and any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

For the purposes of these Conditions, “Subsidiary” has the meaning provided in the *Bank Act* (Canada).

**6. Commodity Linked Redemption Notes**

Provisions relating to the redemption of Commodity Linked Redemption Notes will be set out in the applicable Final Terms.

**7. Index Linked Notes**

If the Notes are specified as Index Linked Interest Notes and/or Index Linked Redemption Notes in the applicable Final Terms then the provisions of this Condition 7 apply, as applicable, as modified by the applicable Final Terms.

**(a) Redemption of Index Linked Redemption Notes**

Unless previously redeemed or purchased and cancelled, each nominal amount (the “Specified Amount”) of the Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer at its Redemption Amount (as defined below) on the Maturity Date.

**(b) Adjustments to an Index**

*(i) Successor Index Sponsor Calculates and Reports an Index*

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (a “Successor Index Sponsor”) acceptable to the Calculation Agent or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index (the “Successor Index”) will be deemed to be the Index.

*(ii) Modification and Cessation of Calculation of an Index*

If (x) on or prior to a Valuation Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an “Index Modification”) or permanently cancels the Index and no Successor Index exists (an “Index Cancellation”), or (y) on a Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an “Index Disruption” and, together with an Index Modification and an Index Cancellation, each an “Index Adjustment Event”), then the Issuer may take the action described in (A) or (B) below:

- (A) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the Reference Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in

effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or

(B) give notice to the Noteholders in accordance with Condition 17 and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

(iii) *Correction of an Index*

If Correction of Index Levels is specified as applying in the applicable Final Terms and the official closing level of an Index published on a Valuation Date is subsequently corrected and the correction (the “Corrected Index Level”) is published by the Index Sponsor or (if applicable) the Successor Index Sponsor prior to the Correction Cut-Off Date specified in the applicable Final Terms, then such Corrected Index Level shall be deemed to be the closing level for such Index for that Valuation Date and the Calculation Agent shall use such Corrected Index Level in determining the relevant Interest Amount and/or Redemption Amount.

(iv) *Notice*

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 17 giving details of the action proposed to be taken in relation thereto.

(c) *Definitions applicable to Index Linked Notes*

For the purposes of this Condition 7:

“**Disrupted Day**” means:

- (i) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or
- (ii) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred.

“**Exchange**” means:

- (i) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); or
- (ii) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, in relation to each component security of that Index (each a “Component Security”), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

**“Exchange Business Day”** means:

- (i) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or
- (ii) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) each Related Exchange is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

**“Indices”** and **“Index”** mean, subject to adjustment in accordance with Condition 7(b), the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly.

**“Index Sponsor”** means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

**“Market Disruption Event”** means:

- (i) in respect of an Index other than a Designated Multi-Exchange Index:
  - (A) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
    - (x) any suspension of or limitation imposed 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:
      - (1) on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index; or
      - (2) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
    - (y) any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions in, or obtain market values for, on any relevant Exchange(s) securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or (y) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

- (B) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be

entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or

(ii) in respect of a Designated Multi-Exchange Index either:

(A) the occurrence or existence, in respect of any Component Security, of:

(x) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security;

(y) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; or

(z) an Early Closure in respect of such Component Security, which the Calculation Agent determines is material; and

the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; or

(B) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange, (B) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange or (C) an Early Closure, in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

As used above:

**“Early Closure”** means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

**“Exchange Disruption”** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on any Related Exchange.

**“Trading Disruption”** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, 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 any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on any Related Exchange.

For the purposes of determining whether a Market Disruption Event in respect of an Index or a Component Security exists at any time, if a Market Disruption Event occurs in respect of a security/commodity included in the Index or such Component Security at that time, then the relevant percentage contribution of that security/commodity or Component Security, as the case may be, to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security/commodity or Component Security, as the case may be, and (ii) the overall level of the Index, in each case either (a) except where the Index is a Designated Multi-Exchange Index, immediately before the occurrence of such Market Disruption Event or (b) where the Index is a Designated Multi-Exchange Index, using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

**"Redemption Amount"** means, in relation to an Index Linked Redemption Note, the Redemption Amount specified in the applicable Final Terms or, if no such amount is specified in the applicable Final Terms, an amount equal to:

- (i) in the case of a Call Index Linked Redemption Note:
  - (A) if the Reference Price, in relation to the Valuation Date specified for such Index Linked Redemption Note in the applicable Final Terms, is greater than the Strike Price:  
$$\frac{\text{Reference Price} \times \text{Specified Amount}}{\text{Strike Price}}$$
  - (B) if the Reference Price, in relation to the Valuation Date specified for such Index Linked Redemption Note in the applicable Final Terms, is equal to or less than the Strike Price:  
$$100 \text{ per cent.} \times \text{Specified Amount}; \text{ or}$$
- (ii) in the case of a Put Index Linked Redemption Note:
  - (A) if the Reference Price, in relation to the Valuation Date specified for such Index Linked Redemption Note in the applicable Final Terms, is less than the Strike Price:  
$$100 \text{ per cent.} + \frac{\text{Strike Price} - \text{Reference Price}}{\text{Strike Price}} \times \text{Specified Amount}; \text{ or}$$
  - (B) if the Reference Price, in relation to the Valuation Date specified for such Index Linked Redemption Note in the applicable Final Terms, is equal to or greater than the Strike Price:  
$$100 \text{ per cent.} \times \text{Specified Amount},$$

provided always that the Redemption Amount shall in no event be less than zero. The Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Yen, half of one unit) being rounded upwards.

**"Reference Price"** means, in relation to a Valuation Date:

- (i) where the Notes are specified in the applicable Final Terms to relate to a single Index, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the official closing level of the Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent at such Valuation Time) on that Valuation Date (as defined below), without regard to any subsequently published correction; and
- (ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the official

closing level of each Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent at such Valuation Time) on that Valuation Date, without regard to any subsequently published correction, multiplied by the relevant Multiplier specified in the applicable Final Terms.

**“Related Exchange”** means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Final Terms, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

**“Scheduled Closing Time”** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**“Scheduled Trading Day”** means:

- (i) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions; or
- (ii) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, (i) any day on which the Index Sponsor is scheduled to publish the level of that Index and (ii) each Related Exchange is scheduled to be open for trading for its regular trading session.

**“Scheduled Valuation Date”** means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date.

**“Strike Price”** means the amount specified as such in the applicable Final Terms.

**“Valuation Date”** means the date or, in the case of Index Linked Interest Notes, each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

- (i) where the Notes are specified in the applicable Final Terms to relate to a single Index, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (i) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in the Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or

- (ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Indices, that Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an "Affected Index") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where applicable, determine the Reference Price using, in relation to the Affected Index, the level of that Index determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day).

**"Valuation Time"** means:

- (i) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (ii) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange and (B) in respect of any options contracts or futures contacts on the Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (i) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

## 8. Equity Linked Notes

If the Notes are specified as Equity Linked Interest Notes and/or Equity Linked Redemption Notes in the applicable Final Terms then the provisions of this Condition 8 apply, as applicable, as modified by the applicable Final Terms.

### (a) *Redemption of Equity Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled as specified below, each nominal amount (the "Specified Amount") of Equity Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer (A) if Cash Settlement is specified as applying in the applicable Final Terms, by payment of the Redemption Amount on the Maturity Date or (B) if Physical Delivery is specified as applying in the applicable Final Terms, by delivery of the Asset Amount on the Maturity Date or (C) if Cash Settlement and/or Physical Delivery is specified as applying in the applicable Final Terms, by payment of the Redemption Amount and/or by delivery of the Asset Amount on the terms set out in the applicable Final Terms, in each case on the Maturity Date, in each case subject as provided below.

(b) **Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Correction of Share Prices and Adjustments for Equity Linked Notes in respect of Underlying Equities quoted in European Currencies**

(i) If Potential Adjustment Events are specified as applying in the applicable Final Terms, then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Underlying Equities and, if so, will (a) make the corresponding adjustment, if any, to any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Underlying Equity) and (b) determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Equities traded on that options exchange.

Upon making any such adjustment, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 17, stating the adjustment to the relevant Interest Amount and/or Redemption Amount and/or the Asset Amount, the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

For the purposes of this Condition 8:

**“Potential Adjustment Event”** means any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Underlying Equities of (1) such Underlying Equities or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Underlying Equities or (3) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (C) an extraordinary dividend as determined by the Calculation Agent;
- (D) a call by an Equity Issuer in respect of relevant Underlying Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers

that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(G) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equities.

(ii) If (x) De-listing, Merger Event, Nationalisation and Insolvency is specified as applying in the applicable Final Terms and/or (y) if Tender Offer is specified as applying in the applicable Final Terms and (in the case of (x)), a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (y)) a Tender Offer occurs, in each case, in relation to an Underlying Equity, the Issuer in its sole and absolute discretion may:

(A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may in the case of adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Underlying Equities; or

(B) give notice to the Noteholders in accordance with Condition 17 and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

If the provisions of Condition 8(b)(ii)(A) apply the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, made by an options exchange to options on the Underlying Equities traded on that options exchange.

Upon the occurrence (if applicable) of a De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 17 stating the occurrence of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

For the purposes of these Terms and Conditions:

**“De-Listing”** means, in respect of any relevant Underlying Equities, the Exchange announces that pursuant to the rules of such Exchange, such Underlying Equities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union);

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (A) all the Underlying Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Underlying Equities of that Equity Issuer become legally prohibited from transferring them;

**“Merger Date”** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent;

**“Merger Event”** means, in respect of any relevant Underlying Equities, any (a) reclassification or change of such Underlying Equities that results in a transfer of, or an irrevocable commitment to transfer, all such Underlying Equities outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in any such reclassification or change of all such Underlying Equities outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such Underlying Equities owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Equities outstanding but results in the outstanding Underlying Equities (other than Underlying Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Equities immediately following such event, in each case if the Merger Date is on or before the relevant Valuation Date or, if the Notes are to be redeemed by delivery of Underlying Equities, the Maturity Date;

**“Nationalisation”** means that all the Underlying Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof; and

**“Tender Offer”** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self regulatory agencies or such other information as the Calculation Agent deems relevant.

- (iii) If Correction of Share Prices is specified as applying in the applicable Final Terms and the price of an Underlying Equity published on a Valuation Date is subsequently corrected and the correction (the “Corrected Share Price”) is published on the relevant Exchange prior to the Correction Cut-Off Date specified in the applicable Final Terms, then such Corrected Share Price shall be deemed to be the closing price for such Underlying Equity for that Valuation Date and the Calculation Agent shall use such Corrected Share Price in determining the relevant Interest Amount and/or Redemption Amount.
- (iv) In respect of Equity Linked Notes relating to Underlying Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty establishing the European Community, as amended, if such Underlying Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, then the Calculation Agent will adjust any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the

Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 8(b)(iv) will affect the currency denomination of any payments in respect of the Notes.

**(c) Physical Delivery**

If any Notes are to be redeemed by delivery of the Asset Amount, in order to obtain delivery of the Asset Amount(s) in respect of any Note:

- (i) if such Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice substantially in the form set out in the Agency Agreement (the "Asset Transfer Notice"); and
- (ii) if such Note is in definitive form, the relevant Noteholder must deliver to any Paying Agent, with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, which is expected to be by authenticated SWIFT message or tested telex or (ii) if such Note is in definitive form, in writing.

If this Note is in definitive form, this Note must be delivered together with the duly completed Asset Transfer Notice.

The delivery of the Asset Amount shall be made in the manner specified in the applicable Final Terms or in such other commercially reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such delivery and shall notify to the Noteholders in accordance with Condition 17.

All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties (together, "Delivery Expenses") arising from the delivery and/or transfer of any Asset Amount shall be for the account of the relevant Noteholder and no delivery and/or transfer of any Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

An Asset Transfer Notice must:

- (i) specify the name and address of the relevant Noteholder, any account details required for delivery as set out in the applicable Final Terms and the person from whom the Issuer may obtain details for the delivery of the Asset Amount if such delivery is to be made otherwise than in the manner specified in the applicable Final Terms;
- (ii) in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Noteholder's account with such Notes on or before the Maturity Date;
- (iii) include an undertaking to pay all Delivery Expenses and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Noteholder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Delivery Expenses;
- (iv) specify an account to which any dividends payable pursuant to this Condition 8(c) or any other cash amounts specified in the applicable Final Terms as being payable are to be paid; and

- (v) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear, Clearstream, Luxembourg, or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

In the case of Notes represented by a Global Note, upon receipt of such notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the Noteholder is the holder of the specified nominal amount of Notes according to its books.

Failure to complete properly and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Terms and Conditions shall be made, in the case of Notes represented by a Global Note, by Euroclear or Clearstream, Luxembourg, as the case may be, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder and, in the case of Notes in definitive form, by the relevant Paying Agent after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

Subject as provided in this Condition, in relation to each Note which is to be redeemed by delivery of the Asset Amount, the Asset Amount will be delivered at the risk of the relevant Noteholder, in the manner provided above on the Maturity Date (such date, subject to adjustment in accordance with this Condition, the "Delivery Date"), provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Issuer, as provided above, not later than the close of business in each place of receipt on the Cut- Off Date.

If an Asset Transfer Notice is delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Issuer, later than the close of business in each place of receipt on the Cut-Off Date, then the Asset Amount will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Noteholder in the manner provided above. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the originally designated Delivery Date and no liability in respect thereof shall attach to the Issuer.

If, prior to the delivery of the Asset Amount in accordance with this Condition, a Settlement Disruption Event is subsisting, then the Delivery Date in respect of such Note shall be postponed until the date on which no Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Noteholder, in accordance with Condition 17. Such Noteholder shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Asset Amount pursuant to this paragraph. Where delivery of the Asset Amount has been postponed as provided in this paragraph the Issuer shall not be in breach of these Conditions and no liability in respect thereof shall attach to the Issuer.

For so long as delivery of the Asset Amount in respect of any Note is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the "Election Notice") is given to the Noteholders in accordance with Condition 17. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 17.

For such period of time after the Maturity Date as any person other than the relevant Noteholder shall continue to be the legal owner of the securities comprising the Asset Amount (the "Intervening Period"), neither the Issuer nor any other such person shall (i) be under any obligation to deliver or procure delivery to the relevant Noteholder or any subsequent beneficial owner of such Note any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such Note, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such Note during the Intervening Period or (iii) be under any liability to the relevant Noteholder, or any subsequent beneficial owner of such Note in

respect of any loss or damage which the relevant Noteholder, or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such Notes during such Intervening Period.

Any interest, dividend or other distribution in respect of any Asset Amount will be payable to the party that would receive such interest, dividend or other distribution according to market practice in respect of a sale of the Underlying Equity executed on the Maturity Date and to be delivered in the same manner as the Asset Amount. Any such interest dividend or other distribution to be paid to a Noteholder shall be paid to the account specified in the relevant Asset Transfer Notice.

Where the Asset Amount is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Noteholders will receive an Asset Amount comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Noteholder's entire holding may be aggregated at the Issuer's sole and absolute discretion for the purpose of delivering the Asset Amounts), and an amount in the Specified Currency which shall be the value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole and absolute discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 17.

For the purposes of this Condition 8(c):

**“Disruption Cash Settlement Price”** means an amount equal to the fair market value of the relevant Note (but not taking into account any interest accrued on such Note as such interest shall be paid pursuant to Conditions 4 and 10) on such day as shall be selected by the Issuer in its sole and absolute discretion provided that such day is not more than 15 days before the date that the Election Notice is given as provided above adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any Affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any Relevant Asset or other instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion; and

**“Settlement Disruption Event”** means an event beyond the control of the Issuer, as a result of which, in the opinion of the Calculation Agent, delivery of the Asset Amount by or on behalf of the Issuer in accordance with these Conditions and/or the applicable Final Terms is not practicable.

**(d) *Failure to Deliver due to Illiquidity***

If Failure to Deliver due to Illiquidity is specified as applying in the applicable Final Terms and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets comprising the Asset Amount (the “Affected Relevant Assets”), where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a “Failure to Deliver”), then:

- (i) subject as provided elsewhere in these Conditions and/or the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Delivery Date in accordance with Condition 8(c); and
- (ii) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the relevant Noteholder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date the Failure to Deliver Notice (as defined below) is given to the Noteholders in accordance with Condition 17. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 17. The Issuer shall give notice (such notice a “Failure to Deliver Notice”) as soon as reasonably practicable to the Noteholders in accordance with Condition 17 that the provisions of this Condition 8(d) apply.

In these Conditions:

**“Affiliate”** means in relation to any entity (the “First Entity”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes “control” means ownership of a majority of the voting power of an entity.

**“Failure to Deliver Settlement Price”** means, in respect of each nominal amount of the Notes equal to the Calculation Amount, the fair market value of the Affected Relevant Assets on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above, less the proportionate cost to the Issuer and/or its Affiliates of unwinding or adjusting any underlying or related hedging arrangements in respect of the Notes, all as calculated by the Calculation Agent in its sole and absolute discretion.

**(e) Definitions applicable to Equity Linked Notes**

For the purposes of this Condition 8:

**“Disrupted Day”** means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

**“Equity Issuer”** means, in relation to an Underlying Equity, the issuer of such Underlying Equity.

**“Exchange”** means, in respect of an Underlying Equity, each exchange or quotation system specified as such for such Underlying Equity in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Exchange).

**“Exchange Business Day”** means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**“Market Disruption Event”** means, in respect of an Underlying Equity:

- (i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
  - (A) any suspension of or limitation imposed 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:
    - (x) relating to the Underlying Equity on the Exchange; or
    - (y) in futures or options contracts relating to the Underlying Equity on any relevant Related Exchange; or
  - (B) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Underlying Equities on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Underlying Equity on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

- (ii) the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at

least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**“Redemption Amount”** means, in relation to an Equity Linked Redemption Note, the Redemption Amount specified in the applicable Final Terms or, if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

- (i) in the case of a Call Equity Linked Redemption Note:
  - (A) if the Reference Price, in relation to the Valuation Date specified for such Equity Linked Redemption Note in the applicable Final Terms, is greater than the Strike Price:
$$\frac{\text{Strike Price} - \text{Reference Price} \times \text{Specified Amount}}{\text{Strike Price}}$$
  - (B) if the Reference Price, in relation to the Valuation Date specified for such Equity Linked Redemption Note in the applicable Final Terms, is equal to or less than the Strike Price:
$$100 \text{ per cent.} \times \text{Specified Amount}; \text{ or}$$
- (ii) in the case of a Put Equity Linked Redemption Note
  - (A) if the Reference Price, in relation to the Valuation Date specified for such Equity Linked Redemption Note in the applicable Final Terms, is less than the Strike Price:
$$100 \text{ per cent.} + \frac{\text{Strike Price} - \text{Reference Price} \times \text{Specified Amount}}{\text{Strike Price}}$$
  - (B) if the Reference Price, in relation to the Valuation Date specified for such Equity Linked Redemption Note in the applicable Final Terms, is equal to or greater than the Strike Price:
$$100 \text{ per cent.} \times \text{Specified Amount},$$

provided always that the Redemption Amount shall in no event be less than zero. The Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Yen, half of one unit) being rounded upwards.

**“Reference Price”** means, in relation to a Valuation Date:

- (i) where the Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, an amount equal to the official closing price on that Valuation Date (or, if so specified in the applicable Final Terms the price at the Valuation Time on that Valuation Date) of the Underlying Equity quoted on the Exchange without regard to any subsequently published correction as determined by the Calculation Agent (or if, in the opinion of the Calculation Agent, no such price (or, as the case may be, no such official closing price) can be determined at such time and, if either Disrupted Day is specified as applying in the applicable Final Terms and that Valuation Date is not a Disrupted Day or if Disrupted Day is specified as not applying in the applicable Final Terms, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the fair market buying price at the Valuation Time on that Valuation Date and the fair market selling price at the Valuation Time on that Valuation Date for the Underlying Equity based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions

(as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide). The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applying in the applicable Final Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and

(ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities, an amount equal to the sum of the values calculated for each Underlying Equity as the official closing price on that Valuation Date (or, if so specified in the applicable Final Terms, the price at the Valuation Time on that Valuation Date) of the Underlying Equity quoted on the relevant Exchange without regard to any subsequently published correction as determined by the Calculation Agent (or if, in the opinion of the Calculation Agent, no such price (or, as the case may be, any such official closing price) can be determined at such time and, if Disrupted Day is specified as applying in the applicable Final Terms, and that Valuation Date is not a Disrupted Day or if Disrupted Day is specified as not applying in the applicable Final Terms, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the fair market buying price at the Valuation Time (or, as the case may be, of the closing fair market buying price) on that Valuation Date and the fair market selling price at the Valuation Time (or, as the case may be, of the closing fair market selling price) on that Valuation Date for the Underlying Equity based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide), multiplied by the Multiplier specified in the applicable Final Terms. Each value determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applying in the applicable Final Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

**“Related Exchange”** means, in relation to an Underlying Equity, each exchange or quotation system specified as such in relation to such Underlying Equity in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Final Terms, Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Underlying Equity.

**“Scheduled Closing Time”** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**“Scheduled Trading Day”** means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

**“Scheduled Valuation Date”** means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date.

**“Strike Price”** means the amount specified as such in the applicable Final Terms.

**“Underlying Equities”** and **“Underlying Equity”** mean, subject to adjustment in accordance with Condition 8(b), the equity securities or equity security specified as such in the applicable Final Terms and related expressions shall be construed accordingly.

**“Valuation Date”** means the date or, in the case of Equity Linked Interest Notes, each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next

following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (i) where the Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (i) the eighth Scheduled Trading Day shall be deemed to be that Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities, that Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Underlying Equity affected (each an "Affected Equity") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case (i) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where practicable, determine the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, using its good faith estimate of the value for the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions.

**"Valuation Time"** means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date in relation to each Underlying Equity to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

## **9. Additional Disruption Events (applicable to Index Linked Notes, Equity Linked Notes and Commodity Linked Notes only)**

### **(a) Additional Disruption Events**

If the Notes are Index Linked Notes or Equity Linked Notes and Additional Disruption Events are specified as applicable in the applicable Final Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) give notice to the Noteholders in accordance with Condition 17 and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 17 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

If the Notes are Commodity Linked Notes and Additional Disruption Events are specified as applicable in the applicable Final Terms, the action to be taken if an Additional Disruption Event occurs will be specified in the applicable Final Terms.

**(b) Definitions applicable to Additional Disruption Events**

**“Additional Disruption Event”** means any of Change of Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing (applicable only for Equity Linked Redemption Notes) and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

**“Change in Law”** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant Underlying Equity (in the case of Equity Linked Notes) or any relevant security/commodity comprised in an Index (in the case of Index Linked Notes) or (Y) it will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

**“Hedging Disruption”** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**“Hedging Shares”** means the number of Underlying Equities (in the case of Equity Linked Notes) or securities/commodities comprised in an Index (in the case of Index Linked Notes) that the Calculation Agent deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes.

**“Increased Cost of Hedging”** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

**“Increased Cost of Stock Borrow”** means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Underlying Equity (in the case of Equity Linked Notes) or any security/commodity comprised in an Index (in the case of Index Linked Notes) that is greater than the Initial Stock Loan Rate.

**“Initial Stock Loan Rate”** means, in respect of an Underlying Equity (in the case of Equity Linked Notes) or a security/commodity comprised in an Index (in the case of Index Linked Notes), the Initial Stock Loan Rate specified in relation to such Underlying Equity, security or commodity in the applicable Final Terms.

**“Insolvency Filing”** means that an Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.

**“Loss of Stock Borrow”** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Underlying Equity (in the case of Equity Linked Notes) or any securities/commodities comprised in an Index (in the case of Index Linked Notes) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

**“Maximum Stock Loan Rate”** means, in respect of an Underlying Equity (in the case of Equity Linked Notes) or a security/commodity comprised in an Index (in the case of Index Linked Notes), the Maximum Stock Loan Rate specified in the applicable Final Terms.

## 10. Payments and Talons

### (a) *Bearer Notes*

Payments of principal (or, as the case may be, Final Redemption Amounts, Early Redemption Amounts or Optional Redemption Amounts) and interest in respect of Bearer Notes (other than Dual Currency Notes) shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 10(f)(v)) or Coupons (in the case of interest, save as specified in Condition 10(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the Specified Currency drawn on, or, at the option of the Holder, by transfer to an account maintained outside the United States denominated in such currency with, a bank in the principal financial centre for that currency or in the case of euro, by transfer to a euro account maintained outside the United States (or any other account to which euro may be credited or transferred) specified by the payee with a bank which has access to TARGET2, or at the option of the payee, by euro cheque.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relevant Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

### (b) *Registered Notes*

- (i) Payments of principal (which for the purposes of this Condition 10(b) shall include final Instalment Amounts but not other Instalment Amounts, the Final Redemption Amounts, Early Redemption Amounts or Optional Redemption Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 10(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register (i) in relation to Registered Notes in global form, the first Business Day before the due date for payment thereof or (ii) in relation to Registered Notes in definitive form at the close of business on the 15th day before the due date for payment thereof or (iii) in the case of Registered Notes to be cleared through DTC, on the 15th DTC Business Day before the due date for payment thereof (the “Record Date”). “DTC Business Day” means any day on which DTC is open for business. Payments of interest on each Registered Note shall be made in the Specified Currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of such currency concerned and mailed to the Holder (or to the first named of joint Holders) of such Note at its address appearing in the Register. Upon application by the Holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

(iii) Payments of principal and interest in respect of Registered Notes denominated in U.S. dollars will be made in accordance with Conditions 10(b)(i) and 10(b)(ii). Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency other than U.S. dollars will be made or procured to be made by the Fiscal Agent in the Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the Fiscal Agent or its agent to DTC or DTC's nominee with respect to Registered Notes held by DTC or DTC's nominee will be received from the Issuer by the Fiscal Agent who will make payments in such Specified Currency by wire transfer of same day funds to, in the case of Notes registered in the name of DTC's nominee, to such nominee, or otherwise to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC Business Day after the Record Date for the relevant payment of interest and, in the case of payments or principal, at least 12 DTC Business Days prior to the relevant payment date, to receive that payment in such Specified Currency. The Fiscal Agent, after an exchange agent has converted amounts in such Specified Currency into U.S. dollars, will cause such exchange agent to deliver such U.S. dollar amount in same day funds to DTC's nominee for payment through the DTC settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made.

**(c) *Payments in the United States***

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

**(d) *Payments Subject to Fiscal Laws***

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 11. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

**(e) *Appointment of Agents***

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are indicated in the applicable Final Terms. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least one major continental European city (which shall be London so long as the Notes are admitted to trading on the Regulated Market and, if the Notes are listed on another stock exchange, in the city where such stock exchange is located), (vi) a Paying Agent with a specified office in a European Union member state that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or law implementing or complying with, or introduced in order to conform to such Directives and (vii) such other agents as may be required by the rules of any stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change in the identity of the Fiscal Agent, other Paying Agent, Registrar, Transfer Agents or Calculation Agent or any change of any specified office of any such persons shall promptly be given to the Noteholders in accordance with Condition 17.

**(f) *Unmatured Coupons and Receipts and unexchanged Talons***

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes, Index Linked Redemption Notes, Equity Linked Redemption Notes or Commodity Linked Redemption Notes or Notes with customised interest rate provisions and as specified in the applicable Final Terms), the Bearer Note should be surrendered for payment together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of two years (in the case where the relevant Notes are governed by Canadian law) or five years (in the case where the relevant Notes are governed by English law) from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 12).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note, Index Linked Redemption Note, Equity Linked Principal Note or Commodity Linked Redemption Note or a Note with customised interest rate provisions and as specified in the applicable Final Terms, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iv) Where any Bearer Note that provides that the related unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be (together with, if applicable, unmatured Coupons pursuant to Condition 10(f)(i)). Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (vi) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

**(g) *Talons***

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the

specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 12).

**(h) *Non-Business Days***

Unless otherwise provided in the applicable Final Terms, if any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” in the applicable Final Terms and:

- (i) (in the case of a payment in a Specified Currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the Specified Currency, on which foreign exchange transactions may be carried on in the Specified Currency in the principal financial centre of the country of such currency, or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

**(i) *Interpretation of Principal and Interest***

Any reference in these Conditions to “principal” in respect of the Notes shall be deemed to include, as applicable:

- (i) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes;
- (ii) any additional amounts which may be payable with respect to principal under Condition 11(a);
- (iii) all Instalment Amounts (in relation to Notes redeemable in instalments), Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts (in relation to Zero Coupon Notes) and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it the Final Redemption Amount;
- (iv) in relation to Equity Linked Redemption Notes, the Failure to Deliver Settlement Price (if any); and
- (v) in relation to Equity Linked Redemption Notes, the Disruption Cash Settlement Price (if any).

Any reference in these Conditions to “interest” in respect of the Notes shall be deemed to include, as applicable, all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and any additional amounts which may be payable with respect to interest under Condition 11(a).

**(j) *Set-off***

Any payments under or pursuant to the Definitive N Registered Notes shall be made by the Issuer free of set-off and withholding if and to the extent so specified in the applicable Final Terms.

**11. *Taxation***

- (a) All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Canada or in addition, if CIBC’s Branch of Account is located outside Canada, the country in which such Branch of Account is located or any political subdivision or authority therein or thereof having power to tax, unless

such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (i) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Canada or in addition, if CIBC's Branch of Account is located outside Canada, the country in which such Branch of Account is located, other than the mere holding of the Note, Receipt or Coupon; or
- (ii) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority or paying agent in the place where the relevant Note (or the Certificate representing it), Receipt or Coupon is presented for payment; or
- (iii) to, or to a third party on behalf of, a Holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the Holder being a person with whom CIBC is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); or
- (iv) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the Holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day, assuming that day to have been a Payment Date; or
- (v) presented for payment where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 – 27 November 2000 on the taxation of savings income or law implementing or complying with, or introduced in order to conform to such Directives; or
- (vi) (if the Branch of Account is in the United Kingdom and the Notes are not Registered Notes) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (vii) where such withholding or deduction is imposed under sections 1471 through 1474 of the United States Internal Revenue Code (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof or agreement thereunder (“**FATCA Withholding**”) as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding.

(b) As used in these Conditions, “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

(c) If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant Branch of Account is located, references in these Conditions to Canada or the country in which the relevant Branch of Account is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s).

## **12. Prescription**

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons shall be prescribed and become void unless made within two years (in the case where the relevant Notes are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein), ten years (in the case of claims in respect of principal where the relevant Notes are governed by English or German law) or five years (in the case of claims in respect of interest where the relevant Notes are governed by English or German law) from the appropriate Relevant Date in respect of them.

## **13. Events of Default**

If any of the following events (“Events of Default”) occurs and is continuing, the Holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent:

- (a) default is made for more than 30 days (in the case of interest) or seven days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or
- (b) if the Issuer shall become insolvent or bankrupt, or if a liquidator, receiver or receiver and manager of the Issuer or any other officer having similar powers shall be appointed;

provided, however, that in the case of a Subordinated Note, notwithstanding any provision hereof to the contrary, the principal amount of the Subordinated Note will not be paid and may not be required to be paid at any time prior to the relevant maturity date except in the event of the insolvency or winding-up of CIBC.

Upon the occurrence of any Event of Default, a Holder of any Note will not be required to present such Note, demand payment or serve legal process or any similar procedure at the Branch of Account of CIBC which issued such Note.

## **14. Meetings of Noteholders and Modifications**

### **(a) *Meetings of Noteholders***

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by one or more Noteholders holding not less than 10 per cent. in Nominal Amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in Nominal Amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the Nominal Amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the Nominal Amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount, Early Redemption Amount or Redemption Amount is specified in the applicable Final Terms, to reduce or cancel any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) subject to any applicable redenomination provisions specified in the applicable Final Terms, to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be one or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in Nominal Amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly

passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the applicable Final Terms in relation to such Series.

**(b) *Modification of Agency Agreement, Notes, Receipts and Coupons***

The Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes may be amended by the Issuer and the Agent without the consent of the holder of any Note, Receipt or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein, or to provide for substitution of the Issuer as provided in Condition 14(c), (ii) to make any further modifications of the terms of the Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes) or (iii) in any manner which the Issuer and the Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons. The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

**(c) *Substitution***

The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Receipts, the Coupons and the Talons any company (the "Substitute") that is a Subsidiary of the Issuer, provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "Deed Poll"), to be substantially in the form scheduled to the Agency Agreement as Schedule 8, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder, Couponholder and Receiptholder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant shall be unconditionally guaranteed by CIBC, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and that all action, conditions and things required to be later fulfilled are done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons, Deed of Covenant and any guarantee provided by CIBC represents its valid, legally binding and enforceable obligations have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement in its capacity as Issuer, with any appropriate consequential amendments, (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this paragraph (c) and the other matters specified in the Deed Poll and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents. References in Condition 13 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and the events listed in Condition 13 shall be deemed to include any guarantee provided in connection with such substitution not being (or being claimed not to be) in full force and effect. For the purpose of this Condition 14(c) "Subsidiary" has the meaning provided in the *Bank Act* (Canada).

**(d) Branch of Account**

CIBC may change the branch designated as the Branch of Account for the deposits evidenced by Deposit Notes for purposes of the *Bank Act* (Canada), upon not less than 14 days' prior notice to the Noteholders subject to the following terms and conditions:

- (i) if this Note is denominated in Yen, the Branch of Account shall not be in Japan;
- (ii) CIBC shall indemnify each Noteholder, Couponholder and Receiptholder against any tax, duty, assessment or governmental charge that is imposed on it as a consequence of such change, and shall pay the reasonable costs and expenses of the Fiscal Agent in connection with such change; and
- (iii) notwithstanding (ii) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (a) no Event of Default, and no event which, after the giving of notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing and (b) payments of principal and interest on Notes of this Series and Coupons and Receipts relating thereto to Holders thereof (other than Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel to CIBC, be subject to any taxes, as hereinafter defined, to which they would not have been subject had such change not taken place. For the purposes of this section, an "Excluded Holder" means a Holder of a Note of this Series or Coupon or Receipt relating thereto who is subject to taxes by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of a Note of this Series or Coupon or Receipt as a non-resident of such Relevant Jurisdiction. "Relevant Jurisdiction" means Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and "taxes" means and includes any tax, duty, assessment or other governmental charge imposed or levied in respect of the payment of the principal of the Notes of this Series or interest thereon for or on behalf of a Relevant Jurisdiction or any authority therein or thereof having power to tax.

**15. Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

**16. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes or the same in all respects save for the Issue Date and amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

**17. Notices**

Notices to the Holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the seventh weekday (being a day other than a Saturday or a Sunday) after the date of mailing and shall be published in a daily newspaper of general circulation in London (which is expected to be the Financial Times). Notices to the Holders of Bearer Notes shall be

valid if published in a daily newspaper of general circulation in London (which is expected to be the Financial Times). The Issuer shall also ensure that notices are duly published in the manner which complies with the rules and regulations of any other stock exchange on which the Notes are, for the time being, listed or other applicable authority to which it is subject. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes in accordance with this Condition.

## **18. Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

## **19. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of any Notes which are governed by English law under the Contracts (Rights of Third Parties) Act 1999.

## **20. Governing Law and Jurisdiction**

- (a) Other than in relation to Definitive N Registered Notes, unless otherwise specified in the applicable Final Terms, the Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Definitive N Registered Notes will be governed by, and shall be construed in accordance with German law, as specified in the applicable Final Terms.
- (b) If specified in the applicable Final Terms, the Deposit Notes issued on a non-syndicated basis and the Receipts, Coupons, Talons and any non-contractual obligations arising out of or in connection with them, shall be governed by, and shall be construed in accordance with, English law except that the provisions of Condition 3(b) are governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (c) If the governing law for the Deposit Notes issued on a non-syndicated basis and the Receipts, Coupons and Talons relating thereto, is specified as being English law (i) the Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with such Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with such Notes, Receipts, Coupons or Talons ("Proceedings") may be brought in such courts and (ii) the Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Holders of the Notes, Receipts, Coupons and Talons governed by English law and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in

one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not). The Issuer irrevocably appoints CIBC World Markets plc of 150 Cheapside, London EC2V 6ET, United Kingdom as its agent in England to receive, for it and on its behalf, service of process in any such Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 17. Nothing shall affect the right to serve process in any manner permitted by law.

## **21. Terms and Conditions of Definitive N Registered Notes**

- (a) *Generally.* If in the applicable Final Terms it is specified that Definitive N Registered Notes are issued, then the following terms and conditions shall apply in addition to the terms and conditions set out in Conditions 1 until and including Condition 20 above. In the event of any inconsistency between Conditions 1 until and including Condition 20 and this Condition 21, this Condition 21 will prevail with regard to Definitive N Registered Notes.
- (b) *Interpretation.* For the purposes of this Condition 21, “Holder” means the registered holder of a Definitive N Registered Note. Any reference herein to Holder in plural form shall constitute a reference to Holder in singular form. Any reference herein to Definitive N Registered Notes includes, unless the context otherwise requires, any new Definitive N Registered Note that has been issued upon transfer of a Definitive N Registered Note. With respect to Definitive N Registered Notes, any applicable reference herein to Notes, Definitive Note, or Definitive N Registered Notes in plural form shall constitute a reference to Note, Definitive Note or Definitive N Registered Note in singular form. All grammatical and other changes required by the use of the each singular form shall be deemed to have been made herein and the provisions hereof shall be applied so as to give effect to such change.
- (c) *Currency and Principal Amount:* Definitive N Registered Notes may be issued by the Issuer in a specified currency and in a principal amount as specified in the applicable Final Terms.
- (d) *Form.* Each Definitive N Registered Note will be issued in registered form and signed manually by one authorised signatory of the Issuer and authenticated manually by or on behalf of the Registrar.
- (e) *Payment:* Payment of principal and interest in respect of a Definitive N Registered Note shall be made on the respective due date thereof to the person shown on the Register as Holder of such Definitive N Registered Note at the close of business on the fifteenth (15<sup>th</sup>) calendar day before such date (the “N Note Record Date”). Payments of principal and interest on each Definitive N Registered Note shall be made in the Specified Currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of such currency concerned and mailed to the Holder (or to the first named of joint Holders) of such Note at its address appearing in the Register. Upon application by the Holder to the specified office of the Registrar before the N Note Record Date, such payment of principal and interest may be made by transfer to an account in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of that currency. The Holder shall surrender the Definitive N Registered Certificate to the Issuer upon payment of principal and interest in full.
- (f) Transfer:
  - (i) Any transfer of the Holder claims evidenced by a Definitive N Registered Certificate and title to a Definitive N Registered Note shall be in the form of an assignment (Abtretung) in written form and registration in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, any applicable Agents and the Registrar shall deem and treat the registered Holder of a Definitive N Registered Note as the absolute Holder thereof and of the rights evidenced thereby for all purposes.

- (ii) The rights of the Holder evidenced by a Definitive N Registered Certificate and title to a Definitive N Registered Note itself may be transferred in whole or in part upon the surrender of a Definitive N Registered Certificate, together with the form of assignment and notification endorsed on it duly completed and executed, at the specified office of the Registrar. In the case of a transfer of a Definitive N Registered Note in whole and upon surrender of the relevant Definitive N Registered Certificate, a new Definitive N Registered Certificate will be issued to the transferee upon request of the transferee. In the case of a transfer of part only of a Definitive N Registered Note and upon surrender of the relevant Definitive N Registered Certificate, a new Definitive N Registered Certificate in respect of the amount transferred will be issued to the transferee and a new Definitive N Registered Certificate in respect of the remaining amount will be issued to the transferor. Any transfer of part only of a Definitive N Registered Note is permitted only for a minimum nominal amount or an integral multiple thereof if so specified in the relevant Final Terms.
- (iii) Each new Definitive N Registered Certificate to be issued upon transfer of a Definitive N Registered Note will, within seven business days (being a day other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar) of delivery of such Definitive N Registered Certificate and the duly completed and executed form of assignment and notification, be available for collection at the specified office of the Registrar or, at the request of the Holder making such delivery and as specified in the relevant form of assignment, be mailed at the risk of the new Holder entitled to the new Definitive N Registered Certificate to such address as may be specified in the form of assignment.
- (iv) Transfers will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment (or the giving of such indemnity as may be required from the Issuer, any applicable Agents or the Registrar) in respect of any tax, duty or other charges which may be imposed in relation to it.
- (v) The Holder may not require the transfer of a Definitive N Registered Note to be registered (i) during the period from and including the 15<sup>th</sup> Business Day prior to the due date for any payment of principal (for the purposes of this subparagraph only, the “Due Date”) to, and including, the Due Date, (ii) during the period from and including the 15<sup>th</sup> Business Day prior to any date on which a Definitive N Registered Note may be redeemed at the option of the Issuer (for the purposes of this subparagraph only, the “Redemption Day”) to, and including, the Redemption Day or (iii) after the Definitive N Registered Note has been called for redemption in whole or in part.

(g) *Applicable Law. Place of Jurisdiction. Process Agent.*

Unless otherwise specified in the applicable Final Terms:

- (i) the Definitive N Registered Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law; and
- (ii) the District Court (*Landgericht*) in Frankfurt am Main shall have nonexclusive jurisdiction for any Proceedings arising out of or in connection with the Definitive N Registered Notes.

For any Proceedings before German courts, the Issuer has appointed Wilmington Trust SP Services (Frankfurt) GmbH, as its authorised agent for service of process in Germany.

(h) *Modification of Definitive N Registered Note without Holders' consent:*

- (i) The Issuer may, without the consent of the Holders, correct any manifest, clerical or calculation errors or similar manifest incorrectness in the Conditions (in particular in the Final Terms). A clerical or calculation error or similar incorrectness shall be deemed manifest if a Holder who is well-informed in the relevant type of securities is able to perceive such error, especially when taking into account the issue price and

the further factors that determine the value of the Definitive N Registered Notes. Any corrections within the meaning of this paragraph h(i) shall be effective and binding upon notification to the Holders in accordance with Condition 17 (*Notices*).

- (ii) In addition, the Issuer may, without the consent of the Holders, amend or supplement at its reasonable discretion (*billiges Ermessen*, § 315 of the German Civil Code (“**BGB**”)) any contradictory or incomplete provisions of the Conditions, provided that only amendments and supplements which are reasonably acceptable to the Holder having regard to their interests shall be permitted, namely those which do not materially prejudice the interests of the Holders or which when read together with the other information included in the Prospectus and the relevant Final Terms are manifest within the meaning of paragraph (i). Any corrections within the meaning of this paragraph (ii) shall be effective and binding upon notification to the Holders in accordance with Condition 17 (*Notices*).
- (iii) In the event of a correction pursuant to paragraph (i) or an amendment or supplement pursuant to paragraph (ii), that adversely affects a Holder, such Holder may terminate its Definitive N Registered Notes with immediate effect by written termination notice to the Fiscal Agent at any time during the period of six weeks following notification of such correction, amendment or supplement. In the notice pursuant to paragraph (a) or paragraph (b), as applicable, the issuer shall advise the Holder of its potential termination right at the Early Redemption Amount. The termination by the Holder requires the following to be effective:
  - (a) the receipt of a termination notice bearing a legally binding signature and
    - (A) the transfer of the Definitive N Registered Notes to the account of the Fiscal Agent; or
    - (B) the irrevocable instruction to the Fiscal Agent to withdraw the Definitive N Registered Notes from a securities account maintained with the Fiscal Agent (by transfer posting or assignment), in each case within such six-week period,
  - (b) the termination notice must contain the following information:
    - (A) the name of the Holder, as applicable,
    - (B) the designation and number of the Definitive N Registered Notes terminated, and
    - (C) a specification of the bank account to which the Early Redemption Amount shall be credited.

The termination date for the purposes of this paragraph (iii) shall be the day on which the termination notice or the Definitive N Registered Notes is/are received by the Fiscal Agent, whichever occurs later.

- (iv) In addition, the Issuer may call the Definitive N Registered Notes for redemption in whole, but not in part, by giving notice in accordance with Condition 17 (*Notices*) if the conditions for avoidance (*Anfechtung*) pursuant to § 119 *et seq.* BGB are fulfilled in relation to the Holders. The termination date for the purposes of this paragraph (iv) shall be the day on which the notice is given. Notice of termination must be given immediately after the Issuer has gained knowledge of the reason for termination.
- (v) If an effective termination pursuant to paragraphs (iii) or (iv) has been made, the Issuer will pay the Early Redemption Amount per Definitive N Registered Note to the Holders. The provisions regarding payments shall apply mutatis mutandis to the payment of such Early Redemption Amount. Upon payment of the Early Redemption Amount, all rights arising from the surrendered Definitive N Registered Notes shall be extinguished. The foregoing shall not affect any rights of the Holder

to claim damages (*Ersatz eines Vertrauensschadens*) pursuant to § 122 para. 1 BGB unless such claims are excluded due to knowledge or negligent lack of knowledge of the reason of termination on the part of the Holder pursuant to § 122 para. 2 BGB.

- (vi) The provisions of the BGB on the interpretation (*Auslegung*) and avoidance (*Anfechtung*) of declarations of intent shall remain unaffected.

This condition shall be without prejudice to any avoidance rights which a Holder may have under general provisions of law.

- (i) *Modification of Definitive N Registered Note with Holders' consent*

The applicable Final Terms will specify whether the provisions of Condition 14(a) or other provisions regarding Noteholder meetings shall apply.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Notes of each Series will be in either bearer form or registered form. Bearer Notes will only be issued outside the United States in reliance on Regulation S and Registered Notes may be issued outside the United States in reliance on the exemption from registration provided by Regulation S and/or within the United States in reliance on Rule 144A.

### Initial Issue of Notes

#### Bearer Notes

Bearer Notes will be issued in compliance with requirements necessary to qualify such Notes as "foreign targeted obligations" that will be exempt from Code Section 4701 excise tax. In order to comply with such requirements, Bearer Notes with a maturity of more than one year will be issued in compliance with, or rules substantially identical to U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (such rules, the "**D Rules**") unless (i) the applicable Final Terms state that the Bearer Notes are issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) the Bearer Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Bearer Notes will not constitute "*registration required obligations*" under section 4701(b) of the Code (an "**Excluded Issue**"), which circumstances will be referred to in the applicable Final Terms as an Excluded Issue.

Each Tranche of Bearer Notes having an original maturity of more than one year and being issued in compliance with the D Rules will initially be represented by a temporary Global Note. Each other Tranche of Bearer Notes (including Bearer Notes having an original maturity of one year or less) may initially be represented by a permanent Global Note, in each case, in bearer form without Coupons, Receipts or Talons attached as indicated in the applicable Final Terms, which, in either case, will:

- (i) if the Global Notes are intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg; and
- (ii) if the Global Notes are not intended to be issued in NGN form or are Exchangeable Bearer Notes, be delivered on or prior to the issue date thereof to a common depositary on behalf of Euroclear, Clearstream, Luxembourg or any other agreed clearing system.

If the Global Note is not an NGN, upon the initial deposit of the Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "Common Depositary"), Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

If the Global Note is an NGN, the Global Note will be delivered on or prior to the issue date of the Tranche to a Common Safekeeper. The nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Tranches intended to be delivered to an alternate clearing system or outside a clearing system shall be delivered as agreed between the Issuer and the relevant Dealer(s).

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the applicable Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### Exchange

#### 1. *Temporary Global Notes*

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (a) in whole, but not in part, for the Definitive Notes (defined and described below, if in the case of a Note the applicable Final Terms indicate that such Global Note is issued in compliance with the C Rules or in a transaction which is an Excluded Issue). Such Definitive Notes will be of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms); and
- (b) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership for interests in a permanent Global Note of the same Series or, if so provided in the applicable Final Terms, for Definitive Notes of the same Series with, where applicable receipts, interest coupons and talons attached (as indicated in the applicable Final Terms).

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

## 2. *Permanent Global Notes*

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not, except as provided under "Partial Exchange of Permanent Global Notes", in part for Definitive Notes with, where applicable, receipts, interest coupons and talons attached, or, in the case of 2.2 below, Registered Notes:

- (a) where the applicable Final Terms provide that the Notes will have only one Specified Denomination and that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange;
- (b) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Global Note for Registered Notes; and
- (c) otherwise, (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "Alternative Clearing System") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to at least the minimum Specified Denomination.

## 3. *Partial Exchange of Permanent Global Notes*

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the applicable Final Terms) relating to Partly Paid Notes.

### **Delivery of Notes**

If the Global Note is not in NGN form, on or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate Nominal Amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate

Nominal Amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. If the Global Note is in NGN form, on or after any due date for exchange, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Prospectus, “Definitive Notes” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement.

### **Exchange Date**

“Exchange Date” means, in relation to a temporary Global Note, the first day falling on or after the day that is 40 days after the later of the commencement of the offering and the relevant issue date, and in relation to a permanent Global Note, a specified day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given, which day is, in each case, a day on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of 3.2.4(i) above, in the city in which the relevant clearing system is located.

### **Registered Notes**

Registered Notes may be offered and sold in reliance on Regulation S or in reliance on Rule 144A. Registered Notes offered and sold in reliance on Regulation S may only be offered and sold to non-U.S. persons outside the United States and will initially be represented by a global note in registered form, without receipts, interest coupons or talons (an “Unrestricted Global Certificate”) which will be deposited with a common depositary or depositary, as the case may be, for, and registered in the name of a common nominee or nominee of, Euroclear and Clearstream, Luxembourg or such other clearing system as may be agreed between the relevant Issuer and the relevant Dealer and specified in the Final Terms. Prior to expiry of the Distribution Compliance Period (as defined in “Terms and Conditions of the Notes”) applicable to each Tranche of Notes, beneficial interests in an Unrestricted Global Certificate may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg (or such other clearing system as may be agreed between the Issuer and the relevant Dealer and specified in the Final Terms) and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

Registered Notes offered and sold in reliance on Rule 144A may only be offered and sold to “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act (“QIBs”) and will be represented by a global note in registered form, without receipts, interest coupons or talons (a “Restricted Global Certificate”) and, together with an Unrestricted Global Certificate, the “Global Certificates” which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (“DTC”).

Individual Certificates will only be available, in the case of Notes initially represented by an Unrestricted Global Certificate, in amounts specified in the applicable Final Terms, and, in the case of Notes initially represented by a Restricted Global Certificate, in amounts of US\$200,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)), or integral multiples of US\$1,000 in excess thereof, in certain limited circumstances. The minimum denomination of each Definitive N Registered Note will be not less than €200,000 (or its equivalent in any other currency as at the date of issue of the Notes) as stated in the applicable Final Terms.

### **Unrestricted Global Certificates**

If the applicable Final Terms state that the Notes are to be represented by a permanent Unrestricted Global Certificate on issue, transfers of the holding of Notes represented by any Unrestricted Global Certificate pursuant to Condition 2(b) may only be made in part:

- (a) if the Notes represented by the Unrestricted Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) if principal in respect of any Notes is not paid when due; or

- (c) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (a) or (b) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

### **Restricted Global Certificates**

If the applicable Final Terms state that the Notes are to be represented by a permanent Restricted Global Certificate on issue, transfers of the holding of Notes represented by any Restricted Global Certificate pursuant to Condition 2(b) may only be made in part:

- (a) if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Restricted Global Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or
- (b) if principal in respect of any Note is not paid when due; or
- (c) with the consent of the Issuer; or
  - (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Certificates; and
  - (ii) in the case of a Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made to a qualified institutional buyer in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A,

provided that, in the case of the first transfer of part of a holding pursuant to (a) and (b) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer. Individual Certificates issued in exchange for a beneficial interest in a Restricted Global Certificate shall bear the legend applicable to such Notes as set out in "Subscription and Sale".

### **Definitive N Registered Notes**

Definitive N Registered Notes will be issued to each holder (unless otherwise specified in the applicable Final Terms) by a Definitive N Registered Notes Deed.

### **Transfers of Registered Notes**

Transfers of interests in Global Certificates within Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some States in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Restricted Global Certificate to such persons may be limited.

Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Restricted Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in an Unrestricted Global Certificate may only be held through Euroclear or Clearstream, Luxembourg. In the case of Registered Notes to be cleared through Euroclear, Clearstream, Luxembourg and/or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through the Restricted Global Certificate for the same Series of Notes provided that any such transfer made on or prior to the expiration of the Distribution Compliance Period (as used in "Subscription and Sale") relating to the Notes represented by such Unrestricted Global Certificate will only be made upon receipt by the Registrar or any Transfer Agent of a written certificate

from Euroclear or Clearstream, Luxembourg, as the case may be (based on a written certificate from the transferor of such interest), to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A in accordance with any applicable securities law of any State of the United States or any other jurisdiction. Any such transfer made thereafter of the Notes represented by such Unrestricted Global Certificate will only be made upon request through Euroclear or Clearstream, Luxembourg by the holder of an interest in the Unrestricted Global Certificate to the Fiscal Agent of details of that account at either Euroclear or Clearstream, Luxembourg or DTC to be credited with the relevant interest in the Restricted Global Certificate.

Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to the Registrar or any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and/or DTC to be credited and debited, respectively, with an interest in the relevant Global Certificates.

### **Amendments to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

#### **(a) *Payments***

No payment falling due after the Exchange Date will be made on any temporary Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership that is satisfactory for purposes of the D Rules on a form proscribed by Euroclear, Clearstream, Luxembourg or any other agreed clearing system.

All payments in respect of Notes represented by a Global Note which is not in NGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. In respect of Bearer Notes which are not in NGN form, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Conditions 10(f), 10(g) and 11(a)(vi) will apply to Definitive Notes only. In respect of Bearer Notes issued in NGN form, a record of each payment shall be entered pro rata in the records of Euroclear or Clearstream, Luxembourg and, upon any such entry being made, the nominal amount of the Notes recorded in the records of Euroclear or Clearstream, Luxembourg and represented by the Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled by the aggregate amount of such instalment so paid. Payments under Notes issued in NGN form will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

The amount of interest payable in respect of each Global Note and Global Certificate shall be the aggregate of the amounts (determined in accordance with Condition 4(i)) for each Calculation Amount comprising the outstanding Nominal Amount of the Note in global form, without further rounding.

#### **(b) *Prescription***

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of two years (in the case where the relevant Notes are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein), ten years (in the case of claims in respect of principal where the relevant Notes are governed by English law) or five years (in the case of claims in respect of interest where the relevant Notes are governed by English law) from the appropriate Relevant Date (as defined in Condition 11).

#### **(c) *Meetings***

The holder of a permanent Global Note shall at any meeting of Noteholders be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.

**(d) *Cancellation***

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the Nominal Amount of the relevant permanent Global Note.

**(e) *Purchase***

Notes represented by a permanent Global Note may only be purchased by the Issuer if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

**(f) *Issuer Call Option***

Any Issuer Call Option provided for in the applicable Final Terms of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions and Final Terms, except that the notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial exercise of an Issuer Call Option and accordingly no drawing of Notes shall be required. In the event that any Issuer Call Option is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system (as the case may be) and in respect of Notes which are in NGN form this shall be reflected in the records of Euroclear, Clearstream or Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion.

**(g) *Noteholders Put Options***

Any Noteholders Put Option provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the Noteholders Put Option is exercised and at the same time, where the permanent Global Note is not in NGN form, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is in NGN form, the Issuer shall procure that details of such exercise shall be entered pro rata in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

**NGN nominal amount**

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

**Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 13 by stating in the notice to the Fiscal Agent the Nominal Amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of an amended and restated Deed of Covenant executed as a deed by CIBC on 17 December 2009 to come into effect in relation to the whole or a

part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

## **Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note except that so long as the Notes are listed on the London Stock Exchange and the rules of that exchange so require, notices shall also be published in a leading newspaper having general circulation in London (which is expected to be the Financial Times).

## **Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Prospectus, but will be contained in the applicable Final Terms and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them. CIBC may not issue Partly Paid Subordinated Notes.

## **Integral Multiples in excess of the minimum Specified Denomination**

So long as the Notes are represented by a temporary Global Note or permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) as provided in the applicable Final Terms (unless otherwise specified in the applicable Final Terms) and higher integral multiples of at least 1,000 in the relevant currency as specified in the applicable Final Terms (the "Integral Amount"), notwithstanding that no Definitive Notes will be issued with a denomination above the Definitive Amount in such currency. The "Definitive Amount" shall be equal to two times the lowest Specified Denomination minus the Integral Amount. If a Global Note is exchangeable for Definitive Notes at the option of the Noteholder, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

Upon registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. Upon the initial deposit of a Global Certificate in respect of and registration of Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to the custodian for DTC, DTC will credit each participant with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

## **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, DTC or such other clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of such Global Certificate, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of such Global Certificate, as the case may be, in respect of each amount so paid.

## CLEARING AND SETTLEMENT

### Book-Entry Ownership

#### *Bearer Notes*

The Issuer may make applications to Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes not in NGN form, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with a common depositary for Clearstream, Luxembourg and Euroclear, and in respect of Bearer Notes in NGN form, with a common safekeeper for Euroclear and Clearstream, Luxembourg. Transfers of interests in such temporary Global Notes or other Global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of Clearstream, Luxembourg and Euroclear.

#### *Registered Notes*

Registered Notes may also be accepted for clearance through the Euroclear and/or Clearstream, Luxembourg book-entry systems, with such Notes to be represented by an Unrestricted Global Certificate or (in the case of Rule 144A Notes) a Restricted Global Certificate. Each Unrestricted Global Certificate or (in the case of Rule 144A Notes) Restricted Global Certificate deposited with a nominee for Euroclear and/or Clearstream, Luxembourg will have an ISIN and a Common Code.

The Issuer and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant may make application to DTC for acceptance in its book-entry settlement system of the Rule 144A Notes represented by a Restricted Global Certificate. Each such Restricted Global Certificate will have a CUSIP number. Each Restricted Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out in "Subscription and Sale". In certain circumstances, as described below in "Transfers of Registered Notes", transfers of interests in a Restricted Global Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Rule 144A Notes to be cleared through the facilities of DTC, the custodian, with whom the Restricted Global Certificates are deposited, and DTC will electronically record the nominal amount of the Rule 144A Notes held within the DTC system. Investors may hold their beneficial interests in a Restricted Global Certificate directly through DTC if they are participants in the DTC system or indirectly through organisations which are participants in such system.

Payments of the principal of and interest on each Restricted Global Certificate registered in the name of DTC's nominee will be made, if denominated in U.S. dollars in accordance with Conditions 10(b)(i) and 10(b)(ii) and, if denominated in a Specified Currency other than U.S. dollars, will be made or procured to be made to or to the order of its nominee as the registered owner of such Restricted Global Certificate. At the present time, there are limited facilities for the maintenance of non-U.S. dollar denominated accounts in the United States and for the conversion of foreign currencies into U.S. dollars.

The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Restricted Global Certificate as shown on the records of DTC or the nominee.

The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Restricted Global Certificate held through such DTC participants to be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of the Issuer, any Paying Agent or any Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Restricted Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and in "Subscription and Sale", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the custodian, the Registrar and the Fiscal Agent.

Cross-market transfers between accountholders in Euroclear or Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Certificates will be effected through the Fiscal Agent, the custodian and the Registrar receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Fiscal Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free of delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see "Subscription and Sale". DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Certificates for exchange for individual Certificates (which will, in the case of Rule 144A Notes, bear the legend applicable to transfers pursuant to Rule 144A).

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, any Paying Agent or any Transfer Agent will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Certificate is lodged with DTC or its custodian, Rule 144A Notes represented by individual Certificates will not be eligible for clearing or settlement through Euroclear, Clearstream, Luxembourg or DTC.

The rights of the Holder evidenced by a Definitive N Registered Note and title to a Definitive N Registered Note itself shall be transferred upon the surrender of a Definitive N Registered Note, together with the form of assignment and notification duly completed and executed, at the specified office of the Registrar.

## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Notes will be added to the general funds of the Issuer to be used for general corporate purposes. Except as otherwise set forth in the applicable Final Terms, the purpose of an issue of a Tranche of Subordinated Notes will also be to enlarge the Issuer's capital base.

## CANADIAN IMPERIAL BANK OF COMMERCE

*The information appearing below is supplemented by the more detailed information contained in the documents incorporated by reference. See section entitled "Documents Incorporated by Reference".*

### Introduction

CIBC is a diversified financial institution governed by the *Bank Act* (Canada) (the "Bank Act"). CIBC was formed through the amalgamation of The Canadian Bank of Commerce and Imperial Bank of Canada in 1961. The Canadian Bank of Commerce was originally incorporated as Bank of Canada by special act of the legislature of the Province of Canada in 1858. Subsequently, the name was changed to The Canadian Bank of Commerce and it opened for business under that name in 1867. Imperial Bank of Canada was incorporated in 1875 by special act of the Parliament of Canada and commenced operations in that year. The address of the registered and head office of CIBC is Commerce Court, 199 Bay St., Toronto, Canada M5L 1A2 and the telephone number is 1-416-980-3096.

A list of CIBC's principal subsidiaries is provided on page 187 of the CIBC's 2011 Annual Report, which page is included in CIBC's 2011 Annual Information Form incorporated herein by reference.

As extracted from its latest unaudited consolidated financial statements, as at April 30, 2012 CIBC had total assets of C\$387.5 billion, total deposits of C\$244.2 billion and common shareholders' equity of C\$14.3 billion. These financial statements were prepared in accordance with IFRS.

### Board of Directors

The names of the Directors of CIBC (together with details of their principal outside activities), as at the date of this Prospectus, are set out below. The business address of each of the Directors is Commerce Court, 199 Bay St., Toronto, Canada M5L 1A2.

Name, Responsibility and Residence	Principal Outside Activities
Brent S. Belzberg Toronto, Ontario, Canada	Senior Managing Partner TorQuest Partners
Gary F. Colter Mississauga, Ontario, Canada	President CRS Inc.
Dominic D'Alessandro, O.C. Toronto, Ontario, Canada	Past President and Chief Executive Officer Manulife Financial Corporation
Patrick D. Daniel Calgary, Alberta, Canada	Chief Executive Officer Enbridge Inc.
Luc Desjardins Calgary, Alberta, Canada	President and Chief Executive Officer Superior Plus Corp.
The Honourable Gordon D. Giffin Atlanta, Georgia, U.S.A.	Senior Partner McKenna Long & Aldridge LLP
Linda S. Hasenfratz Guelph, Ontario, Canada	Chief Executive Officer Linamar Corporation
Nicholas D. Le Pan Ottawa, Ontario, Canada	Consultant
The Honourable John P. Manley, P.C., O.C. Ottawa, Ontario, Canada	President and Chief Executive Officer Canadian Council of Chief Executives
Gerald T. McCaughey President and Chief Executive Officer, CIBC Toronto, Ontario, Canada	

Jane L. Peverett West Vancouver, British Columbia, Canada	Corporate Director
Leslie Rahl New York, New York, U.S.A.	Founder and Managing Partner Capital Market Risk Advisors, Inc.
Charles Sirois C.M., O.Q. Chair of the Board Montreal, Québec, Canada	
Katharine B. Stevenson Toronto, Ontario, Canada	Corporate Director
Ronald W. Tysoe Jupiter, Florida, U.S.A.	Corporate Director

As at the date of this Prospectus, there are no potential conflicts of interest between the duties owed to CIBC of the persons listed above and their private interests and other duties. If a Director were to have a material interest in a matter being considered by the Board or any of its Committees, such Director would not participate in any discussions relating to, or any vote on, such matter.

### **Business**

CIBC is a leading Canadian-based global financial institution. Through its three major businesses - Retail and Business Banking, Wealth Management and Wholesale Banking - CIBC provides a full range of financial products and services to 11 million individual, small business, commercial, corporate and institutional clients in Canada and around the world.

### **Major Shareholders**

To the extent known to CIBC, CIBC is not directly or indirectly owned or controlled by any person. The Bank Act prohibits any person from having a “significant interest” in any class of shares of CIBC, that is, from beneficially owning more than 10% of the outstanding shares of the class either directly or through controlled entities, without the approval of the Minister of Finance of Canada. A person may, with the approval of the Minister of Finance, beneficially own up to 20% of a class of voting share and up to 30% of a class of non-voting share of CIBC, subject to a “fit and proper” test based on the character and integrity of the applicant. In addition, the holder of such a significant interest could not have “control in fact” of CIBC.

*There are no measures in place to ensure that control of CIBC is not abused as CIBC has no major shareholders.*

### **Material Contracts**

CIBC has not entered into any contracts outside the ordinary course of CIBC’s business which could materially affect CIBC’s obligations in respect of any Notes to be issued by CIBC other than, with respect to any Notes, the contracts described in “Subscription and Sale” and in “Terms and Conditions of the Notes”.

### **Auditor**

Ernst & Young LLP, independent chartered accountants, Ernst & Young Tower, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7, Canada issued a report dated November 30, 2011 to the shareholders of the Issuer on the consolidated financial statements as at October 31, 2011 and October 31, 2010 and for each of the years in the three year period ended October 31, 2011.

Ernst & Young LLP is registered as a participating audit firm with the Canadian Public Accountability Board and is registered with the Public Company Accounting Oversight Board (U.S.). Ernst & Young LLP is independent of the Issuer within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario and has no material interest in the Issuer.

## TAXATION

### Canadian Taxation

The following is a summary of the principal Canadian federal income tax considerations generally applicable at the date hereof to a holder who acquires ownership of a Note pursuant to this Prospectus and who for the purposes of the *Income Tax Act* (Canada) (“**Tax Act**”) and at all relevant times: (a) is neither resident nor deemed to be resident in Canada; (b) deals at arm’s length with CIBC, and any transferee resident (or deemed to be resident) in Canada to whom the holder disposes of the Note; (c) does not use or hold and is not deemed to use or hold the Note in, or in the course of, carrying on a business in Canada; (d) is entitled to receive all payments (including any interest and principal) made on the Note, and (e) is not a, and deals at arm’s length with any, “specified shareholder” of CIBC for purposes of the thin capitalization rules in the Tax Act (“**Non-Resident Holder**”). A “specified shareholder” for these purposes generally includes a person who (either alone or together with persons with whom that person is not dealing at arm’s length for the purposes of the Tax Act) owns or has the right to acquire or control 25% or more of CIBC’s shares determined on a votes or fair market value basis. Special rules which apply to non-resident insurers carrying on business in Canada and elsewhere are not discussed in this summary.

This summary is based upon: (a) the current provisions of the Tax Act and the regulations thereunder (“**Regulations**”) in force on the date hereof; (b) all specific proposals to amend the Tax Act or the Regulations publicly announced prior to the date hereof by, or on behalf of, the Minister of Finance for Canada (“**Tax Proposals**”), and (c) the current published assessing practices and administrative policies of the Canada Revenue Agency (“**CRA**”) as made publicly available by it prior to the date hereof. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurance can be given that this will be the case. This summary does not otherwise take into account or anticipate any changes in law or in the practices and policies of the CRA, whether by legislative, governmental or judicial action or interpretation, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

**This summary is of a general nature only, is not exhaustive of all Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Non-Resident Holder. Non-Resident Holders are advised to consult their own tax advisers with respect to their particular situations. Canadian federal income tax considerations applicable to Notes may be described particularly when such Notes are offered (and then only to the extent material) in the applicable Final Terms related thereto if they are not addressed by the comments following and, in that event, the comments following will be superseded thereby to the extent indicated therein.**

Interest paid or credited or deemed to be paid or credited on a Note issued by CIBC to a Non-Resident Holder (including any amount paid at maturity in excess of the principal amount and interest deemed to be paid on the Note in certain cases involving an assignment or other transfer of a Note to a resident or deemed resident of Canada) will not be subject to Canadian non-resident withholding tax unless such interest (other than on a “prescribed obligation” as described below) is “participating debt interest” for the purposes of the Tax Act. Interest paid or credited or deemed to be paid or credited on a Note to a Non-Resident Holder will generally not be participating debt interest for the purposes of the Tax Act provided that no portion of such interest is contingent or dependent upon the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation. A prescribed obligation is an “indexed debt obligation” (as described below) in respect of which no amount payable is (a) contingent or dependent upon the use of, or production from, property in Canada, or (b) computed by reference to: (i) revenue, profit, cash flow, commodity price or any other similar criterion, other than a change in the purchasing power of money, or (ii) dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation. An indexed debt obligation is a debt obligation the terms of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money.

In the event that a Note is redeemed, cancelled, repurchased or purchased, as the case may be, by CIBC or any other resident or deemed resident of Canada (“**Canadian Transferee**”) from a Non-Resident Holder, or is otherwise assigned or transferred by a Non-Resident Holder, to a Canadian Transferee for an amount which exceeds, generally, the issue price thereof, all or a portion of such excess may be deemed to be interest and may be subject to Canadian non-resident withholding tax if: (i) all or any portion of such interest is participating debt interest and (ii) the Note is not considered to be an “excluded obligation” for the purposes of the Tax Act. A Note which is not an indexed debt obligation, that was issued for an amount not less than 97% of the principal amount (as defined for the purposes of the Tax Act) of the Note, and the yield from which, expressed in terms of

an annual rate (determined in accordance with the Tax Act) on the amount for which the Note was issued does not exceed 4/3 of the interest stipulated to be payable on the Note, expressed in terms of an annual rate on the outstanding principal amount from time to time will be an excluded obligation for this purpose.

If applicable, the normal rate of Canadian non-resident withholding tax is 25% but such rate may be reduced under the terms of an applicable income tax treaty.

Generally, there are no other Canadian federal income taxes that would be payable by a Non-Resident Holder as a result of holding or disposing of a Note (including for greater certainty, any gain realized by a Non-Resident Holder on a disposition of a Note).

## **United Kingdom**

The following is a general summary of the United Kingdom withholding tax treatment in relation to the payment of interest, discount and premium in respect of the Notes. The summary does not deal with other United Kingdom tax aspects of acquiring, holding or disposing of the Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and do not deal with the position of certain classes of Noteholders such as dealers. The comments below are based on United Kingdom law and HM Revenue & Customs published practice as at the date of this Prospectus and may be subject to change, possibly with retroactive effect. Any prospective Noteholders who are in doubt as to their tax position should consult their professional advisers.

### **(a) *Notes issued by a United Kingdom branch of CIBC (“UK Notes”)***

- (i) In the case of UK Notes with a maturity date of less than one year from the date of issue (provided the borrowing under such Notes at no time forms part of a borrowing which is intended to have a total term of one year or more) interest may be paid without withholding for or on account of United Kingdom income tax. Interest on UK Notes with a maturity of one year or more from the date of issue (or forming part of such borrowing as is mentioned above) is referred to below as “yearly interest”.
- (ii) Provided that the UK Notes are, and continue to be, listed on a recognised stock exchange within the meaning of section 1005 Income Tax Act 2007 (“ITA”) payments of yearly interest may be made without withholding or deduction for or on account of United Kingdom income tax. The London Stock Exchange is a recognised stock exchange for this purpose.
- (iii) Provided that the United Kingdom branch of CIBC (“CIBC UK Branch”) continues to be a bank within the meaning of section 991 of ITA, and provided that the interest on the UK Notes is paid in the ordinary course of its business within the meaning of section 878 of ITA, CIBC UK Branch will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax. Based on current HM Revenue & Customs practice, interest will not be regarded as being paid in the ordinary course of business where: (i) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid UK tax; or (ii) the borrowing relates to the capital structure of the CIBC UK Branch. The borrowing will be regarded as relating to the capital structure of the CIBC UK Branch if it conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the FSA, whether or not the borrowing actually counts towards tier 1, 2 or 3 capital for regulatory purposes.
- (iv) Interest on the UK Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the UK Notes is paid by CIBC UK Branch and, at the time the payment is made, CIBC UK Branch reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) either:
  - (a) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; or
  - (b) that the payment is made to one of the bodies or persons set out in sections 935 to 937 of ITA,

provided that H.M. Revenue & Customs has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such

payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

- (v) If none of the above paragraphs apply, interest on UK Notes will generally be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to the availability of other reliefs or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.
- (vi) Where UK Notes are issued at a discount, based on current HM Revenue & Customs practice, any discount element will not be subject to United Kingdom withholding tax. Where UK Notes are issued with a redemption premium, such premium may constitute a payment of interest and the United Kingdom withholding tax position would then be as described in the paragraphs above.
- (vii) Payments, or parts thereof, constituting income in respect of the UK Notes have a United Kingdom source and accordingly may be chargeable to United Kingdom tax by direct assessment, even if paid without withholding or deduction. Income in respect of UK Notes, received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax, in the hands of a Noteholder who is not resident for tax purposes in the United Kingdom except where such Noteholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency, or in the case of a corporate holder, a permanent establishment in connection with which that income is received or to which the UK Notes are attributable, in which case tax may be levied on the United Kingdom branch, agency or permanent establishment. There are certain exemptions for income received by certain categories of agent (such as some brokers and investment managers).
- (viii) The provisions relating to additional amounts referred to in Condition 11 of the UK Notes would not apply if HM Revenue & Customs sought to make a direct assessment on the person entitled to the relevant income. However, exemption from or reduction of such United Kingdom tax liability might be available under an applicable double taxation treaty.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 14(c) of the Notes and does not consider the consequences of any such substitution.

**(b) *All Notes***

Persons in the United Kingdom (i) paying interest to or receiving interest on behalf of another person, or (ii) paying amounts due on redemption of any Notes which constitute deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to or receiving such amounts on behalf of another person may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries. However, in relation to amounts payable on the redemption of such Notes, HM Revenue & Customs published practice indicates that HM Revenue & Customs will not exercise its power to obtain information where such amounts are paid or received on or before April 5, 2013.

**EU Directive on the Taxation of Savings Income**

Under the Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person within its jurisdiction to an individual resident in or to certain other persons established in that other Member State. However, during the current transitional period, Luxembourg and Austria are instead required (unless during such period they elect otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The transitional period is to terminate at the end of the first full fiscal year after agreement on exchange of information is reached between the European Union and certain non-EU countries. A number of non-EU countries (including Switzerland) and certain dependent or associated territories of certain Member States have adopted similar measures (in the case of Switzerland, a withholding system has been adopted).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

## **United States**

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

\* \* \* \* \*

The Issuer does not expect to issue any Notes out of its U.S. Branch. In the event it does so, additional U.S. tax considerations will be described in the Final terms of any such Notes. The discussion below assumes that the Notes, including the Subordinated Notes, will be treated as debt for U.S. federal income tax purposes and issued through a non-U.S. branch of the Issuer. However, the treatment of any particular issue of Subordinated Notes depends on all the facts and circumstances, including the particular terms of the Subordinated Notes, and it is possible that an issue of Subordinated Notes could be treated as equity for U.S. federal income tax purposes. Potential purchasers of Subordinated Notes should consult their tax advisers concerning the U.S. federal income tax consequences to them if the Subordinated Notes are treated as equity of the Issuer.

### **(a) U.S. Holders**

*The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the applicable Final Terms will contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets within the meaning of section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. This summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as banks, financial institutions, insurance companies, investors subject to the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, U.S. expatriates, dealers in securities or currencies, investors that will hold the Notes as part of straddles, constructive sales, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar). This summary also does not address the U.S. federal tax treatment of Dual Currency, Index Linked Notes, Equity Linked Notes, Credit Linked Notes or Commodity Linked Notes. Moreover, the summary deals only with Notes with a term of 30 years or less. The U.S. federal income tax consequences of owning Dual Currency, Index Linked Notes, Equity Linked Notes, Credit Linked Notes or Commodity Linked Notes or Notes with a term of more than 30 years will be discussed in the applicable Final Terms.*

*If a partnership, or other entity taxable as a partnership for U.S. federal income tax purposes, holds a Note, the tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding the Notes or persons who hold the Notes through a partnership or similar pass-through entity should consult their tax advisers regarding the U.S. federal income tax consequences to them of holding the Notes.*

*As used herein, the term "U.S. Holder" means a beneficial owner of Notes that is (i) a citizen or resident of the United States for U.S. federal income tax purposes, (ii) a corporation, or other entity treated as a corporation, created or organized under the laws of the United States or any State thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and*

*one or more U.S. persons have the authority to control all substantial decisions of the trust or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.*

*The summary is based on the tax laws of the United States including the Internal Revenue Code, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect.*

Bearer Notes (including Exchangeable Bearer Notes while in bearer form) are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under U.S. income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the U.S. Internal Revenue Code.

**THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF PURCHASING, OWNING AND DISPOSING OF THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

## **1. Payments of Interest**

### **1.1 General**

Interest on a Note, whether payable in U.S. dollars or a currency or basket of currencies other than U.S. dollars (a “foreign currency”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “— Original Issue Discount — General”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder’s method of accounting for tax purposes. Interest paid by the Issuer on the Notes and OID, if any, accrued with respect to the Notes (as described below under “— Original Issue Discount”) will constitute income from sources outside the United States.

Subject to certain conditions and limitations, foreign taxes, if any, withheld on interest payments may be treated as foreign taxes eligible for credit against a holder’s U.S. federal income tax liability. The limitation on foreign taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific “baskets” of income. Interest on the Notes generally will constitute “passive category income”, or, in the case of certain U.S. Holders, “general category income”. As an alternative to the foreign tax credit, a U.S. Holder may elect to deduct such taxes (the election would then apply to all foreign income taxes such U.S. Holder paid in that taxable year). The rules governing the foreign tax credit are complex. Prospective purchasers are urged to consult their tax advisers regarding the availability of the foreign tax credit under their particular circumstances.

### **1.2 Foreign Currency Denominated Interest**

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years of a U.S. Holder, the part of the period within each taxable year). The average exchange rate for an interest accrual period is generally the simple average of the exchange rates for each business day of the period.

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder

will recognize U.S. source ordinary income or loss measured by the difference between the exchange rate used to accrue interest income pursuant to one of the two above methods and the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

## **2. Original Issue Discount**

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount (“OID”). The following summary does not discuss Notes that are characterized as contingent payment debt instruments for U.S. federal income tax purposes. In the event the Issuer issues contingent payment debt instruments, the applicable Final Terms will describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a “Short-Term Note”), will be treated as issued with OID (a “Discount Note”) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or greater than a de minimis amount (0.25% of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an “instalment obligation”) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is, equal to or greater than 0.25% of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to the public. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest”. A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under “Variable Interest Rate Notes”), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includable in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note (“accrued OID”). The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. Under the constant yield method, the amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The “adjusted issue price” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

OID for any accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above under “—Payments of Interest”. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of a Note), a U.S. Holder may recognize exchange gain or loss, which will be ordinary income or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate on the date of receipt) and the amount previously accrued.

## **3. Acquisition Premium**

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “acquisition premium”) and that does not make the election

described below under “—Election to Treat All Interest as Original Issue Discount”, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note’s adjusted issue price.

#### **4. Market Discount**

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a “Market Discount Note”) if the Note’s stated redemption price at maturity or, in the case of a Discount Note, the Note’s “revised issue price”, exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25% of the Note’s stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note’s maturity (or, in the case of a Note that is an instalment obligation, the Note’s weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes “*de minimis* market discount”. For this purpose, the “revised issue price” of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognized on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder’s income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Note with respect to which it is made and is irrevocable.

Market Discount on a Note that is denominated in, or determined by reference to, a foreign currency will be accrued by a U.S. Holder in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder’s taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder will recognize ordinary income or loss measured in the same manner as for accrued qualified stated interest or OID. A U.S. Holder that does not make this election will recognize, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the exchange rate in effect on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

#### **5. Election to Treat All Interest as Original Issue Discount**

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “—Original Issue Discount — General”, with certain limitations. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium (described below under “—Notes Purchased at a Premium”) or acquisition premium. In applying the constant yield method to a Note with respect to which an election is made, the Note’s issue price will equal the U.S. Holder’s adjusted basis in the Note immediately after the acquisition and no payments on the Note will be treated as payments of qualified stated interest. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under “—Market Discount” to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

#### **6. Variable Interest Rate Notes**

Notes that provide for interest at variable or floating rates (“Variable Interest Rate Notes”) generally will bear interest at a “qualified floating rate” and thus will be treated as “variable rate debt instruments” under U.S.

Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a “variable rate debt instrument” if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified de minimis amount and (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A “qualified floating rate” is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An “objective rate” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term. A “qualified inverse floating rate” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “current value” of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument”, then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a “true” discount (i.e., at a price below the Note’s stated principal amount) in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from “true” discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note’s issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a “variable rate debt instrument”, then the Variable Interest Rate Note may be treated as a contingent payment debt obligation. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations will be more fully described in the applicable Final Terms.

## **7. Short-Term Notes**

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realized on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income (including acquisition discount) is realized. For this purpose, acquisition discount is the excess, if any, of the Note’s stated redemption price at maturity over the U.S. Holder’s basis in the Notes.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note’s stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder’s purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

## **8. Reopenings**

The Issuer may, without the consent of the Holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no

OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

## **9. Notes Purchased at a Premium**

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as “amortizable bond premium”, in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note’s yield to maturity) to that year. In the case of a Note that is denominated in, or determined by reference to, a foreign currency, bond premium will be computed in units of foreign currency, and amortizable bond premium will reduce interest income in units of the foreign currency. At the time amortized bond premium offsets interest income, U.S. source exchange gain or loss (taxable as ordinary income or loss) will be realized measured by the difference between exchange rates at that time and at the time of the acquisition of the Notes. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognize a market loss when the Note matures. Any election to amortize bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “— Original Issue Discount — Election to Treat All Interest as Original Issue Discount”.

## **10. Substitution of Issuer**

The terms of the Notes provide that, in certain circumstances, the obligations of the Issuer under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder could be required to recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new notes (as determined for U.S. federal income tax purposes), and the U.S. Holder’s tax basis in the Notes. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

## **11. Purchase, Sale and Retirement of Notes**

A U.S. Holder’s tax basis in a Note will generally be its U.S. dollar cost (as defined below) increased by the amount of any OID or market discount included in the U.S. Holder’s income with respect to the Note and the amount, if any, of income attributable to de minimis OID and de minimis market discount included in the U.S. Holder’s income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note. The U.S. dollar cost of a Note purchased with a foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder will generally recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and the tax basis of the Note. The amount realized on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Except to the extent described above under “— Original Issue Discount — Market Discount” or “— Original Issue Discount — Short Term Notes” or attributable to accrued but unpaid interest or changes in exchange rates, gain or loss recognized on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period in the Notes exceeds one year.

Gain or loss recognized by a U.S. Holder on the sale or retirement of a Note that is attributable to changes in exchange rates will be treated as U.S. source ordinary income or loss. However, exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction. Gain or loss realized by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. A U.S. person holding a Bearer Note or Exchangeable Bearer Note with a maturity of more than one year will generally be required to treat any gain on disposal as ordinary income rather than capital gain, and no deduction will be allowed in respect of any loss.

## **12. Exchange of Amounts in Currencies other than U.S. Dollars**

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or retirement. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Notes or an exchange for U.S. dollars) will be U.S. source ordinary income or loss.

## **13. Backup Withholding and Information Reporting**

In general, payments of principal, interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a non-corporate U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations unless such U.S. Holder establishes a basis for such exemption. Backup withholding will apply to these reportable payments and accruals of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Backup withholding is not an additional tax. Any amount withheld from payment to a U.S. Holder under the backup withholding rules will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided the required information is furnished to the IRS in a timely manner. U.S. Holders should consult their tax advisers as to the application of backup withholding in their particular situation, their qualification for exemption from backup withholding and the procedure for obtaining an exemption, if available.

Recently enacted legislation requires certain U.S. holders to report information with respect to their investment in Notes not held through an account with a domestic financial institution to the IRS. Investors who fail to report required information, which may be done by filing an IRS Form 8938, are subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisers regarding the possible implications of this proposed legislation on their investment in the Notes.

A U.S. holder may be required specifically to report a sale, retirement or other taxable disposition of Notes to the IRS if it recognizes a loss over a threshold amount, including a foreign currency loss from a single transaction that exceeds, in the case of an individual or trust, US\$50,000 in a single taxable year or, in other cases, various higher thresholds. U.S. Holders that recognize a loss on a Note should consult their tax advisers.

### **(b) *United States Alien Holders***

#### **1. General**

Under current U.S. federal income and estate tax laws, and subject to the discussion of backup withholding in the following section:

- 1.1. Payments of principal, OID and interest by the Issuer or any paying agent to any holder of a Note who is a United States Alien (as defined below) will not be subject to U.S. federal income tax unless the income is effectively connected with the conduct of a trade or business in the United States.
- 1.2. A United States Alien holder of a Note or Coupon will not be subject to U.S. federal income tax on any gain or income realized upon the sale, exchange or retirement or other disposition of a Note or Coupon unless the gain or income is effectively connected with the conduct of a trade or business in the United States or such United States Alien is an individual present in the United States for at least 183 days during the taxable year on disposition and certain other conditions are met.
- 1.3. A Note or Coupon held by an individual who is a United States Alien at the time of death will not be subject to U.S. federal estate tax as a result of the individual's death if at the time of the individual's death payments with respect to the Note would not have been effectively connected with a U.S. trade or business of the individual.
- 1.4. Except as required by FATCA as described below, a beneficial owner of a Bearer Note or Coupon or an Exchangeable Bearer Note that is a United States Alien will not be required to disclose its nationality, residence or identity to the Issuer, a paying agent, or any U.S. governmental authority in order to receive payment on the Note or Coupon from the Issuer or a paying agent outside the United States (although in order to receive a beneficial interest in a Permanent Global Note or Definitive Notes and Coupons and interest thereon the beneficial owner of an interest in a temporary Global Note will be required to provide a certificate of non-U.S. beneficial ownership to Euroclear or Clearstream, Luxembourg).

For purposes of this discussion, “United States Alien” means any corporation, individual or estate or trust that, for U.S. federal income tax purposes is not a U.S. Holder.

## **2. Backup Withholding and Information Reporting**

The U.S. backup withholding and information reporting procedures are complex and can be impacted by a variety of factors. The following discussion is a brief description of those rules that does not cover every possible circumstance but rather is intended to provide the reader with a general overview of their application to the Notes subject to this Prospectus.

Unless the Issuer or the paying agent has actual knowledge or reason to know that the holder or beneficial owner, as the case may be, is a U.S. person (as defined in the Internal Revenue Code), payments of principal, OID and interest on Registered Notes made to a United States Alien will not be subject to backup withholding, provided the United States Alien provides the payer with an IRS Form W-8BEN (or other appropriate type of IRS Form W-8) but interest and OID paid on Registered Notes with a maturity of more than 183 days will be reported to the IRS as required under applicable regulations.

Payments of principal, OID and interest on Bearer Notes and Exchangeable Bearer Notes made outside the United States to a United States Alien by a non-U.S. payor will not be subject to information reporting and backup withholding.

In addition, except as provided in the following sentence, if principal, OID, or interest payments made with respect to Bearer Notes or Exchangeable Bearer Notes are collected outside the United States on behalf of a beneficial owner of a Bearer Note or Exchangeable Bearer Notes by a foreign office of a custodian, nominee or other agent who is not a U.S. Controlled Person (as defined below), the custodian, nominee or other agent will not be required to apply backup withholding to these payments when remitted to the beneficial owner and will not be subject to information reporting. However, if the custodian, nominee or other agent is a U.S. Controlled Person, payments collected by its United States or foreign office may be subject to information reporting and backup withholding unless the custodian, nominee or other agent has in its records documentary evidence that the beneficial owner is not a U.S. person or is otherwise exempt from information reporting, and it has no actual knowledge or reason to know that any of the information or certifications associated with this documentation is incorrect.

Payments on the sale, exchange or other disposition of a Bearer Note or Exchangeable Bearer Note made to or through a foreign office of a broker will generally not be subject to information reporting or backup withholding. However, if the broker is a U.S. Controlled Person, payments on the sale, exchange or other disposition of the Bearer Note or Exchangeable Bearer Note made to or through a United States or foreign office of the broker will be subject to information reporting unless the beneficial owner has furnished the broker with documentation upon which the broker can rely to treat the payment as made to a beneficial owner that is a foreign person, and the broker has no actual knowledge or reason to know that any of the information or certifications associated with this documentation is incorrect.

For purposes of this discussion, a “U.S. Controlled Person” means (i) a U.S. person (as defined in the Internal Revenue Code), (ii) a controlled foreign corporation for U.S. federal income tax purposes, (iii) a foreign person 50% or more of whose gross income was effectively connected with the conduct of a United States trade or business for a specified three-year period, or (iv) a foreign partnership, if at any time during its tax year, one or more of its partners are U.S. persons who, in the aggregate, hold more than 50% of the partnership’s income or capital interest or if, at any time during its tax year, it is engaged in the conduct of a trade or business in the United States.

Any amounts withheld under the backup withholding rules may be allowed as a credit against the holder’s U.S. federal income tax liability, and may entitle the holder to a refund, provided the required information is furnished to the IRS in a timely manner.

Holders should consult their tax advisers regarding the application of information reporting and backup withholding to their particular situations, the availability of an exemption therefrom, and the procedure for obtaining an exemption, if available.

## **3. FATCA**

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (“FATCA”) were enacted in March 2010 in an effort to assist the United States Internal Revenue Services (“IRS”) in enforcing U.S. taxpayer compliance. FATCA imposes a 30% withholding tax on (i) U.S. source

payments to and from certain non-U.S. financial institutions (such as the Issuer) that do not make and comply with an agreement to provide the IRS with information about its accountholders and certain holders of its debt or equity and (ii) foreign pass-thru payments to other non-U.S. entities that do not provide payors information about their substantial U.S. holders or establish that they have no substantial U.S. holders.

Under proposed U.S. Treasury Regulations that have not yet been finalized, Notes issued prior to January 1, 2013 are generally exempt from the FATCA withholding tax. As such, payments on Notes issued after December 31, 2012 (including interest, principal and redemption proceeds) could become subject to FATCA withholding tax if the Issuer becomes subject to a reporting agreement with the IRS and payments on the Notes are foreign pass-thru payments within the meaning of the FATCA rules. Currently proposed U.S. Treasury Regulations would defer withholding on foreign pass-thru payments until January 1, 2017. Payments on Notes issued before December 31, 2012 also may become subject to FATCA withholding tax if the Notes are not characterized as debt for U.S. federal income tax purposes.

The FATCA rules have not yet been fully developed, so the future application of FATCA to the Issuer and the holders of Notes is uncertain. Holders may be required to provide certain information to the Issuer or other payors in order to avoid FATCA withholding from payments on the Notes.

No additional amounts will be paid in respect of any U.S. tax withheld under the FATCA rules from payments on the Notes. Potential investors should consult their tax advisers regarding the implications of the FATCA rules for their investment in Notes, including the implications resulting from the status under these rules of each financial intermediary through which they hold Notes.

THE SUMMARY OF U.S. FEDERAL INCOME AND ESTATE TAX SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING NOTES OR COUPONS, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and the conditions contained in an Amended and Restated Dealer Agreement dated June 18, 2012 (the "Dealer Agreement") between the Issuer and the Dealers, the Notes will be offered on a continuous basis by the Issuer to the Dealers, which expression shall include any person appointed as a Dealer for a specific issue. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer(s). The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers. Notes may also be offered directly to persons other than the Dealers.

The Issuer will pay each relevant Dealer a commission agreed between the Issuer and the Dealer in respect of Notes subscribed by it. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the applicable Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### Selling Restrictions

#### United States

Regulation S, Category 2, D Rules for Notes with a maturity of more than one year issued in bearer form unless C Rules are specified as applicable in the applicable Final Terms or unless the transaction is an Excluded Issue. The Notes shall only be Rule 144A eligible if so specified in the applicable Final Terms.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements (other than Notes having a maturity of one year or less) and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Internal Revenue Code of 1986, as amended and regulations thereunder (the "Code"). Bearer Notes issued in accordance with the D Rules with a maturity of more than one year will bear the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code of the United States".

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and such completion is notified to the relevant Dealer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager (once each of the syndicated dealers has so notified the Lead Manager, with respect to Notes purchased by or through it), within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each dealer to which it sells Notes (other than a sale of Notes pursuant to Rule 144A) during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

#### **144A Notes**

The Dealer Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to QIBs pursuant to Rule 144A.

Each purchaser of Rule 144A Notes, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that:

(1) It is (a) a QIB within the meaning of Rule 144A, (b) acquiring such Notes for its own account or for the account of a qualified institutional buyer and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it may be made in reliance on Rule 144A.

(2) It understands that such Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.

(3) It understands that such Notes, unless otherwise set forth in the applicable Final Terms or determined by the Issuer in accordance with applicable law, will bear a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES, OTHER THAN (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

(4) It understands that the Rule 144A Notes will be represented by one or more Restricted Global Certificates. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Certificate, it will be required to provide a Transfer Agent with a written certification as to compliance with applicable securities laws.

(5) Each purchaser of Notes, and each subsequent transferee of Notes, the assets of which purchaser or transferee constitute the assets of one or more Plans and each fiduciary that directs such purchaser or transferee with respect to the purchase or holding of such Notes, will be deemed to represent that the purchase and holding of such Notes does not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available.

(6) The Issuer, the Fiscal Agent, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any Notes for the

account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

**Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.**

### **Regulation S Notes**

Each purchaser of Registered Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the Distribution Compliance Period, by accepting delivery of this Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

(1) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

(2) It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the Distribution Compliance Period, it will not offer, sell, pledge or otherwise transfer such Notes except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB, in each case in accordance with any applicable securities laws of any State of the United States.

(3) It understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following:

**THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.**

(4) The Issuer, the Fiscal Agent, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

(5) It understands that the Notes offered in reliance on Regulation S will be represented by one or more Unrestricted Global Certificates. Prior to the expiration of the Distribution Compliance Period, before any interest in an Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Certificate, it will be required to provide a Transfer Agent with a written certification as to compliance with applicable securities laws.

Section 4975 of the Internal Revenue Code prohibits the borrowing of money, the sale of property and certain other transactions involving the assets of plans that are tax-qualified under the Code (“Qualified Plans”) or individual retirement accounts (“IRAs”) and persons who have certain specified relationships to them. Section 406 of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), prohibits similar transactions involving the assets of employee benefit plans that are subject to ERISA (“ERISA Plans”). Qualified Plans, IRAs and ERISA Plans and entities treated for purposes of ERISA and the Code as holding assets thereof are collectively referred to as “Plans”. Persons who have such specified relationships are referred to as “parties in interest” under ERISA and as “disqualified persons” under the Code. An Issuer may be considered a “party in interest” or “disqualified person” with respect to a Plan. The purchase and/or holding of securities by a Plan with respect to which any Issuer and/or certain of its affiliates is a fiduciary, service provider and/or sponsor (or otherwise is a “party in interest” or “disqualified person” due to being affiliated with any such person or otherwise) could constitute or result in a prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless such securities are acquired or held under, and in accordance with, a statutory or administrative exemption. Moreover, in accordance with ERISA’s general fiduciary requirement, a fiduciary with respect to any ERISA Plan who is considering the purchase of securities on behalf of such plan should determine whether such purchase is permitted under the governing plan document and is prudent and appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of its portfolio. Plans established with, or for which services are provided by, an Issuer and/or certain of its affiliates should consult with counsel before making any acquisition. Each purchaser of Notes, and each

subsequent transferee of Notes, the assets of which purchaser or transferee constitute the assets of one or more Plans and each fiduciary that directs such purchaser or transferee with respect to the purchase or holding of such Notes, will be deemed to represent that the purchase and holding of such Notes does not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available.

Each issuance of Dual Currency Notes, Index Linked Notes, Equity Linked Notes, Commodity Linked Notes and other Reference Item Linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer(s) may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

### **Public Offer Selling Restriction Under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

### **Selling Restrictions Addressing Additional United Kingdom Securities Laws**

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act (2000) (the “FSMA”)) received by it in

connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

### **Republic of Italy**

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (investitori qualificati), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the Financial Services Act) and the relevant implementing CONSOB regulations, as amended from time to time, and in Article 2 of Directive No. 2003/71/EC of 4 November 2003; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (Regulation No. 11971).

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the Banking Act); and
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

*Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on solicitation of investments applies under (i) and (ii) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failing to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.*

### **Canada**

The Notes have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed, or delivered, and that it will not offer, sell, distribute, or deliver, any Notes, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof in contravention of the securities laws of Canada or any province or territory thereof and also without the consent of the Issuer. Each Dealer has also agreed, and each further Dealer appointed under the Programme may be required to agree, not to distribute or deliver this Prospectus, or any other offering material relating to the Notes, in Canada in contravention of the securities laws of Canada or any province or territory thereof and also without the consent of the Issuer. If the applicable Final Terms provide that the Notes may be offered, sold or distributed in Canada, the issue of the Notes will be subject to such additional selling restrictions as the Issuer and the relevant Dealer(s), and each further Dealer appointed under the Programme, may agree, as specified in the applicable Final Terms. Each Dealer, and each further Dealer appointed under the Programme, will be required to agree that it will offer, sell and distribute such Notes only in compliance with such additional Canadian selling restrictions. Issues of Subordinated Notes by CIBC may be subject to additional Canadian selling restrictions specified in the applicable Final Terms.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended) (the “Financial Instruments and Exchange Law”). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws, regulations and ministerial guidelines of Japan.

## **Hong Kong**

In relation to each Tranche of Notes issued by the Issuer each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “Securities and Futures Ordinance”) other than (a) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## **Singapore**

This prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell Notes or circulate or distribute this prospectus and any document or other material relating to the Notes, either directly or indirectly, to any person in Singapore other than: (i) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act (Cap. 289) of Singapore (the “Singapore Securities and Futures Act”); (ii) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the Singapore Securities and Futures Act; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other provision of the Singapore Securities and Futures Act.

This prospectus and any other documents or materials in relation to the issue, offering or sale of the Notes are made available to the recipients thereof in Singapore solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the Singapore Securities and Futures Act and may not be relied upon by any other person. In the event that you are not such an investor, please return this document to CIBC immediately. Please do not forward or circulate this document to any other person.

Each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased Notes, namely a person who is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person, or to any person pursuant to Section 275(1) and Section 275(1A) of the Securities and Futures Act, respectively, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) pursuant to Section 276(7) of the Securities and Futures Act.

All investors are advised to acquaint themselves with such provisions and comply with them accordingly. When in doubt as to the restrictions set out in the Singapore Securities and Futures Act, investors should consult their own professional advisers.

### **Taiwan**

The Notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell any Notes in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Notes in Taiwan.

### **General**

The selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive or in respect of any Series or Tranche. Any such modification may be set out in the applicable Final Terms issued in respect of the issue of Notes to which it relates or in a Supplement to this Prospectus. Additional selling restrictions in relation to a specific Tranche will be set out in the applicable Final Terms.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Final Terms, and neither the Issuer nor any other Dealer shall have responsibility therefore.

## PRO FORMA FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme pursuant to this Prospectus with a denomination of at least EUR100,000 (or its equivalent in another currency).*

*Notes in italics in these Pro Forma Final Terms are intended for reference purposes only, will not appear in actual Final Terms documents and are not binding on the Issuer.*

### Final Terms dated [•]

**Canadian Imperial Bank of Commerce**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**under a US\$20,000,000,000 Note Issuance Programme**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “Conditions”) set forth in the Prospectus dated •, 2012 [and the supplemental Prospectus dated •] which [together] constitute[s] [a base prospectus (the “Prospectus”) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”)] [listing particulars for purposes of Chapter 4 of the Listing Rules of the Financial Services Authority]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing during normal business hours at and copies may be obtained from the registered office of the Issuer at 199 Bay St., Toronto, Canada M5L 1A2, and at the office of the Fiscal Agent, Deutsche Bank AG, London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB and may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer [and copies may be available from [address].]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “Conditions”) set forth in the Prospectus dated [original date]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”)] and must be read in conjunction with the Prospectus dated • 2012 [and the supplemental Prospectus dated •], which [together] constitute[s] [a base prospectus for the purposes of the Prospectus Directive] [listing particulars for purposes of Chapter 4 of the Listing Rules of the Financial Services Authority], save in respect of the Conditions which are extracted from the Prospectus dated [original date] and are incorporated by reference in the Prospectus dated • 2012. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated • 2012 [and the supplemental Prospectus dated •]. The Prospectus dated • 2012 [and the supplemental Prospectus(es)] and the Conditions which are extracted from the Prospectus dated [original date] and are incorporated by reference in the Prospectus dated • 2012 are available for viewing during normal business hours at and copies may be obtained from the registered office of the Issuer at 199 Bay St., Toronto, Canada M5L 1A2, and at the office of the Fiscal Agent, Deutsche Bank AG, London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB and may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer [and copies may be available from [address]].

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors”, and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive or whether a Drawdown Prospectus should be used to avoid triggering rescission rights.]*

*[Consider including the following paragraph for Index Linked Notes, Equity Linked Notes, Commodity Linked Notes, Credit Linked Notes and currency linked Notes.]*

*[No person has been authorised to give any information or make any representation not contained in or not consistent with these Final Terms, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Dealer. By investing in the Notes each investor represents that:*

*(a) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.*

*(b) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.*

*(c) Status of Parties. Neither the Issuer nor any Dealer is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.]*

**THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES.**

*[Consider including the following paragraph for Reference Item Linked Notes.]*

**[AN INVESTMENT IN NOTES LINKED TO ONE OR MORE REFERENCE ITEMS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF THE NOTES MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. [WHERE THE NOTES ARE REDEEMED BY THE ISSUER BY DELIVERY OF REFERENCE ITEM(S) THE VALUE OF THE REFERENCE ITEM(S) MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.]**

**INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.**

*[The provisions of Annex A apply to these Final Terms and such documents shall be read together.]*

*[The information included herein with respect to indices and/or formulas comprising, based on or referring to variations in the prices of one or more shares in companies, any other equity or non-equity securities, currencies or currency exchange rates, interest rates, credit risks, fund units, shares in investment companies, term deposits, life insurance contracts, loans, commodities or futures contracts on the same or any other underlying instrument(s) or asset(s) or the occurrence or not of certain events not linked to the Issuer or any other factors to which the Notes are linked (the “Underlyings”) consists only of extracts from, or summaries of publicly*

available information. The Issuer accepts responsibility that such extracts or summaries have been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Underlyings, no facts have been omitted that would render the reproduced extracts or summaries inaccurate or misleading. No further or other responsibility in respect of such information is accepted by the Issuer. In particular, neither the Issuer nor any Dealer accepts responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Underlyings of the Notes or that there has not occurred any event which would affect the accuracy or completeness of such information.

The purchase of Notes issued under the Programme is associated with certain risks. Each prospective investor in Notes must ensure that the complexity and risks inherent in the Notes are suitable for its investment objectives and are appropriate for itself or the size, nature and condition of its business, as the case may be. No person should deal in the Notes unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss. Each prospective purchaser of Notes should consider carefully whether the Notes are suitable for it in light of its circumstances and financial position. Prospective investors in Notes should consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the Notes for them as an investment.]

1.	(i) Issuer:	Canadian Imperial Bank of Commerce
	(ii) Branch of Account:	[•] [Not applicable to Subordinated Notes]
	(iii) Definitive N Registered Notes ( <i>Namensschuldverschreibungen</i> ):	[Yes][No]
2.	(i) Series Number:	[•]
	(ii) [Tranche Number:	[•]
		<i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)</i>
3.	Specified Currency or Currencies:	[•]
4.	Aggregate Nominal Amount of Notes:	[•]
	(i) Series:	[•]
	(ii) [Tranche:	[•]]
5.	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] ( if applicable)]

6.	(i) Specified Denominations:	[•] [and integral multiples of [•] in excess thereof up to and including [•]. No Notes in definitive form will be issued with a denomination above [•] <sup>1,2</sup>
		<i>[So long as the Notes are represented by a temporary Global Note or, permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in nominal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and higher integral multiples of at least [•1,000], notwithstanding that no definitive Notes will be issued with denomination above [•99,000].]</i>
		<i>[If item 26 indicates that the Global Note is exchangeable for definitive Notes at the option of the Noteholder, the Notes will be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).]</i>
	(ii) Calculation Amount:	<i>[If there is only one Specified Denomination and no integral multiples in excess thereof, insert the Specified Denomination. If there is more than one Specified Denomination and no integral multiples in excess thereof, insert the highest common factor of the Specified Denominations. If there are integral multiples in excess of the Specified Denomination(s), insert the highest common factor of the integral multiples and the Specified Denomination(s).] [Note: There must be a common factor in the case of integral multiples in excess of the Specified Denomination(s) or two or more Specified Denominations]</i>
7.	(i) Issue Date:	[•]
	(ii) Interest Commencement Date:	[Specify: Issue Date/Not Applicable]
8.	Maturity Date:	<i>[Specify/date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i>
9.	Interest Basis:	<p>[•] per cent. Fixed Rate</p> <p>[specify reference rate] +/- [•] per cent. Floating Rate</p> <p>[Zero Coupon]</p> <p>[Index Linked Interest]</p> <p>[Equity Linked Interest]</p> <p>[Commodity Linked Interest]</p> <p>[Other (specify)]</p> <p>(further particulars specified below)</p>

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<sup>1</sup> This number may need to be adjusted depending on the Specified Denomination and higher integral multiple of each Tranche. In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (2003/71/EC) (the "Prospectus Directive"), the minimum Specified Denomination shall not be less than €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

<sup>2</sup> Where the Notes have a maturity of less than one year and the issue proceeds are to be accepted in the United Kingdom, or in the case of issues within Section 418 FSMA, will be subject to Section 19 FSMA unless their denomination is £100,000 or more (or its equivalent in other currencies) and they are only issued to "professionals" within Article 9(2)(a) of the Financial Services and Market Act (Regulated Activities) Order 2001. Add the following language:

"Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies)."

10.	(i)	Redemption/Payment Basis:	[Redemption at par]
			[Index Redemption/Equity Redemption/Formula/Fixed Notes/Variable Note/High Interest Note]      Linked Redemption/Linked Redemption/Redemption Amount Notes/Low Interest Note]
			[Dual Currency]
			[Partly Paid]
			[Instalment]
			[Other ( <i>specify</i> )]
	(ii)	Protection Amount:	[Applicable//Not Applicable] <sup>3</sup>
			[[●] per Calculation Amount]
11.		Change of Interest or Redemption/Payment Basis:	<i>[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis [Not Applicable]]</i>
12.		Put/Call Options:	[Put Option]
			[Call Option]
			[(further particulars specified below)]
13.	(i)	Status of the Notes:	[Deposit Notes/Subordinated Notes]
	(ii)	[Date [Board] approval for issuance of Notes obtained:]	[and [ ], respectively]]
			<i>[(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes, or if Subordinated Notes, specify date of most recent Standing Resolution of Board of Directors for issue of Subordinated Indebtedness obtained if other than [September 1, 2005])]</i>
14.		Method of distribution:	[Syndicated/Non-syndicated]
<b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b>			
15.		Fixed Rate Note Provisions:	[Applicable/Not Applicable]
			<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ other ( <i>specify</i> )] in arrear]
	(ii)	Interest Payment Date(s):	[●] in each year, commencing on [ ], to and [ ][adjusted in accordance with the Business Day Convention/not adjusted]
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount

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<sup>3</sup> Only applicable to Reference Item Linked Notes.

(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
(v)	Day Count Fraction:	[30/360 / Actual/Actual ([ICMA] /[ISDA]) / other]
(vi)	[Determination Dates:	[●] in each year ( <i>insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))</i> ]
(vii)	Business Day Convention:	[Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other ( <i>give details</i> )] [ <i>specify any applicable Business Centre(s) for the definition of "Business Day"</i> ]
(viii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/ <i>give details</i> ]

**16. Floating Rate Note Provisions:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i)	Interest Period(s):	[●] [each consisting of [●] Interest Accrual Periods each of [●]]
(ii)	Interest Period Date(s):	[[●]]/Not Applicable]
(iii)	Specified Interest Payment Dates:	[●] commencing [●]
(iv)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other ( <i>give details</i> )]
(v)	Business Centre(s):	[●]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other ( <i>give details</i> )]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent):	[●]
(viii)	Screen Rate Determination:	<ul style="list-style-type: none"> <li>- Reference Rate: [●]</li> <li>- Interest Determination Date(s): [●]</li> <li>- Relevant Screen Page: [●]</li> </ul>
(ix)	ISDA Determination:	<ul style="list-style-type: none"> <li>- Floating Rate Option: [●]</li> <li>- Designated Maturity: [●]</li> <li>- Reset Date: [●]</li> </ul>

(x)	Margin(s):	[+/-] [●] per cent. per annum
(xi)	Minimum Rate of Interest:	[●] per cent. per annum
(xii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiii)	Day Count Fraction:	[●]
(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
(xv)	Relevant Time:	[●]

**17. Zero Coupon Note Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i)	Amortisation Yield:	[●] per cent. per annum
(ii)	Any other formula/basis of determining amount payable:	[Day Count Fraction/other]

**18. Index-Linked Interest Note Provisions:**<sup>4</sup> [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i)	Whether the Notes relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of relevant sponsors:	[Basket of Indices/Single Index] <i>[give or annex details]</i> [The Index is a Designated Multi-Exchange Index]
(ii)	Description of formula used to determine Rate of Interest:	<i>[give or annex details]</i>
(iii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) and making calculations pursuant to Condition 7 (if not the Fiscal Agent):	[●]
(iv)	Formula for calculating Rate of Interest where calculation by reference to Index/indices is impossible or impracticable or otherwise disrupted and other back up provisions:	[Applicable/Not Applicable] <i>[If applicable, need to include back up provisions]</i>
(v)	Interest Determination Date(s):	[●]

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<sup>4</sup> Payments on Reference Item Linked Notes may give rise to Canadian withholding tax. An opinion of tax counsel should be obtained and if no opinion is obtained or if any deduction or withholding may be required, the Final Terms should provide that Condition 5(c) does not apply to such Notes.

(vi)	Interest Period(s) or other calculation period(s):	[•] each consisting of [•] Interest Accrual Periods each of [•]
(vii)	Interest Period Date(s):	[•]/Not Applicable
(viii)	Specified Interest Payment Dates:	[•]
(ix)	Business Day Convention:	Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other ( <i>give details</i> )
(x)	Business Centre(s):	[•]
(xi)	Minimum Rate of Interest/Interest Amount:	[•] per cent per annum
(xii)	Maximum Rate of Interest/Interest Amount:	[•] per cent per annum
(xiii)	Day Count Fraction:	[•]
(xiv)	Exchange(s):	[•]
(xv)	Related Exchange(s):	[[•] /All Exchanges]
(xvi)	Valuation Date(s):	[•]
(xvii)	Valuation Time:	[Condition 7(c) applies/other]
(xviii)	Strike Price:	[•]
(xix)	Multiplier for each Index comprising the basket:	[Insert details/Not Applicable]
(xx)	Correction of Index Levels:	Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].  <i>(If Correction of Index Levels does not apply, delete the following sub paragraph)</i>
(xxi)	Correction Cut-Off Date:	[•] Business Days prior to each Interest Payment Date
(xxii)	Trade Date:	[•]
(xxiii)	Other terms or special conditions:	[•]

## 19. Equity Linked Interest Note Provisions:<sup>4</sup>

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Whether the Notes relate to a basket of equity securities or a single equity security, and the identity of the relevant issuer(s) of the Underlying Equity/Equities and relevant ISIN/Common Code/CUSIP/other):

[Basket of Underlying Equities/Single Underlying Equity]  
*[Give or annex details for each class of Underlying Equities]*

(ii) Description of formula used to [give or annex details] determine Rate of Interest:

(iii) Provision for determining Rate of Interest where calculation by reference to the formula is impossible or impracticable: [Applicable/Not Applicable] [If applicable, need to include back up provisions]

(iv) Person responsible for calculating the Rate(s) of Interest and Interest Amount(s) and for making calculations pursuant to Condition 8 (if not the Fiscal Agent): [●]

(v) Interest Period(s) or other calculation period(s): [●] each consisting of [●] Interest Accrual Periods each of [●]

(vi) Interest Period Date(s): [●]/Not Applicable

(vii) Specified Interest Payment Dates: [●]

(viii) Business Day Convention: Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]

(ix) Business Centre(s): [●]

(x) Minimum Rate of Interest/Interest Amount: [●] per cent per annum

(xi) Maximum Rate of Interest/Interest Amount: [●] per cent per annum

(xii) Day Count Fraction: [●]

(xiii) Exchange(s): [●]

(xiv) Related Exchange(s): [[●]/All Exchanges]

(xv) Potential Adjustment Events: [Applicable/Not Applicable]

(xvi) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]

(xvii) Tender Offer: [Applicable/Not Applicable]

(xviii) Valuation Date(s): [●]

(xix) Valuation Time: [Condition 8(e) applies/other]

(xx) Strike Price: [●]

(xxi) Exchange Rate: [Applicable/Not Applicable]  
[Insert details]

(xxii) Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 8(b)): [Insert details/Not Applicable]

(xxiii) Correction of Share Prices: Correction of Share Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]. *(If Correction of Share Prices does not apply, delete the following sub paragraph)*

(xxiv) Correction Cut-Off Date: [●] Business Days prior to each Interest Payment Date.

(xxv) Trade Date: [●]

(xxvi) Other terms or special conditions: [●]

**20. Commodity Linked Interest Note Provisions:**<sup>4</sup> [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Relevant commodity or commodities: [●]

(ii) Formula for calculating Rate of Interest: *[Give or annex details]*

(iii) Provision for determining Rate of Interest where calculation by reference to common fees and/or formula is impossible or impracticable: [Applicable/Not Applicable]*[If applicable, need to include back up provisions]*

(iv) Person responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [●]

(v) Interest Period(s) or other calculation period(s): [●] each consisting of [●] Interest Accrual Periods each of [●]

(vi) Interest Period Date(s): [●]/Not Applicable

(vii) Specified Interest Payment Dates: [●]

(viii) Business Day Convention: Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*

(ix) Business Centre(s): [●]

(x) Minimum Rate of Interest/Interest Amount: [●] per cent per annum

(xi) Maximum Rate of Interest/Interest Amount: [●] per cent per annum

(xii) Day Count Fraction: [●]

(xiii) Additional Disruption Event *[Insert Details/ Not Applicable]*

(xiv) Other terms or special conditions: [●]

**21. Other variable-linked interest Note Provisions:**<sup>4</sup> [ ]

**22. Dual Currency Note Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal Agent): [•]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [•]

**23. Additional Disruption Events:** [Applicable/Not Applicable]

*(applicable to Index Linked Interest Notes and Equity Linked Interest Notes only): [Additional Disruption Events are only applicable to certain types of Index Linked Interest Notes or Equity Linked Interest Notes]*

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

*(NB: Only applicable in the case of Equity Linked Interest Notes)*

[Loss of Stock Borrow]

[The Maximum Stock Loan Rate in respect of [specify in relation to each Underlying Equity/Security] is [ ].

*(NB: Only applicable if Loss of Stock Borrow is applicable)*

[The Initial Stock Loan rate in respect of [specify in relation to each Underlying Equity/Security]

*(NB: Only applicable if Increased Cost of Stock Borrow is applicable)*

## PROVISIONS RELATING TO REDEMPTION

<b>24. Call Option:</b>	[Applicable/Not Applicable]
<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>	
(i) Optional Redemption Date(s):	[•]
(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	[•] per Calculation Amount
(b) Maximum Redemption Amount:	[•] per Calculation Amount
(iv) Notice period: <sup>5</sup>	[•]
<b>25. Put Option:</b>	[Applicable/Not Applicable]
<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>	
(i) Optional Redemption Date(s):	[•]
(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
(iii) Notice period: <sup>5</sup>	[•]
<b>26. Final Redemption Amount of each Note:</b>	[[•] per Calculation Amount /other/see Appendix]
<b>27. Index Linked Redemption Notes:</b> <sup>4</sup>	[Applicable/Not Applicable]
<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>	
(i) Whether the Notes relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of relevant sponsors:	[Basket of Indices/Single Index] <i>[give or annex details]</i> [The Index is a Designated Multi-Exchange Index]
(ii) Relevant provisions for determining the Final Redemption Amount:	[•]
(iii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) and making calculations pursuant to Condition 7:	[•]
(iv) Exchange(s):	[•]

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<sup>5</sup> If setting notice periods which are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agents.

(v)	Related Exchange(s):	[[•] /All Exchanges]
(vi)	Redemption Amount:	[[•] per Calculation Amount/ Not Applicable]  [If not applicable: Call Index Linked Redemption Notes/Put Index Linked Redemption Notes]
(vii)	Valuation Date(s):	[•]
(viii)	Valuation Time:	[Condition 7(c) applies/other]
(ix)	Strike Price:	[•]
(x)	Multiplier for each Index comprising the basket:	[Insert details/Not Applicable]
(xi)	Correction of Index Levels:	Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].  (If Correction of Index Levels does not apply, delete the following sub paragraph)
(xii)	Correction Cut-Off Date:	[•] Business Days prior to the Maturity Date
(xiii)	Trade Date:	[•]
(xiv)	Other terms or special conditions:	[•]
<b>28. Equity Linked Redemption Notes:<sup>4</sup></b>		
		[Applicable/Not Applicable]  (If not applicable, delete the remaining sub paragraphs of this paragraph)
(i)	Whether the Notes relate to a basket of equity securities or a single equity security, and the identity of the relevant issuer(s) of the Underlying Equity/Equities):	[Basket of Underlying Equities/Single Underlying Equity]  [give or annex details]
(ii)	Whether redemption of the Notes will be by (a) Cash Settlement or Physical Delivery or (c) Cash Settlement and/or Physical Delivery <sup>6</sup> :	[Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]  (If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)
(iii)	Person responsible for calculating the Rate(s) of Interest and Interest Amount(s) and for making calculations pursuant to Condition 8:	[•]
(iv)	Exchange(s):	[•]
(v)	Related Exchange(s):	[[•]/All Exchanges]

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<sup>6</sup> If Physical Delivery applies, consider whether the Notes will be exchangeable or convertible debt securities and, if so, a new prospectus or drawdown prospectus will need to be prepared and published. Where there is Physical Delivery a supplement must be prepared providing disclosure on the underlying issuer and the security.

(vi)	Potential Adjustment Events:	[Applicable/Not Applicable]
(vii)	De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
(viii)	Tender Offer:	[Applicable/Not Applicable]
(ix)	Redemption Amount:	[•] per Calculation Amount/ Not Applicable]  <i>[If not applicable: Call Equity Linked Redemption Notes/Put Equity Linked Redemption Notes]</i>
(x)	Valuation Date(s):	[•]
(xi)	Valuation Time:	[Condition 8(e) applies/other]
(xii)	Strike Price:	[•]
(xiii)	Exchange Rate:	[Applicable/Not Applicable]  <i>[Insert details]</i>
(xiv)	Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 8(b)):	[Insert details/Not Applicable]
(xv)	Correction of Share Prices, Index Levels or Official Settlement Prices:	Correction of Share Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].  <i>(If Correction of Share Prices does not apply, delete the following sub paragraph)</i>
(xvi)	Correction Cut-Off Date:	[•] Business Days prior to the Maturity Date
(xvii)	Trade Date:	[•]
(xviii)	Relevant Assets:	[•] [only applicable to Physical Delivery on Cash Settlement and/or Physical Delivery]
(xix)	Asset Amount:	[•] per Calculation Amount
(xx)	Cut-Off Date:	[•] <i>[Only applicable to Physical Delivery on Cash Settlement and/or Physical Delivery]</i>
(xxi)	Delivery provisions for Asset Amount (including details of who is to make such delivery):	[•] <i>[Only applicable to Physical Delivery on Cash Settlement and/or Physical Delivery]</i>
(xxii)	Failure to Deliver due to Illiquidity:	[Applicable/Not Applicable]  <i>(Only applicable to certain types of Equity Linked Redemption Notes)</i>
(xxiii)	Other terms or special conditions:	[•]

**29. Additional Disruption Events:** [Applicable/Not Applicable]

*(applicable to Index Linked Redemption Notes and Equity Linked Redemption Notes only):* [Additional Disruption Events are only applicable to certain types of Index Linked Redemption Notes or Equity Linked Redemption Notes]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

*(NB: Only applicable in the case of Equity Linked Redemption Notes)*

[Loss of Stock Borrow]

[The Maximum Stock Loan Rate in respect of [specify in relation to each Underlying Equity/Security] is [ ].

*(NB: Only applicable if Loss of Stock Borrow is applicable)* [The Initial Stock Loan rate in respect of [specify in relation to each Underlying Equity/Security]

*(NB: Only applicable if Increased Cost of Stock Borrow is applicable)*

**30. Commodity Linked Redemption Notes:**<sup>4</sup> [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Whether redemption of the Notes will be by (a) Cash Settlement or Physical Delivery or (c) Cash Settlement and/or Physical Delivery: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]

*(If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)*

(ii) Relevant provisions for determining Final Redemption Amount and/or assets deliverable: [•]

(iii) Person responsible for making calculations: [•]

(iv) Other terms or special conditions: [•]

(v) Additional Disruption Event [Insert Details/ Not Applicable]

**31. Credit Linked Redemption Notes:<sup>4</sup>**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Relevant provisions for determining [●]  
Final Redemption Amount:
- (ii) Person responsible for making [●]  
calculations:
- (iii) Other terms or special conditions: [●]

**32. Early Redemption Amount:**

[[●] per Calculation Amount/specify other/see Appendix]

Early Redemption Amount(s) of each Note:  
*[payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (or, in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 7(b)(ii)(B) or, in the case of Equity Linked Notes, following a De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer in accordance with Condition 8(b)(ii)(B) or, in the case of Index Linked Notes or Equity Linked Notes, following an Additional Disruption Event (if applicable) or, in the case of Credit Linked Notes, following a Merger Event, and/or the method of calculating the same (required if Early Redemption Amount different from that set out in Condition 5(b))]*

*[(Consider including the wording below in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 7(b)(ii)(B) or, in the case of Equity Linked Notes, following a De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer in accordance with Condition 8(b)(ii)(B) or, in the case of Index Linked Notes or Equity Linked Notes, following an Additional Disruption Event (if applicable) or, in the case of Credit Linked Notes, following a Merger Event)]*

With respect to each Calculation Amount, such amount(s) determined by the Calculation Agent which shall represent the fair market value of such Calculation Amount on the date of redemption, including accrued interest (if any), adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. For the purposes hereof:

(i) the references to “together (if appropriate) with interest accrued to (but excluding) the date of redemption” shall be deemed to be deleted from each of Condition 5(b) and Condition 5(h); and

(ii) the references to “together with accrued interest thereon to the date of repayment” shall be deemed to be deleted from Condition 13.]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

### 33. Form of Notes:

#### **[Bearer Notes/ Exchangeable Bearer Notes:]**

[Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note] [and/or Registered Notes]

[Temporary Global Note exchangeable for definitive Notes on [●] days' notice] [and/or Registered Notes]

[Permanent Global Note exchangeable for definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note] [and/or Registered Notes]

#### **[Registered Notes]**

*[If item 6(i) provides for a Specified Denomination and higher integral multiples, the option to exchange into definitive Notes on [●] days' notice/at any time must be disapplied]*

[Definitive N Registered Notes issued to each Holder by Definitive N Registered Notes Deed. Specified office of Issuer for notification of transfers of Definitive N Registered Notes: [Frankfurt office, [address]/[other].]

### Exclusion of set-off

[Not applicable/give details]

[See Condition 10(j). If set-off is excluded for the purpose of Definitive N Registered Notes to be issued to German insurers, insert: "Counterclaims. As long as, and to the extent that, this Definitive N Registered Note forms part of the restricted assets (*gebundenes Vermögen*) within the meaning of Section 54 (3) of the German Act Concerning the Supervision of Insurance Companies (*Gesetz über die Beaufsichtigung der Versicherungsunternehmen*), as amended, in conjunction with the German Regulation Concerning the Investment of the Restricted Assets of Insurance Companies (*Verordnung über die Anlage des gebundenen Vermögens von Versicherungsunternehmen*), as amended, the Issuer waives (also in the event of insolvency of the holder of the Definitive N Registered Note or in the event that insolvency proceedings or similar proceedings are instituted against the holder of the Definitive N Registered Note) any right of set-off, combination or consolidation as well as any right to exercise any pledges, rights of retention and other rights which could affect the rights under the Definitive N Registered Note."]

### 34. New Global Note:

[Yes/No]

### 35. Financial Centre(s) or other special provisions relating to payment dates:

[Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which subparagraphs 15 (ii), 16(v) and 18(x) relates]

36.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. If yes, <i>give details</i> ]
37.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/ <i>give details</i> ]
38.	Details relating to Instalment Notes: Instalment Amount, Instalment Date(s) (on which each payment is to be made):	[Not Applicable/ <i>give details</i> ]
39.	Redenomination, renominalisation, and reconventioning provisions	[Not Applicable/The provisions annexed to this Final Terms apply]
40.	Consolidation provisions:	[Not Applicable/The provisions annexed to this Final Terms apply]
41.	Other final terms:	[Not Applicable/ <i>give details</i> ]
		<i>(Specify if Condition 11 is not applicable and set out any taxation of payment provisions other than as set out in Condition 11)</i>
		<i>(When adding any other final terms consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)</i>

## **DISTRIBUTION**

42.	(i) If syndicated, names of Managers:	[Not Applicable/ <i>give names</i> ]
	(ii) Stabilising Manager(s) (if any):	[Not Applicable/ <i>give names</i> ]
43.	If non-syndicated, name of Dealer:	[Not Applicable/ <i>give name</i> ]
44.	US Selling Restrictions:	[Reg. S Compliance Category 2; C Rules/D Rules/Excluded Issue] [Rule 144A eligible]
45.	Additional Selling Restrictions:	[Not Applicable] [Add country-specific selling restrictions]

## **AGENTS**

46.	Calculation Agent:	[•]
47.	Fiscal Agent:	[Deutsche Bank AG, London Branch] [Deutsche Bank AG, Hong Kong Branch]
48.	Paying Agent:	[Deutsche Bank AG, London Branch] [Deutsche Bank AG, Hong Kong Branch] [Deutsche Bank Luxembourg S.A.] [Deutsche Bank AG, Frankfurt]

## **[PURPOSE OF FINAL TERMS]**

These Final Terms comprise the final terms required for issue and admission to trading on the [Regulated Market/specify other relevant regulated market] of the Notes described herein pursuant to the

US\$20,000,000,000 Note Issuance Programme of Canadian Imperial Bank of Commerce.] *[Include if Notes are to be admitted to trading on an EEA Regulated Market]*

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [(Relevant third party information) has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....

Duly authorised

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

(i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] [other/ specify relevant regulated market] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] [other/ specify relevant regulated market] with effect from [●].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

(ii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

Ratings: The Notes to be issued have [been rated] [not been rated.]:

[S & P: [●]]

[Moody's: [●]]

[[Other]: [●]]

[[Insert credit rating agency] is established in the European Union and registered under Regulation (EU) No 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [insert the name of the relevant EU-registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009. [Insert the name of the relevant EU registered credit rating agency] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the Regulation (EU) No 1060/2009 ("CRA Regulation") unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the

relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such registration, endorsement action or certification, as the case may be, is not refused and has not been withdrawn or suspended).

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

**3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: “Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.” [Amend as appropriate if there are other interests]

[When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a Supplementary Prospectus under Article 16 of the Prospectus Directive.]

**4. [Derivative Securities Only - REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]**

(i) [Reasons for the offer: [•]]

*(See “Use of Proceeds” wording in Prospectus – if reasons for offer different from general corporate purposes, reasons will need to be included here.)]*

(ii) [Estimated net proceeds: [•]]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]*

(iii) [Estimated total expenses: [•] *[Include breakdown of expenses.]*

*(If the Notes are derivative securities for which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

**5. [Fixed Rate Notes only – YIELD]**

Indication of yield: [•]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

**6. PERFORMANCE OF [INDEX/BASKET OF INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE [INDEX/BASKET OF INDICES] (Index-Linked Notes only)**

*Need to include details of where past and future performance and volatility of the index/formula can be obtained*

*Need to include the name of [the/each] index and a description if composed by the Issuer and if [the/each] index is not composed by the Issuer need to include details of where the information about [the/each] index*

can be obtained.

*Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation*

*[When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a Supplement to the Prospectus under Article 16 of the Prospectus Directive.]*

**7. PERFORMANCE OF [THE EQUITY/BASKET OF EQUITIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE EQUITY/BASKET OF EQUITIES]] (Equity Linked Notes only)**

*Need to include details of where past and future performance and volatility of the [equity/basket of equities] can be obtained.*

*Need to include the name of [the/each] issuer of the [equity/equities in the basket] and the ISIN or other identification code.*

*Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.*

*[When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a Supplement to the Prospectus under Article 16 of the Prospectus Directive.]*

**8. PERFORMANCE OF [THE COMMODITY/BASKET OF COMMODITIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY/BASKET OF COMMODITIES]] (Commodity Linked Notes only)**

*Need to include details of where past and future performance and volatility of [the commodity/basket of commodities] can be obtained.*

*Need to include [the/each] commodity security identification code (if any).*

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a Supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

**9. INFORMATION IN RELATION TO THE UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY] (Credit Linked Notes only)**

*Need to include details of the Reference Entity and of where information on the Reference Entity can be obtained.*

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a Supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

**10. [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]*

*[When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a Supplementary Prospectus under Article 16 of the Prospectus Directive.]*

## 11. OPERATIONAL INFORMATION

(i)	ISIN Code:	[•]
(ii)	Common Code:	[•]
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking <i>société anonyme</i> and the relevant identification number(s):	[Not Applicable/give name(s) and number(s) [and address(es)]]
	[The Depository Trust Company:]	[CUSIP Number]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[•]
(vi)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes/No]  [Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSD’s as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

*[Include this text if “yes” selected in which case the Notes must be issued in NGN form]*

## 12. GENERAL

(i)	Governing Law and Jurisdiction:	[Laws of the Province of Ontario and the federal laws of Canada applicable therein/English law/German law]
(ii)	Applicable TEFRA exemption:	[C Rules/D Rules/Excluded Issue]
(iii)	Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 10(a):	[Not Applicable/give details]
(iv)	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [ ], producing a sum of:	[Not Applicable/[U.S.\$][•]]

## PRO FORMA FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme pursuant to this Prospectus with a denomination of less than EUR100,000 (or its equivalent in another currency).*

*Notes in italics in these Pro Forma Final Terms are intended for reference purposes only, will not appear in actual Final Terms documents and are not binding on the Issuer.*

### Final Terms dated [●]

**Canadian Imperial Bank of Commerce**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**under a US\$20,000,000,000 Note Issuance Programme**

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

(i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) in those Public Offer Jurisdictions mentioned in Paragraph 45 of Part A below, provided such person is one of the persons mentioned in Paragraph 45 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].<sup>1</sup>

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]<sup>2</sup>

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “Conditions”) set forth in the Prospectus dated ● 2012 [and the supplemental Prospectus dated ●] which [together]

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<sup>1</sup> Consider adding this legend where a non-exempt offer of Notes is anticipated.

<sup>2</sup> Consider adding this legend where only an exempt offer of Notes is anticipated.

constitute[s] [a base prospectus (the “Prospectus”) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”)] [listing particulars for purposes of Chapter 4 of the Listing Rules of the Financial Services Authority]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing during normal business hours at and copies may be obtained from the registered office of the Issuer at 199 Bay St., Toronto, Canada M5L 1A2, and at the office of the Fiscal Agent, Deutsche Bank AG, London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB and may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer [and copies may be available from [address].]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “Conditions”) set forth in the Prospectus dated [original date]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”)] and must be read in conjunction with the Prospectus dated • 2012 [and the supplemental Prospectus dated •], which [together] constitute[s] [a base prospectus for the purposes of the Prospectus Directive] [listing particulars for purposes of Chapter 4 of the Listing Rules of the Financial Services Authority], save in respect of the Conditions which are extracted from the Prospectus dated [original date] and are incorporated by reference in the Prospectus dated • 2012. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated • 2012 [and the supplemental Prospectus dated •]. The Prospectus dated • 2012 [and the supplemental Prospectus(es)] and the Conditions which are extracted from the Prospectus dated [original date] and are incorporated by reference in the Prospectus dated • 2012 are available for viewing during normal business hours at and copies may be obtained from the registered office of the Issuer at 199 Bay St., Toronto, Canada M5L 1A2, and at the office of the Fiscal Agent, Deutsche Bank AG, London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB and may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer [and copies may be available from [address]].

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors”, and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive or whether a Drawdown Prospectus should be used to avoid triggering rescission rights.]*

*[Consider including the following paragraph for Index Linked Notes, Equity Linked Notes, Commodity Linked Notes, Credit Linked Notes and currency linked Notes:*

*No person has been authorised to give any information or make any representation not contained in or not consistent with these Final Terms, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Dealer.*

*By investing in the Notes each investor represents that:*

*(a) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be*

*investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.*

*(b) Assessment and Understanding. It is capable of assessing the merits of, and (on its own behalf or through independent professional advice) understands and accepts, the terms and conditions and the risks of the investment in the Notes.*

*(c) Status of Parties. Neither the Issuer nor any Dealer is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.]*

[The provisions of Annex A apply to these Final Terms and such documents shall be read together.]

[The information included herein with respect to indices and/or formulas comprising, based on or referring to variations in the prices of one or more shares in companies, any other equity or non-equity securities, currencies or currency exchange rates, interest rates, credit risks, fund units, shares in investment companies, term deposits, life insurance contracts, loans, commodities or futures contracts on the same or any other underlying instrument(s) or asset(s) or the occurrence or not of certain events not linked to the Issuer or any other factors to which the Notes are linked (the “Underlyings”) consists only of extracts from, or summaries of publicly available information. The Issuer accepts responsibility that such extracts or summaries have been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Underlyings, no facts have been omitted that would render the reproduced extracts or summaries inaccurate or misleading. No further or other responsibility in respect of such information is accepted by the Issuer. In particular, neither the Issuer nor any Dealer accepts responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Underlyings of the Notes or that there has not occurred any event which would affect the accuracy or completeness of such information.]

<b>1.</b>	(i) Issuer:	Canadian Imperial Bank of Commerce
	(ii) Branch of Account:	[•] [Not applicable to Subordinated Notes]
	(iii) Definitive N Registered Notes ( <i>Namensschuldverschreibungen</i> ):	[Yes][No]
<b>2.</b>	(i) Series Number:	[•]
	(ii) [Tranche Number:	[•]
		<i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)</i>
<b>3.</b>	Specified Currency or Currencies:	[•]
<b>4.</b>	Aggregate Nominal Amount of Notes:	[•]
	(i) Series:	[•]
	(ii) [Tranche:	[•]]
<b>5.</b>	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] ( if applicable)]

6. (i) Specified Denominations: [●] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●]<sup>3,4</sup>]

*[So long as the Notes are represented by a temporary Global Note or, permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in nominal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and higher integral multiples of at least [●1,000], notwithstanding that no definitive Notes will be issued with denomination above [●99,000].]*

*[If item 26 indicates that the Global Note is exchangeable for definitive Notes at the option of the Noteholder, the Notes will be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).]*

(ii) Calculation Amount:

*[If there is only one Specified Denomination and no integral multiples in excess thereof, insert the Specified Denomination. If there is more than one Specified Denomination and no integral multiples in excess thereof, insert the highest common factor of the Specified Denominations. If there are integral multiples in excess of the Specified Denomination(s), insert the highest common factor of the integral multiples and the Specified Denomination(s).] [Note: There must be a common factor in the case of integral multiples in excess of the Specified Denomination(s) or two or more Specified Denominations]*

7. (i) Issue Date: [●]

(ii) Interest Commencement Date: [Specify: Issue Date/Not Applicable]

8. Maturity Date: [Specify/date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]

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<sup>3</sup> This number may need to be adjusted depending on the Specified Denomination and higher integral multiple of each Tranche. In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (2003/71/EC) (the "Prospectus Directive"), the minimum Specified Denomination shall not be less than €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

<sup>4</sup> Where the Notes have a maturity of less than one year and the issue proceeds are to be accepted in the United Kingdom, or in the case of issues within Section 418 FSMA, will be subject to Section 19 FSMA unless their denomination is £100,000 or more (or its equivalent in other currencies) and they are only issued to "professionals" within Article 9(2)(a) of the Financial Services and Market Act (Regulated Activities) Order 2001. Add the following language:

"Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies)."

9. Interest Basis: [[●] per cent. Fixed Rate]  
 [[specify reference rate] +/- [●] per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Equity Linked Interest]  
 [Commodity Linked Interest]  
 [Other (specify)]  
 (further particulars specified below)

10. (i) Redemption/Payment Basis: [Redemption at par]  
 [Index Linked Redemption/Commodity Linked Redemption/Equity Linked Redemption/Credit Linked Redemption/Formula/Fixed Redemption Amount Notes/Variable Redemption Amount Notes/Low Interest Note/High Interest Note]  
 [Dual Currency]  
 [Partly Paid]  
 [Instalment]  
 [Other (specify)]

(ii) Protection Amount: [Applicable//Not Applicable]<sup>5</sup>  
 [[●] per Calculation Amount]

11. Change of Interest or  
 Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis [Not Applicable]]

12. Put/Call Options: [Put Option]  
 [Call Option]  
 (further particulars specified below)

13. (i) Status of the Notes: [Deposit Notes/Subordinated Notes]

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<sup>5</sup> Only applicable to Reference Item Linked Notes.

[(ii)] [Date [Board] approval for [ ] [and [ ], respectively]]  
issuance of Notes obtained:]

*[(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes, or if Subordinated Notes, specify date of most recent Standing Resolution of Board of Directors for issue of Subordinated Indebtedness obtained if other than [September 1, 2005])]*

**14.** Method of distribution: [Syndicated/Non-syndicated]

## **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

**15. Fixed Rate Note Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ other (specify)] in arrear]

(ii) Interest Payment Date(s): [●] in each year, commencing on [ ], to and [ ][adjusted in accordance with the Business Day Convention/not adjusted]

(iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount

(iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]

(v) Day Count Fraction: [30/360 / Actual/Actual ([ICMA] /[ISDA]) / other]

(vi) [Determination Dates: [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))]*

(vii) Business Day Convention: [Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)] [specify any applicable Business Centre(s) for the definition of "Business Day"]

(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

**16. Floating Rate Note Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Interest Period(s): [●] [each consisting of [●] Interest Accrual Periods each of [●]]

(ii) Interest Period Date(s): [[●]/Not Applicable]

(iii) Specified Interest Payment Dates: [●] commencing [●]

(iv)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
(v)	Business Centre(s):	[•]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent):	[•]
(viii)	Screen Rate Determination:	
	- Reference Rate:	[•]
	- Interest Determination Date(s):	[•]
	- Relevant Screen Page:	[•]
(ix)	ISDA Determination:	[•]
	- Floating Rate Option:	[•]
	- Designated Maturity:	[•]
	- Reset Date:	[•]
(x)	Margin(s):	[+/-] [•] per cent. per annum
(xi)	Minimum Rate of Interest:	[•] per cent. per annum
(xii)	Maximum Rate of Interest:	[•] per cent. per annum
(xiii)	Day Count Fraction:	[•]
(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]
(xv)	Relevant Time:	[•]

**17. Zero Coupon Note Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i)	Amortisation Yield:	[•] per cent. per annum
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(ii) Any other formula/basis of [Day Count Fraction/other] determining amount payable:

**18. Index-Linked Interest Note Provisions:**<sup>6</sup> [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Whether the Notes relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of relevant sponsors: [Basket of Indices/Single Index]  
*[give or annex details]*  
 [The Index is a Designated Multi-Exchange Index]

(ii) Description of formula used to determine Rate of Interest: *[give or annex details]*

(iii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) and making calculations pursuant to Condition 7 (if not the Fiscal Agent): [●]

(iv) Formula for calculating Rate of Interest where calculation by reference to Index/indices is impossible or impracticable or otherwise disrupted and other back up provisions: [Applicable/Not Applicable]*[If applicable, need to include back up provisions]*

(v) Interest Determination Date(s): [●]

(vi) Interest Period(s) or other calculation period(s): [●] each consisting of [●] Interest Accrual Periods each of [●]]

(vii) Interest Period Date(s): [●]/Not Applicable

(viii) Specified Interest Payment Dates: [●]

(ix) Business Day Convention: Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*

(x) Business Centre(s): [●]

(xi) Minimum Rate of Interest/Interest Amount: [●] per cent per annum

(xii) Maximum Rate of Interest/Interest Amount: [●] per cent per annum

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<sup>6</sup> Payments on Reference Item Linked Notes may give rise to Canadian withholding tax. An opinion of tax counsel should be obtained and if no opinion is obtained or if any deduction or withholding may be required, the Final Terms should provide that Condition 5(c) does not apply to such Notes.

(xiii)	Day Count Fraction:	[•]
(xiv)	Exchange(s):	[•]
(xv)	Related Exchange(s):	[[•] /All Exchanges]
(xvi)	Valuation Date(s):	[•]
(xvii)	Valuation Time:	[Condition 7(c) applies/other]
(xviii)	Strike Price:	[•]
(xix)	Multiplier for each Index comprising the basket:	[Insert details/Not Applicable]
(xx)	Correction of Index Levels:	Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].

*(If Correction of Index Levels does not apply, delete the following sub paragraph)*

(xxi)	Correction Cut-Off Date:	[•] Business Days prior to each Interest Payment Date
(xxii)	Trade Date:	[•]
(xxiii)	Other terms or special conditions:	[•]

#### **19. Equity Linked Interest Note Provisions:<sup>6</sup>** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Whether the Notes relate to a basket of equity securities or a single equity security, and the identity of the relevant issuer(s) of the Underlying Equity/Equities and relevant ISIN/Common Code/CUSIP/other): [Basket of Underlying Equities/Single Underlying Equity]  
*[Give or annex details for each class of Underlying Equities]*
- (ii) Description of formula used to determine Rate of Interest: *[give or annex details]*
- (iii) Provision for determining Rate of Interest where calculation by reference to the formula is impossible or impracticable: [Applicable/Not Applicable] *[If applicable, need to include back up provisions]*
- (iv) Person responsible for calculating the Rate(s) of Interest and Interest Amount(s) and for making calculations pursuant to Condition 8 (if not the Fiscal Agent): [•]

(v) Interest Period(s) or other calculation period(s): [●] each consisting of [●] Interest Accrual Periods each of [●]]

(vi) Interest Period Date(s): [●]/Not Applicable

(vii) Specified Interest Payment Dates: [●]

(viii) Business Day Convention: Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]

(ix) Business Centre(s): [●]

(x) Minimum Rate of Interest/Interest Amount: [●] per cent per annum

(xi) Maximum Rate of Interest/Interest Amount: [●] per cent per annum

(xii) Day Count Fraction: [●]

(xiii) Exchange(s): [●]

(xiv) Related Exchange(s): [[●]/All Exchanges]

(xv) Potential Adjustment Events: [Applicable/Not Applicable]

(xvi) De-listing, Merger Event, Nationalisation and Insolvency:

(xvii) Tender Offer: [Applicable/Not Applicable]

(xviii) Valuation Date(s): [●]

(xix) Valuation Time: [Condition 8(e) applies/other]

(xx) Strike Price: [●]

(xxi) Exchange Rate: [Applicable/Not Applicable]  
*[Insert details]*

(xxii) Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 8(b)): [Insert details/Not Applicable]

(xxiii) Correction of Share Prices: Correction of Share Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]. (*If Correction of Share Prices does not apply, delete the following sub paragraph*)

(xxiv) Correction Cut-Off Date: [●] Business Days prior to each Interest Payment Date.

(xxv) Trade Date: [●]

(xxvi) Other terms or special conditions: [•]

**20. Commodity Linked Interest Note [Applicable/Not Applicable]**  
**Provisions:**<sup>6</sup>

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Relevant commodity or commodities: [•]
- (ii) Formula for calculating Rate of Interest: *[Give or annex details]*
- (iii) Provision for determining Rate of Interest where calculation by reference to common fees and/or formula is impossible or impracticable: [Applicable/Not Applicable]*[If applicable, need to include back up provisions]*
- (iv) Person responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [•]
- (v) Interest Period(s) or other calculation period(s): [•] each consisting of [•] Interest Accrual Periods each of [•]
- (vi) Interest Period Date(s): [•]/Not Applicable
- (vii) Specified Interest Payment Dates: [•]
- (viii) Business Day Convention: Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*
- (ix) Business Centre(s): [•]
- (x) Minimum Rate of Interest/Interest Amount: [•] per cent per annum
- (xi) Maximum Rate of Interest/Interest Amount: [•] per cent per annum
- (xii) Day Count Fraction: [•]
- (xiii) Additional Disruption Event *[Insert Details/ Not Applicable]*
- (xiv) Other terms or special conditions: [•]

**21. Other variable-linked interest Note [ ]**  
**Provisions:**<sup>6</sup>

<b>22. Dual Currency Note Provisions:</b>	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Rate of Exchange/method of calculating Rate of Exchange:	[give details]
(ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal Agent):	[•]
(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[•]
(iv) Person at whose option Specified Currency(ies) is/are payable:	[•]
<b>23. Additional Disruption Events:</b>	[Applicable/Not Applicable]
<i>(applicable to Index Linked Interest Notes and Equity Linked Interest Notes only):</i>	<i>[Additional Disruption Events are only applicable to certain types of Index Linked Interest Notes or Equity Linked Interest Notes]</i>
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	[Change in Law]
	[Hedging Disruption]
	[Increased Cost of Hedging]
	[Increased Cost of Stock Borrow]
	[Insolvency Filing]
	<i>(NB: Only applicable in the case of Equity Linked Interest Notes)</i>
	[Loss of Stock Borrow]
	[The Maximum Stock Loan Rate in respect of [specify in relation to each Underlying Equity/Security] is [ ].]
	<i>(NB: Only applicable if Loss of Stock Borrow is applicable)</i>
	[The Initial Stock Loan rate in respect of [specify in relation to each Underlying Equity/Security]
	<i>(NB: Only applicable if Increased Cost of Stock Borrow is applicable)</i>

## PROVISIONS RELATING TO REDEMPTION

**24. Call Option:** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: [●] per Calculation Amount
  - (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period:<sup>5</sup> [●]

**25. Put Option:** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) Notice period:<sup>7</sup> [●]

**26. Final Redemption Amount of each Note:** [[●] per Calculation Amount /other/see Appendix]

**27. Index Linked Redemption Notes:**<sup>6</sup> [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Whether the Notes relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of relevant sponsors: [Basket of Indices/Single Index]  
[give or annex details]  
[The Index is a Designated Multi-Exchange Index]
- (ii) Relevant provisions for determining the Final Redemption Amount: [●]

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<sup>7</sup> If setting notice periods which are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agents.

(iii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) and making calculations pursuant to Condition 7:	[•]
(iv)	Exchange(s):	[•]
(v)	Related Exchange(s):	[[•] /All Exchanges]
(vi)	Redemption Amount:	[[•] per Calculation Amount/ Not Applicable]  [If not applicable: Call Index Linked Redemption Notes/Put Index Linked Redemption Notes]
(vii)	Valuation Date(s):	[•]
(viii)	Valuation Time:	[Condition 7(c) applies/other]
(ix)	Strike Price:	[•]
(x)	Multiplier for each Index comprising the basket:	[Insert details/Not Applicable]
(xi)	Correction of Index Levels:	Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].  (If Correction of Index Levels does not apply, delete the following sub paragraph)
(xii)	Correction Cut-Off Date:	[•] Business Days prior to the Maturity Date
(xiii)	Trade Date:	[•]
(xiv)	Other terms or special conditions:	[•]  [Applicable/Not Applicable]

## 28. Equity Linked Redemption Notes:<sup>6</sup>

(i)	Whether the Notes relate to a basket of equity securities or a single equity security, and the identity of the relevant issuer(s) of the Underlying Equity/Equities):	[Basket of Underlying Equities/Single Underlying Equity]  [give or annex details]
(ii)	Whether redemption of the Notes will be by (a) Cash Settlement or Physical Delivery or (c) Cash Settlement and/or Physical Delivery <sup>8</sup> :	[Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]  (If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply.)

<sup>8</sup> If Physical Delivery applies, consider whether the Notes will be exchangeable or convertible debt securities and, if so, a new prospectus or drawdown prospectus will need to be prepared and published. Where there is Physical Delivery a supplement must be prepared providing

(iii)	Person responsible for calculating the Rate(s) of Interest and Interest Amount(s) and for making calculations pursuant to Condition 8:	[•]
(iv)	Exchange(s):	[•]
(v)	Related Exchange(s):	[[•]/All Exchanges]
(vi)	Potential Adjustment Events:	[Applicable/Not Applicable]
(vii)	De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
(viii)	Tender Offer:	[Applicable/Not Applicable]
(ix)	Redemption Amount:	[[•] per Calculation Amount/ Not Applicable]  <i>[If not applicable: Call Equity Linked Redemption Notes/Put Equity Linked Redemption Notes]</i>
(x)	Valuation Date(s):	[•]
(xi)	Valuation Time:	[Condition 8(e) applies/other]
(xii)	Strike Price:	[•]
(xiii)	Exchange Rate:	[Applicable/Not Applicable]  <i>[Insert details]</i>
(xiv)	Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 8(b)):	[Insert details/Not Applicable]
(xv)	Correction of Share Prices, Index Levels or Official Settlement Prices:	Correction of Share Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].  <i>(If Correction of Share Prices does not apply, delete the following sub paragraph)</i>
(xvi)	Correction Cut-Off Date:	[•] Business Days prior to the Maturity Date
(xvii)	Trade Date:	[•]
(xviii)	Relevant Assets:	[•] [only applicable to Physical Delivery on Cash Settlement and/or Physical Delivery]
(xix)	Asset Amount:	[•] per Calculation Amount

(xx) Cut-Off Date: [●] *[Only applicable to Physical Delivery on Cash Settlement and/or Physical Delivery]*

(xxi) Delivery provisions for Asset Amount (including details of who is to make such delivery): [●] *[Only applicable to Physical Delivery on Cash Settlement and/or Physical Delivery]*

(xxii) Failure to Deliver due to Illiquidity: [Applicable/Not Applicable]

*(Only applicable to certain types of Equity Linked Redemption Notes)*

(xxiii) Other terms or special conditions: [●]

**29. Additional Disruption Events:** [Applicable/Not Applicable]

*(applicable to Index Linked Redemption Notes and Equity Linked Redemption Notes only): [Additional Disruption Events are only applicable to certain types of Index Linked Redemption Notes or Equity Linked Redemption Notes]*

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

*(NB: Only applicable in the case of Equity Linked Redemption Notes)*

[Loss of Stock Borrow]

[The Maximum Stock Loan Rate in respect of [specify in relation to each Underlying Equity/Security] is [ ].

*(NB: Only applicable if Loss of Stock Borrow is applicable)[The Initial Stock Loan rate in respect of [specify in relation to each Underlying Equity/Security]*

*(NB: Only applicable if Increased Cost of Stock Borrow is applicable)*

**30. Commodity Linked Redemption Notes:**<sup>6</sup> [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Whether redemption of the Notes will be by (a) Cash Settlement or Physical Delivery or (c) Cash Settlement and/or Physical Delivery: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]  
*(If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply.)*

(ii) Relevant provisions for determining Final Redemption Amount and/or assets deliverable: [●]

(iii) Person responsible for making calculations: [●]

(iv) Other terms or special conditions: [●]

(v) Additional Disruption Event [Insert Details/ Not Applicable]

**31. Credit Linked Redemption Notes:<sup>6</sup>**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Relevant provisions for determining Final Redemption Amount: [●]

(ii) Person responsible for making calculations: [●]

(iii) Other terms or special conditions: [●]

**32. Early Redemption Amount:**

[[●] per Calculation Amount/specify other/see Appendix]

Early Redemption Amount(s) of each Note:  
*[payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (or, in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 7(b)(ii)(B) or, in the case of Equity Linked Notes, following a De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer in accordance with Condition 8(b)(ii)(B) or, in the case of Index Linked Notes or Equity Linked Notes, following an Additional Disruption Event (if applicable) or, in the case of Credit Linked Notes, following a Merger Event, and/or the method of calculating the same (required if Early Redemption Amount different from that set out in Condition 5(b))]*

*[(Consider including the wording below in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 7(b)(ii)(B) or, in the case of Equity Linked Notes, following a De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer in accordance with Condition 8(b)(ii)(B) or, in the case of Index Linked Notes or Equity Linked Notes, following an Additional Disruption Event (if applicable) or, in the case of Credit Linked Notes, following a Merger Event)]*

With respect to each Calculation Amount, such amount(s) determined by the Calculation Agent which shall represent the fair market value of such Calculation Amount on the date of redemption, including accrued interest (if any), adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent in its sole and

absolute discretion. For the purposes hereof:

(i) the references to “together (if appropriate) with interest accrued to (but excluding) the date of redemption” shall be deemed to be deleted from each of Condition 5(b) and Condition 5(h); and

(ii) the references to “together with accrued interest thereon to the date of repayment” shall be deemed to be deleted from Condition 13.]

## **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

**33. Form of Notes:**

**[Bearer Notes/ Exchangeable Bearer Notes:]**

[Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note] [and/or Registered Notes]

[Temporary Global Note exchangeable for definitive Notes on [●] days' notice] [and/or Registered Notes]

[Permanent Global Note exchangeable for definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note] [and/or Registered Notes]

**[Registered Notes]**

*[If item 6(i) provides for a Specified Denomination and higher integral multiples, the option to exchange into definitive Notes on [●] days' notice/at any time must be disapplied]*

[Definitive N Registered Notes issued to each Holder by Definitive N Registered Notes Deed. Specified office of Issuer for notification of transfers of Definitive N Registered Notes: [Frankfurt office, [address]/[other].]

Exclusion of set-off

[Not applicable/give details]

[See Condition 10(j). If set-off is excluded for the purpose of Definitive N Registered Notes to be issued to German insurers, insert: “Counterclaims. As long as, and to the extent that, this Definitive N Registered Note forms part of the restricted assets (*gebundenes Vermögen*) within the meaning of Section 54 (3) of the German Act Concerning the Supervision of Insurance Companies (*Gesetz über die Beaufsichtigung der Versicherungsunternehmen*), as amended, in conjunction with the German Regulation Concerning the Investment of the Restricted Assets of Insurance Companies (*Verordnung über die Anlage des gebundenen Vermögens von Versicherungsunternehmen*), as amended, the Issuer waives (also in the event of insolvency of the holder of the Definitive N Registered Note or in the event that insolvency proceedings or similar proceedings are instituted against the holder of the Definitive N Registered Note) any right of set-off, combination or consolidation as well as any right to exercise any pledges, rights of retention and other rights which could affect the rights under the Definitive N Registered Note.”]

<p><b>34.</b> New Global Note:</p> <p><b>35.</b> Financial Centre(s) or other special provisions relating to payment dates:</p> <p><b>36.</b> Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):</p> <p><b>37.</b> Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:</p> <p><b>38.</b> Details relating to Instalment Notes: Instalment Amount, Instalment Date(s) (on which each payment is to be made):</p> <p><b>39.</b> Redenomination, renominalisation, and reconventioning provisions</p> <p><b>40.</b> Consolidation provisions:</p>	<p>[Yes/No]</p> <p>[Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which subparagraphs 15 (ii), 16(v) and 18(x) relates]</p> <p>[Yes/No. If yes, give details]</p> <p>[Not Applicable/give details]</p> <p>[Not Applicable/give details]</p> <p>[Not Applicable/The provisions annexed to this Final Terms apply]</p> <p>[Not Applicable/The provisions annexed to this Final Terms apply]</p>
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**41.** Other final terms: [Not Applicable/give details]  
*(Specify if Condition 11 is not applicable and set out any taxation of payment provisions other than as set out in Condition 11)*  
*(When adding any other final terms consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

## DISTRIBUTION

**42.** (i) If syndicated, names and addresses of Managers and underwriting commitment: [Not Applicable/give names, addresses and underwriting commitments]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*

(ii) Date of Subscription Agreement: [ ]

(iii) Stabilising Manager(s) (if any): [Not Applicable/give names]

**43.** If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]

**44.** Total commission and concessions: [ ] per cent of the Aggregate Nominal Amount

**45.** US Selling Restrictions: [Reg. S Compliance Category 2; [C Rules/D Rules/Excluded Issue] [Rule 144A eligible]]

**46. Non-exempt Offer<sup>9</sup>:** [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. “other parties authorised by the Managers”) OR (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the “Financial Intermediaries”) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (“Public Offer Jurisdictions”) during the period from [specify date] until [specify date or a formula such as “the Issue Date” or “the date which falls [ ] Business Days thereafter”] (“Offer Period”). See further Paragraph 13 of Part B below]

(N.B.: Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)

**47. Additional Selling Restrictions:**

[Not Applicable] [Add country-specific selling restrictions]

## AGENTS

**48. Calculation Agent:**

[●]

**49. Fiscal Agent:**

[Deutsche Bank AG, London Branch] [Deutsche Bank AG, Hong Kong Branch]

**50. Paying Agent:**

[Deutsche Bank AG, London Branch] [Deutsche Bank AG, Hong Kong Branch] [Deutsche Bank Luxembourg S.A.] [Deutsche Bank AG, Frankfurt]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the [Regulated Market/specify other relevant regulated market] of the Notes described herein pursuant to the US\$20,000,000,000 Note Issuance Programme of Canadian Imperial Bank of Commerce.] *[Include if Notes are to be admitted to trading on an EEA Regulated Market]*

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<sup>9</sup> The start date for non-exempt offers will typically be no earlier than the publication date of the Final Terms. The start date in certain jurisdictions may need to be delayed until after compliance with any local requirements (eg. publication of newspaper notices) and accordingly may not be an actual date. The end date will be as agreed between the Issuer and the Managers.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [(Relevant third party information) has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....

Duly authorised

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

(i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *[specify relevant regulated market]* [other/ *specify relevant regulated market*] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *[specify relevant regulated market]* [other/ *specify relevant regulated market*] with effect from [●].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

(ii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

Ratings:

The Notes to be issued have [been rated] [not been rated.]:

[S & P: [●]]

[Moody's: [●]]

[[Other]: [●]]

[[Insert credit rating agency] is established in the European Union and registered under Regulation (EU) No 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No, 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by *[insert the name of the relevant EU-registered credit rating agency]* in accordance with Regulation (EC) No. 1060/2009. *[Insert the name of the relevant EU registered credit rating agency]* is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the Regulation (EU) No 1060/2009 ("CRA Regulation") unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010

which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such registration, endorsement action or certification, as the case may be, is not refused and has not been withdrawn or suspended).

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### **3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: “Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.” [Amend as appropriate if there are other interests]

[When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a Supplementary Prospectus under Article 16 of the Prospectus Directive.]

### **4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) [Reasons for the offer: [•]]

*(See “Use of Proceeds” wording in Prospectus – if reasons for offer different from general corporate purposes, reasons will need to be included here.)*

(ii) [Estimated net proceeds: [•]]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

(iii) [Estimated total expenses: [•] *[Include breakdown of expenses.]*]

*(If the Notes are derivative securities for which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

### **5. [Fixed Rate Notes only – YIELD**

Indication of yield: [•]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

**6. PERFORMANCE OF [INDEX/BASKET OF INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE [INDEX/BASKET OF INDICES] (Index-Linked Notes only)**

*Need to include details of where past and future performance and volatility of the index/formula can be obtained*

*Need to include the name of [the/each] index and a description if composed by the Issuer and if [the/each] index is not composed by the Issuer need to include details of where the information about [the/each] index can be obtained.*

*Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation*

*[When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a Supplement to the Prospectus under Article 16 of the Prospectus Directive.]*

**7. PERFORMANCE OF [THE EQUITY/BASKET OF EQUITIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE EQUITY/BASKET OF EQUITIES]] (Equity Linked Notes only)**

*Need to include details of where past and future performance and volatility of the [equity/basket of equities] can be obtained.*

*Need to include the name of [the/each] issuer of the [equity/equities in the basket] and the ISIN or other identification code.*

*Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.*

*[When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a Supplement to the Prospectus under Article 16 of the Prospectus Directive.]*

**8. PERFORMANCE OF [THE COMMODITY/BASKET OF COMMODITIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY/BASKET OF COMMODITIES]] (Commodity Linked Notes only)**

*Need to include details of where past and future performance and volatility of [the commodity/basket of commodities] can be obtained.*

*Need to include [the/each] commodity security identification code (if any).*

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a Supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

**9. INFORMATION IN RELATION TO THE UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY] (Credit Linked Notes only)**

*Need to include details of the Reference Entity and of where information on the Reference Entity can be obtained.*

*[(When adding any other description, consideration should be given as to whether such matters described*

constitute “significant new factors” and consequently trigger the need for a Supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

## 10. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]*

*[When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a Supplementary Prospectus under Article 16 of the Prospectus Directive.]*

## 11. **OPERATIONAL INFORMATION**

(i)	ISIN Code:	[•]
(ii)	Common Code:	[•]
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking <i>société anonyme</i> and the relevant identification number(s):	[Not Applicable/give name(s) and number(s) [and address(es)]]
	[The Depository Trust Company:]	[CUSIP Number]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[•]
(vi)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes/No]  [Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSD’s as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

*[Include this text if “yes” selected in which case the Notes must be issued in NGN form]*

## 12. **GENERAL**

(i)	Governing Law and Jurisdiction:	[Laws of the Province of Ontario and the federal laws of Canada applicable therein/English law/German law]
(ii)	Applicable TEFRA exemption:	[C Rules/D Rules/Excluded Issue]

- (iii) Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 10(a): [Not Applicable/give details]
- (iv) The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [ ], producing a sum of: [Not Applicable/[U.S.\$][●]]

### 13. [PUBLIC OFFERS

- (i) Offer Period: [ ] to [ ]
- (ii) Offer Price: [ ]
- (iii) Conditions to which the offer is subject: [ ]
- (iv) Description of the application process: [ ]
- (v) Details of the minimum and/or maximum amount of application: [ ]
- (vi) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [ ]
- (vii) Details of the method and time limits for paying up and delivering the Notes: [ ]
- (viii) Manner and date in which results of the offer are to be made public: [ ]
- (ix) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [ ]
- (x) Categories of potential investors to which the Notes are offered: [ ]
- (xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [ ]

- (xii) Amount of any expenses and [ ] taxes specifically charged to the subscriber or purchaser:
- (xiii) Name(s) and address(es) to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [ ]

## GENERAL INFORMATION

(1) It is expected that listing of the Programme on the Official List and admission to trading on the Regulated Market will be granted on or about June 21, 2012. Any Tranche of Notes which is to be listed on the Official List and admitted to trading on the Regulated Market will be admitted separately upon submission of the applicable Final Terms and any other information required, subject only to the issue of a Global Note in respect of such Tranche. Prior to official listing and admission to trading of a particular Tranche, however, dealings in Notes of such Tranche will be permitted by the London Stock Exchange in accordance with its rules. Prices of Notes listed on the Official List and admitted to trading on the Regulated Market will be expressed as a percentage of their nominal amount (exclusive of accrued interest). Transactions will normally be effected for delivery on the third working day after the day of the transaction.

(2) Notes may be issued pursuant to the Programme which will not be listed on the Official List or admitted to trading on the Regulated Market or listed on any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

(3) The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of the Notes (other than Subordinated Notes). Notes (other than Subordinated Notes) issued under the Programme by CIBC are authorised by its Charter. The issue of Subordinated Notes by CIBC is subject to the approval of the Board of Directors of CIBC, which approval will be obtained prior to the issuance of any Subordinated Notes under the Programme.

(4) As at the date hereof, there has been no significant change in the financial or trading position of CIBC and its subsidiaries taken as a whole since April 30, 2012, the last day of the financial period in respect of which the most recent unaudited interim consolidated financial statements of CIBC were published. As at the date hereof there has been no material adverse change in the prospects of CIBC and its subsidiaries taken as a whole since October 31, 2011, the last day of the financial period in respect of which the most recent audited consolidated financial statements of CIBC were published.

(5) Save as disclosed under the heading "Provisions and contingent liabilities" at page 73 of the Issuer's 2012 Second Quarter Report and under the heading "Contingent liabilities" at page 183 of CIBC's Annual Report, each incorporated herein by reference, as at the date hereof neither CIBC nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which CIBC is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of CIBC and its subsidiaries taken as a whole.

(6) Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

(7) Not all Notes will be listed on the Regulated Market and the Issuer may, in certain circumstances, seek to delist Notes which are listed on the Regulated Market or another securities exchange or market provided that in such cases the Issuer will be required to use its reasonable endeavours to obtain and maintain a listing of such Notes on an alternative stock exchange or exchanges (which may be outside the European Union) as agreed between the Issuer and the Dealers. These circumstances include any future law, rule of the Exchange or any other securities exchange or any EU Directive imposing requirements (including new corporate governance requirements) on the Issuer or any of its affiliates that the Issuer in good faith determines are impractical or unduly burdensome in order to maintain the continued listing of any Notes issued under the Programme on the Regulated Market or the relevant exchange.

(8) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. In addition, the Issuer may make an application with respect to any Rule 144A Notes to be accepted for clearance in book-entry form by DTC. Acceptance by DTC of Rule 144A Notes will be confirmed in the applicable Final Terms. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the CUSIP number will be set out in the applicable Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg and the address of DTC is 55 Water Street, New York, New York, 10041. The identification number for, and the address of, any alternative clearing system will be specified in the applicable Final Terms.

(9) The issue price and the amount of the relevant Notes will be determined before filing of the applicable Final Terms of each Tranche based on then prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

(10) Copies of the latest annual report, annual consolidated financial statements and quarterly interim financial statements of CIBC and copies of this Prospectus and each Supplement hereto (including all documents incorporated by reference herein or therein) (i) can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer and (ii) may be obtained from the head office of the Issuer and the specified office of each Paying Agent, as set out at the end of this Prospectus. In addition, CDS Inc., a subsidiary of The Canadian Depository for Securities Limited, maintains an Internet web site through which all of the documents incorporated herein by reference, or deemed incorporated herein, that CIBC files electronically can be retrieved. The address of the site is <http://www.sedar.com>.

(11) The Agency Agreement and the Deed of Covenant will be available for inspection at the head office of the Issuer during normal business hours and at the specified office of each Paying Agent, as set out at the end of this Prospectus so long as any of the Notes is outstanding. Copies of the Subscription Agreement and Final Terms in respect of any Tranche of Notes admitted to trading on the Regulated Market will be available at the registered office of CIBC at 199 Bay St., Toronto, Canada M5L 1A2, and at the specified office of the Paying Agent in London during normal business hours so long as any of the Notes of any such Tranche admitted to trading on the Regulated Market is outstanding.

**ISSUER**

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Canada M5L 1A2

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**REGISTRAR AND PAYING AGENT**

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60272 Frankfurt am Main  
Germany

**ARRANGER AND DEALER**

**CIBC World Markets plc**

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London EC2V 6ET  
United Kingdom

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### **Merrill Lynch International**

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