



---

**CIBC London**

**Best Execution Policy**

---

## Table of Contents

1.0	PURPOSE OF THE POLICY .....	3
2.0	SCOPE OF POLICY .....	3
3.0	WHAT IS BEST EXECUTION .....	3
4.0	APPLICATION OF BEST EXECUTION .....	3
4.1.	Agency or Agency Style Trading .....	3
4.2.	Principal Trading .....	4
4.3.	Examples .....	4
5.0	CLIENT SPECIFIC INSTRUCTIONS .....	5
6.0	APPLICATION OF EXECUTION FACTORS .....	5
7.0	METHOD OF EXECUTION .....	6
7.1.	Execution Venues .....	6
7.2.	Direct Electronic Access and Algorithmic Trading .....	6
7.3.	Affiliates and Brokers .....	6
8.0	METHOD OF EXECUTION .....	7
9.0	COMMISSIONS AND SPREADS .....	7
10.0	MONITORING AND REVIEW .....	7
11.0	DEFINITIONS .....	9
	SCHEDULE 1 - MIFID II FINANCIAL INSTRUMENTS .....	11
	APPENDIX A: CASH EQUITIES .....	12
	APPENDIX B: EQUITY DERIVATIVES (OTC & EXCHANGE TRADED) .....	15
	APPENDIX C: RATES .....	19
	APPENDIX D: FX .....	21
	APPENDIX E: COMMODITIES .....	25
	APPENDIX F: SECURITIES FINANCING TRANSACTIONS .....	28



## Best Execution Policy

### 1.0 Purpose of the Policy

This Best Execution Policy (“Policy”) sets forth information relating to how CIBC World Markets plc and the Canadian Imperial Bank of Commerce, London Branch (together “CIBC London”, “we”, “us” or “our”) seek to provide best execution as required by the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”) and the Financial Conduct Authority Conduct of Business Sourcebook (“COBS”), when executing orders on behalf of clients.

This Policy provides general information in respect to CIBC London’s approach to best execution, and is supplemented by appendices which provide further details regarding our approach at an asset class level. The appendices should be read in conjunction with this Policy and cover the following products:

- Cash Equities;
- Equity Derivatives;
- Rates (including Government bonds);
- Foreign Exchange (FX);
- Commodities;
- Securities Financing Transactions (SFTs).

### 2.0 Scope of Policy

This Policy is provided to you as a Professional client (the “client”) of CIBC London regardless of whether you are an Elective Professional client or a Per Se Professional and it is not applicable to business conducted with Eligible Counterparties. This policy is not directed at, or intended for, Retail clients and should not be considered for such persons.

The best execution obligations will be owed when providing services within the European Economic Area (“EEA”). Clients receiving their execution outside of the EEA may be entitled to the local best execution rules of the jurisdiction in which the executing entity is situated.

This Policy applies to all MiFID II financial instruments which CIBC London trades. The complete list of MiFID II financial instruments is defined in Schedule 1.

### 3.0 What is Best Execution

Best execution is the requirement to take all sufficient steps to obtain the best possible result when either executing transactions on your behalf or using other affiliates or brokers to execute transactions on your behalf, taking into account the following execution factors: Price; Costs; Speed; Likelihood of Execution and Settlement; Size; and Nature of the transaction or any other consideration relevant to the execution.

### 4.0 Application of Best Execution

#### 4.1. Agency or Agency Style Trading

The obligation to provide best execution will always arise in circumstances where we are acting in an agency or riskless principal capacity or have a contractual obligation to do so. Examples of the relevant types of orders that are applicable in these circumstances can be found in the asset class specific policies contained as appendices to this Policy.



## 4.2. Principal Trading

The best execution obligation is also applicable when we are acting in a principal capacity and you are placing a legitimate reliance on us to protect your interests in relation to the execution of a transaction.

When executing on a principal basis, in order to determine whether clients are placing legitimate reliance on CIBC London, the FCA refers to four considerations defined by the European Commission which should be applied. Consequently, when negotiating transactions or receiving orders from you on a principal basis, to determine whether you are placing legitimate reliance on us, we will assess the following:

- Which party initiated the transaction: In examples where you initiate the transaction it is less likely that you are placing legitimate reliance on CIBC London. In circumstances where CIBC London may communicate trade ideas, market communications or indicative prices as part of general business we do not believe that this will be deemed to have initiated the transaction;
- The market practice and the existence of a convention for clients to “shop around”: Where market practice for a particular asset class or product suggests that you will have ready access to various providers who may provide quotes and you have the ability to shop around, it is less likely that you will be placing legitimate reliance on CIBC London. In general, this is how we consider the majority of transactions with sophisticated, professional clients would be executed;
- The relative levels of transparency within a market: In circumstances where pricing information is transparent and it is reasonable that you have access to such information, it is less likely that you will be placing legitimate reliance on CIBC London; and
- The information provided by you and any agreement reached: Where any agreements or arrangements with you (including the provisions within this Policy) do not indicate or suggest that an understanding has been reached that you will place any legitimate reliance on CIBC London then it is less likely that we will conclude that best execution is owed.

## 4.3. Examples

Circumstances where you may be considered to be placing a legitimate reliance on CIBC London may include, but are not limited to:

- Where CIBC London attempts to find the opposite side of your trade on a riskless principal basis;
- Trades where CIBC London is given discretion on how and when to execute your order. Resting orders executed as principal could be an example of this;
- Where you are seeking to exit a complex structured trade where it would be reasonable to consider that you are unable to shop around;
- Transactions where a hedge executed by CIBC London is the specific reference price used to determine the level of an underlying price for your derivative transaction; and
- Other circumstances where you may be considered a captive client e.g. there is a lack of client choice over where to execute a trade due to the complexity or nature of the transaction and you would therefore be unable to seek alternative quotes.

The obligation to provide best execution will not generally apply where you as the client:

- Are seeking a quote in competition and have the ability to shop around for alternative prices;
- Specify the price / quote and the trade is executed on risk; or



- Apply other conditions which may be considered as “Specific Instructions”.

## 5.0 Client Specific Instructions

Where you provide CIBC London with a Specific Instruction in relation to an order, clients should be aware that this may, in certain circumstances, prevent the firm from taking sufficient steps to obtain the best possible result. Where the client gives a specific instruction as to how to execute a transaction, CIBC London will need to carry out those specific instructions to the extent it is possible to do so. In such circumstances, CIBC London will be deemed to have satisfied its obligations to take all sufficient steps to obtain the best possible result for the client. Examples of such instructions may include but are not limited to requests to execute on a particular venue or to execute an order over a particular timeframe.

In circumstances where you give us a Specific Instruction which applies only to one part or one aspect of an order, CIBC London will follow that instruction so far as is reasonably possible when executing the trade. By following your Specific Instruction, we will have satisfied the obligation to provide you with best execution in relation to the relevant part of the transaction to which the Specific Instruction applied. The remaining portion of that order not covered by such instructions may still be applicable for best execution in accordance with the criteria laid out in this Policy.

## 6.0 Application of Execution Factors

In order to achieve the best possible result for you, CIBC London will give consideration to a range of execution factors when determining the best outcome for you. Some of the below factors are considered to be more important than others. However, there are situations where the relative importance of these factors may change in accordance with instructions that you provide or broader market conditions.

The execution factors that CIBC London will consider are:

- **Price** - this is the price a financial instrument is executed at;
- **Costs** - the cost of executing transactions;
- **Speed** - time it takes to execute a client transaction;
- **Likelihood of execution and settlement** - the likelihood that we will be able to complete a client transaction;
- **Size** - this is the size of the transaction executed for a client accounting for how this affects the price of execution; and
- **Nature of the transaction or any other consideration relevant to the execution of the transaction** - this is how the particular characteristics of a client transaction can affect how best execution is owed.

The asset class specific policies included as appendices to this Policy contain further information on how execution factors are considered for achieving best execution per asset class. Whilst they set out the order of relative priority, a variety of criteria are taken into account in assessing this and appropriate consideration will be made based on a transaction by transaction basis. The above execution factors list indicates the importance of being able to exercise the appropriate judgment in the best interests of the client given the differing needs and requirements of each client transaction and the broader market.

Whilst determining the relative importance of each executing factor CIBC London will take into account the following in the context of the market:

- The characteristics of the client;
- The characteristics of the client order;



- The characteristics of financial instruments that are the subject of the order; and
- The characteristics of the execution venues to which the order can be directed.

Generally, we consider that the most important execution factor for our Professional clients is the price at which the relevant financial instrument is executed. However, there may be circumstances where the primary execution factors may vary and price is no longer the dominant execution factor; for example, for transactions in illiquid securities, likelihood of execution and market impact become more important. During the trading process when applying consideration to each execution factor, CIBC London will use our experience and expertise to achieve the best balance across the full range of factors, this includes where they may conflict with each other. Overall this may mean that CIBC London does not always achieve the best price for every client transaction, but the best result that can be reasonably expected given the information available during the execution process. However, it should be noted that when undertaking a transaction any specific execution factors specified by you will always be paramount in ensuring best execution is provided.

## 7.0 Method of Execution

### 7.1. Execution Venues

When CIBC London trades on a principal basis, the execution venue will be CIBC London. CIBC London will look to hedge its risks through a variety of venues including brokers, exchanges, other dealers and clients.

When CIBC London trades on a riskless principal basis, CIBC London may use a range of execution venues to execute client orders. Please refer to the asset class specific appendices for details of the execution venues which CIBC London places significant reliance on when trading as riskless principal.

CIBC London will not unfairly discriminate between execution venues but will make a decision on an execution venue based on a consideration of the execution factors.

On an annual basis, CIBC London will publish on its website, at [cibccm.com](http://cibccm.com), details of the top five execution venues in terms of trading volumes where CIBC London executes relevant client orders in the preceding year and information on the quality of execution, in respect of each class of instruments.

### 7.2. Direct Electronic Access and Algorithmic Trading

CIBC London may choose to execute client orders by using Direct Electronic Access (DEA) services provided by affiliates or third party brokers. CIBC London will use such means when it determines that this is the most effective way to execute a client order.

When trading using DEA, CIBC London may employ algorithms that intelligently seek the best price and liquidity across a wide range of venues. The primary goal of the algorithms is quality and certainty of execution. When executing on a venue, the algorithms are designed to only take the best price, venue costs never take precedence and venues are visited dynamically based on available prices for taking liquidity. In general, the decision to execute or not on a certain venue is driven by the algorithm that has been chosen and what its specific goals are.

### 7.3. Affiliates and Brokers

When executing your order CIBC London may choose to utilise either affiliated or non-affiliated brokers to assist in the execution of client trades. CIBC London undertakes periodic reviews to determine that any affiliate or non-affiliate brokers used are able to provide the appropriate level of experience and expertise when executing in that market. Furthermore, CIBC London also ensures that affiliate and non-affiliate broker executions are monitored, so that CIBC London may be



satisfied that best execution is being met on a consistent basis and any conflicts of interest are managed appropriately.

The use of affiliates provides specific benefits to client executions, these factors include but are not limited to governance, oversight and transparency of an order, consistency of order handling and front to back trade processing. Whilst aware of potential conflicts of interest in using affiliates to execute your transactions, CIBC London will seek to mitigate such conflicts through our monitoring and review programme.

## 8.0 Method of Execution

CIBC London may execute all or part of your order outside of a trading venue. In accordance with FCA requirements, CIBC London has requested your consent to execute such orders in this manner. The request to provide such consent is included in our account opening documentation which has been provided to you. In the absence of an explicit response from you to the contrary in relation to this information, if you place an order with us, we will treat you as having provided us with consent to trade outside a trading venue, as we believe it is in your best interests for us to do so (i.e. it allows us the flexibility to choose from a wider range of execution venues) and recognises that you are executing directly with CIBC London and not expecting us to route transactions to a trading venue.

Please note that transactions executed outside of a trading venue may be subject to credit risk of the counterparty and will be individually negotiated. As the terms of the transactions are not standardised and no centralised pricing source exists (as exists for exchange traded instruments), the transactions may be difficult to value. In particular, with an OTC derivatives transaction, the counterparty may not be bound to "close out" or liquidate this position, and so it may not be possible to terminate a loss-making contract.

Furthermore, in addition to the above, CIBC London is also required under the rules of the FCA to obtain your express consent not to make public limit orders not immediately executed in prevailing market conditions. The request to provide such consent is included in our account opening documentation which has been provided to you. In the absence of an explicit response from you in relation to this information, if you place an order with us we will treat you as having provided us with consent not to make public any limit orders not immediately executed in prevailing market conditions, as we believe it is in your best interest for us to do so.

## 9.0 Commissions and Spreads

Regulators require that CIBC London demonstrates that it is taking sufficient steps to get the best possible result for a client when the obligation arises. In order-driven markets such as cash equities, CIBC London charges an agreed commission. In quote-driven markets such as Fixed Income and FX, CIBC London, in common with our competitors, does not charge an explicit commission but imposes a spread between where it may buy a financial instrument and where it may sell the same instrument. CIBC London will ensure that spreads charged on transactions where best execution is owed are reasonable, not excessive and will be within a range that we consider reasonable for the product type, tenor and size of the trade. CIBC London does not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue. CIBC London also does not charge a different commission or spread to clients for execution on different execution venues.

## 10.0 Monitoring and Review

CIBC London has implemented a governance framework and control process through which it monitors the effectiveness of our Best Execution arrangements (including this Policy), to identify and, where appropriate, correct any deficiencies. This includes CIBC London conducting best execution monitoring for relevant trades using, where applicable, transaction cost analysis tools. Through this governance framework and controls process CIBC London will assess whether the



---

execution venues included in this Policy provide the best possible result for you or whether we need to make any changes to ensure the quality and appropriateness of our best execution arrangements. A governance committee will meet periodically to consider and review adherence to the best execution Policy, including escalation and resolution of best execution related issues.

We will review our Best Execution arrangements and Policy at least annually and whenever a material change occurs that affects our ability to obtain the best result for the execution of your Orders on a consistent basis using the venues. As part of this review, we will consider whether we could consistently achieve better execution results if CIBC London were to include additional or different execution venues or entities, assign a different relative importance to the best execution factors or modify any other aspect of the Policy and/or arrangements.

Any material changes to this Policy will be notified to CIBC London's Professional clients.





## 11.0 Definitions

<b>Client Order</b>	A verbal or electronic (e.g. Bloomberg, FIX) agreement to execute a transaction on behalf of a client regardless of whether the CIBC London is acting in a principal, riskless principal or agency capacity in any of the financial instruments listed in Schedule 1.
<b>Client Transaction</b>	An execution with a client where CIBC London is acting in a principal, riskless principal or agency capacity on any of the instruments listed in Schedule 1.
<b>EEA</b>	European Economic Area which includes all member states of the European Union plus Norway, Lichtenstein and Iceland
<b>Execution Venue</b>	A regulated market, an MTF, an OTF, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.
<b>Multilateral Trading Facility or MTF</b>	A multi-lateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract in accordance with the provisions of Title II of Directive 2014/65/EU.
<b>MiFID II</b>	Directive 2014/65/EU of the European Parliament and of the Council on Markets in Financial Instruments and any implementing directives and regulations.
<b>Organised Trading Facility or OTF</b>	A multi-lateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of Directive 2014/65/EU.
<b>Regulated Market</b>	A multi-lateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments - in the system and in accordance with its non-discretionary rules - in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of Directive 2014/65/EU.
<b>Resting Order</b>	An instruction to buy or sell a financial instrument in a specified size where the client is committed to the execution.
<b>Riskless Principal</b>	Where CIBC London buys and sells a financial instrument on a principal basis at the same price (exclusive of a commission) but where we do not retain any market risk for the transaction.



<b>Specific Instruction</b>	Instructions provided to CIBC London by a client when placing an order for execution, examples of such instructions may contain, but are not limited to, the selection of a limit price, a period of time the order may remain valid or request to execute the order on a specific venue.
<b>Systematic Internaliser</b>	An investment firm which, on an organised, frequent and systematic basis, deals on own account by executing client orders outside a Regulated Market, an MTF or an OTF without operating a multilateral system.
<b>Trading Venue</b>	A regulated market, an MTF or an OTF.



## Schedule 1 - MiFID II Financial Instruments

- 1) Transferable securities;
- 2) Money-market instruments;
- 3) Units in collective investment undertakings;
- 4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- 5) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (other than by reason of a default or other termination event);
- 6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
- 7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in 6 above and not being for commercial purposes, which have the characteristics of other derivative financial instruments
- 8) Derivative instruments for the transfer of credit risk;
- 9) Financial contracts for differences; and
- 10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF;
- 11) Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).



## Appendix A: Cash Equities

### 1.0 Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to cash equity instruments, which include; common stock, rights, warrants, preference shares, convertible bonds, Exchange Traded Funds (ETFs), American depositary receipts (ADRs) and global depositary receipts (GDRs) (collectively referred to as “Cash Equities”). This policy is an appendix to the overarching CIBC London Best Execution Policy and should be read in conjunction with that document.

### 2.0 Application of Best Execution for In-Scope Products

Our Cash Equities desk executes:

- On North American markets through Direct Electronic Access (DEA) provided by CIBC London’s affiliate, CIBC World Markets Inc. CIBC London may opt to manually place orders but will frequently use CIBC World Market Inc’s Smart Order Router (SOR) which sources liquidity through its Central Order Routing Engine (CORE).
- On European markets through a range of third party brokers (see section 5.0 for details), including using DEA access provided by certain of the brokers.

The origins of orders that are placed with us can be either manual or electronic. Manual or voice execution orders are client instructions to trade that typically originate from phone calls or instant messaging. Electronic orders are transmissions of client instructions to trade via the messaging protocol FIX.

We owe a duty of best execution when executing Client Orders on your behalf. We consider ourselves to be in receipt of an order where an execution instruction is given to us that gives rise to contractual or agency obligations to you. We consider ourselves to be executing the order on your behalf when we conclude that you are placing legitimate reliance on us. Specifically, this will be the case where you commit to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction; and the execution can be booked to your account, without the need to re-confirm the price, size or any other factor(s) with you; or where we execute an order as agent or riskless principal on your behalf. Examples of these include market orders, resting orders, limit orders, market on open/close and fill or kill orders.

For the majority of Cash Equity executions the obligation to provide best execution will ordinarily apply.

### 3.0 Prioritisation of Execution Factors

When executing transactions where best execution applies, CIBC London will take into account the execution factors listed in section 6 of the CIBC London Best Execution Policy.

Whilst we have provided these in order of relative priority below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors. Criteria for consideration includes the characteristics of each individual order such as client preferences, market conditions, when the order is received and the size of the order. It is important to note that in certain circumstances, for example high volatility or an illiquid market, likelihood of execution may become the primary execution factor.

The Cash Equities desk assesses each client order based on their accompanying instructions. Client Specific Instructions determine how each order is split into components and also dictate how these are executed. Consequently, the prioritisation of execution factors varies on a per-order basis.



Outside of any Specific Instructions provided by the client, the most important execution factor when handling orders will typically be the price of the relevant financial instrument. The following provides an example of the execution factors prioritisation that may be applied:

- 1. Price
- 2. Likelihood of Execution
- 3. Speed
- 4. Size
- 5. Costs
- 6. Nature and other Considerations

Once an order has been received it is split for execution in accordance with any accompanying Specific Instructions. As part of assessing how to split a client order, this may be done manually, via an algorithm or by a combination of the two. This process will follow a differing priority of execution factors to meet the desired overall objective on a per order basis. Client Specific Instructions permitting, market impact is taken into consideration.

Orders received can utilise a host of custom tactics that wrap-up to a number of headline algorithmic strategies. Each algorithm utilises specific logic to split and execute orders according to the selected algorithm. Combined with the details of each order, the prioritisation of execution factors will vary on a per order basis. Further information on the offering of our algorithms is available through your desk representative.

As above, there may be scenarios where the priority of execution factors will vary. For example when client orders are posting liquidity, likelihood of execution may become a more important factor. Similarly, when clients select to execute using a Dark Venues only strategy, other considerations (in the form of deliberate venue bias) become the primary factor.

#### 4.0 Order/Quote Handling

Specific Instructions for our Cash Equities business are received in a number of ways including phone, instant messaging and electronically via FIX messaging. The Specific Instructions determine how each order is split into components and also drive how these are executed.

In order to meet the obligation to take all sufficient steps to obtain on a consistent basis the best possible result for the execution of Client Orders, the Cash Equities trading desk may use one or more of the execution venues listed in section 5.0 of this appendix.

When trading on North American markets, CIBC London frequently employs CIBC World Market Inc's SOR that seeks the best prices and liquidity across a wide range of venues. The primary goal of the SOR is quality and certainty of execution. In general, the decision to post-or-not to a venue is driven by the individual algorithm that is being chosen, and what its goals are. Equally, when trading on European markets, CIBC may employ third party broker's SORs to similar effect when using DEA services.

Unless explicitly requested not to, we may also choose to fill your order by executing from CIBC World Market Inc's own principal book or matching with other client orders. However, CIBC London will only adopt such an approach if we deem that it satisfies our requirement to provide best execution.

Where we do not support the clients' desired execution destination, in order to provide market access to such liquidity we may choose to direct the client order to an affiliate or a third party broker for execution. For further information in relation to the use of affiliates and brokers please see section 7.3 of the CIBC London Best Execution Policy.



## 5.0 Execution Venues

When accessing North American markets, CIBC London places significant reliance on its affiliate, CIBC World Markets Inc.

When accessing European markets, CIBC London places significant reliance on the following third party brokers:

- Cantor Fitzgerald Europe
- Citigroup Global Markets Limited
- JP Morgan
- Kepler Cheuvreux
- Peel Hunt

These third party brokers were selected after careful screening based on a review of a set of parameters including, but not limited to, latency, market access, liquidity access and technology. The brokers are monitored on an on-going basis to ensure quality of execution. In addition, CIBC London tracks market developments, for example the emergence of new or improved brokers, and regularly considers whether its broker list is optimal for providing best execution to CIBC London's clients. New brokers may be added to the preferred list accordingly. When receiving a client order, CIBC will determine the optimal broker for executing the order based on any specific client instructions, execution venues to which the order can be directed and our knowledge of the relevant instrument and the market in which the client wishes to execute.



## Appendix B: Equity Derivatives (OTC & Exchange Traded)

### 1.0 Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to equity derivative products, which include; equity OTC options (both complex and vanilla), structured notes (collectively referred to as “Equity Derivatives”) and exchange traded derivatives (ETD). This policy is an appendix to the overarching CIBC London Best Execution Policy and should be read in conjunction with that document.

### 2.0 Application of Best Execution for In-Scope Products

CIBC London owes a duty of best execution when executing Client Orders on your behalf. We consider ourselves to be in receipt of an order where an execution instruction is given to us that gives rise to contractual or agency obligations to you. We consider ourselves to be executing the order on your behalf when we conclude that you are placing legitimate reliance on us. Specifically, this will be the case where you commit to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction and the execution can be booked to your account, without the need to re-confirm the price, size or any other factor(s) with you or where we execute an order as agent or riskless principal on your behalf. Another example of a client placing legitimate reliance on CIBC London could include the unwind of derivative transactions where the client may find it difficult to source alternative pricing from other parties.

For Equity Derivatives products, CIBC London primarily trades in a principal capacity providing responses to client’s requests for quotes (RFQs) and therefore we act as a liquidity provider. As CIBC London operates in a competitive market for the execution of clients’ RFQs in Equity Derivatives, the expectation is that clients have access to multiple dealers and pricing sources and hence are in competition. Best execution obligations are unlikely to apply where you have asked us for a quote, as we generally take the view that in the context of the European Commission’s four considerations there is no legitimate reliance being placed on us to meet the relevant best execution requirements. However we endeavour to provide competitive pricing.

Furthermore, where you provide us with a Specific Instruction, such as the time an order should be placed, to the extent that we follow such instructions, we have satisfied any best execution requirements with respect to that aspect of the order.

Where you request us to execute the hedge for a transaction relating to any Equity Derivative and the price of the transaction depends on the hedge level, the relevant Cash Equity Appendix will apply. Where the hedge relates to a transaction in an exchange traded derivative (ETD) then the terms of this Equity Derivatives appendix will apply.

### 3.0 Prioritisation of Execution Factors

When executing those transactions where best execution applies, CIBC London will take the following execution factors into account:

- price;
- costs;
- speed;
- likelihood of execution and settlement;
- size; and
- nature or any other consideration relevant to the execution of a transaction.



Whilst we have provided these in order of relative priority in the sections below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors, including appropriate consideration on a transaction by transaction basis. Criteria for consideration include the characteristics of each transaction such as client preferences, market conditions, when the transaction is received and the size of the trade.

Generally, an important execution factor for our clients will be the price the relevant financial instrument is executed at. As part of the price finding process for Equity Derivative transactions, we will also take into consideration a number of other execution factors such as liquidity of the underlying, maturity of the transaction, counterparty credit risk and platform/technology dependencies.

However, as set out below, depending on the complexity of the product, client engagement in creating the product/transaction and bespoke nature of the transaction, the primary execution factors may vary, with likelihood and speed of execution potentially being a more important factor than price.

- For ETD and vanilla OTC equity options, CIBC London prioritises execution factors as follows.
  - 1. Price
  - 2. Size
  - 3. Costs
  - 4. Speed
  - 5. Likelihood of Execution
  - 6. Other Considerations

Due to the potential levels of volatility in the ETD market that may affect both price and volume, we will seek to provide you with the fastest execution reasonably possible, although delays may occur.

- For complex OTC equity options, CIBC London prioritises execution factors as follows.
  - 1. Likelihood of Execution
  - 2. Price
  - 3. Size
  - 4. Speed
  - 5. Costs
  - 6. Other Considerations

When executing trade unwinds in complex equity OTC options the execution factors are changed with speed becoming more significant, in addition to likelihood of execution, which remains most important.

- For structured note transactions, CIBC London prioritises execution factors as follows.
  - 1. Likelihood of Execution
  - 2. Costs
  - 3. Speed
  - 4. Size
  - 5. Price





---

- 6. Other Considerations

When executing trade unwinds in structured note transactions the execution factors are changed with Likelihood of Execution becoming the most significant, followed by costs and speed.

In all cases, pricing of transactions will usually incorporate consideration of the execution factors Size and Cost, as well as other factors such as liquidity of underlying, maturity, market conditions and platform/technology requirements.

#### 4.0 Order/Quote Handling

Exchanged Trades Derivative Client Orders may be placed with CIBC London through a variety of means. Orders placed through manual (phone orders or instant messaging) will be dealt with via the trading desk who will determine the strategy on handling your order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

Where an order is received that meets particular size criteria or specific parameters such as minimum block or crossing thresholds, it may be possible for CIBC London to execute such orders outside of the central order book of the relevant Exchange utilising the exchanges block or crossing functionality. In such circumstances we will look to secure the best possible result for you, given any parameters set, by utilising relationships with market makers or liquidity providers.

Where CIBC London does not support the clients' desired execution destination, in order to provide market access to such liquidity we may choose to direct the client order to an affiliate or a third party broker for execution.

OTC Equity Derivative transactions will be executed by CIBC London on a principal basis providing a risk price by:

- facilitating requests for quote (RFQ) from clients and responding to reverse inquiries; or
- facilitating requests for proposal (RFP) from clients.

The market for vanilla and complex Equity OTC options, and structured notes are in most instances well established and competitive, whereby multiple market participants will stand ready to respond to clients' RFQ/reverse inquiry or RFP. Such processes are carried out via direct requests through meetings, voice, email or electronic messaging.

In relation to RFQs or reverse inquiries (e.g. the client approaches CIBC London to provide banking services), where we provide quotes or negotiate a price with you on request, we will not generally presume to be receiving a Client Order where best execution will apply.

When transacting on a RFP basis, clients will usually, after an initial broad contest, choose a small number of providers to discuss the transaction in detail. This process will eventually lead to a (potentially exclusive) quote based on the parameters requested by the client. The time between the initial client contact and the quote varies from a few days to a very protracted period. As with RFQ/reverse inquiries, if CIBC London provides quotes or negotiates a price with you based on your requirements, we will not generally presume to receive a Client Order where best execution will apply.

In both of the above circumstances, we will make a determination of the transaction at the time of quoting whether you are legitimately reliant on us. This will be based on the four-fold considerations outlined in the CIBC London Best Execution Policy, meaning:

- Where we deem you to request or take a price in a competitive market, and where you are not placing legitimate reliance on CIBC London, best execution will not apply. We expect this to be the case in the majority of circumstances.



- Where you legitimately rely on us to get you the best possible outcome, we will provide best execution. We expect this to be the case only in exceptional circumstances.

Orders may be placed with CIBC London manually (phone orders, email or instant messaging) and will be dealt with by the trading desk who will determine the strategy on handling your order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

## 5.0 Execution Venues

As we trade Equity Derivatives on a principal basis, the execution venue will be CIBC London. CIBC London will look to hedge its risks through a variety of trading venues including brokers, exchanges and other dealers.



## Appendix C: Rates

### 1.0 Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to rates instruments, which include; Government, Super Sovereign and Sovereign Agency Bonds, Interest Rate (including Cross Currency) and Inflation Swaps, Interest Rate and Inflation Options and Structured Notes (collectively referred to as “Interest Rate Products” or “Rates”). This policy is an appendix to the overarching CIBC London Best Execution Policy and should be read in conjunction with that document.

### 2.0 Application of Best Execution for In-Scope Products

CIBC London owes a duty of best execution when executing Client Orders on your behalf. We consider ourselves to be in receipt of an order where an execution instruction is given to us that gives rise to contractual or agency obligations to you. We consider ourselves to be executing the order on your behalf when we conclude that you are placing legitimate reliance on us. Specifically, this will be the case where you commit to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction; and the execution can be booked to your account, without the need to re-confirm the price, size or any other factor(s) with you; or where we execute an order as agent or riskless principal on your behalf. An example of this activity is a Resting Order, where a client may specify the price, size or other conditions of the order. In such circumstances CIBC London will provide best execution. Another example of a client placing legitimate reliance on CIBC London could include the unwind of derivative transactions where the client may find it difficult to see alternative pricing from other parties.

CIBC London services client demand by trading Interest Rate products on a principal basis. We operate in a competitive Interest Rate market with the expectation that clients have access to multiple dealers and pricing sources so that the majority of trades that are RFQ are in competition, and in these cases we endeavour to provide competitive pricing regardless of whether best execution is owed.

Best execution obligations are unlikely to apply where you have asked us for a quote (RFQ), as we generally take the view that in the context of the European Commission’s four considerations there is no legitimate reliance being placed on us to meet the relevant best execution requirements. Furthermore, where you provide us with Specific Instructions (e.g. the time an order should be placed), by following those instructions we will have satisfied any best execution requirements relating to that aspect of the order.

### 3.0 Prioritisation of Execution Factors

When executing transactions where best execution applies, CIBC London will take the following execution factors into account:

- price;
- costs;
- speed;
- likelihood of execution and settlement;
- size; and
- nature or any other consideration relevant to the execution of a transaction.

Whilst we have provided these in order of relative priority in the sections below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors, including



appropriate consideration on a transaction by transaction basis. Criteria for consideration include the characteristics of each transaction such as client preferences, market conditions, when the transaction is received and the size of the trade. Generally, the most important execution factor for our clients will be the price the relevant financial instrument is executed at. However, as set out below, in more illiquid markets, the primary execution factors may vary, as such, likelihood of execution may become the primary execution factor.

- For Interest Rate Products in liquid markets, we prioritise execution factors as follows.
  - 1. Price
  - 2. Size
  - 3. Speed
  - 4. Likelihood of Execution
  - 5. Costs
  - 6. Other Considerations
  
- For Interest Rate Products in illiquid markets, we prioritise execution factors as follows.
  - 1. Size
  - 2. Price
  - 3. Likelihood of Execution
  - 4. Speed
  - 5. Costs
  - 6. Other Considerations

#### 4.0 Order/Quote Handling

CIBC London acts as principal when trading in Interest Rate Products and provides quotes on a risk basis. In relation to RFQs where we provide quotes or negotiate a price with you we will not generally presume to be receiving a Client Order where best execution will apply.

Orders placed with CIBC London will be dealt with via the trading desk who will determine the strategy on handling your order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

Where a client provides a resting order CIBC London will fill your transaction as soon as possible.

#### 5.0 Execution Venues

As we trade Rates products on a principal basis, the execution venue will be CIBC London. CIBC London will look to hedge its risks through a variety of trading venues including brokers, exchanges and other dealers.



## Appendix D: FX

### 1.0 Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to FX instruments in scope for MiFID II purposes, which include; FX forwards, FX swaps and FX options (collectively referred to as FX transactions). This policy is an appendix to the overarching CIBC London Best Execution Policy and should be read in conjunction with that document.

### 2.0 Application of Best Execution for In-Scope Products

FX transactions are executed across two trading mediums:

- Via CIBC London's voice trading facilities ("Voice Trading");
- Through various proprietary, interdealer or other electronic FX platforms ("eFX"); and

CIBC London always trades as principal when executing transactions in FX.

Best execution obligations are unlikely to apply where you have asked us for a quote (RFQ), as we generally take the view that in the context of the European Commission's four considerations there is no legitimate reliance being placed on us to meet the relevant best execution requirements. Furthermore, where you provide us with a Specific Instruction, such as the time an order should be placed or specifying the use of an algo, to the extent that we follow such instructions, we have satisfied any best execution requirements with respect to that aspect of the order.

CIBC London owes a duty of best execution when executing Client Orders on your behalf. We consider ourselves to be in receipt of an order where an execution instruction is given to us that gives rise to contractual or agency-like obligations to you. We consider ourselves to be executing the order on your behalf when we conclude that you are placing legitimate reliance on us. Specifically, this will be the case where you commit to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction; and the execution can be booked to your account, without the need to re-confirm the price, size or any other factor(s) with you. Examples of the types of orders that CIBC London may execute are set out in section 4.

Other examples of a client placing legitimate reliance on CIBC London could include the unwind of derivative transactions where the client may find it difficult to seek alternative pricing from other parties or novate the transaction to another party.

CIBC London's receipt of an order via any trading medium does not, however, commit us to executing all or part of the order received. This is dependent on the specific order parameters instructed and the prevailing market conditions.

The manner in which FX transactions are priced, handled or executed differs according to the platform on which trading is conducted, as further described in this disclosure.

### 3.0 Prioritisation of Execution Factors

When executing transactions where best execution applies, CIBC London will take the following execution factors into account:

- price;
- costs;
- speed;



- likelihood of execution and settlement;
- size; and
- nature or any other consideration relevant to the execution of a transaction.

Whilst we have provided these in order of relative priority in the sections below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors, including appropriate consideration on a transaction by transaction basis. Criteria for consideration include the characteristics of each individual transaction such as client preferences, market conditions, when the transaction is received and the size of the trade. Generally, the most important execution factor for our clients will be the price the relevant financial instrument is executed at. However, as set out below, in more illiquid markets, the primary execution factors may vary, as such, likelihood of execution will become the primary execution factor. Where a number of different execution algorithms are available the relative priority of the factors may be subject to change.

In the event that legitimate reliance applies to CIBC London, we would prioritise the execution factors as follows.

- For FX Forward and FX Swap voice trades in liquid markets, for both quote driven and order driven activity,
  - 1. Price
  - 2. Speed
  - 3. Size
  - 4. Costs
  - 5. Likelihood of Execution
  - 6. Other Considerations
- For FX Forward and FX Swap voice trades in illiquid markets, for both quote driven and order driven activity,
  - 1. Size
  - 2. Cost
  - 3. Likelihood of Execution
  - 4. Price
  - 5. Speed
  - 6. Other Considerations

Other factors may be prioritized over price in illiquid markets because the size of the order could impact the market and costs could be higher.

- When a client uses the eFX electronic trading platform both in liquid and illiquid markets, CIBC London prioritises execution factors as follows:
  - 1. Price
  - 2. Likelihood of Execution
  - 3. Cost
  - 4. Speed
  - 5. Size



- 6. Other Considerations (for example, venue restrictions)
- For FX Option trades in liquid markets, for both quote driven and order driven activity, CIBC London prioritises execution factors as follows.
  - 1. Price
  - 2. Size
  - 3. Speed
  - 4. Likelihood of Execution
  - 5. Costs
  - 6. Other Considerations
- For FX Option trades in illiquid markets, for both quote driven and order driven activity, CIBC London prioritises execution factors as follows.
  - 1. Size
  - 2. Price
  - 3. Speed
  - 4. Likelihood of Execution
  - 5. Costs
  - 6. Other Considerations

## 4.0 Order / Quote Handling

### 4.1 FX Forwards and FX Swaps

For FX forwards and FX swaps, CIBC London is able to fulfil client demand by trading on a principal basis through electronic and voice channels. The product offering covers both developed market and emerging market currencies and clients can either execute real-time with us through RFQ, trading on eFX or by leaving orders.

If CIBC London provides quotes or negotiates a price on request (i.e. dealing on a RFQ or Request for Stream (RFS) basis) it will not generally be presumed to be receiving a 'client order' as part of a service where best execution will apply. However, we will apply the European Commission's four considerations to determine whether legitimate reliance has been placed on us in order to ascertain if best execution applies.

'At Best' orders are orders from the client to buy or sell a volume of a currency pair with the aim of achieving the best possible outcome based on prescribed client instructions and available liquidity. Examples include:

- executing the order at the best price possible for the specified volume and currency pair as soon as practicable given current market conditions;
- executing the order at the best price possible for the specified volume and currency pair over a prescribed period of time based on relevant client instructions; and
- executing the order at the best price possible for the specified volume up/down to a prescribed price level. Once this level is reached the execution process is halted until price action allows execution to resume within the given instructions.

We will endeavour to work these orders by sourcing liquidity through available sources and in accordance with client instructions.



Resting Orders are orders from the client to buy or sell a volume of a currency pair at a specified limit price. There are two main variants of Resting Order:

- **Stop Loss** - is an order which triggers a buy or sell for a specified notional amount when an agreed reference price has reached or passed a pre-defined trigger level.
- **Take Profit** - an instruction to sell above or buy below the current market price if the pre-defined price is reached during order duration. This type of order locks in a profit on a position and is only carried out at the pre-defined level.

CIBC London continually monitors its Resting Order book during London business hours. Once the agreed limit price has been reached, CIBC London will fill the order as soon as possible to the extent that it has access to sufficient liquidity. Outside of London business hours, any resting orders that are filled will be executed in-line with the regulatory requirements of the executing CIBC office.

An FX Fixing Order is an order to buy or sell a specified notional amount at an agreed external FX Benchmark/with a pre trade negotiated fee for the service.

## 4.2 FX Options

For FX options, CIBC London is able to fulfil client demand by trading on a principal basis through electronic and voice channels. The product offering covers both developed market and emerging market currencies. Clients may achieve execution either by leaving an order with CIBC London or requesting a price on a quote basis (RFQ).

**Spot Orders** - Spot orders are orders to buy or sell an FX option when the underlying FX spot rate reaches a specified level. CIBC London will provide best execution for spot firm orders by executing a limit order in the FX spot market at the level given by the client. As soon as this order is executed the client's option contract will be dealt taking into account prevailing interest rates, implied volatilities and other parameters to determine the premium the client will pay or receive.

**Premium Orders** - Premium orders are orders to buy or sell an FX option at a specified premium as other market variables (spot rate, interest rate, implied volatility) allow that price to be achieved. CIBC London will provide best execution by executing a limit order in the FX spot market. The level at which this spot order is placed will vary as the other market variables move.

## 5.0 Execution Venues

As we trade FX products on a principal basis, the execution venue will be CIBC London. CIBC London will look to hedge its risks through a variety of trading venues including brokers, exchanges and other dealers.





## Appendix E: Commodities

### 1.0 Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to Precious Metals, which include; Spot, Options, Forwards, Futures and Swaps (collectively referred to as Commodity transactions). This policy is an appendix to the overarching CIBC London Best Execution Policy and should be read in conjunction with that document.

### 2.0 Application of Best Execution for In-Scope Products

Commodity transactions are executed across two trading mediums:

- As principal via CIBC London's voice trading facilities ("Voice Trading");
- As principal through various proprietary, interdealer or other electronic platforms ("Platforms");

CIBC London trades as principal when executing transactions in Commodities.

Best execution obligations are unlikely to apply where you have asked us for a quote (RFQ), as we generally take the view that in the context of the European Commission's four considerations there is no legitimate reliance being placed on us to meet the relevant best execution requirements. Furthermore, where you provide us with a Specific Instruction, such as the time an order should be placed, to the extent that we follow such instructions, we have satisfied any best execution requirements with respect to that aspect of the order.

CIBC London owes a duty of best execution when executing Client Orders on your behalf. Such orders could be received through both of the trading mediums referenced above. We consider ourselves to be in receipt of an order where an execution instruction is given to us that gives rise to contractual or agency-like obligations to you. We consider ourselves to be executing the order on your behalf when we conclude that you are placing legitimate reliance on us. Specifically, this will be the case where you commit to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction; and the execution can be booked to your account, without the need to re-confirm the price, size or any other factor(s) with you. Examples of the type of orders that CIBC London may execute are set out in section 4 below.

Other examples of a client placing legitimate reliance on CIBC London could include the unwind of derivative transactions where the client may find it difficult to seek alternative pricing from other parties or novate the transaction to another party.

CIBC London's receipt of an order via any trading medium does not, however, commit us to executing all or part of the order received. This is dependent on the specific order parameters instructed and the prevailing market conditions.

The manner in which commodity transactions are priced, handled or executed differs according to the platform on which trading is conducted, as further described in this disclosure.

### 3.0 Prioritisation of Execution Factors

When executing transactions where best execution applies, CIBC London will take the following execution factors into account:

- price;
- costs;



- speed;
- likelihood of execution and settlement;
- size; and
- nature or any other consideration relevant to the execution of a transaction.

Whilst we have provided these in order of relative priority in the sections below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors, including appropriate consideration on a transaction by transaction basis. Criteria for consideration include the characteristics of each individual transaction such as client preferences, market conditions, when the transaction is received and the size of the trade. Generally, the most important execution factor for our clients will be the price the relevant financial instrument is executed at. However, as set out below, in more illiquid markets, the primary execution factors may vary, as such, likelihood of execution will become the primary execution factor.

Where a client provides a resting order CIBC London will fill your transaction as soon as possible.

In the event that legitimate reliance applies to CIBC London, where a client has submitted a Request for Quote we would prioritise the execution factors as follows.

- For Spot and Options,
  - 1. Price
  - 2. Speed
  - 3. Size
  - 4. Costs
  - 5. Likelihood of Execution
  - 6. Other Considerations

Other factors may be prioritized over price in illiquid markets because the size of the order could impact the market and costs could be higher.

## 4.0 Order/Quote Handling

### 4.1 Commodity Spot

For commodity transactions, CIBC London is able to fulfil client demand by trading on a principal basis, through electronic and voice channels. Clients can either execute real-time with us through RFQ, trading on platforms or by leaving orders.

If CIBC London provides quotes or negotiates a price on request (i.e. dealing on a RFQ or Request for Stream (RFS) basis) it will not generally be presumed to be receiving a 'client order' as part of a service where best execution will apply. However, we will apply the European Commission's four considerations to determine whether legitimate reliance has been placed on us in order to ascertain if best execution applies.

'At Best' orders are orders from the client to buy or sell a volume of a commodity with the aim of achieving the best possible outcome based on prescribed client instructions and available liquidity. Examples include:

- executing the order at the best price possible for the specified volume and precious metal as soon as practicable given current market conditions;
- executing the order at the best price possible for the specified volume and precious metal over a prescribed period of time based on relevant client instructions; and



- executing the order at the best price possible for the specified volume up/down to a prescribed price level. Once this level is reached the execution process is halted until price action allows execution to resume within the given instructions.

We will endeavour to work these orders by sourcing liquidity through available sources and in accordance with client instructions.

Resting Orders are orders from the client to buy or sell a volume of a precious metal at a specified limit price. There are two main variants of Resting Order:

- Stop Loss - is an order which triggers a buy or sell for a specified notional amount when an agreed reference price has reached or passed a pre-defined trigger level.
- Take Profit - an instruction to sell above or buy below the current market price if the pre-defined price is reached during order duration. This type of order locks in a profit on a position and is only carried out at the pre-defined level.

CIBC London continually monitors its Resting Order book and, once the agreed limit price has been reached, we will provide best execution either through executing in the market, taking on the risk on the trading book or through a combination of both.

## 4.2 Commodity Options

For Commodity options, CIBC London is able to fulfil client demand by trading on a principal basis through electronic and voice channels. Clients may achieve execution either by leaving an order with CIBC London or requesting a price on a quote basis (RFQ).

Commodity Options orders are orders to buy or sell a commodity option when the underlying commodity spot rate reaches a specified level (or any other parameter that can influence the option premium). CIBC London will provide best execution for option firm orders by executing a limit order at the level given by the client. As soon as this order is executed the client's option contract will be dealt taking into account prevailing interest rates, implied volatilities and other parameters to determine the premium the client will pay or receive.

## 5.0 Execution Venues

As we trade commodities on a principal basis, the execution venue will be CIBC London. Where we trade in a principal capacity and route transactions to a venue to hedge our principal exposure this may occur via a market, platform or through other market participants.



## Appendix F: Securities Financing Transactions

### 1.0 Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to Securities Financing Transactions (SFTs), which include; repurchase agreements (repos), securities lending activities and sell/buy-back transactions. This policy is an appendix to the overarching CIBC Best Execution Policy and should be read in conjunction with that document.

### 2.0 Application of Best Execution for In-Scope Products

CIBC owes a duty of best execution when executing Client Orders on your behalf. We consider ourselves to be in receipt of an order where an execution instruction is given to us that gives rise to contractual or agency obligations to you. We consider ourselves to be executing the order on your behalf when we conclude that you are placing legitimate reliance on us.

CIBC services client demand by trading SFTs on a principal basis. We operate in a competitive market with the expectation that clients have access to multiple dealers and pricing sources so that the majority of trades that are RFQ are in competition, and in these cases we endeavour to provide competitive pricing regardless of whether best execution is owed.

Best execution obligations are unlikely to apply where you have asked us for a quote (RFQ), as we generally take the view that in the context of the European Commission's four considerations there is no legitimate reliance being placed on us to meet the relevant best execution requirements.

### 3.0 Prioritisation of Execution Factors

When executing transactions where best execution applies, CIBC will take the following execution factors into account:

- price;
- costs;
- speed;
- likelihood of execution and settlement;
- size; and
- nature or any other consideration relevant to the execution of a transaction.

Whilst we have provided these in order of relative priority in the sections below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors, including appropriate consideration on a transaction by transaction basis. Criteria for consideration include the characteristics of each transaction such as client preferences, market conditions, when the transaction is received and the size of the trade. Generally, the most important execution factor for our clients will be the price the relevant financial instrument is executed at. However, as set out below, in more illiquid markets, the primary execution factors may vary, as such, likelihood of execution may become the primary execution factor.

- For Repos, we prioritise execution factors as follows.
  - 1. Price
  - 2. Size
  - 3. Speed
  - 4. Likelihood of Execution



- 5. Costs
- 6. Other Considerations
- For Securities Lending, we prioritise execution factors as follows.
  - 1. Size
  - 2. Price
  - 3. Likelihood of Execution
  - 4. Speed
  - 5. Costs
  - 6. Other Considerations

#### 4.0 Order/Quote Handling

CIBC acts as principal when trading in SFTs and provides quotes on a risk basis. In relation to RFQs where we provide quotes or negotiate a price with you we will not generally presume to be receiving a Client Order where best execution will apply.

Orders placed with CIBC will be dealt with via the trading desk who will determine the strategy on handling your order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

Where a client provides a resting order CIBC will fill your transaction as soon as possible.

#### 5.0 Execution Venues

As we trade SFTs on a principal basis, the execution venue will be CIBC London. CIBC London will look to hedge its risks through a variety of trading venues including brokers, exchanges and other dealers.

*Canadian Imperial Bank of Commerce (CIBC) is a bank incorporated in Canada pursuant to the Bank Act (Canada) with its Head office at Toronto, Canada and with a registered branch in the United Kingdom at 150 Cheapside, London EC2V 6ET (London Branch). CIBC is supervised and regulated by the Office of the Superintendent of Financial Institutions Canada, London Branch is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation authority.*

*CIBC World Markets plc is incorporated under the laws of England and Wales (company number: 2733036) with its registered office at 150 Cheapside, London EC2V 6ET. CIBC World Markets plc is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.*

*The CIBC Logo Design is a trademark of the Canadian Imperial Bank of Commerce.*

