TELE CENTRO OESTE CELULAR PARTICIPACOES
Form 425
October 31, 2003

Filed by Tele Centro Oeste Participações S.A.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Company: Tele Centro Oeste Participações S.A.
Commission File No. 001-14489

THE FOLLOWING ARE MATERIALS FILED WITH THE BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (COMISSAO DE VALORES MOBILIARIOS) AND MADE PUBLIC BY THE COMPANY RELATING TO THE PROPOSED MERGER OF SHARES (INCORPORACAO DE ACOES) OF TELE CENTRO OESTE PARTICIPAÇÕES S.A. WITH TELESP CELULAR PARTICIPAÇÕES S.A.

* * * * *

These materials may contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management s current expectations or beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forwarding-looking statements.

The forward-looking statements in these materials are subject to a number of risks and uncertainties, including but not limited to changes in technology, regulation, the global cellular communications marketplace and local economic conditions. These forward-looking statements relate to, among other things:

management strategy;

synergies;

operating efficiencies;

integration of new business units;

market position;

revenue growth;

cost savings;

capital expenditures;

flexibility in responding to market conditions and the regulatory regime;

influence of controlling shareholders;

litigation; and

the timetable for the merger of shares.

Forward-looking statements may be identified by words such as believes, expects, anticipates, projects, intends, should, seeks, est future or similar expressions.

These statements reflect our current expectations. In light of the many risks and uncertainties surrounding this marketplace, you should understand that we cannot assure you that the forward-looking statements contained in these materials will be realized. You are cautioned not to put undue reliance on any forward-looking information.

Investors and security holders are urged to read the prospectus regarding the strategic business combination transaction, which Telesp Celular Participações S.A. has filed with the U.S. Securities and Exchange Commission as part of its Registration Statement on Form F-4, because it contains important information. Investors and security holders may obtain a free copy of these materials and other documents filed by Tele Centro Oeste Participações S.A. and Telesp Celular Participações S.A. with the Commission at the Commission s website at www.sec.gov. These materials may also be obtained for free from Tele Centro Oeste Participações S.A.

* * * * *

EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
1	Protocol of the Merger of Shares of Tele Centro Oeste Celular Participações S.A. with Telesp Celular Participações S.A. for the purpose of the former s conversion into a Wholly Owned Subsidiary.
2	Justification of the Merger of Shares of Tele Centro Oeste Celular Participações S.A. with Telesp Celular Participações S.A. for the purpose of the former s conversion into a Wholly Owned Subsidiary.
3	Notice of Material Fact, announcing the merger of shares.
4	Minutes of the Board of Directors meeting held on October 27, 2003.

EXHIBIT 1

PROTOCOL OF THE MERGER OF SHARES OF TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A. INTO TELESP CELULAR PARTICIPAÇÕES S.A. FOR THE PURPOSE OF THE FORMER S CONVERSION INTO A WHOLLY OWNED SUBSIDIARY

BETWEEN

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

AND

TELESP CELULAR PARTICIPAÇÕES S.A.

DATED OCTOBER 27, 2003

PROTOCOL OF THE MERGER OF TELE CENTRO OESTE CELULAR PARTICIPACOES S.A. SHARES INTO TELESP CELULAR PARTICIPACOES S.A. FOR THE PURPOSE OF THE FORMER S CONVERSION INTO A WHOLLY OWNED SUBSIDIARY

The parties hereto:

a. TELE CENTRO OESTE CELULAR PARTICIPACOES S.A., a corporation with headquarters in Setor Comercial Sul, Quadra 2, Bloco C, Edificio Telebrasilia Celular, 7th floor, in the city of Brasilia, Distrito Federal, enrolled in the National Roll of Corporate Taxpayers (CNPJ/MF) under no. 02.558.132/0001-69 (TCO), herein represented by its corporate bylaws, as the company whose shares are to be merged; and

b. TELESP CELULAR PARTICIPACOES S.A., a corporation with headquarters at Avenida Roque Petroni Junior, 1.464, 6th floor, in the city of Sao Paulo, state of Sao Paulo, enrolled in the National Roll of Corporate Taxpayers (CNPJ/MF) under no. 02.558.074/0001-73 (TCP and, when jointly with TCO, Companies), herein represented by its corporate bylaws, as the incorporating company;

CONSIDERING THAT, on January 16, 2003, TCP published a relevant fact informing the market (a) that it had signed a preliminary share-purchase agreement with Fixcel S.A. for the acquisition of 77,256,410,396 issued by TCO, representing 61.10% of the latter s voting capital and 20.37% of its total capital (Acquisition); (b) that the signing of the definitive agreements depended on certain conditions contained in the preliminary agreement, (c) that the parties obligation to undertake the Acquisition depended on the approval of the National Telecommunications Agency ANATEL, (d) that the price agreed upon in the preliminary agreement was R$1,408 million, at R$18.23 per lot of 1,000 TCO shares, subject to alteration following a legal, accounting and financial audit of TCO and its subsidiaries, (e) that TCP would, on conclusion of the Acquisition, make a tender offer (TO) to acquire voting shares held by TCO minority shareholders, and (f) that, on conclusion of the Acquisition and termination of the TO, TCP would incorporate the shares of TCO with the object of transforming the latter into a wholly-owned subsidiary (Merger of Shares), based on an exchange ratio of 1.27 TCP shares for each TCO share (subject to alteration under the terms of said relevant fact) (Exchange Ratio);

CONSIDERING THAT, on March 24, 2003, TCP published a relevant fact informing the market (a) that it had signed, on that date, the definitive agreement for the purchase and sale of TCO shares (Definitive Agreement), and (b) that the transfer of control would occur after compliance with certain conditions in the Definitive Agreement, including the approval of ANATEL;

CONSIDERING THAT, on April 11, 2003, TCP published a relevant fact informing the market that said conditions had been complied with and that, consequently, the transfer of the shares acquired under the terms of the Definitive Agreement would take place shortly;

CONSIDERING THAT, on April 25, 2003, TCP published a relevant fact informing the market that, on that date, share control of TCO had been transferred at a total price of R$1,505,511,001.57, corresponding to R$19.48719845 per lot of 1,000 common shares acquired, R$308,311,434.16 of which having been paid to the sellers on April 25, 2003, the remainder to be paid in installments, under the terms of the Definitive Agreement;

CONSIDERING THAT, on August 25, 2003, TCP and TCO published a joint relevant fact informing the market (a) that they intended to proceed with the Merger of Shares, (b) that TCP confirmed that the Exchange Ratio would be 1.27 TCP shares for each TCO share, (c) that the Exchange Ratio had been calculated based on the price of TCO and TCP shares, plus a premium on the TCO share price equivalent to 15% above the exchange ratio based on the average price of said shares over the 30 (thirty) days immediately prior to January 16, 2003, (c) that TCP understood that market price would be the most adequate method for determining the Exchange Ratio, based on previous positions of the CVM (Brazilian Securities Commission), including CVM Guideline no. 01, (d) that TCP understood that there were no distortions in the price of TCO shares during the period used to determine the Exchange Ratio, (e) that, independent of the criterion adopted, under the terms of Article 30 of TCP s corporate bylaws, approval of the Merger of Shares would depend on the presentation of an economic and financial analysis (Economic and Financial Analysis) prepared by a company of international repute, to ensure that the Companies party to the operation were being given equitable treatment, and (f) that the Merger of Shares would only occur after termination of the TO, whose registration request was currently being examined by the CVM;

CONSIDERING THAT, on September 30, 2003, the CVM accepted the TO s registration;

CONSIDERING THAT the TO auction will occur on November 18, 2003;

CONSIDERING THAT, once the TO is concluded, TCO and TCP shall undertake the Merger of Shares under the terms of the above-mentioned relevant facts;

CONSIDERING THAT TCP has hired Citigroup Global Markets Inc. and Merrill Lynch & Co. to produce the Economic and Financial Analysis, in compliance with the provisions in Article 30 of its corporate bylaws;

CONSIDERING THAT, on this date, the said financial institutions presented the Economic and Financial Analysis, which confirmed that the Merger of Shares, under the terms of this protocol (Protocol), was equitable for both TCO and TCP;

CONSIDERING THAT, on this date, the Board of Directors of TCO and TCP approved (a) [text deleted], (b) the Justification of the Merger of Shares, (c) the signing of this Protocol and (d) [Text deleted];

[TEXT DELETED]

CONSIDERING THAT the objectives of the Merger of Shares are (a) to align the interests of the Companies shareholders; (b) to strengthen TCP s shareholder base my merging its shareholders and those of TCO into a single listed company, with greater liquidity; (c) to unify, standardize and rationalize the general administration of TCP and TCO s businesses; (d) to enhance TCP and TCO s corporate image; (e) to give TCO shareholders direct holdings in TCP s capital; and (f) to take advantage of any financial, operational and commercial synergies;

DO HEREBY agree to this present Protocol, in line with the following provisions:

CLAUSE ONE
ON THE NUMBER AND TYPE OF SHARES TO BE ATTRIBUTED IN EXCHANGE FOR SHAREHOLDERS RIGHTS WHICH SHALL BE EXTINGUISHED AND THE CRITERIA USED TO DETERMINE THE EXCHANGE RATIO

1.1 Number and type of shares to be attributed to TCO shareholders in exchange for their shareholders rights, which will be transferred to TCP. Each common and preferred TCO share shall be exchanged for 1.27 common and preferred shares, respectively, to be issued by TCP (Exchange Ratio). In addition, each American Depositary Share (ADS , representing 2,500 preferred shares each) issued by TCO shall be exchanged for 1.524 ADSs issued by TCP.

1.2 Rounding up of share fractions. Fractions of shares arising from the conversion of each TCO shareholder s position shall be supplemented, for the purpose of rounding up, by the delivery of shares (common or preferred, whichever the case) belonging to TCP s controlling shareholder, Brasilcel, N.V. Fractions of ADSs shall be

grouped and sold on the market, the net proceeds from said sales to be paid to the ADS holders proportionally.

1.3 Criterion used to determine the exchange ratio. The Exchange Ratio was determined based on TCO and TCP share prices, plus a premium on the TCO share price equivalent to 15% above the exchange ratio based on the average price of said shares over the 30 (thirty) days immediately prior to January 16, 2003.

1.4 Equitability of the exchange ratio. Under the terms of Article 30 of TCP s corporate bylaws, the economic and financial analyses produced by Citigroup Global Markets Inc. and Merrill Lynch & Co. confirm that the Exchange Ratio is equitable for both TCO and TCP (Appendix 1).

CLAUSE TWO
ON THE CRITERION USED TO EVALUATE SHAREHOLDERS EQUITIES ON THE EVALUATION REFERENCE DATE AND THE TREATMENT OF SUBSEQUENT VARIATIONS IN SHAREHOLDERS EQUITY

2.1 Criterion for evaluating shareholders equities. The TCO shares to be merged into TCP for a TCP capital increase arising from the Merger of Shares were evaluated according to their book value, attested to by KPMG Auditores Independentes. The corresponding report can be found in Appendix 2.

2.2 Date to which the evaluation refers. The evaluation cited in Clause 2.1 above refers to June 30, 2003.

2.3 Treatment of subsequent variations in shareholders equity. Variations in TCO s shareholders equity (proportional to the shares merged) between the base date of the Appraisal Report at market value and the date of the Shareholders Meeting that will approve the Merger of Shares will be accounted as capital reserve (if positive), or against the income reserve (if negative).

CLAUSE THREE
ON THE SOLUTION TO BE ADOPTED FOR SHARES IN ONE OF THE COMPANIES HELD BY THE OTHER

3.1 Solutions for the shares.

a. TCP. Since a merger of shares is involved, TCO shares held by TCP shall remain part of TCP s equity.

b. TCO. TCO does not hold any shares issued by TCP.

CLAUSE FOUR
ON THE VALUE OF TCP S CAPITAL INCREASE ARISING FROM THE MERGER OF SHARES

4.1 Capital increase. Currently, TCP s capital stock totals R$ 4,373,661,469.73. If all TCO common shareholders adhere to the TO and if the Merger of Shares does not result in the exercise of withdrawal rights in TCP and TCO, it is estimated that TCP s capital stock is increased by R$970,005,000.00, to R$5,343,666,469.73.

4.2 Shares held in treasury. TCO shares held in treasury shall be canceled. A sufficient number of preferred shares shall be converted to common shares so that the limits laid down in the prevailing legislation shall be respected.

CLAUSE FIVE
ON THE ALTERATIONS IN THE CORPORATE BYLAWS THAT MUST BE APPROVED IN ORDER TO EFFECT THE MERGER OF SHARES

5.1 Bylaws alterations. It will not be necessary to alter TCP s corporate bylaws in order to effect the Merger of Shares, except for the alteration in the value of the capital stock and in its respective number of shares (as well as the number of shares of each type due to the Conversion, as defined and regulated in Clause 7.3 of this Protocol). TCO s corporate bylaws will also not suffer any alterations due to the Merger of Shares (except the changes relative to the alteration in its stock capital due to the cancellation of the shares held in treasury and the conversion of preferred into common shares in sufficient number to ensure that the limits laid down in the prevailing legislation are respected). Changes to TCO s bylaws resulting from its conversion into a wholly-owned subsidiary shall be made subsequently.

CLAUSE SIX
[TEXT DELETED]

CLAUSE SEVEN
ON THE REMAINING TERMS AND CONDITIONS OF THE MERGER OF SHARES.

7.1 [Text Deleted].

[Text Deleted].

It should be emphasized that the book value at market price, as attested to in the report drawn up by KPMG Corporate Finance, is less than the book value on the same base date.

[Text Deleted].

Under the terms of Article 264 of the Corporate Law, KPMG Corporate Finance arrived at the exchange ratio based on TCO and TCP s shareholders equities at market prices with a base date of June 30, 2003 (Exchange Ratio Market Prices). The value of the Exchange Ratio Market Prices was 1.24.

[Text Deleted].

7.2 Sharing in the profits from the fiscal year of 2003. Shares to be issued by TCP due to the Merger of Shares shall have full rights to all dividends and interest on its capital declared or credited, as of the date of their issue.

7.3 Conversion of TCP Preferred Shares into Common Shares. In order to make the Merger of Shares feasible, TCP shareholders must approve the conversion of TCP preferred shares into common shares of TCP (Conversion), since the implementation of the Merger of Shares based on the Exchange Ratio implies the issue of more TCP preferred shares than that permitted by the prevailing legislation.

The number of TCP preferred shares to be converted to TCP common shares shall amount to a maximum of 105,518,995 lots of 1,000 shares. [Text Deleted]. The object of the calculation was to ensure compliance with the legal limits for the issue of shares by TCP arising from the Merger of Shares. The precise number of preferred shares to be converted shall be determined after the final result of the TO.

The Conversion may be effected by any TCP preferred shareholder. Holders of American Depositary Receipts (ADRs) must convert their ADRs into shares before requesting Conversion, since TCP has no ADR program for common shares.

Should TCP shareholders request the conversion of a number of preferred shares that is greater than the desired conversion number, the conversion shall be effected proportionally. In addition, should the number of shares requested for conversion be less than the maximum conversion limit, TCP s controlling shareholder (Brasilcel N.V.), either directly or through its subsidiaries, shall convert that number of preferred shares needed to make up the desired conversion number. The Conversion procedures and the precise number of shares to be converted shall be published after the conclusion of the TO, via a Notice to Shareholders.

7.4 Communication of the Merger of Shares to the Authorities. The Merger of Shares shall be communicated to the National Telecommunications Agency - ANATEL and the Administrative Council for Economic Defense CADE.

7.5 Registration with the SEC. The Merger of Shares is dependent on registration with the Securities and Exchange Commission (SEC).

7.6 TO. The Merger of Shares is dependent on the conclusion of the TO.

CLAUSE EIGHT
GENERAL PROVISIONS

8.1 Alterations. This Protocol may not be altered except with the written and signed consent of the Companies.

8.2 Permanence of Valid Clauses. Should any clause, provision, term or condition of this Protocol come to be considered invalid, the remaining clauses, provisions, terms and conditions not affected by said invalidation shall remain valid.

8.3 Forum. The parties hereto hereby elect the Sao Paulo Law Courts, SP, as the exclusive forum for resolving any disputes arising from this Protocol.

IN WITNESS WHEREOF, the parties hereto shall sign this Protocol in 2 (two) copies of identical content in the presence of 2 (two) witnesses.

Sao Paulo, October 27, 2003

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

Name:
Position:

Name:
Position:

TELESP CELULAR PARTICIPACOES S.A.

Name:
Position:

Name:
Position:

WITNESSES:

Name:
CPF:

Name:
CPF:

Appendix 1
Economic and Analysis

Valuation Report

October 27, 2003

Important Notice

The following pages contain a valuation analysis to be provided to the Board of Directors of Telesp Celular Partiçipacões S.A. (Telesp or TCP) by Citigroup Global Markets Inc. (Citigroup) in connection with a proposed merger transaction (the Merger Transaction) involving Telesp and Tele Centro Oeste Celular Participações S.A. (TCO) as described herein.

This Valuation Report is being provided by Citigroup in the context of the Merger Transaction solely for the purpose of valuing TCP and TCO and expressing our view as to whether the exchange ratio of 1.27 shares of TCP per share of TCO proposed in the Merger Transaction provides equitable treatment to TCP and to TCO as required by Article 30 of TCP s by-laws, and should not be relied upon for any other purpose. In preparing this Valuation Report, we have assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or furnished to or otherwise reviewed by or discussed with us.

With respect to financial forecasts and other information and data provided to or otherwise reviewed by or discussed with us, we have been advised and have assumed that such information and data were reasonably prepared and reflect the best currently available estimates and judgments of TCP and TCO s management, respectively, as to the expected future financial performance of TCP and TCO. We have been advised that the Board of Directors TCP and TCO have approved the business plans that were provided to us and were used in our analysis. Notwithstanding the foregoing, neither TCP or TCO, nor its managers or controlling shareholders have imposed any restriction on our ability to (i) obtain all information required by us to produce the Valuation Report and reach the conclusions set forth therein, (ii) choose independently the methodologies used by us to reach the conclusions set forth in the Valuation Report, and (iii) reach independently the conclusions set forth in the Valuation Report.

For purposes of our valuation analysis, we have not taken into account tax-related effects that TCO shareholders may experience in connection with the exchange of TCO shares for TCP shares, and any fees and expenses that may be incurred in connection with the settlement of that exchange (such as fees that TCO ADS holders may be charged for certain depositary services). We have also not taken into account tax-related effects relating to the unamortized goodwill resulting from the acquisition of TCO by TCP.

Our Valuation Report, as set forth herein, relates to the relative values of TCP and TCO. We are not expressing any opinion as to what the value of the TCP shares actually will be when issued pursuant to the Merger Transaction or the price at which the TCP shares will trade

Important Notice (Cont d)

subsequent to the Merger Transaction. We have not made or been provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of TCP or TCO nor have we made any physical inspection of the properties or assets of TCP or TCO. We were not requested to and we did not participate in the negotiation or structuring of the Merger Transaction nor were we requested to consider, and our Valuation Report does not address, the relative merits of the Merger Transaction for TCP or TCO or the effect of any other transaction in which TCP or TCO might engage. We were not requested to, and we did not, solicit third party indications of interest in the possible acquisition of all or a part of TCP or TCO.

Our Valuation Report is necessarily based upon information available to us, and financial, stock market and other conditions and circumstances existing and disclosed to us, as of the date hereof. We do not have any obligation to update or otherwise revise the accompanying materials.

Citigroup has been retained by TCP to prepare this Valuation Report and will receive a fee for such services, which fee is payable upon the publication of this Valuation Report. We have in the past provided investment banking services to TCP and to its controlling shareholders unrelated to the proposed Merger Transaction, for which services we have received compensation. An affiliate of Citigroup is currently acting as a lender to TCP. In the ordinary course of our business, we and our affiliates may actively trade or hold the securities of TCP and TCO for our own account or for the account of our customers and, accordingly, may at any time hold a long or short position in such securities. In addition, we and our affiliates may maintain relationships with TCP and TCO and their respective affiliates. Additionally, the research department and other divisions within Citigroup may base their analysis and publications on different market and operating assumptions and on different valuation methodologies when compared with this Valuation Report. As a result, the research reports and other publications prepared by them may contain entirely different results.

Our Valuation Report is provided to the Board of Directors of TCP and we understand that the shareholders of TCP and TCO will be given access to the Valuation Report. The Valuation Report is not intended to be and does not constitute a recommendation to any stockholder as to how such stockholder should vote on any matters relating to the proposed Merger Transaction.

Index

I. Executive Summary

II. Overview of the Companies

III. Discounted Cash Flow Analysis
3

I. Executive Summary

Transaction Summary

- On January 16, 2003, Telesp Celular Participações S.A. (TCP) announced that it had entered into a preliminary binding agreement with the previous controlling shareholder to acquire 77,256,410,396 shares, representing 61.16% of voting capital and 20.7% of the total shares outstanding (Acquisition Transaction), of Tele Centro Oeste Celular Participações S.A. (TCO).

- Pursuant to the Acquisition Transaction, TCP, in accordance with Brazilian securities regulation, also announced that it would make a public offer for the acquisition of common shares from non-controlling shareholders of TCO for 80% of the price per common share paid in the Acquisition Transaction (OPA).

- On that same date, TCP also announced that it intended to merge TCO s remaining shares at an exchange ratio of 1.27 shares of TCP per share of TCO (Merger Transaction).

- On March 24, 2003, TCP announced the execution of the definitive stock purchase agreement with Fixcel pursuant to the Acquisition Transaction.

5

Transaction Summary (Cont d)

- TCP is a company incorporated under the laws of Brazil. Under Article 30 of TCP s by-laws, approval of any merger, spin-off, consolidation transaction involving, or winding up its controlled subsidiaries shall be preceded by an economic/financial analysis conducted by an independent firm.

- This Valuation Report is being provided by Citigroup in the context of the Merger Transaction solely for the purpose of valuing TCP and TCO and expressing our view as to whether the exchange ratio of 1.27 shares of TCP per share of TCO proposed in the Merger Transaction provides equitable treatment to TCP and to TCO as required by Article 30 of TCP s by-laws, and should not be relied upon for any other purpose.

- Citigroup conducted its analysis on the basis that the proposed exchange ratio would provide equitable treatment to both companies, within the meaning of Article 30 of TCP s by-laws, if it falls within the range of exchange ratios resulting from Citigroup s valuations of TCP and TCO.

- The scope of Citigroup s valuation analysis is limited to the economic value of TCP and TCO and does not distinguish between different classes of shares of the companies.

Scope of Work

This valuation analysis was based on:

- Financial statements of TCO and TCP for the year ended December 31, 2002 and financials for September 30, 2003.
- Business plans of TCO and TCP approved by their respective Boards of Directors.
- Publicly available information on the sector in which the companies operate.
- Discussions with TCP and TCO representatives regarding the past performance and future prospects of the business, financial and operating results of TCP and TCO.
- Review of such other financial studies and analyses, taking into account such other matters as we deemed necessary, including our assessment of general economic and market conditions.

7

Valuation Methodology

Considering the availability of management business plans for TCO and TCP and the opportunity to review these with representatives of TCP and TCO, and given the limitations of the public market comparables and precedent transaction methodologies, Citigroup elected Discounted Cash Flow as the best methodology for the assessment of TCP and TCO s economic values.

Discounted Cash Flows

- This methodology consists of estimating the present value of the future cash flows of the business.
- For purposes of our analysis, we received 10-year business plans for TCP and TCO and their respective subsidiaries.
- The business plans provided to us and used in our analysis were approved by the Board of Directors of TCP and TCO.
- Citigroup analyzed and discussed these business plans with the representatives of TCP and TCO and we have assumed that they have been reasonably prepared and reflect the best currently available estimates and judgment of TCP and TCO s management, respectively, as to the expected future financial performance of TCP and TCO.
- Citigroup has applied its estimates for WACC, Terminal Values and macro-economic assumptions.
- The valuation of TCP does not take into consideration the value of the unamortized goodwill relating to the acquisition of TCO by TCP.
- Our analysis has been prepared prior to the completion of the OPA. It should be noted, however, that the result of the OPA does not affect the conclusions reached by Citigroup in this Valuation Report.

8

Summary Valuation TCP

(R$ in millions, except per share data)	**Low**	**High**
TCP Firm Value [1]	$ 13,860	$ 16,163
Less: Net Debt [2]	$ 4,378	$ 4,378
TCP Equity Value	$ 9,483	$ 11,785
Plus: Value of Stake in TCO [3]	$ 886	$ 1,035
Total TCP Equity Value	$ 10,369	$ 12,820
TCP Shares Outstanding (mm)	1,171.8	1,171.8
TCP Equity Value per Share	$ 8.85	$ 10.94

(1) Firm Value calculated using a US Dollar Weighted Average Cost of Capital (WACC) of 14.4% to 15.9% and a terminal value calculation based on a multiple of 2012 EBITDA of 5.5x to 6.5x and an implied perpetuity growth rate of 4.5% to 4.8%.

(2) Net debt as of 9/30/03, provided by management, considers R$5,363mm in total debt, R$966mm in unrealized gains in hedging positions, R$112 mm in cash and R$92mm in contingencies.

(3) TCP s 20.7% equity interest in TCO is valued at the value estimated for TCO in this Valuation Report.

9

Summary Valuation TCO

(R$ in millions, except per share data)	**Low**	**High**
TCO Firm Value [1]	$ 3,826	$ 4,545
Less: Net Debt [2]	(453)	(453)
TCO Equity Value	$ 4,279	$ 4,998
TCO Shares Outstanding (mm)	373.409	373.409
TCO Equity Value per Share	$ 11.46	$ 13.39

(1) Firm Value calculated using a US Dollar Weighted Average Cost of Capital (WACC) of 14.4% to 15.9% and a terminal value calculation based on a multiple of 2012 EBITDA of 4.5x to 5.5x and an implied perpetuity growth rate of 3.5% to 4.1%.

(2) Net debt as of 9/30/03, provided by management, considers R$5.0mm in investments in unconsolidated companies, R$24.9mm in minority interest, R$104.4mm in contingencies and R$577.3 mm in net cash (cash and unrealized hedge gains less total debt).

10

Summary Valuation Conclusions

(In R$, except exchange ratio)	**Low**	**High**
TCO Equity Value per Share	$11.46	$13.39
TCP Equity Value per Share	$ 8.85	$10.94
Exchange Ratio Range	1.22x	1.30x

Subject to the foregoing and on the basis of the results of the above valuations of TCP and TCO, it is our view that the exchange ratio of 1.27 shares of TCP per share of TCO proposed in the Merger Transaction provides equitable treatment to both companies.

II. Overview of the Companies

Current Corporate Structure TCP and TCO

All financial data reflect company 2002 full year, subscriber information as of June 30, 2003.
All figures in millions of Reais, except subscribers (in thousands)

(a) Excludes TCP s proportionate stake in TCO
(b) TCO has other operating subsidiaries besides NBT with a weighted average ownership of 99.02%

13

Competitive Environment

TELESP CELULAR / GLOBAL TELECOM

TELE CENTRO OESTE / NORTE BRASIL TELECOM

OPERATIONAL SUMMARY

	Telesp Celular	Global Telecom	Tele Centro Oeste	Norte Brasil Telecom
Region	1 and 2	5	7	8
Population (mm)	38.3	15.3	15.2	16.1
Penetration	23.8%	19.0%	25.4%	12.1%
GDP Per Capita (R$)	$9,995	$7,248	$5,842	$ 3,227
Technology	CDMA	CDMA	TDMA	TDMA
Market Share	66.0%	42.0%	69.7%	32.7%
Subscribers (000s)	6,270	1,287	2,688	642
Pre Paid	4,825	1,020	1,942	497
Post Paid	1,445	266	746	145

Sources: IBGE and Company financials as of 06/30/03 and 12/31/02.

Company Overview TCP

OVERVIEW

- TCP provides mobile telecommunications services in Brazil through two wholly-owned subsidiaries: Telesp Celular (TC) and Global Telecom (GT)
  - TC is an A Band operator in regions 1 and 2, Brazil s most highly populated and most wealthy area
  - GT is a B Band operator the states of Paraná and Santa Catarina
  - TCP controls TCO through a 61.16% interest in voting capital representing a 20.7% ownership in the company s total capital
- Across its network, TC has CDMA 1xRTT technology (new in 2003 for GT), enabling high-speed packet data service

LTM STOCK PERFORMANCE

FINANCIAL HIGHLIGHTS

(R$ Millions)	2Q03	2Q02	2002
Net Revenues	$ 1,512	$ 977	$ 3,391
EBITDA	537	379	1,451
Margin (%)	*35.5%*	*38.8%*	*42.8%*
EBIT	$ 244	$ 167	$ 766
Margin (%)	*16.1%*	*17.1%*	*22.6%*
Net Income	($262)	($394)	($1,141)

	2Q03	2002
Cash & Equivalents	$ 1,058	$ 18
Net PP&E	5,305	4,778
Total Assets	12,859	9,654
Total Debt	5,466	4,461
Total Liabilities	9,242	5,644
Shareholders Equity	3,616	4,010

Source: Company Financials

Source: 20-F FYE 2002

OWNERSHIP

Ordinary Shares **Preferred Shares**

Source: 20-F FYE 2002

Company Overview TCO

OVERVIEW

w TCO provides mobile telecommunications services in Brazil through Band A and Band B. In the Band A, it provides services directly and through affiliates (together TCOC) and in Band B, through Norte Brasil Telecom (NBT)

- w TCOC is an A band operator in region 7 has the highest market share in Brasil with 70% and has 2.69mm subscribers
- w NBT is a Band B operator in region 8
- w TCO s network covers 88% of region 7 and 66% of region 8, with 703 base stations

LTM STOCK PERFORMANCE

FINANCIAL HIGHLIGHTS

(R$ Millions)	2Q03	2Q02	2002
Net Revenues	$ 489	$ 386	$1,561
EBITDA	197	153	615
Margin (%)	*40.4%*	*39.6%*	*39.4%*
EBIT	$ 148	$ 115	$ 459
Margin (%)	*30.4%*	*29.8%*	*29.4%*
Net Income	$ 120	$ 89	$ 329

	2Q03	2002
Cash & Equivalents	$ 723	$ 159
Net PP&E	869	891
Total Assets	2,382	2,365
Total Debt	519	628
Total Liabilities	949	1,146
Shareholders Equity	1,433	1,219

Source: Company Financials

Source: 20-F FYE 2002

OWNERSHIP

Ordinary Shares **Preferred Shares**

16

III. Discounted Cash Flow Analysis

Main DCF Valuation Assumptions

Assumption	Comments
Projections	Based on 10-year (2003-2012) business plans provided by representatives of TCP and TCO.
Currency	Operating assumptions were projected in Brazilian reais and then unlevered free cash flows were converted into US dollars for purposes of valuation.
Discount Rate	Discounted projected unlevered free cash flows at a US dollar-based Weighted Average Cost of Capital range of 14.4% to 15.9% for both TCP and TCO.
Terminal Value	Calculated the terminal value for TCP and TCO based on multiples of the EBITDA in 2012 and implied perpetuity growth rates of the adjusted unlevered free cash flow(1) in 2012. For TCP, this represents a multiple of 2012 EBITDA of 5.5x to 6.5x and implied perpetuity growth rate of 4.5% to 4.8% For TCO, this represents a multiple of 2012 EBITDA of 4.5x to 5.5x and implied perpetuity growth rate of 3.5% to 4.1% We used different terminal value multiples / implied perpetuity growth rates to reflect the impact of future expected differences in per capita income and relevant penetration rates in the markets covered by TCP and TCO.

(1) Unlevered free cash flow adjusted to eliminate differences between depreciation and capital expenditures.

Macroeconomic Assumptions

(In Reais)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
US Real GDP Growth Rate % p.a	2.4%	2.4%	3.1%	3.3%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Brazilian Real GDP Growth Rate % p.a	0.3%	3.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Brazilian Inflation % p.a. (eop)	9.8%	6.0%	4.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
US$ Inflation	3.0%	2.1%	2.0%	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Brazilian Real Interest Rate % p.a	12.4%	8.9%	8.1%	6.7%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Devaluation	(12.26%)	6.45%	4.50%	4.00%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%
Ending FX Rate (R$ / US$)	$ 3.10	$3.30	$3.45	$3.59	$3.67	$3.77	$3.86	$3.95	$4.05	$4.15
Average FX Rate (R$/ U$)	$ 3.10	$3.23	$3.37	$3.52	$3.63	$3.72	$3.81	$3.91	$4.00	$4.10

Key Operating Assumptions

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Penetration (%)										
TCOC	29.5%	36.2%	38.6%	40.7%	41.9%	43.0%	44.0%	45.0%	46.0%	46.8%
NBT	14.1	15.8	17.1	18.6	20.1	21.5	22.8	24.1	25.4	26.6
GT	21.9	29.0	34.3	38.5	41.0	42.8	44.1	45.2	45.8	46.4
TC	28.8	35.6	41.0	45.3	49.0	52.0	54.1	55.6	56.9	58.0
Total Subscribers (000s)										
TCOC	3,057	3,515	3,695	3,866	3,980	4,092	4,203	4,312	4,421	4,525
NBT	731	811	881	984	1,090	1,194	1,295	1,393	1,489	1,580
GT	1,451	1,784	2,069	2,327	2,500	2,639	2,744	2,840	2,906	2,974
TC	7,074	8,253	9,140	9,870	10,512	11,043	11,445	11,754	12,016	12,251
% Pre Paid Subscribers										
TCOC	73.7%	74.5%	75.0%	75.4%	75.6%	76.1%	76.5%	76.9%	77.3%	77.7%
NBT	79.9	79.0	80.1	81.5	82.6	83.5	84.2	84.9	85.4	85.8
GT	80.6	80.4	81.4	82.1	82.7	83.1	83.3	83.6	83.7	83.8
TC	79.6	80.4	81.5	82.2	82.6	83.0	83.2	83.4	83.6	83.7

TCOC Tele Cento Oeste excluding NBT
NBT Norte Brasil Telecom, subsidiary of TCO
GT Global Telecom, subsidiary of Telesp Celular Participações
TC Telesp Celular operating company

Note: TCP results exclude TCP s proportionate stake in TCO.

Key Operating Assumptions Cont d

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total ARPU (R$)										
TCO	$41.2	$40.3	$40.3	$41.3	$42.5	$43.6	$44.7	$45.6	$46.4	$47.2
NBT	39.0	38.2	38.7	38.9	38.9	39.1	39.3	39.5	39.8	40.3
GT	32.5	34.1	35.4	36.5	37.9	38.7	39.4	40.2	41.0	41.9
TCP	44.1	42.5	43.1	44.2	46.2	48.5	50.1	51.1	52.5	54.5
COGS (% Net Revenues)										
TCOC	30.3%	25.9%	23.4%	22.8%	21.2%	20.4%	20.1%	19.9%	19.8%	19.6%
NBT	38.5	33.5	31.2	30.9	29.0	27.3	26.0	24.9	23.9	22.9
GT	39.5	33.2	28.9	26.4	23.0	21.5	20.9	20.6	20.2	20.0
TC	29.3	26.4	23.8	22.2	20.9	19.5	18.8	18.4	18.1	17.7
SG&A (% Net Revenues)										
TCOC	29.0%	32.1%	30.9%	30.1%	29.1%	28.3%	27.5%	26.8%	26.3%	26.1%
NBT	29.7	33.8	31.3	29.8	28.9	28.3	27.9	27.7	27.4	27.2
GT	36.6	35.1	32.9	31.6	31.1	30.7	30.5	30.4	30.3	30.2
TC	29.3	29.3	28.3	27.3	26.5	25.7	25.5	25.5	25.5	25.3
Capex (% Net Revenues)										
TCO	12.3%	19.1%	15.0%	11.8%	17.4%	8.8%	8.4%	8.3%	8.2%	8.2%
TCP	7.6%	8.7%	8.4%	8.4%	8.3%	8.2%	8.1%	12.2%	7.8%	7.7%

TCOC Tele Cento Oeste excluding NBT
NBT Norte Brasil Telecom, subsidiary of TCO
GT Global Telecom, subsidiary of Telesp Celular Participações
TC Telesp Celular operating company

Note: TCP results exclude TCP s proportionate stake in TCO.

TCP Business Plan Overview Key Statistics

	Projected Fiscal Year Ending December 31,									
(Reais in Millions)	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Revenues	$4,716	$5,022	$5,751	$6,443	$7,188	$7,900	$8,459	$8,894	$9,351	$9,868
Gross Profit	3,272	3,648	4,335	4,967	5,664	6,337	6,843	7,224	7,628	8,082
EBITDA	1,848	2,132	2,665	3,161	3,708	4,243	4,622	4,885	5,174	5,510
Depreciation	970	812	795	833	862	873	900	932	815	756
EBIT	878	1,320	1,869	2,328	2,846	3,371	3,722	3,953	4,358	4,754
Net Income	243	577	893	1,168	1,530	1,899	2,155	2,333	2,628	2,922
Funds From Operations (a)	$1,179	$1,423	$1,703	$2,001	$2,401	$2,788	$3,078	$3,293	$3,482	$3,726
Net Working Capital	328	299	332	359	388	415	423	412	402	395
Capital Expenditures	358	437	483	543	594	647	683	1,084	727	757
Free Cash Flow (b)	690	1,016	1,186	1,432	1,778	2,114	2,386	2,220	2,765	2,977
Financial Ratios										
Revenue Growth		6%	15%	12%	12%	10%	7%	5%	5%	6%
Gross Margin	69%	73	75	77	79	80	81	81	82	82
EBITDA Margin	39	42	46	49	52	54	55	55	55	56
EBITDA Growth		15	25	19	17	14	9	6	6	6
EBIT Margin	19	26	33	36	40	43	44	44	47	48
Net Income Margin	5	11	16	18	21	24	25	26	28	30

(a) Funds From Operations equals Net Income plus depreciation and amortization, other non-cash charges, minority interest less equity earnings from unconsolidated subsidiaries.

(b) Free Cash Flow equals Funds From Operations less increase in working capital less capital expenditures.

22

TCO Business Plan Overview Key Statistics

	Projected Fiscal Year Ending December 31,									
(Reais in Millions)	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Revenues	$1,945	$2,103	$2,286	$2,469	$2,638	$2,804	$2,971	$3,135	$3,292	$3,456
Gross Profit	1,326	1,530	1,718	1,868	2,039	2,193	2,336	2,476	2,611	2,752
EBITDA	761	848	1,009	1,126	1,271	1,400	1,517	1,630	1,738	1,841
Depreciation	202	230	245	265	299	336	358	369	326	311
EBIT	559	618	764	861	972	1,064	1,159	1,261	1,412	1,531
Net Income	355	395	493	559	635	699	767	841	947	1,032
Funds From Operations (a)	$ 560	$ 629	$ 742	$ 829	$ 940	$1,041	$1,132	$1,217	$1,281	$1,353
Net Working Capital	130	162	173	189	206	223	241	257	273	290
Capital Expenditures	239	402	343	291	459	246	248	261	269	282
Free Cash Flow (b)	239	195	388	522	464	779	866	940	996	1,055
Financial Ratios										
Revenue Growth		8%	9%	8%	7%	6%	6%	6%	5%	5%
Gross Margin	68%	73	75	76	77	78	79	79	79	80
EBITDA Margin	39	40	44	46	48	50	51	52	53	53
EBITDA Growth		11	19	12	13	10	8	7	7	6
EBIT Margin	29	29	33	35	37	38	39	40	43	44
Net Income Margin	18	19	22	23	24	25	26	27	29	30

(a) Funds From Operations equals Net Income plus depreciation and amortization, other non-cash charges, minority interest less equity earnings from unconsolidated subsidiaries.

(b) Free Cash Flow equals Funds From Operations less increases in working capital less capital expenditures.

23

Summary DCF Valuation of TCP

	Projected Fiscal Year Ending December 31,									
(Reais in Millions)	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earnings Before Interest (After Tax)	**$ 640**	**$ 964**	**$ 1,271**	**$ 1,537**	**$ 1,887**	**$ 2,241**	**$ 2,479**	**$ 2,638**	**$ 2,915**	**$ 3,186**
Depreciation	$ 970	$ 812	$ 795	$ 833	$ 862	$ 873	$ 900	$ 932	$ 815	$ 756
Change in Net Working Capital	($131)	$ 29	($34)	($26)	($29)	($27)	($8)	$ 11	$ 10	$ 7
Capital Expenditures	($358)	($437)	($483)	($543)	($594)	($647)	($683)	($1,084)	($727)	($757)
Unlevered Free Cash Flow (R$)	$ 1,113	$ 1,402	$ 1,565	$ 1,801	$ 2,135	$ 2,457	$ 2,711	$ 2,525	$ 3,052	$ 3,241
Unlevered Free Cash Flow (US$)	**$ 359**	**$ 434**	**$ 464**	**$ 512**	**$ 588**	**$ 660**	**$ 711**	**$ 647**	**$ 763**	**$ 790**

(R$ in millions, except per share data)	**Low**	**High**
WACC	15.9%	14.4%
Terminal EBITDA Multiple	5.5x	6.5x
Implied Perpetuity Growth Rate	4.5%	4.8%
TCP Firm Value	$ 13,860	16,163
TCP Standalone Equity Value	9,483	11,785
Value of 20.7% stake in TCO (1)	886	1,035
Total TCP Equity Value	$ 10,369	$ 12,820
TCP Shares Outstanding (mm)	1,171.8	1,171.8
TCP Equity Value per Share	$ 8.85	$ 10.94

(1) Reflects equity stake in TCO valued using Discounted Cash Flows Methodology.

24

Summary DCF Valuation of TCO

	Projected Fiscal Year Ending December 31,									
(Reais in Millions)	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Earnings Before Interest (After Tax)	**$ 381**	**$ 408**	**$ 505**	**$ 568**	**$ 641**	**$ 702**	**$ 765**	**$ 832**	**$ 932**	**$ 1,010**
Depreciation	$ 202	$ 230	$ 245	$ 265	$ 299	$ 336	$ 358	$ 369	$ 326	$ 311
Change in Net Working Capital	$ 37	($32)	($12)	($15)	($18)	($17)	($17)	($17)	($17)	($16)
Capital Expenditures	($239)	($402)	($343)	($291)	($459)	($246)	($248)	($261)	($269)	($282)
Unlevered Free Cash Flow (R$)	$ 382	$ 204	$ 395	$ 528	$ 464	$ 775	$ 857	$ 923	$ 972	$ 1,023
Unlevered Free Cash Flow (US$)	**$ 123**	**$ 63**	**$ 117**	**$ 150**	**$ 128**	**$ 208**	**$ 225**	**$ 236**	**$ 243**	**$ 250**

(R$ in millions, except per share data)	**Low**	**High**
WACC	15.9%	14.4%
Terminal EBITDA Multiple	4.5x	5.5x
Implied Perpetuity Growth Rate	3.5%	4.1%
TCO Firm Value	$ 3,826	$ 4,545
TCO Equity Value	$ 4,279	$ 4,998
TCO Shares Outstanding (mm)	373.409	373.409
TCO Equity Value per Share	$ 11.46	$ 13.39

WACC Methodology

w We calculated the WACC using the following methodology:

Estimated the companies marginal cost of long-term debt

Estimated the companies cost of equity using the Capital Asset Pricing Model (CAPM)

Applied an appropriate long-term leverage ratio

26

WACC Calculation for TCP and TCO

	Low	Average	High
COST OF EQUITY			
U.S. Risk Free Rate (30 Year U.S. Treasury) (a)	5.3%	5.3%	5.3%
Equity Market Risk Premium	5.5%	6.5%	7.5%
Equity Beta (b)	1.0	1.0	1.0
Adjusted Equity Market Risk Premium	5.5%	6.5%	7.5%
Political Risk Premium (c)	6.0%	6.5%	7.0%
Total	**16.8%**	**18.3%**	**19.8%**
COST OF DEBT			
U.S. Risk Free Rate (10 Year U.S. Treasury) (a)	4.4%	4.4%	4.4%
Credit Spread (c)	6.5%	7.0%	7.5%
Cost of Debt (Pretax)	10.9%	11.4%	11.9%
Effective Marginal Tax Rate	34.0%	34.0%	34.0%
Total	**7.2%**	**7.5%**	**7.8%**
Debt/ Capitalization (Target) (c)	30.0%	30.0%	30.0%
WACC	**13.9%**	**15.1%**	**16.2%**
Selected WACC	**14.4%**	**15.1%**	**15.9%**

Note:

(a) Treasury yields as of October 15, 2003

(b) Based on Bloomberg estimates for Sprint PCS, AT&T Wireless and Nextel as of 10/ 06/ 03

(c) Citigroup Estimates

October 27, 2003

To the Board of Directors
Telesp Celular Participações S.A.
Av. Roque Petroni Júnior, nº. 1464, 6º andar Bloco B
Morumbi, Cidade de São Paulo, Estado de São Paulo, CEP
04707-000 Brazil

Dear Sirs:

On January 16, 2003 Telesp Celular Participações (TCP or the Company) announced an agreement with the controlling shareholders of Tele Centro Oeste Participações (TCO and, together with TCP, the Companies) to acquire shares representing 61.1% of the voting capital and 20.3% of the total capital of TCO (the Acquisition). In addition, TCP simultaneously announced (i) its obligation to effect a tender offer for TCO s remaining ON shares (the Tender) and, subsequently to such tender offer, (ii) its intention to effect the exchange of all the remaining outstanding TCO shares for TCP shares (including those shares not taken up in the Tender) in the form of an Incorporação de Ações as defined by Brazilian Federal Law No. 6,404, of December 15, 1976 (the Exchange), by exchanging each share of TCO for 1.27 shares of the Company (the Proposed Exchange Ratio).

In connection with the Exchange and in accordance with the requirements stated in Article 30 of TCP s by-laws, you have asked us to provide a valuation report (the Valuation Report) which is comprised of this letter and the attached presentation materials with respect to the economic values of the TCP shares (the TCP shares) and TCO shares (the TCO shares) and the Proposed Exchange Ratio. This Valuation Report is being provided by us solely for the purpose of valuing TCP and TCO and expressing our view as to whether the Proposed Exchange Ratio constitutes equitable treatment for both companies as required by Article 30 of TCP s bylaws, and should not be relied upon for any other purpose.

In arriving at the Valuation Report set forth below, we have, among other things:

(1) Reviewed certain publicly available business and financial information relating to the Company and TCO that we deemed to be relevant;

(2) Reviewed certain information, including financial forecasts relating to the business, earnings, cash flow, assets, liabilities and prospects of the Company and TCO furnished to us by the Company;

(3) Conducted discussions with members of senior management of the Company and TCO concerning the matters described in clause 1 and 2 above and the businesses and prospects of the Company and of TCO;

(4) Reviewed the results of operations of the Company and TCO and compared them with those of certain publicly traded companies that we deemed to be relevant;

(5) Reviewed such other financial studies and analyses and took into account such other matters as we deemed necessary, including our assessment of general economic, market, and monetary conditions;

(6) Prepared our Valuation Report on the basis that if the Proposed Exchange Ratio fell within the range of exchange ratios resulting from our valuations of TCP and TCO, then its application would constitute equitable treatment for both companies, within the meaning of Article 30 of the TCP by-laws.

In preparing our Valuation Report and in order to carry out the actions of the preceding paragraph, we have assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to us, discussed with or reviewed by or for us, or publicly available, and we have not assumed, and do not hereby assume, any responsibility for independently verifying such information or undertaken an independent evaluation or appraisal of any of the assets or liabilities of the Companies, nor have we evaluated the solvency or fair value of the Companies under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct, and have not conducted, any physical inspection of the properties or facilities of the Companies. Accordingly, we have obtained a statement executed by officers of TCP on this date whereby they reasserted the accuracy, legitimacy, and completeness of all such information, documents and reports which were supplied to us on the dates when those were supplied to us, and whereby they confirmed that there have not been, since those dates, any material changes to the Companies business, financial condition, assets, liabilities, business perspectives or commercial transactions and any other significant fact which would have rendered any such information incorrect or misleading in any material aspect and which could have a material effect on the results of the Valuation Report. Notwithstanding the foregoing, neither TCP, nor its managers or controlling shareholders have (i) interfered or limited in any manner our ability to obtain the information required to produce the Valuation Report, (ii) determined, or restrained our ability to determine, the methodologies used by us to reach the conclusions set forth in the Valuation Report, or (iii) determined, or restrained our ability to determine, the conclusions set forth in the Valuation Report.

With respect to the financial forecast information furnished to or discussed with us by the Company in respect of the Companies, we have assumed that they have been reasonably prepared and reflect the best currently available estimates and judgment of TCP and TCO s management, respectively, as to the expected future financial performance of TCP and TCO. In addition, you have informed us that the Boards of Directors of TCP and TCO have approved such financial forecasts. Given that the Valuation Report and its conclusions are based on financial projections and forecasts, they should not be construed as indicative of future results which may be significantly more or less favorable than what has been suggested as a result of the analyses conducted in connection with the preparation of the Valuation Report. Given, further, that these analyses are intrinsically subject to uncertainties and various events or factors which are beyond the control of TCP, TCO and of Merrill Lynch & Co. (Merrill Lynch), Merrill Lynch nor any of its affiliates or representatives assume any responsibility if future results differ substantially from the forecasts presented in the Valuation Report and makes no representation or warranty as to such forecasts.

The range of values presented in the Valuation Report, in which the economic value of TCP and TCO lie, has been ascertained in accordance with the discounted cash flow methodology.

Our Valuation Report is necessarily based upon market, economic and other conditions as they exist and can be evaluated on, and on the information made available to us as of, the date hereof. As a result, the Valuation Report is valid exclusively as at the date of this letter as future events and developments may affect its conclusions. We do not assume any obligation to update, review, revise or revoke this letter or the Valuation Report as a result of any future development. In connection with the preparation of this Valuation Report, we have not been authorized by the Company or the Board of Directors to solicit, nor have we solicited, third-party indications of interest for the acquisition of all or any part of the TCP or the TCO shares. As a result, the results determined in the Valuation Report do not necessarily correspond to, and should not be construed as representative of, the effective sale value of the Companies or their stock today or in a given future time.

The Valuation Report rendered is exclusively addressed to the Company and although it may be available to all shareholders of the Company and TCO in accordance with Article 30 of its by-laws, its scope is limited to the Exchange; the results herein relate only to the scope of our assignment and do not extend, and should not be construed as extensive, to the Acquisition, or the Tender nor to any other present or future issues or transactions regarding the Company or TCO, the economic group to which they belong or the industry in which they operate.

We have been engaged by the Company and will be receiving a fee for our services. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. Merrill Lynch does not have any interest, whether direct or indirect, in the Company or in the Acquisition, Tender or in the Exchange, as well as in any other relevant event that may constitute a conflict of interest. We have, in the past, provided financial advisory and financing services to the Company and/or its affiliates, and we expect to continue to do so and have received, and may receive, fees for the rendering of such services. In the ordinary course of our business, we may actively trade TCP and TCO shares and other securities of the Company, TCO and their affiliates, for our own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities. In addition, the professionals in our research department and other divisions within Merrill Lynch may base their analysis and publications regarding TCP and TCO on different market and operating assumptions and on different valuation methodologies when compared with those employed in the preparation of this Valuation Report. As a result, the research reports and other publications prepared by them may contain entirely different results and conclusions when compared to the ones presented herein.

This Valuation Report is exclusively addressed to TCP except to the extent that it may be available to all shareholders of the Company and TCO in accordance with Article 30 of TCP ´s by-laws and does not address the underlying business decision by TCP and TCO to engage in the Exchange and does not constitute a recommendation to TCP, TCO and/or any holders of TCP shares or TCO shares (including, without limitation, as to whether or not any holder of TCP or TCO shares should exercise withdrawal rights). In addition, this Valuation Report does not address: (i) the incremental value to the Companies which may arise from the consummation of the Exchange, if any, and (ii) any adjustments to compensate for or which may reflect the specific rights associated with any specific class of shares of either TCP or TCO. As a result, we are not hereby expressing and the Valuation Report does not contain any views regarding the distribution of the economic value among the several classes of shares of any of the Companies.

In preparing the Valuation Report, we have disregarded (a) the tax consequences of the Exchange on holders of TCO shares and (b) the impact of any fees and expenses which may result from the settlement of the Exchange, including, without limitation, those related to the depositary services which may be charged to holders of TCO ADSs. In addition, with your consent, we have excluded the tax-related effects associated with the future utilization by TCP of the unamortized goodwill which has resulted from the Acquisition and the Tender.

On the basis of and subject to the foregoing, we are of the view that the economic value of TCP ranges from R$10.7 billion to R$14.3 billion, determined as the lowest and the highest value, corresponding to a value per share of R$9.12 to R$12.20, while the economic value of TCO ranges from R$4.5 billion to R$5.6 billion, determined as the lowest and the highest value, corresponding to a value per share of R$12.16 to R$14.98. Subject to and based on the foregoing, we are of the view that the Proposed Exchange Ratio constitutes equitable treatment for both companies.

Very truly yours,

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

Valuation Report (Relatório de Avaliação)

October 27, 2003

Global Markets & Investment Banking Group

Valuation Report

Table of Contents

1. Introduction

2. Transaction Structure

3. Methodology Description

4. Summary Valuations

    A. TCO

    B. TCP

5. Key Conclusions

6. Appendix

    A. Summary TCO Assumptions

        Tele Centro Oeste

        NBT

    B. Summary TCP Assumptions

        Telesp Celular

        Global Telecom

    C. WACC Analysis

Introduction

Introduction
Important Information

Together with the letter attached hereto, these presentation materials constitute the Valuation Report prepared by Merrill Lynch & Co. (Merrill Lynch) with respect to the economic values of the Telesp Celular Participações S.A. (TCP) shares and Tele Centro Oeste Celular Participações S.A. (TCO) shares and the Proposed Exchange Ratio. Accordingly, the contents of these presentation materials are subject to the letter and all of the assumptions, qualifications, disclaimers and other representations set forth therein. Any defined terms appearing in the presentation letters and not otherwise defined herein have the meaning assigned to such terms in the letter attached hereto.

Introduction
Definitions

	Definition
Brasilcel	Brasilcel N.V.
Global Telecom	Global Telecom S.A.
NBT	Norte Brasil Telecom S.A.
Proposed Exchange Ratio	TCP s announced intention to effect the exchange of all outstanding TCO shares for TCP shares in the form of an Incorporação de Ações by exchanging each share of TCO for 1.27 shares of TCP
SMC	Cellular Mobile Service (*Serviço Móvel Celular*)
SMP	Personal Communication Services (*Serviço Móvel Pessoal*)
TCO	Tele Centro Oeste Celular Participações S.A.
Splice	Splice do Brasil Telecomunicações e Eletronônica S.A.
TCP	Telesp Celular Participações S.A.
Tele Centro Oeste	Includes the operations of TCO in Brasilia (ex-Telebrasilia, now merged into TCO), Telegoiás, Teleacre, Telemat, Telems and Teleron
Telegoiás	Telegoiás Celular S.A.
Teleacre	Teleacre Celular S.A.
Telemat	Telemat Celular S.A.
Telems	Telems Celular S.A.
Teleron	Teleron Celular S.A.
Telesp Celular	Telesp Celular S.A Includes also TCP holding company outflows and expenses

Transaction Structure

Transaction Structure

Overview

- On January 16, 2003 TCP announced it had signed a Preliminary Agreement for the acquisition of a controlling stake in TCO (the Acquisition)
  - Transaction closed on April 25, 2003
  - Acquisition of 77,256,410,396 ordinary shares of TCO, equivalent to 20.37% of TCO s outstanding capital and 61.10% of TCO s voting capital (20.69% of total capital and 64.04% of voting capital excluding the 5,791,393,886 TCO ordinary shares held in treasury)
- Simultaneously, TCP announced two subsequent transactions, which are still pending completion
  - Tender offer for the remaining ordinary shares in the market at 80% of the price per share paid in the Acquisition, as required by Brazilian law (the Tender Offer)
    - Cash offer for 43,385,533,827 common shares of TCO (or 11.6% of TCO, excluding treasury shares)
    - Transaction launched on October 9 closing expected by November 18
  - Stock merger of TCO s shares for TCP shares, at an exchange ratio of 1.27 new TCP shares for each TCO share
    - Transaction addressed to TCO s 252,766,698,473 outstanding preferred shares (plus any remaining TCO ordinary shares that are not tendered in the tender offer mentioned above)

Transaction Structure
Current TCP Corporate Structure

Current valuation of TCP includes the effects of the Tender Offer for TCO common shares:

Pro-forma ownership of 31.1% of TCO (adjusted for treasury shares)

Net debt increased by R$658 million to reflect expected incremental cash disbursement[(2)]
This analysis assumes 90% acceptance of Tender Offer[(3)]

---

(1) Ownership expressed as percentage of shares in circulation. Analysis excludes, therefore, 5.8bn shares held in treasury. For illustrative purposes, assumes TCP acquires 90% of the remaining ON shares in the Tender Offer

(2) Assuming estimated cost for 100% of OPA at R$731 million as of September 30, 2003.

(3) Different levels of acceptance by the holders of TCO ON shares would not have a material affect on the conclusions of this report

Methodology Description

Methodology Description
Overview

Our valuation ranges for both TCP and TCO, are based on a discounted cash flow analysis

Cash flows have been based on management projections approved by the Board of Directors of TCP and TCO

We have performed Discounted Cash Flow (DCF) analyses for the operating subsidiaries of TCP (Telesp Celular and Global Telecom) and of TCO (Tele Centro Oeste and NBT)

The DCF is a technique used for valuing a business based on the present value of the projected free cash flows (FCF)

The free cash flows represent:

amount generated by all assets utilized in the business (tangible and intangible); and

proceeds available to all providers of capital (i.e. shareholders and debt holders)

These future FCFs are discounted to present value by an appropriate discount rate (r), to determine the present value of the operating assets

Projections have been made in Brazilian currency up to the unlevered free cash flow figure, which has then been converted into US dollars at the projected average exchange rate for the year

Macroeconomic estimates, including expected US$/BRL exchange rate, based on Market Consensus collected and published by the Brazilian Central Bank until 2007, and on Merrill Lynch assumptions thereafter

Methodology Description
Overview (Cont d)

Valuation as at September 30, 2003

TCP s enterprise value has been calculated as the sum of the following items:

Present value as of September 30, 2003 (which is the valuation base date) of projected unlevered cash flows (discounted at the Weighted Average Cost of Capital +/- 0.75%)

Present value of terminal value, calculated following the perpetuity growth method to a normalised cash flow (setting capex equal to depreciation and eliminating any temporary tax advantage)

Present value of the value of the tax benefits obtained with the utilization of Global Telecom net operating losses (R$2.6 billion)[(1)]

Value of TCP s current stake in TCO

Derived by applying TCP s ownership in TCO (pro-forma for the Tender Offer and adjusted for the effect of treasury shares) to TCO s estimated equity value[(2)]

(1) We have assumed that Telesp Celular and Global Telecom may carry out certain tax planning actions in 2006 in order to expedite utilization of tax loss carry forward

(2) The explanation regarding the calculation of TCO s equity valuation is included in the next page of this report

Methodology Description
Overview (Cont d)

TCP s value per share has then been calculated by subtracting its net debt from the enterprise value (calculated as described above) and dividing it by the number of shares outstanding

Published net debt as at September 30, 2003 before the consolidation of TCO; this figure has been adjusted for the cash disbursement expected as a result of the announced Tender Offer for TCO ordinary shares

No value has been assigned to the tax savings which could arise from the utilization of the goodwill (ágio) generated by TCP in the acquisition of the controlling stake in TCO

Similarly, we have calculated the value per TCO share

We have adjusted for the effect of treasury shares (by reducing the denominator on the value per share calculation)

Tele Centro Oeste s cash flows have been adjusted to reflect TCO s weighted average ownership of 98.1% of its operating business[(1)]

NBT s cash flows have not been adjusted given TCO s 100% ownership of it

For TCO s net debt calculation, all the debentures that were owed by Splice (and were assumed by TCP) have been considered as cash equivalent

Once we have calculated the per share value of TCO and TCP (including its stake in TCO) , we have established the resulting exchange ratios

(1) Derived by a weighted average of ownerships based on the net worth of each subsidiary

Methodology Description
WACC Methodology Key Assumptions

Discount rates are based on the companies Weighted Average Cost of Capital, which has been calculated in US dollars, adjusting for Brazilian risk

Implied Brazilian risk free rate of 10.74%, or 6.35% above the US risk free rate

Brazilian bond spread currently 13% below the current 60-day average of 635bps(1)

Key Parameters		Comments
Risk Free Rate	4.39%	10-Year US Treasury Bond (maturing in August 2013); yield as of October 17
Brazilian Country Risk Premium	6.35%	Average spread between 10-year US Treasury Bond and Brazil Republic 13 bond (average of last 60 days to October 17)
Unlevered Beta	0.89	Average of unlevered betas for international wireless operators
Equity Market Risk Premium	5.90%	Ibbotson Associates historical 50-year regression using the S&P 500
Estimated Pre-Tax Cost of Debt	10.99%	25 basis points over Brazilian risk free rate
Tax Rate	34.0%	Brazilian marginal tax rate(2)
Target Debt to Market Capitalisation	35.0%	Assumed optimal capital structure

(1) As of October 17, 2003

(2) Including social contribution rate

Methodology Description
Detailed WACC Calculation

(1) Re-levered Beta = Industry Average Beta(1+ ((1 Marginal Tax Rate)* (Target Total Debt to Equity Ratio)))*

Methodology Description
Key Macroeconomic Forecasts

We have based our estimates on the average Consensus forecasts published by the Central Bank of Brazil (2003-07)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Exchange Rate R$ to US$ (End of Period)	3.10	3.38	3.59	3.76	3.94	4.00	4.06	4.12	4.18	4.24
Average Exchange Rate	3.13	3.28	3.52	3.71	3.91	3.97	4.03	4.09	4.15	4.21
Implied Currency Appreciation/(Depreciation) (%)		*(4.8)*	*(7.3)*	*(5.4)*	*(5.4)*	*(1.5)*	*(1.5)*	*(1.5)*	*(1.5)*	*(1.5)*
Inflation Brazil (%)	9.6	6.2	5.2	4.8	4.5	4.5	4.5	4.5	4.5	4.5
Inflation Differential with US (%)[1]		nm	nm	nm	nm	1.5	1.5	1.5	1.5	1.5
Real GDP Growth	0.9%	3.2%	3.5%	3.7%	3.8%	nm	nm	nm	nm	nm

(1) Long-term US inflation of 3% based on estimates up to 2007; Source: Economist Intelligence Unit

10

Summary Valuation

A. TCO

TCO
Summary Valuation

TCO valuation as at September 30, 2003

Unlevered Free Cash Flows*(1)*

	A	+	B		=	C			x	Exchange Rate	=	D		
Discount Rate[2]	NPV of Free Cash Flows (US$m) 2003-2012[3]		PV[3] of Terminal Value (US$m) at a Perpetual Yearly Growth Rate[4] of: 4.00%	4.50%	5.00%	Enterprise Value (US$m) at a Perpetual Yearly Growth Rate[4] of: 4.00%	4.50%	5.00%		As of September 30, 2003 (2.93R$/US$)		Enterprise Value (R$m) at a Perpetual Yearly Growth Rate[4] of: 4.00%	4.50%	5.00%
13.50%	766		871	924	983	1,637	1,690	1,749				4,793	4,948	5,121
13.88%	754		814	862	915	1,568	1,616	1,669				4,591	4,730	4,885
14.25%	742		762	805	853	1,504	1,547	1,595				4,403	4,529	4,668
14.63%	730		715	753	796	1,445	1,484	1,526				4,229	4,343	4,469
15.00%	719		671	706	745	1,389	1,425	1,464				4,067	4,171	4,284

(1) Unlevered Free Cash Flows in US$ have been obtained by dividing yearly cash flows in Reais by the average exchange rate of the year as presented in Methodology Description Key Macroeconomic Forecasts . Based on Company s projections approved by the TCP and TCO Board of Directors

(2) Mid point based on WACC. Rounded up to 14.25%

(3) Brought back to September 30, 2003. For the year 2003, only Q4 included

(4) Nominal growth rate

TCO
Summary Valuation (Cont d)

Value per TCO share (lote de mil ações) ranging from R$ 12.16 14.98

	D			E	=	F			/	G	=	H		
	Enterprise Value (R$m) with Perpetual Rate Yearly Growth Rate[1] of:			Net Debt (R$m)		Equity Value (R$m)				Shares (billion)		Equity Value Per Share (R$)		
Discount Rate	4.00%	4.50%	5.00%	Q3 2003[2]		4.00%	4.50%	5.00%		Q3 2003[2]		4.00%	4.50%	5.00%
13.50%	4,793	4,948	5,121	(473)		5,266	5,421	5,594		373		14.10	14.52	14.98
13.88%	4,591	4,730	4,885	(473)		5,064	5,203	5,358		373		13.56	13.93	14.35
14.25%	4,403	4,529	4,668	(473)		4,876	5,002	5,141		373		13.06	13.39	13.77
14.63%	4,229	4,343	4,469	(473)		4,702	4,816	4,942		373		12.59	12.90	13.23
15.00%	4,067	4,171	4,284	(473)		4,540	4,644	4,757		373		12.16	12.44	12.74

(1) Nominal growth rate

(2) As at September 30, 2003. Net debt adjusted for contingencies. Shares outstanding net of treasury shares

B. TCP

TCP
Summary Valuation

TCP valuation as at September 30, 2003 adjusted for the effect of the Tender Offer (launched on October 9)

Unlevered Free Cash Flows[1]

	A	+	B			+	C	=	D			x	Exchange Rate	=	E		
Discount Rate	NPV of free cash flows (US$m) 2003-2012[2]		PV[2] of Terminal Value (US$m) at a Perpetual Yearly Growth Rate[3] of: 4.00%	4.50%	5.00%		PV of GT Tax Benefit[4] (US$m)		Enterprise Value (US$m) at a Perpetual Yearly Growth Rate[3] of: 4.00%	4.50%	5.00%		As of September 30, 2003 (2.93R$/US$)		Enterprise Value (R$m) at a Perpetual Yearly Growth Rate[3] of: 4.00%	4.50%	5.00%
13.50%	2,881		2,665	2,827	3,008		119		5,666	5,828	6,008				16,587	17,060	17,589
13.88%	2,840		2,491	2,637	2,799		118		5,449	5,595	5,757				15,953	16,379	16,853
14.25%	2,801		2,332	2,463	2,609		116		5,249	5,380	5,526				15,365	15,750	16,176
14.63%	2,762		2,186	2,305	2,437		114		5,062	5,181	5,312				14,819	15,167	15,552
15.00%	2,723		2,052	2,160	2,279		113		4,888	4,996	5,115				14,310	14,627	14,975

(1) Unleveled Free Cash Flows in US$ have been obtained by dividing yearly cost flows in Reais by the average exchange rate of the year as presented in Macroeconomic Description Key Macroeconomic Forecasts . Based on Company s projections approved by the TCP and TCO Board of Directors. Projections include a 100% stake in Telesp Celular and Global Telecom

(2) Brought back to September 30, 2003. For the 2003, only Q4 included

(3) Nominal growth rate

(4) Assuming tax planning provided by management. Discounted by the assumed cost of equity, or 17.1 18.6%

TCP
Summary Valuation (Cont d)

Value per TCP share (lote de mil ações) ranging from R$ 9.12 12.20

	E			+	F			=	G		
	Enterprise Value (R$m) at a Perpetual Yearly Growth Rate[1] of:				Stake in TCO Equity 31.15%[2]				TCP Enterprise Value (R$m)		
Discount Rate	4.00%	4.50%	5.00%		4.00%	4.50%	5.00%		4.00%	4.50%	5.00%
13.50%	16,587	17,060	17,589		1,640	1,688	1,742		18,227	18,749	19,331
13.88%	15,953	16,379	16,853		1,577	1,620	1,669		17,530	17,999	18,521
14.25%	15,365	15,750	16,176		1,519	1,558	1,601		16,884	17,308	17,777
14.63%	14,819	15,167	15,552		1,465	1,500	1,539		16,284	16,667	17,091
15.00%	14,310	14,627	14,975		1,414	1,446	1,482		15,724	16,073	16,456

G	-	H	=	I			/	J	=	K		
		Net Debt		Equity Value (R$m)						Equity Value Per Share (R$)		
Discount Rate		(R$) Q3 2003[3]		4.00%	4.50%	5.00%		Shares Q3 2003[3]		4.00%	4.50%	5.00%
13.50%		5,036		13,192	13,713	14,295		1,172		11.26	11.70	12.20
13.88%		5,036		12,494	12,963	13,486		1,172		10.66	11.06	11.51
14.25%		5,036		11,848	12,272	12,741		1,172		10.11	10.47	10.87
14.63%		5,036		11,248	11,632	12,055		1,172		9.60	9.93	10.29
15.00%		5,036		10,689	11,037	11,421		1,172		9.12	9.42	9.75

(1) Nominal growth rate

(2) Derived from multiplying TCP s pro-forma stake (assuming 90% acceptance of Tender Offer) to the equity value derived for TCO (assuming same discount rate and perpetuity growth rates)

(3) As at September 30, 2003. Net debt adjusted for contingencies and 90% acceptance of tender offer

Key Conclusions

Key Conclusions

On the basis of and subject to the foregoing, the economic value of TCP ranges from R$10.7 billion to R$14.3 billion, determined as the lowest and the highest value, corresponding to a value per share of R$9.12 to R$12.20, while the economic value of TCO ranges from R$4.5 billion to R$5.6 billion, determined as the lowest and the highest value, corresponding to a value per share of R$12.16 to R$14.98*(1)*

	TCO - Equity Value Per Share (R$)			TCP[(2)] - Equity Value Per Share (R$)		
	Perpetuity Growth			Perpetuity Growth		
Discount Rate	4.00%	4.50%	5.00%	4.00%	4.50%	5.00%
13.50%	14.10	14.52	14.98	11.26	11.70	12.20
13.88%	13.56	13.93	14.35	10.66	11.06	11.51
14.25%	13.06	13.39	13.77	10.11	10.47	10.87
14.63%	12.59	12.90	13.23	9.60	9.93	10.29
15.00%	12.16	12.44	12.74	9.12	9.42	9.75

	Implied Exchange Ratio (x)		
	Perpetuity Growth		
Discount Rate	4.00%	4.50%	5.00%
13.50%	1.25	1.24	1.23
13.88%	1.27	1.26	1.25
14.25%	1.29	1.28	1.27
14.63%	1.31	1.30	1.29
15.00%	1.33	1.32	1.31

(1) Please refer to the considerations contained in the attached letter for further guidance

(2) Includes 31.15% of TCO. Assumes 90% acceptance level of Tender Offer for TCO ON shares

Appendix

A. Summary TCO Assumptions

Summary TCO Assumptions
Corporate Structure

TCO is the leading cellular operator in former area 7 and the second operator in former area 8

It operates through seven operating companies, covering different states in its area of authorization

Given the different ownership structures, we have adjusted Tele Centro Oeste s revenues for TCO s 98.1% weighted average stake in its operations (NBT has been excluded from this adjustment as it is a wholly-owned subsidiary of TCP)

Source: TCP management

Summary TCO Assumptions

September 30, 2003 adjusted figures to include contingencies based on company s financial statements

Net Debt (R$ million)

TCO Net Debt/(Cash)[1]	(577.3)
Contingencies [2]	104.4
Adjusted TCO Net Debt/(Cash)	**(472.9)**

Shares Outstanding

Common Shares	126,433,338,109
Preferred Shares	252,766,698,473
Total Shares	379,200,036,582
Treasury Shares	(5,791,393,556)[3]
Adjusted Shares Outstanding	**373,408,642,696**

(1) For simplification purposes, we have used the consolidated net debt as reported by TCO without giving effect to the cash attributable to minorities in TCO s operating companies. The inclusion of such effect would result in a reduction of the value per TCO share by approximately 0.3%, which has a negligible effect on the conclusion of this report

(2) As presented in TCO s September 30, 2003 balance sheet

(3) Includes common shares only

Summary TCO Assumptions

2003 12 nominal revenue CAGR(1) of 6.9%

2003-12 nominal EBITDA CAGR of 10.7%

EBITDA margin rises from 38.6% in 2003 to 52.8% in 2012

Consolidated Net Revenue (Nominal R$ millions)

Consolidated EBITDA (Nominal R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

(1) Compounded annual growth rate

Summary TCO Assumptions

Total capex for the period of R$ 3.1bn

Capex/Revenues trending downwards from 12.4% in 2003 to 8.3% in 2012

CDMA overlay reflected in higher capex needs in 2003-07

Estimates include the renewal of TCO s license in 2007, a total payment of R$217 million

Consolidated Capex Projections (Nominal R$ millions)

Consolidated Capex Breakdown (2003-12) by Operator

Based on Company s projections approved by the TCP and TCO Board of Directors

Tele Centro Oeste

Tele Centro Oeste

New market entrants increasing competitive pressure

Market share profile similar to typical incumbent Band A operators losing market share to new entrants, stabilizing its share loss after 2007 (when market is expected to consolidate from four to three players)

Market Size

Tele Centro Oeste Celular Subscribers

Based on Company s projections approved by the TCP and TCO Board of Directors

(1) Penetration rate is the total number of cellular lines in service in the market divided by the total population in the region

Tele Centro Oeste

Total ARPU increases moderately over time (2003-12 CAGR of 1.9%)

Voice ARPU relatively flat in nominal terms, with increases from new services and higher interconnection compensated by increased weight of lower usage prepaid subscribers in the company s client base

Data ARPU rising strongly as new services and applications kick in (2003-12 nominal CAGR of 30.6%)

Average Revenue per User (ARPU)[(1)] (R$, monthly per subscriber)

Based on Company s projections approved by the TCP and TCO Board of Directors

(1) ARPU defined as the total service revenues divided by the simple average of lines in service during the relevant year. Expressed on a monthly basis

Tele Centro Oeste

2003-12 nominal revenue CAGR of 6.2%

Data revenues growing at a 2003-12 nominal CAGR of 37.2%

Net Revenues (Nominal R$ millions)

Costs increase over the projection period at a 2003-12 CAGR of 3.2%

Scale advantage of the business reflected in the fall of costs as % of revenues from 59.8% in 2003 to 46.1% in 2012

In 2003, main costs are handsets, and structure costs. The main costs in 2012 expected to be network and general and structure costs

Operating Costs (Nominal R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

(1) No disclosure available

(2) Including structure, indirect commercial and client relationship management costs, as well as management fees

Tele Centro Oeste

2003-12 nominal EBITDA CAGR of 9.8%

EBITDA margin rising from 40.2% in 2003 to 53.9% in 2012 as a result of scale and integration into Vivo

EBITDA (Nominal in R$ millions)

EBIT (Nominal in R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

Tele Centro Oeste

Capex decreases from 10.6% of revenues in 2003 to 8.2% in 2012. Investment peaks in 2007 as license is renewed

Network build-up is the main use of capex

Capex Projections (Nominal R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

NBT

NBT

Four competitors (Oi, TIM, Telenorte and NBT). However, consolidation expected from 2006 onwards given relative market size, allowing NBT to increase its market share over time

Over the long term, market expected to sustain three players

Market Size

NBT Subscribers

Based on Company s projections approved by the TCP and TCO Board of Directors

NBT

ARPU to remain relatively flat over time in nominal terms (2003-12 CAGR of 0.8%)

Voice ARPU flat over projection period

Data ARPU rising significantly (2003-12 CAGR of 24.1%) due to new applications

ARPU (R$, monthly per subscriber)

Based on Company s projections approved by the TCP and TCO Board of Directors

NBT

2003-12 nominal revenue CAGR of 9.4%

Data revenues growing at a 2003-12 nominal CAGR of 36.2%

Net Revenues (Nominal R$ millions)

Costs increase over the projection period at a 2003-12 CAGR of 5.7%

Scale advantage of the business reflected in the fall of costs as % of revenues from 69.0% in 2003 to 50.9% in 2012

In 2003, main costs are handsets and interconnection costs. The main costs in 2012 are expected to be interconnection and structure

Operating Costs (Nominal R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

(1) No disclosure available

(2) Including structure, indirect commercial and client relationship management costs, as well as management fees

NBT

2003-12 nominal EBITDA CAGR of 15.1%

EBITDA margin rising from 31.0% in 2003 to 49.1% in 2012 as a result of scale, improvement in the competitive environment and integration into Vivo

EBITDA (Nominal R$ millions)

EBIT (Nominal R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

NBT

Capex decreases from 20.4% of revenues in 2003 to 8.6% in 2012

Investment mainly concentrated in network, including the overlay of CDMA technology

Capex Projections (Nominal R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

B. Summary TCP Assumptions

Summary TCP Assumptions
Corporate Structure

TCP s operations are comprised of three businesses:

100% ownership of Telesp Celular, the leading cellular operator in the state of São Paulo

100% ownership of Global Telecom, a band B cellular operator in the states of Paraná and Santa Catarina

A controlling stake (31.1% of the economic ownership, 96.4% of its voting rights) in cellular operator TCO, which operates in parts of Regions I and II of the new SMP Regime (the former areas 7 and 8)

---

(1) Adjusted for 5.8 billion ordinary shares held in treasury. Assumes TCP acquires 90% of the TCO ON shares in the announced Tender Offer

Summary TCP Assumptions

September 30, 2003 adjusted figures to include contingencies and the effect of the Tender Offer for the remaining TCO ON shares

Net Debt (R$ millions)

TCP Net Debt/(Cash)[1]	4,285.5
Estimated New Debt from ON Tender Offer	657.9
Contingencies[2]	92.3
Adjusted TCP Net Debt/(Cash)	**5,035.8**

Shares Outstanding

Common Shares	409,383,864,536
Preferred Shares	762,400,487,973
Total Shares	1,171,784,352,509
Treasury Shares	0
Adjusted Shares Outstanding	**1,171,784,352,509**

(1) Excludes effects of the consolidation of TCO

(2) Source: Financial statements of TCP

Summary TCP Assumptions

2003 12 nominal revenue CAGR of 8.7%

2003-12 nominal EBITDA CAGR of 13.0%

EBITDA margin rising from 38.9% in 2003 to 54.9% in 2012

Net Revenue (Nominal R$ millions)[(1)]

EBITDA (Nominal R$ millions)[(1)]

Based on Company s projections approved by the TCP and TCO Board of Directors

(1) *Consolidating 100% of Telesp Celular and Global Telecom only. TCO has been excluded*

Summary TCP Assumptions

Total capex for the period is R$6.3bn

Capital expenditure is expected to be from 2003 onwards approximately 8% of net revenues (except for 2010 when Telesp Celular needs to renew its license)

Capital Expenditure (Nominal R$ Millions)(1)

Capital Expenditure Breakdown (2003-12)(1) by Operator

Based on Company s projections approved by the TCP and TCO Board of Directors

(1) *Consolidating 100% of Telesp Celular and Global Telecom only. TCO has been excluded*

Telesp Celular

Telesp Celular

Large increase in market penetration in 2003 and 2004 as a result of increased competition in the market

Competitive situation eases after 2004, with penetration increases driven by enhanced value proposition of mobile (new handsets and services) as well as by economic growth

3-player market, with Telesp Celular losing market share to its competitors over time, but retaining its current market leadership

Market Size

Telesp Celular Subscribers

Based on Company s projections approved by the TCP and TCO Board of Directors

Telesp Celular

Total ARPU is a weighted average ARPU for all subscribers (closer to prepaid levels given their relative weight in the subscriber base)

Total ARPU increases over time due to the growth in data ARPU, especially for post-paid (due to their higher take up of new applications, such as 2.5G services or e-video)

ARPU 2003-12 nominal CAGR of 3.2%

Data ARPU expected to represent 21.4% of total ARPU in 2012 (2003-12 CAGR 35.4%)

ARPU (R$, monthly per subscriber)

Based on Company s projections approved by the TCP and TCO Board of Directors

Telesp Celular

2003-12 nominal revenue CAGR of 8.4%

Data revenues growing at a 2003-12 nominal CAGR of 45.0%

Net Revenues (Nominal R$ millions)

Costs increasing during projection period at a 2003-12 CAGR of 4.9%

Scale advantage of the business reflected in the decline of costs as % of revenues from 58.8% in 2003 to 44.0% in 2012

In 2003, main costs are expected to be generated by handsets and structure costs. The main costs in 2012 will be CRM and structure.

Operating Costs (Nominal R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

(1) *Including structure, indirect commercial and client relationship management costs, as well as management fees*

Telesp Celular

2003-12 nominal EBITDA CAGR of 12.1%

Increases in EBITDA margin from 41.2% in 2003 to 56.0% in 2012 driven by scale, cost savings and synergies derived from integration into Vivo

EBITDA (Nominal R$ millions)

EBIT (Nominal R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

Telesp Celular

Capex stable at around 8% of revenues (excluding 2010, which includes R$383 million of license renewal cost)

Investment outlays concentrated mainly in network

Capex (Nominal R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

Global Telecom

Global Telecom

Penetration increases from 2003-06, stabilizing thereafter

Initial hike fueled by enhanced competition in the market

Penetration increases post-2006 driven by enhanced value proposition of mobile (new handsets and services) and economic growth

Global Telecom losing market share over the first three years due to the effect of two new entrants. From 2006, its market share is expected to stabilize

Market Size

Global Telecom Subscribers

Based on Company s projections approved by the TCP and TCO Board of Directors

Global Telecom

Post-paid ARPU well below Telesp Celular levels, but in line with historical trends

ARPU increasing moderately over time (2003-12 CAGR of 3.5%) due to the increase in ARPU in both pre paid and post paid subscribers

Data ARPU is main driver of growth (2003-12 CAGR of 34.8%) and is expected to represent 16.5% of total ARPU in 2012

ARPU (R$, monthly per subscriber)

Based on Company s projections approved by the TCP and TCO Board of Directors

Global Telecom

2003-12 nominal revenue CAGR of 11.1%, with higher growth in the earlier years

Data revenues grow at a 2003-12 nominal CAGR of 47.5%

Net Revenues (Nominal R$ millions)

2003-12 operating costs CAGR of 6.1%

Scale advantage of the business reflected in the decline of costs as % of revenues from 77.1% in 2003 to 50.7% in 2012

In 2003, main costs are expected to be handsets, and structure costs. The main costs in 2012 will be structure and interconnection.

Operating Costs (Nominal R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

(1) *Including structure, indirect commercial and client relationship management costs, as well as management fees*

Global Telecom

2003-12 nominal EBITDA CAGR of 21.0%

EBITDA margin rises from 22.9% in 2003 to 49.3% in 2012 as a result of scale and integration into Vivo

EBITDA (Nominal R$ millions)

EBIT breakeven in 2005

EBIT (Nominal R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

Global Telecom

Capex decreases from 13.8% of revenues in 2003 to 7.9% in 2012 as coverage investments and network developments are completed

Investment outlays mainly concentrated in network

License renewal not expected within projection period

Capex (Nominal R$ millions)

Based on Company s projections approved by the TCP and TCO Board of Directors

C. WACC Analysis

WACC Analysis
Methodology Key Assumptions

Average cost of equity reflects a Brazilian country risk premium of 635bps, based on the average spread of the 10-year maturity Brazilian bond with its equivalent US Treasury bond

Republic of Brazil Bond due 2013 Spread over Treasury (bps) for the last 60 days

Appendix 2
Accounting Report

[KPMG]

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

Accounting Valuation Report
(at Book Value)

ACCOUNTING VALUATION REPORT

(at Book Value)

KPMG AUDITORES INDEPENDENTES, with headquarters at Rua Dr. Renato Paes de Barros, 33, city of Sao Paulo, state of Sao Paulo, inscribed in the Corporate Taxpayer s Registration Card (CNPJ) under no. 57.755.217/0001-29 and in the Regional Accounting Council under no. 2SP014428/O-6, herein represented by its partner DEREK TALBOT BARNES, British, married, accountant, bearer of Individual Taxpayer s Identity Card no. 1SP119.369/0-1, appointed by TELE CENTRO OESTE CELULAR PARTICIPACOES S.A., a corporation with headquarters in Setor Comercial Sul, Quadra 2, Bloco C, Edificio Telebrasilia Celular, 7th floor, in the city of Brasilia, Distrito Federal, enrolled in the Corporate Taxpayer s Registration Card (CNPJ/MF) under no. 02.558.132/0001-69 (TCO), as the company whose shares are to be incorporated, and TELESP CELULAR PARTICIPACOES S.A., a corporation with headquarters at Avenida Roque Petroni Junior , 1.464, 6(0) andar Bloco B, in the city of Sao Paulo, state of Sao Paulo, enrolled in the Corporate Taxpayer s Registration Card (CNPJ/MF) under no. 02.558.074/0001-73 (TCP), as the incorporating company, to act as the appraiser relative to the incorporation of shares issued by the first company (TCO) into the second (TCP), for the purpose of converting TCO into a wholly-owned subsidiary of TCP, hereby presents the results of its valuation.

1 OBJECT

The exclusive object of this report is to constitute part of the process whereby shares issued by TCO will be incorporated into TCP, generating a capital increase for TCP in the conversion of TCO into its wholly-owned subsidiary, as mentioned in the previous paragraph. It should not, therefore, be used for any other purpose.

2 VALUATION CRITERION

As determined by the management of the companies, we used the book value criterion, foreseen in Articles 183 and 184 of Law 6,404/76, to valuate the accounting shareholders equity and determine the book value per thousand outstanding TCO shares, to be incorporated into TCP.

3. WORK PERFORMED AND DATA-BASE

This valuation was effected on the data-base of June 30, 2003, by comparing TCO S assets and liabilities balances with the respective accounting records, books, which were confirmed through the application of examinations and the utilization of the valuation criteria foreseen in Articles 183 and 184 of Law 6,404/76.

4 RESULT OF THE VALUATION

Based on the examinations carried out, described in item 3, we concluded that the TCO S shareholders equity at book value, on June 30, 2003, for the object described in item 1, following the valuation criteria described in item 2, is R$1,432,974,922.35 (one billion, four hundred thirty two million, nine hundred seventy four thousand, nine hundred twenty two reais and thirty five cents), giving a book value of R$ 3.84 (three reais and eighty four cents) per thousand shares outstanding on the same date, as follows:

	R$
Realized Capital Stock	570,095,340.82
Capital reserve	114,380,613.79
Legal reserve	58,687,842.38
Income reserve for expansion	263,476,678.28
Shares held in treasury	(49,162,446.49)
Retained earnings	475,496,893.57
Shareholders equity at book value	1.432.974.922,35
Number of shares outstanding on June 30, 2003	373,408,642.696
Book value per lot of 1000 shares outstanding on June 30, 2003	3.84

Sao Paulo October 24, 2003

Derek Talbot Barnes
Partner

APPENDIX 3

REPORT AT MARKET PRICES

[KPMG]

TELESP CELULAR PARTICIPAÇÕES S.A.

Appraisal of shareholders equity at market value

CONFIDENTIAL
October, 2003
This document must not be distributed to third parties

[KPMG]

To:
The Boards of Directors of
Telesp Celular Participações S.A. and
Tele Centro Oeste Participações S.A.
Av. Roque Petroni Junior 1464, 6 andar parte Bloco B Morumbi
04707-000 Sao Paulo SP

October 24, 2003

For the attention of: Mr. Fernando Abella

Dear Sir,

TELESP CELULAR PARTICIPAÇÕES S.A. APPRAISAL REPORT

Under the terms of our contract for the provision of KPMG s professional services, dated August 4, 2003, we have appraised the shareholders equity of Telesp Celular Participações S.A. at market value, the results of which are in the attached report.

We consider that the delivery of this report definitively concludes the services which were the object of the above-mentioned contract.

We remain grateful for the opportunity of being of service in this matter.

Yours sincerely,

Andre Castello Branco
Partner

Luis Augusto Motta
Director

TELESP CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

CONTENTS

Abbreviations		4
1	Introduction	5
2	Objective of the work	7
3	Sources of information	8
4	Subsequent events	9
5	Scope	10
6	Calculation of TCP s value using the methodology of adjusting shareholders equity to market value	11
7	Conclusion	18
APPENDICES		
I	Balance sheets	19
II	Projected economic and financial indicators	23

ABBREVIATIONS

TCP	Telesp Celular Participações S.A.
TC	Telesp Celular S.A.
GT	Global Telecom S.A.
TCO	Tele Centro Oeste Celular Participações S.A.
Companies	TCP, TC, GT and TCO, jointly
BM&F	Brazilian Futures and Commodities Exchange
CAT	State Tax Authority
ERB	Radio Base Station
CCC	Switching Center
CDI	Interbank Certificate of Deposit
CSLL	Social Contributions on Net Income
FINAM	Amazon Investment Fund
FINOR	Northeast Investment Fund
Fistel	Telecommunications Inspection Fund
IBRACON	Brazilian Institute of Accountants Value-Added Tax on Sales and Services
ICMS	Value-Added Tax on Sales and Services (levied by the states)
IR	Income Tax
SELIC	Special System for Settlement and Custody

TELESP CELULAR PARTICIPAÇÕES S.A.
Appraisal of shareholders equity at market value

1 INTRODUCTION

1.1 Telesp Celular Participações S.A. is a public corporation whose controlling shareholders on June 30, 2003 are Brasilcel N.V. (57.26% of total capital, directly) and Portelcom Participações S.A. (7.86% of total capital), the latter in turn being wholly owned by Brasilcel N.V. Thus Brasilcel N.V. retains, directly and indirectly, 65.12% of TCP s total capital.

1.2 Brasilcel N.V. is owned by Telefonica Moviles, S.A. (50.00% of total capital), PT Moveis, Servicos de Telecomunicacoes, SGPS, S.A. (49.999% of total capital) and Portugal Telecom, SGPS, S.A. (0.001% of total capital).

1.3 TCP is the outright owner of Telesp Celular S.A. and (since December 27, 2002) Global Telecom S.A., which operate mobile cellular telephony services in the states of Sao Paulo (Band A), and Parana and Santa Catarina (Band B), respectively, including any necessary or useful activities for the execution of these services, in line with the concessions and authorizations granted to them.

1.4 On December 27, 2002, TCP acquired the remaining 51% of Global Telecom S.A. s common shares (17% of total capital) retained by the holding companies Daini do Brasil S.A., Globaltelcom Telecomunicacoes S.A. and GTPS S.A. Participações em Investimentos de Telecomunicacoes, GT s then joint controlling shareholders

1.5 In January, 2003, TCP published a relevant fact announcing the acquisition of TCO s controlling stake and, under the prevailing legislation, the holding of an offer to acquire those TCO common shares retained by minority shareholders.

1.6 On March 31, 2003, TCP, intending to minimize its administrative and financial costs, incorporated these holdings, totaling R$276 million, in its investee. As a result, TCP now retains direct control of Global Telecom S.A.

1.7 On April 10, 2003, the National Telecommunications Agency ANATEL approved the transfer of the holdings in Tele Centro Oeste Celular Participações S.A. retained by BID S.A.; as a result, on April 25, 2003, TCP acquired 61.10% of TCO s voting capital, representing 20.69% of its voting capital.

1.8 TCO, in addition to operating mobile telephony services in Brasilia, controls Telegoias Celular S.A., Telemat Celular S.A., Telems Celular S.A., Teleron Celular S.A. and Teleacre Celular S.A., and is the sole owner of Norte Brasil Telecom S.A., which operate mobile telephony services in the states of Goias, Tocantins, Mato Grosso, Mato Grosso do Sul, Rondonia, Acre, Amazonas, Roraima, Amapa, Para and Maranhao, respectively, including any necessary or useful activities for the execution of these services, in line with the concessions and authorizations granted to them. TCO also controls TCO IP S.A., which chiefly provides Internet access services.

1.9 Also in January, 2003, it was announced the merger of preferred shares held by TCO s minority shareholders into TCP, referred to in paragraph 1.5.

1.10 Pursuant to TCP s merger of the shares held by TCO s minority preferred shareholders, referred to in paragraph 1.5, we were hired to appraise TCP by the methodology of adjusting shareholders equity to market value on the base date of June 30, 2003, according to Brazilian Corporate Law (Art. 264, head paragraph. of Law 6,404/76).

1.11 The chart below shows TCP s ownership structure and its respective percentage holdings in its subsidiaries on the base date of June 30, 2003:

**(CHART SHOWING 20.69% PERCENTAGE HOLDING IN TCO,
100% PERCENTAGE HOLDING IN TELESP CELULAR
S.A. AND 100% PERCENTAGE HOLDING IN
GLOBAL TELECOM S.A.)**

2 OBJECTIVE OF THE WORK

2.1 Pursuant to the terms of our contract for the provision of professional services, dated August 4, 2003, we have undertaken an independent appraisal of TCP s shareholders equity at market value on the base date of June 30, 2003. This work is related with the merger of TCO s shares by TCP in compliance with Brazilian Corporate Law (Art. 264, head paragraph. of Law 6,404/76).

3 SOURCES OF INFORMATION

3.1 As a starting point, it was used the interim financial statements published by TCP and reviewed by the independent auditors, pertaining to the quarterly financial statements and trial balances of the Companies for the base date of June 30, 2003.

3.2 The appraisal is also based on interviews with TCP management and on additional information, written or verbal, provided by TCP, as the aging of accounts receivable and accounts payable and financial controls related with the loans and derivative operations, among others.

3.3 Part of this appraisal was also based on earnings estimates, which in turn were based on assumptions and information provided by TCP management. We emphasize that there is no guarantee that future results contained in the projections will be achieved.

3.4 We should also like to make it clear that this report does not constitute an audit of the financial statements utilized nor of any other data contained herein and must not, therefore, be interpreted as such.

4 SUBSEQUENT EVENTS

4.1 We should further emphasize that the appraisal does not reflect any events subsequent to this report s date of issue. In addition, any relevant facts occurring between the appraisal s base date and this document s date of issue and not brought to the attention of KPMG Corporate Finance may affect the value obtained by the appraisal.

4.2 KPMG Corporate Finance was not hired to update this report after its date of issue.

4.3 KPMG Corporate Finance is not aware of any event until the date of the issuance of this report that may affect the results of this appraisal.

5 SCOPE

5.1 The methodology of adjusting shareholders equity to market value was adopted to calculate the market value of TCP s shareholders equity, mainly based on the assets and liabilities recorded in the quarterly financial information, published by TCP and reviewed by TCP s independent auditors in accordance with IBRACON procedures, applied to the quarterly financial statements on the base date of June 30, 2003, plus the trial balances provided by TCP s subsidiaries.

5.2 This methodology is used to determine the market value of a given company s assets and liabilities. Its application begins with the book value of the assets and liabilities, some of which are then subjected to adjustments in order to reflect their respective realization or liquidation values. The results provide an initial estimate of the company s market/liquidation value. This methodology provides a useful basis of comparison with the results of other methodologies.

5.3 The following procedures were adopted:

Reading and analysis of the trial balances provided by the Companies;

Analysis of the asset and liability accounts recorded in the Companies financial statements, in order to identify their respective market values;

Adjustment of the accounts statements to their market values based on the results of the analysis;

Adjustment of the Companies fixed assets to their respective market values based on the appraisal report drawn up by Consult Consultoria Engenharia e Avaliacoes S/C Ltda., a firm specialized in the valuation of such assets;

Calculation of the value of TCP s investments in its subsidiaries by the equity accounting method, based on the market value of these subsidiaries shareholders equity; and

Calculation of the market value of TCP s shareholders equity.

5.4 The above procedures and calculations are detailed in Chapter 6 of this report.

5.5 It should be emphasized that the identification and appraisal of the Companies unbooked intangible assets did not form part of the scope of this undertaking.

5.6 The methodology and scope of this appraisal was intended to value a going concern. Thus, except for tax costs and credits, any costs arising from expenses normally incurred during the realization of assets or the payment of liabilities, as well as those arising from company bankruptcies or liquidations, such as rescissions, judicial disputes and the hiring of third-parties (lawyers, advisors etc.) were not considered in our work.

6 CALCULATION OF TCP S VALUE USING THE METHODOLOGY OF ADJUSTING SHAREHOLDERS EQUITY TO MARKET VALUE

A DISCOUNT RATE

6.1 The projected SELIC was adopted as the discount rate for future asset receivable and liability payment flows (source: BM&F on the base date of June 30, 2003).

B ACCOUNTS RECEIVABLE

6.2 Comprises those amounts to be received for services provided and goods sold by the Companies, including billed and unbilled amounts, adjusted in line with Provisions for doubtful accounts

BILLED AMOUNTS

6.3 This account refers to services provided and goods sold by the Companies whose invoices had been issued up to the appraisal base date.

Billed telecommunications services refers to services provided by the Companies, whose issued invoices were still unpaid at June 30, 2003, including the sub-account Payment of debts in installments . In order to calculate their market value, it was used TCP and its subsidiaries historical payment-received percentage for 2003, based on management reports provided by the Companies and on the calculation of the present value of these projected receivables.

Network usage tariffs refers to the tariffs charged by the Companies for the use of their telephony networks by other telecommunications firms. Considering that all such receivables are paid in the month subsequent to their being billed, their market value was taken to be equal to their book value.

Sale of goods refers to the sale of handsets and cell-phone accessories to the Companies distributors, as well as to their own retail outlets, for selling on to final consumers. Receivables from such sales are normally not fully paid in the month subsequent to billing. In order to calculate their market value, it was used TCP and its subsidiaries historical payment-received percentage for 2003, based on management reports provided by the Companies and on the calculation of the present value of these projected receivables.

AMOUNTS TO BE BILLED

6.4 This account refers to services provided by the Companies, whose invoices had not been issued by the appraisal base date. In order to calculate their market value, the same criterion as for the billed amounts was adopted, based on the Companies historical payment-received percentage for 2003 and the calculation of the present value of these projected receivables.

6.5 The following table shows a breakdown of the Accounts receivable balances on June 30, 2003, and their market value in line with this appraisal.

COMPANY	R$(000) BOOK VALUE	MARKET VALUE
TCP		
TC	546,363	519,738
GT	69,325	64,986
Total	615,688	584,724

C INTEREST ON OWN CAPITAL AND DIVIDENDS RECEIVABLE

6.6 The present value of this account was calculated by assuming that payment would be made in December 2003, as informed by TCP management.

6.7 The table below shows a comparison between the book value of Interest on own capital and dividends receivable on June 30, 2003, and its market value according to this appraisal:

COMPANY	R$(000) BOOK VALUE	MARKET VALUE
TCP	317,641	295,193
TC		
GT		
Total	317,641	295,193

D DEFERRED AND RECOVERABLE TAXES

6.8 This refers to the realization of these credits in accordance with their specific characteristics and the prospects for their recovery.

RECOVERABLE ICMS

6.9 Those ICMS credits from the acquisition of fixed assets were discounted at present value based on their expectations of recovery, according to the information provided by the Companies management, as envisaged in CAT Edict no. 25. The remaining ICMS credits were considered at their book value.

DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION PROVISIONS FOR DOUBTFUL ACCOUNTS

6.10 This tax credit was calculated as follows:

Estimate of a new provision for doubtful accounts based on the expectations of receiving adopted when calculating the market value of Accounts receivable ;

Projection of the write-off of these provisions as expenses from unrecoverable debts;

Calculation of the projected tax-deductibility of these expenses; and

Discount at present value of this tax-deductibility as to the IR and CSLL.

DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION INCORPORATED TAX CREDITS

6.11 Tax credits incorporated refers to the capital restructuring process, whereby the goodwill from the Company s privatization was transferred to its subsidiaries. Its market value was calculated based on the projected amortization of this goodwill and the respective reduction in the projected tax burden, in turn based on the Companies official long-term projections. The reduction in the tax burden was then discounted at present value and taken as this credit s realization value.

DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION PROVISIONS FOR CONTINGENCIES

6.12 Realization of the contingencies depends on the progress and conclusion period of certain legal proceedings involving the Companies, which cannot normally be calculated with a reasonable degree of accuracy. It should be noted that most of these lawsuits are monetarily restated during their course, meaning that the fiscal credits arising from the losses with contingencies would be similarly restated. In the case of those lawsuits which are not restated, their book value represents the best information available as to their true value. Therefore, the market value of the fiscal credits resulting from provisions for contingencies was deemed to be equal to their book value.

6.13 The following table compares the book value of Deferred and recoverable taxes on June 30, 2003, with their market value according to this appraisal:

	R$(000)	
COMPANY	**BOOK VALUE**	**MARKET VALUE**
TCP	167,772	174,803
TC	1,108,518	840,964
GT	78,532	203,734
Total	1,354,822	1,219,501

E LOANS AND DERIVATIVES

6.14 On the base date of the appraisal, the Companies had local and foreign-currency debt, both at market interest rates.

6.15 All foreign-currency debt was protected by hedge operations with derivatives indexed to the CDI. It can therefore be inferred that all such debts are in local currency at market rates. As a result, the market values of the debt and derivative-operation accounts were deemed to be equivalent to their book values.

6.16 The market values of those derivatives not pegged to hedge operations were calculated based on their realization schedules provided by TCP management, considering market expectations for the dollar coupon associated with the Companies foreign-currency debt and the DI compiled by the BM&F.

6.17 Based on the above, the market value of the derivative operation whereby TC sold USD buy options amounting to US$ 300,000,000 at R$ 2.25 for each US$ 1.00, due on September 24, 2004, was calculated using the above criteria.

6.18 The table below compares the book value of the item, Derivative operations , with its market value on June 30, 2003, according to this appraisal.

	R$(000)	
ACCOUNT - ASSET	**BOOK VALUE**	**MARKET VALUE**
TCP	386,819	386,819
TC	687,529	538,741
GT	240	240
Total	1,074,588	925,800

	R$(000)	
ACCOUNT - LIABILITY	**BOOK VALUE**	**MARKET VALUE**
TCP	120,793	120,793
TC	235,608	235,608
GT	2,183	2,183
Total	358,584	358,584

F INVESTMENTS

6.19 This account is present only in TCP and refers to its investments in its subsidiaries, accounted according to the equity accounting method.

6.20 Its market value is calculated by the equity accounting method based on the based on the market value of its subsidiaries shareholders equities. It should be pointed out that the calculation of the market value of TCP s investment in TCO is detailed in TCO appraisal report issued by KPMG Corporate Finance, on this same date, in relation to the merger previously described.

6.21 The table below compares the book value of Investments on June 30, 2003, with their market value, according to this appraisal:

	R$(000)	
ACCOUNT	**BOOK VALUE**	**MARKET VALUE**
TCP	6,162,456	5,736,515
Total	6,162,456	5,736,515

G SUPPLIERS AND ACCOUNTS PAYABLE

6.22 This account includes those amounts payable for services and goods acquired by the Companies. Their market value was calculated based on the discount to present value of the payment flows provided by the Companies management.

6.23 The International suppliers account constitutes provisions for the payment of the management fee, which, according to Company management, is paid quarterly in foreign currency. Its market value was calculated based on the discount to present value of this projected payment, considering the Euro and Selic projections (source: BM&F).

6.24 The table below compares the book value of Suppliers and accounts payable on June 30, 2003, with the market value, according to this appraisal.

	R$(000)	
COMPANY	**BOOK VALUE**	**MARKET VALUE**
TCP	677,260	675,986
TC	470,353	452,541
GT	78,779	72,346
Total	1,226,392	1,200,873

H INTEREST ON OWN CAPITAL AND DIVIDENDS PAYABLE

6.25 The present value of this item was calculated under the assumption that payment would be effected in December, 2003, as informed by TCP management.

6.26 The table below compares the book value of Interest on own capital and dividends payable on June 30, 2003, with its to market value, according to this appraisal:

TELESP CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

COMPANY	R$(000) BOOK VALUE	MARKET VALUE
TCP	5,810	5,399
TC	321,302	298,596
GT		
Total	327,112	303,995

I PARANA MAIS EMPREGO

6.27 This account occurs in GT only and refers to deferred ICMS from the Parana mais emprego program to incentive employment in Parana State, created on July 21, 2000, which established that ICMS would only become due in the 49th month after that to which it was applicable.

6.28 The forecast ICMS payment schedule provided by TCP management was considered and discounted to present value.

6.29 The table below compares the book value of this item and its market value on June 30, 2003, according to this appraisal:

COMPANY	R$(000) BOOK VALUE	MARKET VALUE
TCP		
TC		
GT	136,230	71,894
Total	136,230	71,894

J FISCAL IMPACT ON THE EFFECTED ADJUSTMENTS CAPITAL LOSS

6.30 Considering that part of the adjustments made to TC and TCP s shareholders equity would result in a tax-deductible loss, the tax and contribution credits should be considered as a positive factor of these adjustments. This is because the realization of the appraised assets and liabilities would result in a loss that would generate more tax credits for these companies than those to which they are presently entitled.

6.31 We therefore identified each adjustment individually and divided them into those corresponding to an expense and those corresponding to revenue and further classified them as operational or non-operating (pursuant to the definition of a non-operating result contained in Law 9.249/95).

6.32 Taking only those adjustments constituting tax-deductible expenses and/or taxable revenue*, we obtained a deductible loss which will become a tax-loss carryforward. Such a loss, when operational in nature, was added to the existing losses, considering the expectations of realization provided by these companies. The present value of this loss was considered as an additional tax credit for these companies.

6.33 As a result, the fiscal impact (tax credits) of the above adjustments was calculated and accounted under Deferred and recoverable taxes

* For the purposes of this appraisal, it was considered that a non-operating expense could only be considered if the adjustments resulted in a profit, since, if the Company obtains a loss in the ongoing fiscal year, such an expense could only be offset by non-operating gains.

7 CONCLUSION

7.1 Based on the objective and scope of this appraisal, the market value of TCP s shareholders equity on June 30, 2003, is R$ 3,176,489 thousand, equivalent to R$ 2.71 per thousand shares.

7.2 We must reemphasize that the appraisal does not reflect any events subsequent to this report s date of issue. In addition, any relevant facts occurring between the appraisal s base date and this document s date of issue and not brought to the attention of KPMG Corporate Finance may affect the value obtained by the appraisal.

7.3 A complete understanding of the conclusion of this report can only be obtained if it and its appendices are read in their entirety. No conclusions should therefore be drawn from a partial reading.

7.4 KPMG Corporate Finance was not hired to update this report after its date of issue.

7.5 KPMG Corporate Finance is not aware of any event until the date of the issuance of this report that may affect the results of this appraisal.

APPENDIX I

Balance sheets

TELESP CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

TELESP CELULAR PARTICIPACOES S.A.

(In thousands of Brazilian reais)

	REFERENCE	BOOK VALUE	ADJUSTMENTS,	MARKET VALUE
ASSETS				
Cash and cash equivalents		2,169		2,169
Interest on own capital and dividends	C	317,641	(22,447)	295,193
Credits with related parties		13,355		13,355
Deferred and recoverable taxes	D + J	167,353	7,031	174,384
Derivative operations	E	17,901		17,901
Anticipated expenses		7,232		7,232
CURRENT ASSETS		525,651	(15,416)	510,234
Credits with related parties		510,303		510,303
Deferred and recoverable taxes	D + J	419		419
Derivative operations	E	368,918		368,918
Prepaid expenses		2,667		2,667
LONG-TERM ASSETS		882,307		882,307
Investments	F	6,162,456	(426,180)	5,736,276
Net fixed assets		992		992
PERMANENT ASSETS		6,163,448	(426,180)	5,737,268
TOTAL ASSETS		7,571,406	(441,596)	7,129,809
LIABILITIES				
Personnel, social charges and benefits		149		149
Suppliers and accounts payable	G	677,260	(1,274)	675,986
Taxes and contributions		1,905		1,905
Loans and financing	E	1,222,895		1,222,895
Interest on own capital and dividends payable	H	5,810	(411)	5,399
Derivative operations	E	120,793		120,793
Others		65		65
CURRENT LIABILITIES		2,028,876	(1,685)	2,027,192
Loans and financing	E	1,808,372		1,808,372
Debts with related parties		117,756		117,756
LONG-TERM LIABILITIES		1,926,129		1,926,129
SHAREHOLDERS EQUITY		3,616,401	(439,912)	3,176,489
TOTAL LIABILITIES		7,571,406	(441,596)	7,129,809

TELESP CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

TELESP CELULAR S.A.

(In thousands of Brazilian reais)

	REFERENCE	BOOK VALUE	ADJUSTMTS.	MARKET VALUE
ASSETS				
Cash and cash equivalents		243,064		243,064
Service accounts receivable, net	B	546,363	(26,625)	519,738
Credits with related parties		6,039		6,039
Inventories		129,829		129,829
Deferred and recoverable taxes	D + J	222,406	68,997	291,403
Derivative operations	E	18,065		18,065
Prepaid expenses		175,323		175,323
Others		27,688		27,688
CURRENT ASSETS		1,368,778	42,372	1,411,150
Credits with related parties		117,756		117,756
Deferred and recoverable taxes	D + J	886,112	(336,552)	549,561
Derivative operations	E	669,464	(148,788)	520,676
Prepaid expenses		9,715		9,715
Others		31		31
LONG-TERM ASSETS		1,683,079	(485,339)	1,197,739
Net fixed assets		3,059,154	(314,707)	2,744,447
Deferred, net		67,539		67,539
PERMANENT ASSETS		3,126,693	(314,707)	2,811,986
TOTAL ASSETS		6,178,550	(757,674)	5,420,875
LIABILITIES				
Personnel, social charges and benefits		19,943		19,943
Suppliers and accounts payable	G	470,353	(17,811)	452,541
Taxes and contributions		98,511		98,511
Loans and financing	E	808,655		808,655
Interest on own capital and dividends payable	H	321,302	(22,706)	298,596
Provisions for contingencies		40,078		40,078
Derivative operations	E	235,608		235,608
Debts with related parties		4,021		4,021
Others	E	219,696		219,696
CURRENT LIABILITIES		2,218,166	(40,517)	2,177,649
Loans and financing	E	815,641		815,641
Provisions for contingencies		21,833		21,833
Debts with related parties		5,791		5,791
Provisions for actuarial deficit		2,057		2,057
Others		2,986		2,986

LONG-TERM LIABILITIES	848,308		848,308
SHAREHOLDERS EQUITY	3,112,075	(717,157)	2,394,918
TOTAL LIABILITIES	6,178,550	(757,674)	5,420,875

TELESP CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

GLOBAL TELECOM S.A.

(In thousands of Brazilian reais)

	REFERENCE	BOOK VALUE	ADJUSTMTS.	MARKET VALUE
ASSETS				
Cash and cash equivalents		89,781		89,781
Service accounts receivable, net	B	69,325	(4,339)	64,986
Credits with related parties		273		273
Inventories		46,793		46,793
Deferred and recoverable taxes	D	65,720	(2,013)	63,707
Derivative operations	E	240		240
Prepaid expenses		22,609		22,609
Others		5,602		5,602
CURRENT ASSETS		300,343	(6,353)	293,991
Credits with related parties		5,791		5,791
Deferred and recoverable taxes	D	12,811	127,215	140,027
Prepaid expenses		1,569		1,569
Others		13,121		13,121
LONG-TERM ASSETS		33,292	127,215	160,508
Net fixed assets		1,376,296	(76,157)	1,300,139
Deferred, net		482,600		482,600
PERMANENT ASSETS		1,858,896	(76,157)	1,782,739
TOTAL ASSETS		2,192,531	44,706	2,237,237
LIABILITIES				
Personnel, social charges and benefits		3,610		3,610
Suppliers and accounts payable	G	78,779	(6,433)	72,346
Taxes and contributions		46,845		46,845
Loans and financing	E	70,038		70,038
Derivative operations	E	2,183		2,183
Debts with related parties		1,116		1,116
Others		13,136		13,136
CURRENT LIABILITIES		215,706	(6,433)	209,273
Taxes and contributions	I	136,230	(64,337)	71,894
Loans and financing	E	220,904		220,904
Provisions for contingencies		13,887		13,887
Debts with related parties		510,303		510,303
Provisions for actuarial deficit		3,838		3,838
LONG-TERM LIABILITIES		885,162	(64,337)	820,825
CAPITALIZABLE RESOURCES		595,472		595,472

SHAREHOLDERS EQUITY	496,191	115,475	611,666
TOTAL LIABILITIES	2,192,531	44,706	2,237,237

APPENDIX II

Projected economic and financial indicators

TELESP CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

ECONOMIC AND FINANCIAL INDICATOR ACCUMULATED VARIATION
(FROM 06/30/2003 TO 06/30/2008 IN LINE WITH BM&F MATURITIES IN DAYS

(BAR CHART)

	1	30	60	91	182	365	548	730	1,095
USD	0.08%	1.81%	3.57%	5.30%	10.29%	20.61%	31.86%	44.34%	72.30%
CDI	0.09%	1.90%	3.77%	5.59%	10.90%	21.99%	34.50%	48.76%	82.47%
Jpy	0.09%	1.90%	3.76%	5.57%	10.86%	21.86%	34.22%	48.25%	81.20%
Eur	0.08%	1.72%	3.40%	5.03%	9.77%	19.58%	30.33%	42.33%	69.36%

Appendix 3
Report at Market Prices

[KPMG]

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

Appraisal of shareholders
equity at market value

CONFIDENTIAL
October, 2003
This document must not be distributed to third parties

[KPMG]

To:
The Boards of Directors of
Telesp Celular Participações S.A. and
Tele Centro Oeste Participações S.A.
Av. Roque Petroni Junior 1464, 6 andar parte Bloco B Morumbi
04707-000 Sao Paulo SP

October 24, 2003

For the attention of: Mr. Fernando Abella

Dear Sir,

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A. APPRAISAL REPORT

Under the terms of our contract for the provision of KPMG s professional services, dated August 4, 2003, we have appraised the shareholders equity of Tele Centro Oeste Celular Participações S.A. at market value, the results of which are in the attached report.

We consider that the delivery of this report definitively concludes the services which were the object of the above-mentioned contract.

We remain grateful for the opportunity of being of service in this matter.

Yours sincerely,

Andre Castello Branco
Partner

Luis Augusto Motta
Director

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

CONTENTS

Abbreviations		4
1	Introduction	5
2	Objective of the work	7
3	Sources of information	8
4	Subsequent events	9
5	Scope	10
6	Calculation of TCO s value using the methodology of adjusting shareholders equity to market value	11
7	Conclusion	19
Appendices		
I	Balance sheets	20
II	Projected economic and financial indicators	29

ABBREVIATIONS

TCO	Tele Centro Oeste Celular Participações S.A.
TCP	Telesp Celular Participações S.A.
TGO	Telegoias Celular S.A.
TMS	Telems Celular S.A.
TMT	Telemat Celular S.A.
TRO	Teleron Celular S.A.
TAC	Teleacre Celular S.A.
NBT	Norte Brasil Telecom Celular S.A.
TCO IP	TCO IP S.A.
BM&F	Brazilian Futures and Commodities Exchange
CAT	State Tax Authority
CDI	Interbank Certificate of Deposit
CSLL	Social Contributions on Net Income
Companies	TCO, TCP, TGO, TMS, TMT, TRO, TAC, NBT and TCO IP, jointly
FINAM	Amazon Investment Fund
FINOR	Northeast Investment Fund
Fistel	Telecommunications Inspection Fund
IBRACON	Brazilian Institute of Accountants
ICMS	Value-Added Tax on Sales and Services (levied by the states)
IR	Income Tax
SELIC	Special System for Settlement and Custody
ERB	Radio Base Station
CCC	Switching Center

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.
Appraisal of shareholders equity at market value

1 INTRODUCTION

1.1 Tele Centro Oeste Celular Participações S.A. is a public corporation, subsidiary of Telesp Celular Participações S.A., which operates mobile cellular telephony services in the Federal District and the Midwest and Northeast regions through the following subsidiaries:

COMPANY	OPERATIONAL AREA
Telegoias Celular S.A.	Goias and Tocantins
Telemat Celular S.A.	Mato Grosso
Telems Celular S.A.	Mato Grosso do Sul
Teleron Celular S.A.	Rondonia
Teleacre Celular S.A.	Acre
Norte Brasil Telecom S.A.	Amazonas, Roraima, Amapa, Para and Maranhao
TCO IP S.A.	TCO s and those of its subsidiary operators

1.2 TCO and its subsidiaries, except NBT and TCO IP, were acquired by its former controlling shareholders in 1998, when Brazil s mobile cellular telephony system (Band A) was privatized, having been granted a concession by the Federal Government until 2008, renewable for a further 15 years.

1.3 In 1999, TCO set up Norte Brasil Telecom S.A., an unlisted corporation, in order to operate mobile cellular telephony services (Band B) in Area 8, comprising the states of Amazonas, Roraima, Amapa, Para and Maranhao.

1.4 In 2000, TCO set up TCO IP S.A., an unlisted corporation, to provide telecommunications services, Internet access services, the development of telecommunications solutions and other higher added-value services.

1.5 In 2002, TCO incorporated Telebrasilia Celular S.A. in order to rationalize the group s ownership structure by taking advantage of commercial and administrative synergies.

1.6 In January, 2003, TCP published a relevant fact announcing the acquisition of TCO s controlling stake and, under the prevailing legislation, the holding of an offer to acquire those TCO common shares retained by minority shareholders.

1.7 On the same occasion, it was announced the merger of preferred shares held by TCO s minority shareholders into TCP. Pursuant to this process, we were hired to appraise TCO using the methodology of adjusting shareholders equity to market value on the base date of June 30, 2003, pursuant to Brazilian Corporate Law (Art. 264, head paragraph. of Law 6,404/76).

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

1.8 The chart below shows TCO s ownership structure and its respective percentage holdings in its subsidiaries on the base date of June 30, 2003:

(CHART SHOWING THE FOLLOWING PERCENTAGE HOLDINGS:
(1) TELEGOIAS CELLULAR S.A., 97.11%
(2) TELEMAT CELULAR S.A., 97.83%
(3) TELEMS CELULAR S.A., 98.54%
(4) TELERON CELULAR S.A., 97.22%
(5) TELEACRE CELULAR S.A., 98.35%
(6) NBT S.A., 100%; AND
(7) TCO IP S.A., 99.99%)

2 OBJECTIVE OF THE WORK

2.1 Pursuant to the terms of our contract for the provision of professional services, dated August 4, 2003, we have undertaken an independent appraisal of TCO s shareholders equity at market value on the base date of June 30, 2003. This work with related to the merger of TCO s shares by TCP in compliance with Brazilian Corporate Law (Art. 264, head paragraph. of Law 6,404/76).

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

3 SOURCES OF INFORMATION

3.1 As a starting point, it was used the interim financial statements published by TCO and reviewed by the independent auditors, pertaining to the quarterly financial statements and trial balances of the Companies for the base date of June 30, 2003.

3.2 The appraisal is also based on interviews with TCO management and on additional information, written or verbal, provided by TCO, as the aging of accounts receivable and accounts payable and financial controls related with the loans and derivative operations, among others.

3.3 Part of this appraisal was also based on earnings estimates, which in turn were based on assumptions and information provided by TCO management. We emphasize that there is no guarantee that future results contained in the projections will be achieved.

3.4 We should also like to make it clear that this report does not constitute an audit of the financial statements utilized nor of any other data contained herein and must not, therefore, be interpreted as such.

4 SUBSEQUENT EVENTS

4.1 We should further emphasize that the appraisal does not reflect any events subsequent to this report s date of issue. In addition, any relevant facts occurring between the appraisal s base date and this document s date of issue and not brought to the attention of KPMG Corporate Finance may affect the value obtained by the appraisal.

4.2 KPMG Corporate Finance was not hired to update this report after its date of issue.

4.3 KPMG Corporate Finance is not aware of any event until the date of the issuance of this report that may affect the results of this appraisal.

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

5 SCOPE

5.1 The methodology of adjusting shareholders equity to market value was adopted to calculate the market value of TCO s shareholders equity, mainly based on the assets and liabilities recorded in the quarterly financial information, published by TCO and reviewed by TCO s independent auditors in accordance with IBRACON procedures, applied to the quarterly financial statements on the base date of June 30, 2003, plus the trial balances provided by TCO s subsidiaries.

5.2 This methodology is used to determine the market value of a given company s assets and liabilities. Its application begins with the book value of the assets and liabilities, some of which are then subjected to adjustments in order to reflect their respective realization or liquidation values. The results provide an initial estimate of the company s market/liquidation value. This methodology provides a useful basis of comparison with the results of other methodologies.

5.3 The following procedures were adopted:

Reading and analysis of the trial balances provided by the Companies;

Analysis of the asset and liability accounts recorded in the Companies financial statements, in order to identify their respective market values;

Adjustment of the accounts statements to their market values based on the results of the analysis;

Adjustment of the Companies fixed assets to their respective market values based on the appraisal report drawn up by Consult Consultoria Engenharia e Avaliacoes S/C Ltda., a firm specialized in the valuation of such assets;

Calculation of the value of TCO s investments in its subsidiaries by the equity accounting method, based on the market value of these subsidiaries shareholders equity; and

Calculation of the market value of TCO s shareholders equity.

5.4 The above procedures and calculations are detailed in Chapter 6 of this report.

5.5 It should be emphasized that the identification and appraisal of the Companies unbooked intangible assets did not form part of the scope of this undertaking.

5.6 The methodology and scope of this appraisal was intended to value a going concern. Thus, except for tax costs and credits, any costs arising from expenses normally incurred during the realization of assets or the payment of liabilities, as well as those arising from company bankruptcies or liquidations, such as rescissions, judicial disputes and the hiring of third-parties (lawyers, advisors etc.) were not considered in our work.

6 CALCULATION OF TCO S VALUE USING THE METHODOLOGY OF ADJUSTING SHAREHOLDERS EQUITY TO MARKET VALUE

A DISCOUNT RATE

6.1 The projected SELIC was adopted as the discount rate for future asset receivable and liability payment flows (source: BM&F on the base date of June 30, 2003).

B ACCOUNTS RECEIVABLE

6.2 Comprises those amounts to be received for services provided and goods sold by the Companies, including billed and unbilled amounts, adjusted in line with Provisions for doubtful accounts .

BILLED AMOUNTS

6.3 This account refers to services provided and goods sold by the Companies whose invoices had been issued up to the appraisal base date.

Billed telecommunications services refers to services provided by the Companies, whose issued invoices were still unpaid at June 30, 2003, including the sub-account Payment of debts in installments . In order to calculate their market value, it was used TCP and its subsidiaries historical payment-received percentage for 2003, based on management reports provided by the Companies and on the calculation of the present value of these projected receivables.

Network usage tariffs refers to the tariffs charged by the Companies for the use of their telephony networks by other telecommunications firms. Considering that all such receivables are paid in the month subsequent to their being billed, their market value was taken to be equal to their book value.

Sale of goods refers to the sale of handsets and cell-phone accessories to the Companies distributors, as well as to their own retail outlets, for selling on to final consumers. Considering that all such receivables are paid in the month subsequent to their being billed, their market value was taken to be equal to their book value.

AMOUNTS TO BE BILLED

6.4 This account refers to services provided by the Companies, whose invoices had not been issued by the appraisal base date. In order to calculate their market value, the same criterion as for the billed amounts was adopted, based on the Companies historical payment-received percentage for 2003 and the calculation of the present value of these projected receivables.

6.5 The following table shows a breakdown of the Accounts receivable balances on June 30, 2003, and their market value in line with this appraisal:

	R$(000)	
COMPANY	**BOOK VALUE**	**MARKET VALUE**
TCO	76,670	74,071
Telegoias	56,242	55,670
Telemat	38,729	37,727
Telems	33,269	32,668
Teleron	11,902	11,712
Teleacre	5,934	5,774
NBT	52,908	53,300
TCO IP	227	207
Total	275,881	271,129

C INTEREST ON OWN CAPITAL AND DIVIDENDS RECEIVABLE

6.6 The present value of this account was calculated by assuming that payment would be made in December 2003, as informed by TCO management.

6.7 The table below shows a comparison between the book value of Interest on own capital and dividends receivable on June 30, 2003, and its market value according to this appraisal:

	R$(000)	
COMPANY	**BOOK VALUE**	**MARKET VALUE**
TCO	23	21
Total	23	21

D DEFERRED AND RECOVERABLE TAXES

6.8 This refers to the realization of these credits in accordance with their specific characteristics and the prospects for their recovery.

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

RECOVERABLE ICMS

6.9 Those ICMS credits from the acquisition of fixed assets were discounted at present value based on their expectations of recovery, according to the information provided by the Companies management, as envisaged in CAT Edict no. 25. The remaining ICMS credits were considered at their book value.

DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION PROVISIONS FOR DOUBTFUL ACCOUNTS

6.10 This tax credit was calculated as follows:

Estimate of a new provision for doubtful accounts based on the expectations of receiving adopted when calculating the market value of Accounts receivable ;

Projection of the write-off of these provisions as expenses from unrecoverable debts;

Calculation of the projected tax-deductibility of these expenses; and

Discount at present value of this tax-deductibility as to the IR and CSLL.

DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION INCORPORATED TAX CREDITS

6.11 This refers to expectations regarding the deductibility of that part of the goodwill from TCO s acquisition in the privatization process to be amortized. Its market value was calculated based on the projected amortization of this goodwill and the respective reduction in the projected tax burden, in turn based on the Companies official long-term projections. The reduction in the tax burden was then discounted at present value and taken as this credit s realization value.

DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION PROVISIONS FOR CONTINGENCIES

6.12 Realization of the contingencies depends on the progress and conclusion period of certain legal proceedings involving the Companies, which cannot normally be calculated with a reasonable degree of accuracy. It should be noted that most of these lawsuits are monetarily restated during their course, meaning that the fiscal credits arising from the losses with contingencies would be similarly restated. In the case of those lawsuits which are not restated, their book value represents the best information available as to their true value. Therefore, the market value of the fiscal credits resulting from provisions for contingencies was deemed to be equal to their book value.

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

6.13 The following table compares the book value of Deferred and recoverable taxes on June 30, 2003, with their market value according to this appraisal:

	R$(000)	
COMPANY	**BOOK VALUE**	**MARKET VALUE**
TCO	53,739	52,367
Telegoias	26,944	22,259
Telemat	21,078	17,334
Telems	16,942	14,449
Teleron	3,180	2,733
Teleacre	2,528	2,280
NBT	20,230	13,021
TCO IP	203	169
Total	144,844	124,612

E OTHER ASSETS

6.14 Among others, these assets include Tax incentives account, which refers to the credits related to FINAM and FINOR funds. These amounts were written off due to the expectations of their being realized, according to the Companies management. All the remaining assets were considered at their book values.

6.15 The table below shows a comparison between the book value of Other assets on June 30, 2003, and their market value, according to this appraisal:

	R$(000)	
COMPANY	**BOOK VALUE**	**MARKET VALUE**
TCO	15,301	13,998
Telegoias	681	360
Telemat	1,749	820
Telems	1,217	316
Teleron	461	98
Teleacre	180	84
NBT	985	985
TCO IP	1	1
Total	20,575	16,662

F FISTEL RATE

6.16 All disbursements related to Fistel rate were accounted as expenses, when the more economically adequate procedure would have been to consider them as anticipated expenses (booked under assets) and amortize them as follows:

Operational monitoring fee (TFF): in 12 monthly installments as of their disbursement.

Installation monitoring fee (TFI): in 24 monthly installments as of their disbursement.

6.17 Consequently, that portion of this account yet to be amortized was considered as part of the Companies assets, net of the tax-and-contribution deductibility to be obtained on its amortization.

6.18 The following table shows the values of the Fistel rate on June 30, 2003:

	R$(000)	
COMPANY	**BOOK VALUE**	**MARKET VALUE**
TCO		4,807
Telegoias		6,393
Telemat		3,776
Telems		3,275
Teleron		1,134
Teleacre		590
NBT		5,280
Total		25,255

G INVESTMENTS

6.19 In the case of TCO, this account refers to the investments in its subsidiaries and tax incentives related to FINAM and FINOR funds. In the case of the other companies, it refers to FINAM and FINOR only. These amounts (referring to FINAM and FINOR) were written off due to the unlikelihood of their being realized, according to the Companies management. The market value of TCO s investments in its subsidiaries was calculated by the equity accounting method based on the market value of its subsidiaries shareholders equities.

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

6.20 The table below compares the book value of Investments on June 30, 2003, with their market value, in line with this appraisal:

	R$(000)	
COMPANY	**BOOK VALUE**	**MARKET VALUE**
TCO	1,193,244	1,090,947
Telegoias	51	
Telemat	50	
Telems	28	
Teleron	20	
Teleacre	20	
Total	1,193,413	1,090,947

H SUPPLIERS AND ACCOUNTS PAYABLE

6.21 This account includes those amounts payable for services and goods acquired by the Companies. Their market value was calculated based on the discount to present value of the payment flows provided by the Companies management.

6.22 The table below compares the book value of Suppliers and accounts payable on June 30, 2003, with the market value, according to this appraisal:

	R$(000)	
COMPANY	**BOOK VALUE**	**MARKET VALUE**
TCO	38,572	37,519
Telegoias	22,415	22,194
Telemat	14,399	14,363
Telems	15,784	15,635
Teleron	3,671	3,651
Teleacre	2,154	2,127
NBT	26,277	25,862
TCO IP	630	587
Total	123,902	121,938

I LOANS AND DERIVATIVES

6.23 On the base date of the appraisal, the Companies, with the exception of TCO IP, had local and foreign-currency debt, both at market interest rates.

6.24 The foreign-currency debt of TGO, TMS, TMT and TAC was protected by hedge operations with derivatives indexed to the CDI. It can therefore be inferred that all such debts are in local currency at market rates. As a result, the market values of the debt and derivative-operation accounts were deemed to be equivalent to their book values.

6.25 TCO, TRO and NBT possessed unhedged foreign-currency debt. As a result, the market values of these debts were estimated from their projections (exchange rate variations and interest rates) and converted to present value by the projected CDI for the period in question.

6.26 The following table compares the book value of Loans and financing on June 30, 2003, with the market value, according to this appraisal:

	R$(000)	
COMPANY	**BOOK VALUE**	**MARKET VALUE**
TCO	170,005	175,786
Teleron	5,102	5,140
NBT	220,077	227,132
Total	395,184	408,058

J INTEREST ON OWN CAPITAL AND DIVIDENDS PAYABLE

6.27 The present value of this item was calculated under the assumption that it would be paid in December, 2003, as informed by TCO management.

6.28 The table below compares the book value of Interest on own capital and dividends payable on June 30, 2003, with its market value, according to this appraisal:

	R$(000)	
COMPANY	**BOOK VALUE**	**MARKET VALUE**
TCO	14,287	12,823
Telegoias	2,596	2,330
Telemat	1,940	1,741
Telems	994	892
Teleron	555	498
Teleacre	120	108
Total	20,492	18,392

K FISCAL IMPACT ON THE EFFECTED ADJUSTMENTS

CAPITAL LOSS

6.29 Considering that part of the adjustments made to TCO, TRO, TGO, TAC and NBT s shareholders equity would result in a tax-deductible loss, the tax and contribution credits should be considered as a positive factor of those adjustments. This is because the realization of the appraised assets and liabilities would result in a loss that would generate more tax credits for these companies than those to which they are presently entitled.

6.30 We therefore identified each adjustment individually and divided them into those corresponding to an expense and those corresponding to revenue and further classified them as operational or non-operating (pursuant to the definition of a non-operating result contained in Law 9.249/95).

6.31 Taking only those adjustments constituting tax-deductible expenses and/or taxable revenue*, we obtained a deductible loss which will become a tax-loss carryforward. Such a loss, when operational in nature, was added to the existing losses, considering the expectations of realization provided by these companies. The present value of this loss was considered as an additional tax credit for these companies.

6.32 As a result, the fiscal impact (tax credits) of the above adjustments was calculated and accounted under Deferred and recoverable taxes .

CAPITAL GAIN

6.33 Considering that the net adjustments made to TCO IP, TMS and TMT s shareholders equity would result in taxable revenue, the value of the taxes and contributions due should be considered as having a negative impact on shareholders equity. This is because the realization of the appraised assets and liabilities would result in extra revenue which would be affected by the taxes incident thereon.

6.34 Taking only those adjustments constituting tax-deductible expenses and/or taxable revenue*, a taxable gain resulting in the payment of additional taxes and contributions was obtained.

6.35 As a result, the shareholders equity of these companies was adjusted for the additional taxes and contributions due, counter-account in liabilities under Taxes and contributions .

* For the purposes of this appraisal, it was considered that a non-operating expense could only be considered if the adjustments resulted in a profit, since, if the Company obtains a loss in the ongoing fiscal year, such an expense could only be offset by non-operating gains.

7 CONCLUSION

7.1 Based on the objective and scope of this appraisal, the market value of TCO s shareholders equity on June 30, 2003, is R$1,254,274 thousand, equivalent to R$ 3.36 per thousand shares.

7.2 We must reemphasize that the appraisal does not reflect any events subsequent to this report s date of issue. In addition, any relevant facts occurring between the appraisal s base date and this document s date of issue and not brought to the attention of KPMG Corporate Finance may affect the value obtained by the appraisal.

7.3 A complete understanding of the conclusion of this report can only be obtained if it and its appendices are read in their entirety. No conclusions should therefore be drawn from a partial reading.

7.4 KPMG Corporate Finance was not hired to update this report after its date of issue.

7.5 KPMG Corporate Finance is not aware of any event until the date of the issuance of this report that may affect the results of this appraisal.

APPENDIX I

Balance sheets

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

(In thousands of Brazilian reais)

	REFERENCE	BOOK VALUE	ADJUSTMENTS	MARKET VALUE
ASSETS				
Cash and cash equivalents		192,326		192,326
Accounts receivable	B	76,670	(2,599)	74,071
Interest on own capital and dividends	C	23	(2)	21
Credits with related parties		5,674		5,674
Inventories		7,382		7,382
Deferred and recoverable taxes	D+K	48,037	1,009	49,046
Derivative operations		159		159
Prepaid expenses and advanced payments		3,094		3,094
Others	E	902		902
Fistel rate	F		4,807	4,807
TOTAL CURRENT ASSETS		334,268	3,214	337,482
Credits with related parties		42,242		42,242
Deferred and recoverable taxes	D	5,702	(2,381)	3,321
Derivative operations		497		497
Others	E	14,398	(1,302)	13,096
TOTAL LONG-TERM ASSETS		62,840	(3,683)	59,157
Investments	G	1,193,244	(102,296)	1,090,947
Net fixed assets		226,508	(72,671)	153,837
TOTAL PERMANENT ASSETS		1,419,751	(174,967)	1,244,784
TOTAL ASSETS		1,816,859	(175,436)	1,641,423
LIABILITIES				
Personnel, social charges and benefits		7,285		7,285
Suppliers and accounts payable	H	38,572	(1,052)	37,519
Taxes and contributions		24,770		24,770
Loans and financing	I	101,387	2,578	103,964
Interest on own capital and dividends	J	14,287	(1,463)	12,823
Derivative operations		8,139		8,139
Others		6,229		6,229
TOTAL CURRENT LIABILITIES		200,669	62	200,731
Loans and financing	I	68,619	3,203	71,822
Provisions for contingencies		99,383		99,383
Derivative operations		3,582		3,582
Debts with related parties		10,960		10,960
Others		671		671

TOTAL LONG-TERM LIABILITIES	183,216	3,203	186,419
SHAREHOLDERS EQUITY	1,432,975	(178,701)	1,254,274
TOTAL LIABILITIES	1,816,859	(175,436)	1,641,423

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

TELEMS CELULAR S.A.

(In thousands of Brazilian reais)

	REFERENCE	BOOK VALUE	ADJUSTMENTS	MARKET VALUE
ASSETS				
Cash and cash equivalents		138,202		138,202
Accounts receivable	B	33,269	(600)	32,668
Credits with related parties		871		871
Inventories		3,658		3,658
Deferred and recoverable taxes	D	15,195	(1,805)	13,391
Prepaid expenses and advanced payments		633		633
Others	E	310		310
Fistel rate	F		3,275	3,275
TOTAL CURRENT ASSETS		192,137	870	193,007
Deferred and recoverable taxes	D	1,747	(688)	1,058
Others	E	907	(901)	6
TOTAL LONG-TERM ASSETS		2,654	(1,589)	1,064
Investments	G	28	(28)	
Net fixed assets		80,191	9,505	89,696
Deferred, net				
TOTAL PERMANENT ASSETS		80,219	9,477	89,696
TOTAL ASSETS		275,010	8,757	283,767
LIABILITIES				
Personnel, social charges and benefits		678		678
Suppliers and accounts payable	H	15,784	(148)	15,635
Taxes and contributions	K	10,110	3,112	13,222
Loans and financing	I	34,434		34,434
Interest on own capital and dividends	J	994	(102)	892
Derivative operations		1,692		1,692
Debts with related parties		1,253		1,253
Others		2,565		2,565
TOTAL CURRENT LIABILITIES		67,510	2,862	70,372
Loans and financing	I	2,196		2,196
Provisions for contingencies		28		28
Derivative operations		23		23
Debts with related parties		175		175
TOTAL LONG-TERM LIABILITIES		2,423		2,423

SHAREHOLDERS EQUITY	205,077	5,895	210,973
TOTAL LIABILITIES	275,010	8,757	283,767

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

TELERON CELULAR S.A.

(In thousands of Brazilian reais)

	REFERENCE	BOOK VALUE	ADJUSTMENTS	MARKET VALUE
ASSETS				
Cash and cash equivalents		35,585		35,585
Accounts receivable	B	11,902	(190)	11,712
Credits with related parties		258		258
Inventories		2,173		2,173
Deferred and recoverable taxes	D+K	2,873	(326)	2,547
Prepaid expenses and advanced payments		634		634
Others	E	98		98
Fistel rate	F		1,134	1,134
TOTAL CURRENT ASSETS		53,524	618	54,142
Credits with related parties		1,821		1,821
Deferred and recoverable taxes	D	307	(121)	186
Others	E	363	(363)	
TOTAL LONG-TERM ASSETS		2,492	(484)	2,008
Investments	G	20	(20)	
Net fixed assets		25,411	(2,821)	22,590
Deferred, net		23		23
TOTAL PERMANENT ASSETS		25,454	(2,841)	22,613
TOTAL ASSETS		81,469	(2,707)	78,763
LIABILITIES				
Personnel, social charges and benefits		376		376
Suppliers and accounts payable	H	3,671	(19)	3,651
Taxes and contributions		6,646		6,646
Loans and financing	I	4,558	38	4,596
Interest on own capital and dividends	J	555	(57)	498
Derivative operations		96		96
Debts with related parties		932		932
Others		592		592
TOTAL CURRENT LIABILITIES		17,427	(38)	17,389
Loans and financing	I	543		543
Provisions for contingencies		132		132
Derivative operations				
TOTAL LONG-TERM LIABILITIES		675		675

SHAREHOLDERS EQUITY	63,367	(2,668)	60,698
TOTAL LIABILITIES	81,469	(2,707)	78,763

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

TELEMAT CELULAR S.A.

(In thousands of Brazilian reais)

	REFERENCE	BOOK VALUE	ADJUSTMENTS	MARKET VALUE
ASSETS				
Cash and cash equivalents		157,086		157,086
Accounts receivable	B	38,729	(1,002)	37,727
Credits with related parties		488		488
Inventories		3,780		3,780
Deferred and recoverable taxes	D	16,029	(1,739)	14,290
Prepaid expenses and advanced payments		955		955
Others	E	806		806
Fistel rate	F		3,776	3,776
TOTAL CURRENT ASSETS		217,872	1,036	218,908
Credits with related parties		2,611		2,611
Deferred and recoverable taxes	D	5,049	(2,006)	3,043
Prepaid expenses and advanced payments		30		30
Others	E	943	(929)	14
TOTAL LONG-TERM ASSETS		8,633	(2,935)	5,698
Investments	G	50	(50)	
Net fixed assets		105,025	5,902	110,927
Deferred, net		46		46
TOTAL PERMANENT ASSETS		105,121	5,852	110,973
TOTAL ASSETS		331,627	3,953	335,579
LIABILITIES				
Personnel, social charges and benefits		758		758
Suppliers and accounts payable	H	14,399	(36)	14,363
Taxes and contributions	K	15,452	1,746	17,198
Loans and financing	I	31,727		31,727
Interest on own capital and dividends	J	1,940	(199)	1,741
Derivative operations		1,540		1,540
Debts with related parties		4,211		4,211
Others		2,137		2,137
TOTAL CURRENT LIABILITIES		72,164	1,511	73,675
Loans and financing	I	1,546		1,546
Provisions for contingencies		158		158
Derivative operations		7		7
TOTAL LONG-TERM LIABILITIES		1,710		1,710

SHAREHOLDERS EQUITY	257,753	2,441	260,194
TOTAL LIABILITIES	331,627	3,953	335,579

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

TELEGOIAS CELULAR S.A.

(In thousands of Brazilian reais)

	REFERENCE	BOOK VALUE	ADJUSTMENTS	MARKET VALUE
Cash and cash equivalents				
Cash and cash equivalents		280,712		280,712
Accounts receivable	B	56,242	(572)	55,670
Credits with related parties		2,020		2,020
Inventories		9,076		9,076
Deferred and recoverable taxes	D+K	21,461	(2,512)	18,948
Derivative operations		159		159
Prepaid expenses and advanced payments		2,082		2,082
Others	E	360		360
Fistel rate	F		6,393	6,393
TOTAL CURRENT ASSETS		372,111	3,308	375,419
Credits with related parties		11,792		11,792
Deferred and recoverable taxes	D	5,483	(2,173)	3,310
Derivative operations		601		601
Prepaid expenses and advanced payments		287		287
Others	E	321	(321)	
TOTAL LONG-TERM ASSETS		18,484	(2,494)	15,990
Investments	G	51	(51)	
Net fixed assets		176,180	(42,886)	133,294
Deferred, net				
TOTAL PERMANENT ASSETS		176,231	(42,937)	133,294
TOTAL ASSETS		566,827	(42,123)	524,704
LIABILITIES				
Personnel, social charges and benefits		1,664		1,664
Suppliers and accounts payable	H	22,415	(221)	22,194
Taxes and contributions		24,287		24,287
Loans and financing	I	14,515		14,515
Interest on own capital and dividends	J	2,596	(266)	2,330
Derivative operations		171		171
Debts with related parties		3,808		3,808
Others		5,230		5,230
TOTAL CURRENT LIABILITIES		74,686	(487)	74,199
Taxes and contributions		6,418		6,418
Loans and financing	I	34,447		34,447
Provisions for contingencies		306		306
Derivative operations		15		15

TOTAL LONG-TERM LIABILITIES	41,185		41,185
SHAREHOLDERS EQUITY	450,956	(41,636)	409,320
TOTAL LIABILITIES	566,827	(42,123)	524,704

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

TELEACRE CELULAR S.A.

(In thousands of Brazilian reais)

	REFERENCE	BOOK VALUE	ADJUSTMENTS	MARKET VALUE
ASSETS				
Cash and cash equivalents		19,305		19,305
Accounts receivable	B	5,934	(159)	5,774
Credits with related parties		225		225
Inventories		915		915
Deferred and recoverable taxes	D+K	2,161	(103)	2,058
Prepaid expenses and advanced payments		122		122
Others	E	44		44
Fistel rate	F		590	590
TOTAL CURRENT ASSETS		28,707	328	29,034
Credits with related parties		1,981		1,981
Deferred and recoverable taxes	D	366	(144)	222
Others	E	136	(96)	40
TOTAL LONG-TERM ASSETS		2,483	(240)	2,242
Investments	G	20	(20)	
Net fixed assets		14,662	(717)	13,945
Deferred, net				
TOTAL PERMANENT ASSETS		14,682	(737)	13,945
TOTAL ASSETS		45,871	(650)	45,221
LIABILITIES				
Personnel, social charges and benefits		150		150
Suppliers and accounts payable	H	2,154	(27)	2,127
Taxes and contributions		3,070		3,070
Loans and financing	I	4,536		4,536
Interest on own capital and dividends	J	120	(12)	108
Derivative operations		96		96
Debts with related parties		355		355
Others		565		565
TOTAL CURRENT LIABILITIES		11,047	(40)	11,008
Loans and financing	I	507		507
Provisions for contingencies		341		341
Derivative operations				
TOTAL LONG-TERM LIABILITIES		848		848

SHAREHOLDERS EQUITY	33,976	(610)	33,366
TOTAL LIABILITIES	45,871	(650)	45,221

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

NORTE BRASIL TELECOM S.A.

(In thousands of Brazilian reais)

	REFERENCE	BOOK VALUE	ADJUSTMENTS	MARKET VALUE
ASSETS				
Cash and cash equivalents		123,693		123,693
Accounts receivable	B	52,908	392	53,300
Credits with related parties		818		818
Inventories		8,478		8,478
Deferred and recoverable taxes	D+K	12,235	(4,059)	8,176
Prepaid expenses and advanced payments		1,375		1,375
Others		915		915
Fistel rate	F		5,280	5,280
TOTAL CURRENT ASSETS		200,421	1,614	202,034
Credits with related parties		837		837
Deferred and recoverable taxes	D	7,995	(3,150)	4,845
Prepaid expenses and advanced payments		27		27
Others		70		70
TOTAL LONG-TERM ASSETS		8,929	(3,150)	5,779
Net fixed assets		235,198	(59,451)	175,747
Deferred, net		28,016		28,016
TOTAL PERMANENT ASSETS		263,214	(59,451)	203,763
TOTAL ASSETS		472,563	(60,987)	411,576
LIABILITIES				
Personnel, social charges and benefits		2,139		2,139
Suppliers and accounts payable	H	26,277	(415)	25,862
Taxes and contributions		16,339		16,339
Loans and financing	I	71,512	2,329	73,841
Derivative operations		499		499
Debts with related parties		1,797		1,797
Others		2,434		2,434
TOTAL CURRENT LIABILITIES		120,997	1,914	122,911
Loans and financing	I	148,566	4,726	153,291
Provisions for contingencies		706		706
Derivative operations		1		1
Others		116		116
TOTAL LONG-TERM LIABILITIES		149,389	4,726	154,115

SHAREHOLDERS EQUITY	202,178	(67,627)	134,550
TOTAL LIABILITIES	472,563	(60,987)	411,576

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

TCO IP S.A.

(In thousands of Brazilian reais)

	REFERENCE	BOOK VALUE	ADJUSTMENTS	MARKET VALUE
ASSETS				
Cash and cash equivalents		8		8
Accounts receivable	B	227	(20)	207
Credits with related parties		49		49
Deferred and recoverable taxes	D	203	(112)	91
Prepaid expenses and advanced payments		0		0
Others		1		1
TOTAL CURRENT ASSETS		488	(132)	356
Deferred and recoverable taxes	D		78	78
TOTAL LONG-TERM ASSETS			78	78
Net fixed assets		4,814		4,814
Deferred, net		1,165		1,165
TOTAL PERMANENT ASSETS		5,979		5,979
TOTAL ASSETS		6,466	(54)	6,413
LIABILITIES				
Suppliers and accounts payable	H	630	(43)	587
Taxes and contributions	K	(7)	8	1
Loans and financing		1		1
Debts with related parties		22		22
Others		22		22
TOTAL CURRENT LIABILITIES		668	(35)	633
Debts with related parties		8,173		8,173
TOTAL LONG-TERM ASSETS		8,173		8,173
SHAREHOLDERS EQUITY		(2,374)	(19)	(2,393)
TOTAL LIABILITIES		6,466	(54)	6,413

APPENDIX II

Projected economic and financial indicators

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
Appraisal of shareholders equity at market value

ECONOMIC AND FINANCIAL INDICATORS ACCUMULATED VARIATION
(FROM 06/30/2003 TO 06/30/2008 IN LINE WITH BM&F MATURITIES IN DAYS)

(BAR CHART)

	1	30	60	91	182	365	548	730	1,095	1,460	1,825
USD	0.08%	1.81%	3.57%	5.30%	10.29%	20.61%	31.86%	44.34%	72.30%	105.53%	145.39%
CDI	0.09%	1.90%	3.77%	5.59%	10.90%	21.99%	34.50%	48.76%	82.47%	126.07%	181.58%
Jpy	0.09%	1.90%	3.76%	5.57%	10.86%	21.86%	34.22%	48.25%	81.20%	123.26%	176.13%
Eur	0.08%	1.72%	3.40%	5.03%	9.77%	19.58%	30.33%	42.33%	69.36%	102.54%	142.48%

EXHIBIT 2

JUSTIFICATION OF THE MERGER OF SHARES OF TELE CENTRO OESTE CELULAR PARTICIPACOES S.A. INTO TELESP CELULAR PARTICIPACOES S.A. FOR THE PURPOSE OF THE FORMER S CONVERSION INTO A WHOLLY OWNED SUBSIDIARY

BY

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A. AND TELESP CELULAR PARTICIPACOES S.A. BOARD OF DIRECTORS

TO

THEIR SHAREHOLDERS

DATED OCTOBER 27, 2003

JUSTIFICATION OF THE MERGER OF TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A. SHARES INTO TELESP CELULAR PARTICIPAÇÕES S.A. FOR THE PURPOSE OF THE FORMER S CONVERSION INTO A WHOLLY OWNED SUBSIDIARY

The Board of Directors of Tele Centro Oeste Celular Participações S.A. (TCO) and of Telesp Celular Participações S.A. (TCP and, when jointly with TCO, Companies) jointly present to their respective shareholders this justification of the merger of shares of TCO by TCP for the purpose of its conversion into a wholly owned subsidiary (Justification and Merger of Shares), pursuant to article 225 of Law n(0) 6,404/76 (Corporate Law).

In this Justification, the words beginning in capital letters which are not defined herein will have the same meaning attributed to them in the Protocol of the Merger of Shares of TCO into TCP for the purpose of the former s conversion into a Wholly Owned Subsidiary (Protocol) entered into agreement in this same date by TCO and TCP.

SECTION ONE
ON THE REASONS AND PURPOSES OF THE TRANSACTION AND THE INTEREST OF THE COMPANIES IN ITS ACCOMPLISHMENT

The objectives of the Merger of Shares are (a) to align the interests of the Companies shareholders; (b) to strengthen TCP s shareholder base by merging its shareholders and those of TCO into a single listed company, with greater liquidity; (c) to unify, standardize and rationalize the general administration of TCP and TCO s businesses; (d) to enhance TCP and TCO s corporate image; (e) to give TCO shareholders direct holdings in TCP s capital; and (f) to take advantage of any financial, operational and commercial synergies.

SECTION TWO
ON THE SHARES THE HOLDERS OF PREFERRED SHARES WILL RECEIVE AND THE REASON FOR THE CHANGE IN THEIR RIGHTS

TCO s holders of preferred shares will receive preferred shares issued by TCP.

a. Political and Patrimonial Advantages. The political and patrimonial advantages of the common and preferred TCO s and TCP s shares are identical.

SECTION THREE
ON THE COMPOSITION OF TYPES AND CLASSES OF TCP S SHARES AFTER THE TRANSACTION

TCP s capital stock is currently represented by 1,171,784,352,509 nominative subscribed shares, with no par value, of which 409,383,864,536 are common shares and 762,400,487,973 are preferred shares. If all TCO common shareholders adhere to the Tender Offer of Acquisition of TCO Shares, proposed by TCP, and if the Merger of Shares does not result in the exercise of withdrawal rights in TCP and TCO, and taking into account the Conversion described in the Protocol, the company s capital stock shall be represented by 1,466,856,555,987 nominative subscribed shares, with no par value, of which 977,895,199,562 are common shares and 488,961,356,424 are preferred shares. It is noted that shares issued by TCO held by TCP will be maintained in TCP s equity and that TCO does not hold any share issued by TCP.

SECTION FOUR

[Text Deleted]

This Justification is signed by TCP s and TCO s legal representatives, in 2 (two) copies of identical content.

Sao Paulo, October 27, 2003

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

Name:
Position:

Name:
Position:

TELESP CELULAR PARTICIPACOES S.A.

Name:
Position:

Name:
Position:

EXHIBIT 3

Tele Centro Oeste Celular Participações S.A.
Public Company

AND

Telesp Celular Participações S.A.
Public Company

NOTICE OF MATERIAL FACT

Tele Centro Oeste Celular Participações S.A. (TCO) and Telesp Celular Participações S.A. (TCP , together with TCO, the Companies), in accordance with the notices of material facts published on January 16, 2003, March 24, 2003, April 11, 2003, April 25, 2003 and August 21, 2003, inform that they intend to carry out an operation of merger of TCO shares into TCP, thereby converting TCO into a wholly owned subsidiary of TCP (Merger of Shares), pursuant to the terms and conditions described as follows:

The Companies expect the Merger of Shares to align the interests of the Companies shareholders; to strengthen TCP s shareholder base by merging its shareholders and those of TCO into a single listed company, with greater liquidity, and to unify, standardize and rationalize the general administration of TCP and TCO s businesses. Furthermore, they expect the operation to enhance TCP and TCO s corporate image, to offer the possibility to TCO stockholders of taking part directly in TCP s business and to take advantage of any financial, operational and commercial synergies.

In the Merger of Shares, 1.27 TCP common shares shall be received for every TCO common share and 1.27 TCP preferred shares for every TCO preferred share (Exchange Ratio). The share fractions, resulting from converting the position of each TCO shareholder shall be supplemented, for the purposes of rounding up, through the transfer of shares (common or preferred, as the case may be) held by the TCP controlling stakeholder, Brasilcel, N.V.

The Exchange Ratio was defined based on the price of the TCO and TCP shares, plus a premium on the price of TCO shares equal to 15% of the ratio calculated on the basis of the price of said shares over the thirty (30) days preceding January 16, 2003. In the date it was defined, the Exchange Ratio represented the most beneficial exchange ratio of TCO stock for TCP stock (calculated on the basis of the market price) since the independent trading of these stocks was first started. Moreover, Economic and Financial Analyses prepared by Citigroup Global Markets Inc. and Merrill Lynch & Co. confirm that the proposed exchange ratio of 1.27 TCP stocks per every TCO stock provides equitable treatment to both TCO and TCP.

The political and equity-related advantages of the common and the preferred stock of TCO and TCP are identical. The stock to be issued by TCP as a result of the Merger of Shares shall be fully entitled to all dividends and interest on shareholders equity that may come to be declared and credited, as of their issuance.

It shall be unnecessary to alter TCP Bylaws in order to implement the Merger of Shares, other than by amending the value of its capital stock and the number of shares which represents it (as well as by the amendment in the number of shares of each type as a result of the Conversion, as defined below). TCO s Bylaws, in turn, shall remain unaltered as a result of the Merger of Shares (other than through amendments that concern changes in its capital stock, resulting from the cancellation of its treasury shares). The amendment of its Bylaws resulting from its conversion into a wholly owned subsidiary shall be carried out later.

The TCO shares to be merged into TCP (as a TCP capital increase due to the Merger of Shares) were evaluated on the basis of its book value by KPMG Auditores Independentes (base date: June 30, 2003). The changes in TCO s shareholders equity (proportional to the merged shares), occurred between the base date of the appraisal report at the book value and the General Shareholders Meeting date which approves the Merger of Shares, will be recorded as capital reserve (if positive), or against profits reserve (if negative).

At present, TCP s capital stock stands at R$4,373,661,469.73. If all TCO common shareholders tender in the Tender Offer for TCO Shares, proposed by TCP (TO) and if the Merger of Shares does not result in the exercise of withdrawal rights in TCP and TCO,it is estimated that TCP s capital stock shall increase by R$970,005,000.00, totaling R$5,343,666,469.73.

TCP s capital stock is currently represented by 1,171,784,352,509 nominative shares, with no par value, of which 409,383,864,536 are common shares and 762,400,487,973 are preferred shares. If all TCO common shareholders tender in the TO, and if the Merger of Shares does not result in the exercise of withdrawal rights in TCP and TCO, and taking into account the Conversion described below, the company s capital stock shall be represented by 1,466,856,555,987 nominative shares, with no par value, of which 977,895,199,562 are preferred shares and 488,961,356,424 are common shares. The final amounts will be released to the market after the conclusion of the TO. It is noted that shares issued by TCO held by TCP will be maintained in TCP s equity and that TCO does not hold any share issued by TCP.

In order the render the Merger of Shares viable, TCP shareholders should approve the conversion of TCP preferred shares into TCP common shares (Conversion), given that the implementation of the Merger of Shares based on the Exchange Ratio would call for the issuing of a larger number of TCP preferred shares of stock than the limits in the prevailing legislation currently allow.

The volume of TCP preferred shares to be converted into TCP common shares shall be of, at most, 105,518,995 lots of 1,000 shares. This figure was defined based on the assumption that all TCO common shareholders adhere to the TO and that the withdrawal rights of holders of TCP common stock shall be exercised by all shareholders that are so entitled. The purpose of the calculation was to ensure that the legal limits of TCP share issuance are complied with on the occasion of the approval of the Merger of Shares. The exact number of preferred shares to be converted shall be defined once the final results of the TO are known.

Any holder of TCP preferred shares is entitled to perform the Conversion. In the case of holders of American Depositary Receipts (ADRs), they shall have to convert their ADRs into shares, prior to requesting the Conversion, as TCP has no ADR program for common stock.

If TCP shareholders request the conversion of a volume of preferred shares greater than the number of shares that the Companies wish to convert, the conversion shall be proportionately performed. Furthermore, if shareholders request a volume of preferred shares to be converted lower than the conversion cap, TCP s controlling stakeholder (Brasilcel N.V.), whether directly or through its subsidiaries, shall convert a volume of preferred shares equal to what is required, in order to complete the number that is meant to be converted. The procedures for Conversion and the precise number of shares that shall be converted shall be announced following the completion of the TO, through the publication of a Notice to Shareholders.

[Text deleted]

[Text deleted]

It should be emphasized that the book value at market prices, as calculated in a report prepared by KPMG Corporate Finance, is lower than the book value as of that same base date.

[Text deleted]

Pursuant to the terms of Article 264 of the Brazilian Corporate Law, KPMG Corporate Finance prepared the appraisal reports necessary to the calculation of the exchange ratio based on TCO and TCP s shareholders equities at market prices, with a base date of June 30, 2003 (Exchange Ratio Market Prices). The calculated value of the Exchange Ratio Market Prices was 1.24.

[Text Deleted]

Because of the established practices of the Sao Paulo Stock Exchange, TCP shares issued within the context of the Merger of Shares shall be traded under the TCO ticker up to the time when the Merger of Shares is ratified by TCP s and TCO s management, after the expiration of the period for exercising rights of withdrawal, or until the period of 10 (ten) days, established in Article 137, paragraph 3 of Corporate Law, has elapsed.

The Companies also inform that the Merger of Shares was preceded by (a) a meeting of the TCP Board of Directors, held on January 15, 2003, when the Merger of Shares and Exchange Ratio (as defined below) were approved; (b) meetings of the Boards of Directors of TCP and TCO, held on October 27, 2003, when the Merger of Shares, its terms and conditions and the acts and documents pertaining to it were approved; (c) meetings of the Fiscal Committees of TCP and TCO, held on October 27, 2003, to provide opinions on the terms and conditions of the Merger of Shares; (d) celebration of the Protocol of the Merger of Shares, dated October 27, 2003, by TCO and TCP; and (e) presentation of the joint Justification of both TCO and TCP management for the Merger of Shares, dated October 27, 2003.

[Text Deleted]

The Companies estimate that R$11,000,000.00 shall be spent on this operation, therein included the expenses with publications, preparation of the appraisal reports, economic and financial analyses, payment of auditors, appraisers, consultants and lawyers, both local and foreign, filing with the SEC and other related expenses.

KPMG Auditores Independentes, KPMG Corporate Finance, Citigroup Global Markets Inc. and Merrill Lynch & Co., the parties responsible for the appraisal reports and economic and financial analyses, hereby declare that there are no conflicts or communions of interests involving them, whether current or potential, with regard to TCO, TCP, Brasilcel N.V. (the TCP controlling stakeholders) or minority stockholders, nor with regard to the Merger of Shares.

Finally, the Companies inform that the Merger of Shares documents (protocol, justification and reports, among others) can be found on the TCP website (www.telespcelular.com.br) and the TCO website (www.tco.com.br). A copy of these materials can also be found on the CVM website (www.cvm.gov.br) and on the BOVESPA website (www.bovespa.com.br), as of this date. The Companies shareholders that wish to consult and examine the documents may do so at the Companies headquarters, its being required that they make an appointment with the respective Investor Relations departments of TCP (telephone number: (55 11) 5105-1182) and of TCO (telephone number: (55 61) 3962-7701).

Sao Paulo, October 28, 2003

Telesp Celular Participações S.A.
Fernando Abella Garcia
Investor Relations Director

Tele Centro Oeste Celular
Participações S.A.
Luis Andre Carpintero Blanco
Investor Relations Director

EXHIBIT 4

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NIRE (State ID) 53 3 000058-00 CNPJ/MF (Tax ID) 02.558.132/0001-69

Public Company

MINUTES OF THE BOARD OF DIRECTORS MEETING
HELD ON OCTOBER 27, 2003

1. DATE, TIME AND VENUE. Held on October 27, 2003, in Sao Paulo at 3:00pm, in Lisbon at 5:00 pm and at Madrid at 6:00pm, via videoconference.

2. MEETING NOTICE: Duly summoned and installed with the presence of the totality of the Members of the Board of Directors. Also present, pursuant to the provisions of Article 163, Section 3 of Law no. 6,404/76, as amended, the Members of the Company s Fiscal Committee, Mr. Norair Ferreira do Carmo, Mr. Joao Luis Tenreiro Barroso and Mr. Luciano Nobrega Queiroz.

3. MEETING BOARD. Iriarte Jose Araujo Esteves Chairman; and Evandro Luis Pippi Kruel - Secretary.

4. AGENDA AND DELIBERATIONS. The Chairman of the Meeting informed the board that, as it was of knowledge of all, the purpose of the Meeting was the deliberation regarding the merger, of the Company s outstanding shares (hereinafter also referred to as TCO) by Telesp Celular Participações S.A. (TCP and, along with the Company, Companies), for its consequent conversion into a wholly owned subsidiary of TCP (Merger of Shares). It was clarified that the Merger of Shares has the following purposes: (a) to align the interests of the Companies shareholders; (b) to strengthen TCP s shareholder base my merging its shareholders and those of TCO into a single listed company, with greater liquidity; (c) to unify, standardize and rationalize the general management of TCP and TCO s businesses; (d) to enhance TCP and TCO s corporate image; (e) to give TCO shareholders direct holdings in TCP s capital; and (f) to take advantage of any financial, operational and commercial synergies. After the presentation of the necessary clarification, the members of The Board of Directors deliberated by majority of votes and without any restriction:

4.1 Approval of the Justification of the Merger of Shares of Tele Centro Oeste Celular Participações S.A. into Telesp Celular Participações S.A. for the purpose of the former s conversion into a Wholly Owned Subsidiary.

4.2 Approval of the terms and conditions of the Protocol of the Merger of Shares of Tele Centro Oeste Celular Participações S.A. into Telesp Celular Participações S.A. for the purpose of the former s conversion into a Wholly Owned Subsidiary (Protocol), to be executed on this date TCO and TCP s management.

4.3 Ratification of the hiring of KPMG Corporate Finance to perform the appraisal of TCO and TCP s shareholders equity, at market values.

4.4 Ratification of the hiring of KPMG Auditores Independentes to determine the book value of TCO s shares.

4.5 Ratification of the hiring of Citigroup and Merrill Lynch & Co. to perform the TCO and TCP s Economic and Financial Analyses, according to the provisions of Article 30 of TCP s Bylaws.

4.6 Approval of the accounting appraisal report of TCO s shares to be incorporated by TCP for purposes of the capital increase of TCP, and of TCO and TCP s shareholders equity appraisal reports at market values and the Economic and Financial Analyses of TCO and TCP.

4.7 Approval of the exchange ratio set forth in the Protocol.

4.8 Approval of the Merger of Shares, as provided by the Protocol.

4.9 Authorization of TCO s Board of Directors of the subscription of TCP s capital increase in connection with the Merger of Shares.

4.10 [Text deleted.]

5. CLOSING. : Mr. Chairman offered the word to whom might want to make use of it and, without any manifestation, the Meeting was adjourned, and the minutes were drawn up, which, after being read and found to conform, were signed by the presents on October 27, 2003. (a.a.) Iriarte Jose Araujo Esteves, Chairman (in Lisbon); Evandro Luis Pippi Kruel, Secretary (in Madrid); the Members Eduardo Perestrelo Correia de Matos, Fernando Xavier Ferreira (in Sao Paulo), Ernesto Lopez Mozo, Antonio Viana-Baptista, Ignacio Aller Mallo, Zeinal Abedin Mohamed Bava (in Madrid), Pedro Manuel Brandao Rodrigues, Carlos Manuel de Lucena e Vasconcellos Cruz (in Lisbon), and the Members of the Fiscal Committee Norair Ferreira do Carmo Joao Luis Tenreiro Barroso and Luciano Nobrega Queiroz (in Sao Paulo).

This is a true copy of the original,
drawn up in its appropriate book.

Sao Paulo, Lisbon and Madrid, October 27, 2003.

Evandro Luis Pippi Kruel
Secretary
3

rectors is increased or from a failure to elect the minimum number of directors provided for in the by-laws.

Additionally, CIBC's by-laws allow the directors to appoint one or more additional directors, within the maximum number permitted by CIBC's by-laws, to hold office for a term expiring not later than the close of the next annual meeting of shareholders; but, pursuant to the Bank Act, the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of shareholders.

At any meeting of CIBC's board of directors, a majority of the directors, or such greater number as the board may from time to time determine, shall constitute a quorum for the transaction of business providing that not more than one of such directors is a full-time officer of CIBC. The Bank Act provides that the directors of a bank will not transact business at a meeting of directors unless at least one of the directors who is not affiliated with the bank is present and a majority of the directors present are resident Canadians.

Regarding directors removal, under the Bank Act, the shareholders of CIBC may remove any director or all the directors from office by a majority of votes cast at a special meeting of shareholders.

Table of Contents

Voting Rights Generally

PrivateBancorp

Under the DGCL and the PrivateBancorp certificate of incorporation, each share of PrivateBancorp common stock is entitled to one vote per share on all matters submitted to stockholders.

CIBC

Under the Bank Act, if voting rights are attached to any share of a bank, the voting rights may confer only one vote in respect of that share. The CIBC by-laws provide that holders of CIBC common shares are entitled to vote at all meetings of shareholders, except where only holders of a specified class of shares are entitled to vote. The holders of Class A preferred shares and Class B preferred shares are not entitled to vote at any meeting of shareholders of CIBC nor are they entitled to receive any notice of or attend shareholders' meetings except as provided in the Bank Act or in the rights, privileges, restrictions and conditions attached to the applicable series of such class of shares.

Exculpation of Liability

PrivateBancorp

Under PrivateBancorp's certificate of incorporation, directors are not liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under Section 174 of Delaware law (which concerns unlawful dividends, stock purchases, and redemptions); or (iv) for any transaction from which the director derived an improper personal benefit.

CIBC

Under the Bank Act, a bank may not, by contract, resolution or by-law, limit the liability of its directors for breaches of their duty to act in accordance with the Bank Act. However, under the Bank Act, directors and officers are not liable in respect of certain of their duties imposed under the Bank Act, including their duty of care, if they relied in good faith (a) on financial statements represented to the directors or officers by an officer of the bank or in a written report of the bank's auditors to reflect fairly the financial condition of the bank or (b) on a report of a person whose profession lends credibility to a statement made by the professional.

Director and Officer Indemnification

PrivateBancorp

Under Delaware law, a corporation may indemnify its directors and officers if a director or officer acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation. Furthermore, Delaware law allows for a corporation to indemnify its directors and officers with respect to any criminal action, suit or proceeding when the director or officer had no reasonable cause to believe his or her conduct was unlawful. Indemnification generally is not allowed under Delaware law if a director or officer has been adjudged liable to the corporation.

PrivateBancorp's certificate of incorporation provides that directors and officers of the corporation shall be indemnified to the fullest extent permissible under Delaware law and not prohibited by other law or regulation, subject to certain conditions.

Table of Contents

CIBC

Subject to the limitations contained in the Bank Act, but without limit to the right of CIBC to indemnify or advance amounts to any person under the Bank Act or otherwise, CIBC's by-laws provide that CIBC will indemnify a director or officer of CIBC, a former director or officer of CIBC, or another person who acts or acted at CIBC's request as a director or officer of or in a similar capacity to another entity, and such person's heirs and personal representatives (the "indemnified persons"), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal, administrative, investigative or other proceeding to which such person is involved because of that association with CIBC or an other entity; provided: (i) the indemnified person acted honestly and in good faith with a view to the best interests of, as the case may be, CIBC or the other entity for which they acted at CIBC's request as a director or officer in a similar capacity; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person had reasonable grounds for believing their conduct was lawful. CIBC's by-laws further provide that nothing in its by-laws shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of CIBC's by-laws.

Under the Bank Act, the indemnified persons referred to above are entitled to indemnity from CIBC in respect of all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the person in connection with the defense of any civil, criminal, administrative, investigative or other proceeding to which the person is subject because of their association with CIBC or another entity, if the person seeking indemnity:

was not judged by the court or other competent authority to have committed any fault or omitted to do anything they ought to have done; and

fulfils the conditions set out in (i) and (ii) above.

CIBC has obtained director's and officer's liability insurance coverage, which, subject to policy terms and limitations, provides coverage for directors and officers of CIBC, acting as directors and officers of CIBC and its subsidiaries, in certain circumstances where CIBC is unable to provide indemnification to such directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Special Meetings of Shareholders

PrivateBancorp

PrivateBancorp's bylaws provide that special meetings of stockholders may be called by the Chairman of the Board, the President or the Secretary, and shall be called by the Chairman of the Board, the Chief Executive Officer or the Secretary at the request in writing of a majority of PrivateBancorp's board of directors.

CIBC

Under the Bank Act, special meetings of shareholders may be called at any time by the board of directors. In addition, subject to certain provisions of the Bank Act, the holders of not less than 5% of the issued and outstanding shares of CIBC that carry the right to vote at a meeting may request that the directors call a meeting of shareholders for the purpose stated in the request and may call the special meeting if the directors do not do so within 21 days after receiving the request.

Table of Contents

Quorum Requirements

PrivateBancorp

PrivateBancorp's by-laws provide that the holders of a majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at any annual or special meeting of stockholders.

CIBC

The Bank Act permits a bank to establish by by-law the quorum requirement for meetings of shareholders. CIBC's by-laws provide that, a quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled, holding at least 25% of the shares entitled to vote at the meeting.

Shareholder Proposal and Director Nominations

PrivateBancorp

In order to properly bring business before any annual meeting as a PrivateBancorp stockholder, the stockholder must have the legal right and authority to make the proposal for consideration at the meeting and must have given timely notice of the proposal to the Chairman of the Board, the Chief Executive Officer or the Secretary. To be timely, the notice must be received by such person not less than 120 days prior to the meeting. However, in the event that less than 130 days' notice of the date of the meeting is given to stockholders, the stockholder's notice must be received no later than the close of business on the tenth day following the day on which notice of the meeting was mailed or public disclosure of the meeting date was made.

The stockholder's notice must set forth, as to each item of business the stockholder proposes to bring before the annual meeting: (a) a brief description of the business desired to be brought before the meeting, and in the case of a nomination for election of director, such nominee's name and qualifications, and the reasons for conducting business at the meeting, (b) the name and the record address of the stockholder or stockholders proposing such business, (c) the number of shares of stock of PrivateBancorp which are beneficially owned by such stockholder or stockholders, and (d) any material interest of the stockholder in such business.

CIBC

Under the Bank Act, any CIBC shareholder entitled to vote at an annual meeting of shareholders who for at least six months has been the registered holder or beneficial owner of the number of outstanding voting shares of CIBC (i) that is equal to 1% of the total number of voting shares outstanding or (ii) whose fair market value is at least C$2,000 may submit to CIBC notice of any matter that the shareholder proposes to raise at the meeting, and discuss at the meeting any matter in respect of which the shareholder would have been entitled to submit a proposal. If a proposal submitted to CIBC by a shareholder meets the conditions set out in the Bank Act, CIBC is required to include the proposal and, if requested, a statement by the shareholder in support of the proposal in its management proxy circular or to attach such information to its management proxy circular. The statement and the proposal together cannot exceed 500 words. CIBC is not subject to the SEC's rule on inclusion of shareholder proposals and supporting statements in its proxy materials.

A shareholder's proposal that includes nominations for the election of directors must be signed by one or more registered holders or beneficial owners of shares representing in the aggregate not less than 5% of the shares or 5% of the shares of a class of shares of CIBC entitled to vote at the meeting to which the proposal is to be presented.

Table of Contents

Shareholder Action Without a Meeting

PrivateBancorp

PrivateBancorp shareholders have no right to take any action by written consent without a meeting.

CIBC

Under the Bank Act, shareholder action may be taken without a meeting by written resolution signed by all shareholders who would be entitled to vote on the matter at a meeting except in certain circumstances relating to the removal or replacement of a director or the auditor of CIBC. In the case of CIBC, as the Bank Act prohibits any person from being a major shareholder, the voting shares are widely held and it is unlikely that the signatures of all shareholders could be obtained in respect of any resolution.

Amendments of Governing Instruments

PrivateBancorp

In general, the certificate of incorporation may be amended by resolution of the board of directors and approved by (i) the holders of a majority of the outstanding shares entitled to vote thereon and (ii) a majority of the outstanding shares of each class entitled to a class vote thereon, if any. However, under the PrivateBancorp Certificate of Incorporation, the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote thereon is required to amend provisions related to the number of directors or the ability of stockholders to act by written consent.

Under Section 109 of Delaware law, the power to adopt, amend or repeal by-laws belongs to the stockholders; provided, however, that any corporation may, in its certificate of incorporation, confer such power also to its board of directors. The fact that such power has been so conferred upon the directors does not divest the stockholders of the power, nor limit their power to adopt, amend or repeal by-laws.

PrivateBancorp's certificate of incorporation confers the board of directors with the right to make, amend or repeal its by-laws.

CIBC

Under the Bank Act, the by-laws of a bank deal with the share capital of the bank and also regulate the business of affairs of the bank. The board of directors of CIBC may make, amend or repeal any bylaw that regulates the business or affairs of CIBC or in respect of the share capital of CIBC. The CIBC directors must submit a bylaw, or an amendment to or repeal of a bylaw, to the shareholders at the next meeting of shareholders, and the shareholders may, by resolution, confirm or amend the bylaw, amendment or repeal. Generally, a bylaw, or an amendment to or repeal of a bylaw, is effective from the date it is approved by directors until it is rejected or confirmed by the shareholders. However, changes with respect to the share capital by-laws (and changes to increase or decrease the number of directors or the minimum or maximum number of directors, a change to the bank's name or a change of province in which its home office is situated) must be approved by a special resolution passed at a shareholders' meeting with a majority of at least two-thirds of the votes cast at such meeting or by a resolution signed by all the shareholders entitled to vote on that resolution. Additionally, certain changes to the share capital by-laws entitle the holders of each class of shares (and each series of a class, if the shares of that series are affected differently by the amendment from other shares of that class) to vote separately as a class or series, with each share carrying the right to vote whether or not it otherwise carries the right to vote. Additionally, a change to the name of CIBC must also be approved by the Superintendent of Financial Institutions (Canada).

Table of Contents

A shareholder entitled to vote at an annual meeting of shareholders of CIBC may make a proposal to make, amend or repeal a bylaw in accordance with the shareholder proposal requirements of the Bank Act.

Anti-Takeover and Ownership Provisions

PrivateBancorp

Banking Regulations. The Change in Bank Control Act of 1978 prohibits a person or group of persons who are acting in concert from acquiring "control" of a bank holding company (such as PrivateBancorp) unless (i) the acquisition has been approved by the Federal Reserve Board under the BHC Act or (ii) the Federal Reserve Board has been given 60 days' prior written notice of the proposed acquisition and within that time period the Federal Reserve Board has not issued a notice (a) disapproving the proposed acquisition or (b) extending for up to another 30 days the period during which such a disapproval may be issued. In addition, the Federal Reserve Board may extend the period for two additional periods not to exceed 45 days each in certain circumstances. Under a rebuttable presumption established by the Federal Reserve Board, the acquisition by a person or group of persons who are acting in concert of more than 10% of a class of voting stock of a bank holding company with a class of securities registered under Section 12 of the Securities Exchange Act (such as PrivateBancorp) would, under the circumstances set forth in the presumption, constitute the acquisition of control.

In addition, any entity that is a "company" as defined in the BHC Act would be required to obtain the approval of the Federal Reserve Board under the BHC Act before acquiring 25% (5% in the case of an acquirer that is a bank holding company) or more of the outstanding shares of PrivateBancorp common stock, or otherwise obtaining "control" over PrivateBancorp. Under the BHC Act, "control" generally means the ownership, control or power to vote 25% or more of any class of voting securities of the bank holding company, the ability to control in any manner the election of a majority of the bank holding company's directors or the ability, directly or indirectly, to exercise a controlling influence over the management and policies of the bank holding company, as determined by the Federal Reserve Board.

Delaware Law. Section 203 of the DGCL generally prevents a corporation from entering into a "Business Combination" with an "Interested Stockholder" for a period of three years following the time an Interested Stockholder becomes such, unless:

a. prior to such time the board of directors of the corporation has approved such Business Combination or the transaction in which an Interested Stockholder became such;

b. the transaction in which an Interested Stockholder became such resulted in such stockholder owning more than 85% of the corporation's voting stock (subject to certain exclusions); or

c. at or subsequent to the time of the transaction in which an Interested Stockholder becomes such, the Business Combination is approved by the board of directors of the corporation and authorized by $^{2}/_{3}$ of the outstanding voting stock at an annual or special meeting (and not by written consent), excluding the stock owned by the Interested Stockholder.

Under Section 203 of the DGCL, "Business Combination" means, inter alia, (a) merger or consolidation with an Interested Stockholder, (b) sale, exchange or other disposition to or with an Interested Stockholder of 10% or more of the aggregate market value of either the assets on a consolidated basis or the outstanding stock of the corporation and (c) any receipt by an Interested Stockholder of financial benefits (except proportionately as a stockholder) by or through the corporation other than those expressly permitted by Delaware law. Holding company mergers authorized by Section 251(g) of the DGCL are excluded from the definition of "Business

Table of Contents

Combination." "Interested Stockholder" means any person or an affiliate of any such person (other than the corporation or any of its majority-owned subsidiaries) that beneficially (i) owns 15% or more of the outstanding voting stock of the corporation or (ii) owned 15% or more of the outstanding voting stock of the corporation at any time within the previous three years, subject to certain exceptions.

PrivateBancorp has not opted out of Section 203 of the DGCL.

CIBC

The Bank Act contains restrictions on the issue, transfer, acquisition, beneficial ownership and voting of all shares of a chartered bank. Subject to certain exceptions contained in the Bank Act, no person may be a major shareholder of CIBC or have a significant interest in any class of shares of CIBC. See "Description of CIBC Share Capital Limitations Affecting Holders of CIBC Shares."

Rules and policies of certain Canadian securities regulatory authorities contain requirements in connection with "related party transactions." A related party transaction means, generally, any transaction by which an issuer (including CIBC), directly or indirectly, consummates one or more specified transactions with a related party, including purchasing or disposing of an asset, issuing securities and assuming liabilities. The term "related party" includes directors and senior officers of the issuer and holders of voting securities carrying, whether alone or acting jointly or in concert, more than 10% of the voting rights attaching to all issued and outstanding voting securities of the issuer or of a sufficient number of any securities of the issuer to materially affect control of the issuer.

Such rules and policies require more detailed disclosure in the proxy material provided to security holders in connection with a related-party transaction, and, subject to certain exceptions, the preparation of a formal valuation with respect to the subject matter of the related party transaction and any non-cash consideration offered in connection therewith and the inclusion of a summary of the valuation in the proxy material.

Such rules and policies also require that, subject to certain exceptions, an issuer must not engage in a related-party transaction unless approval of the disinterested shareholders of the issuer has been obtained.

The Bank Act prohibits CIBC from entering into any transaction with a related party unless the form of transaction is specifically permitted under the Bank Act. Permitted transactions must generally be on terms and conditions at least as favorable to CIBC as market terms and conditions. Under the Bank Act, related parties include the directors and senior officers of CIBC and their spouses and minor children and other entities with which they may control.

Appraisal and Dissenters' Rights

PrivateBancorp

Holders of PrivateBancorp common stock may, in certain situations, have appraisal or dissenters' rights under Section 262 of the DGCL in connection with a merger or consolidation. For additional information, see the section entitled "The Merger Dissenters' Rights of Appraisal for Holders of PrivateBancorp Common Stock" beginning on page 93 of this proxy statement/prospectus.

CIBC

The only circumstance under which the Bank Act extends appraisal or dissenters' rights to shareholders is in respect of a compulsory acquisition of shares following a takeover bid through which an acquiror has acquired not less than 90% of the shares of the class that were the subject of the bid or as part of a going-private or squeeze-out transaction. Due to the ownership restrictions applicable to CIBC under the Bank Act, the shares of CIBC may not be the subject of a takeover bid, going private

Table of Contents

or squeeze-out transaction. See "Description of CIBC Share Capital Limitations Affecting Holders of CIBC Shares."

Dividends and Other Distributions and Liquidation

PrivateBancorp

The PrivateBancorp board may, from time to time, authorize or declare dividends or other distributions in accordance with the DGCL.

Under Section 170 of the DGCL, the directors of every corporation, subject to any restrictions contained in its certificate of incorporation, may declare and pay dividends upon the shares of its capital stock either:

(1) out of its surplus; or

(2) in case there shall be no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year.

CIBC

Under the Bank Act, holders of CIBC common shares are entitled to receive dividends declared on each CIBC common share held. The rates and amounts of preferential dividends attached to any series of Class A preferred shares or Class B preferred shares are fixed and set forth in the rights, privileges, restrictions and conditions attached to the respective series at the time of issuance of each series of Class A preferred shares or Class B preferred shares. The directors of CIBC may not declare, and CIBC may not pay, a dividend if there are reasonable grounds for believing that the payment would cause CIBC to be in contravention of the capital adequacy and liquidity regulations of the Bank Act or any guideline or direction of the Superintendent of Financial Institutions (Canada) respecting the maintenance of adequate capital and liquidity.

Under the Bank Act, CIBC may pay dividends in money or in property or by the issue of shares of CIBC or options or rights to acquire fully paid shares of CIBC. The directors of a bank shall notify the Superintendent of Financial Institutions (Canada) of the declaration of a dividend at least 15 days before the day fixed for its payment.

Under CIBC's by-laws, Class A preferred shares of each series are entitled to preference over Class B preferred shares and CIBC common shares, and Class B preferred shares of each series are entitled to preference over CIBC common shares with respect to the payment of dividends and the distribution of the assets of CIBC among its shareholders in the event of liquidation, dissolution or winding up of CIBC. See "Description of CIBC Shares."

Table of Contents

ABOUT THIS PROXY STATEMENT/PROSPECTUS

Neither CIBC nor PrivateBancorp has authorized anyone to give any information or make any representation about the merger that is different from, or in addition to, that contained in this proxy statement/prospectus or in any of the materials that are incorporated by reference in this proxy statement/prospectus. Therefore, if anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this proxy statement/prospectus are unlawful, or if you are a person to whom it is unlawful to make these types of offers, then the offer presented in this proxy statement/prospectus does not extend to you. The information contained in this proxy statement/prospectus speaks only as of the date of this proxy statement/prospectus unless the information specifically indicates that another date applies.

References in this proxy statement/prospectus to "CIBC" refer to Canadian Imperial Bank of Commerce, a Schedule I Bank under the Bank Act (Canada), and, unless the context otherwise requires, to its affiliates (which does not include PrivateBancorp). References in this proxy statement/prospectus to "PrivateBancorp" refer to PrivateBancorp, Inc., a Delaware corporation, and, unless the context otherwise requires, to its affiliates (which does not include CIBC).

References in this proxy statement/prospectus to "U.S. dollars," "$," "US$" or "USD" are to the lawful currency of the United States of America, and references to "C$," "Canadian dollars" or "CAD" are to Canadian dollars; references to the "United States" or to "US" are to the United States of America.

Information contained in this proxy statement/prospectus regarding CIBC has been provided by CIBC and information contained in this proxy statement/prospectus regarding PrivateBancorp has been provided by PrivateBancorp.

CIBC MARKET ACTIVITIES INVOLVING CIBC COMMON SHARES

Since the announcement of the merger, CIBC and certain of its affiliates have engaged, and intend to continue to engage throughout the proxy solicitation period, in various market making, derivatives and structured notes hedging, brokerage and facilitation trading, asset management, index-related adjustments, investment fund management, plan-related activities, banking-related activities, estates and trusts services, custody-related activities and stock borrowing, lending and taking of collateral, involving CIBC common shares outside the United States (and, to a limited extent, within the United States). Among other things, CIBC or one or more of its affiliates intends to engage in trades in CIBC common shares and/or related derivatives for its own account and the accounts of its clients (and, to the extent described below, its employees) for the purpose of hedging their positions established in connection with the trading of certain derivatives relating to CIBC common shares, hedging CIBC's economic exposure arising from the issuance of structured notes, hedging CIBC's exposure in respect of positions in its market making obligations related to certain exchange traded funds, effecting brokerage transactions for its clients and other client facilitation transactions in respect of CIBC common shares, and effecting delivery of CIBC common shares as required pursuant to certain of CIBC's pension, benefit, incentive, compensation or other similar plans for employees. Further, certain of CIBC's asset management affiliates may buy and sell CIBC common shares, or ETFs, funds or indices including CIBC common shares, outside the United States (and, in the case of certain asset management activities, within the United States) as part of their ordinary, discretionary investment management activities on behalf of their clients or publicly traded funds managed by them. Certain of CIBC's affiliates may continue to (a) engage in the marketing and sale to clients of funds that include CIBC common shares, providing investment advice and financial planning guidance to clients that may include information about CIBC common shares, (b) transact in CIBC common shares as trustees and/or personal representatives of trusts and estates, (c) provide custody services relating to the CIBC

Table of Contents

common shares, (d) engage in the borrowing and lending of CIBC common shares, as well as accepting CIBC common shares as collateral for loans, and (e) buy and sell CIBC common shares in connection with CIBC's normal course issuer bid. These activities occur both outside and inside the United States and the transactions in CIBC common shares may be effected on the TSX, the NYSE, other exchanges or alternative trading systems and in the over-the-counter market. The foregoing activities could have the effect of influencing the market price of CIBC common shares. CIBC has applied for certain exemptive relief from the SEC in relation to Regulation M under the Securities Exchange Act and from the Ontario Securities Commission in relation to OSC Rule 48-501 Trading During Distributions, Formal Bids And Share Exchange Transactions, in order to permit CIBC and certain of its affiliates to engage in the foregoing activities in the ordinary course during the proxy solicitation period.

VALIDITY OF CIBC COMMON SHARES

The validity of the CIBC common shares to be issued in connection with the merger has been passed upon for CIBC by Torys LLP (Toronto, Ontario, Canada). CIBC is being advised as to matters of U.S. law in respect of the merger by Mayer Brown LLP.

EXPERTS

The consolidated financial statements of PrivateBancorp, Inc. appearing in PrivateBancorp, Inc.'s Annual Report (Form 10-K) for the year ended December 31, 2015, and the effectiveness of PrivateBancorp, Inc.'s internal control over financial reporting as of December 31, 2015 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of CIBC as at October 31, 2015 and 2014 and for the years ended October 31, 2015, 2014 and 2013 incorporated in this proxy statement/prospectus from CIBC's annual report on Form 40-F for the year ended October 31, 2015 and the effectiveness of internal control over financial reporting of CIBC as of October 31, 2015, have been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their reports which are incorporated by reference. Such consolidated financial statements have been so incorporated herein by reference in reliance upon the reports given upon their authority as experts in accounting and auditing.

With respect to the unaudited condensed consolidated interim financial information of PrivateBancorp, Inc. for the three-month periods ended March 31, 2016 and March 31, 2015, and the three- and six-month periods ended June 30, 2016 and June 30, 2015, incorporated by reference in this Preliminary Prospectus, Ernst & Young LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate reports dated May 5, 2016, and August 8, 2016, included in PrivateBancorp, Inc.'s Quarterly Report on Form 10-Q for the quarters ended March 31, 2016, and June 30, 2016, respectively, and incorporated by reference herein, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Ernst & Young LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 (the "Act") for their report on the unaudited interim financial information because that report is not a "report" or a "part" of the Registration Statement prepared or certified by Ernst & Young LLP within the meaning of Sections 7 and 11 of the Act.

Table of Contents

OTHER MATTERS

As of the date of this proxy statement/prospectus, PrivateBancorp's board of directors knows of no matters that will be presented for consideration at the special meeting other than as described in this proxy statement/prospectus. If any other matters properly come before stockholders at the special meeting, or any adjournment or postponement of the meeting, and are voted upon, the enclosed proxy will be deemed to confer discretionary authority on the individuals that it names as proxies to vote the shares represented by the proxy as to any of these matters. The individuals named as proxies intend to vote in accordance with the recommendation of PrivateBancorp's board of directors.

SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

PrivateBancorp

PrivateBancorp does not anticipate holding a 2017 annual meeting of shareholders if the merger is completed in the first calendar quarter of 2017, as currently expected. In the event that the merger is not completed on the expected time frame, or at all, PrivateBancorp may hold a 2017 annual meeting. Any shareholder nominations or proposals for other business intended to be presented at PrivateBancorp's next annual meeting must be submitted to PrivateBancorp as set forth below.

If a stockholder seeks to have a proposal considered for inclusion in the Company's proxy statement and proxy card for our 2017 annual meeting pursuant to Rule 14a-8 under the Securities Exchange Act, the required notice under Rule 14a-8 must be received by December 9, 2016 by our Corporate Secretary at our executive offices at 120 South LaSalle Street, Chicago, Illinois 60603. Any such proposal will be subject to the requirements of Rule 14a-8.

PrivateBancorp's by-laws establish advance notice procedures as to (i) business to be brought before an annual meeting of stockholders other than by or at the direction of the PrivateBancorp board of directors, and (ii) the nomination, other than by or at the direction of the PrivateBancorp board of directors, of candidates for election as directors. Under the Company's by-laws, nominations for director or other business proposals to be addressed at PrivateBancorp's 2017 annual meeting may have been made by a stockholder entitled to vote who delivered a notice to the Chairman of the Board, Chief Executive or Secretary of PrivateBancorp that was received no later than 120 days prior to the meeting; provided, however, that if less than 130 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, to be timely a stockholder's notice must be received by the close of business on the tenth day following the day on which notice of the day of the annual meeting was mailed or such public disclosure was made. The notice must have contained the information and followed the procedures required by the by-laws. Copies of PrivateBancorp's by-laws may be obtained by written request addressed to the Secretary at PrivateBancorp's principal executive offices.

CIBC

Any CIBC shareholder who intends to submit a proposal for inclusion in the management proxy circular for the 2017 annual meeting of CIBC must submit the proposal to the Corporate Secretary of CIBC by November 18, 2016 at CIBC's head office located at 199 Bay Street, Commerce Court West, Suite 4460, Toronto, Ontario M5L 1A2. Any CIBC shareholder who intended to submit a proposal for inclusion in the management proxy circular for the 2016 annual meeting of CIBC must have already submitted such a proposal to CIBC by November 28, 2016.

Proposals by shareholders of a bank may be made by certain registered or beneficial holders of shares that are entitled to vote at an annual meeting of shareholders. To be eligible to submit any shareholder proposal, a shareholder must satisfy certain eligibility criteria set forth in the Bank Act. Under the Bank Act, shareholder proposals may only be submitted at annual meetings of shareholders.

Table of Contents

A shareholder eligible to submit a proposal and entitled to vote at an annual meeting of shareholders may submit to CIBC notice of any matter that the shareholder proposes to raise at the meeting provided that, among other things, the proposal is submitted to CIBC at least 90 days before the anniversary date of the notice of meeting that was sent to shareholders in respect of CIBC's previous annual meeting of shareholders. The written proposal must contain certain information about the proposal and the shareholder making the proposal and otherwise comply with the procedures set forth in the Bank Act.

Under the Bank Act, in order for a shareholder proposal to include nominations of candidates for election to CIBC's board of directors, it must be signed by holders of not less than 5% of the issued and outstanding shares or 5% of the issued and outstanding shares of a class of shares entitled to vote at the meeting at which the proposal is to be presented, and such shareholders must have held such shares for at least the six-month period immediately preceding the day on which the proposal was submitted.

WHERE YOU CAN FIND MORE INFORMATION

PrivateBancorp files reports, proxy statements and other information with the SEC as required under the Exchange Act. CIBC files or furnishes annual reports, current reports and other information with the SEC under the Exchange Act. As CIBC is a "foreign private issuer," under the rules adopted under the Exchange Act it is exempt from certain of the requirements of the Exchange Act, including the proxy and information provisions of Section 14 of the Exchange Act and the reporting and liability provisions applicable to officers, directors and significant shareholders under Section 16 of the Exchange Act.

You may read and copy any reports, statements or other information filed by CIBC or PrivateBancorp at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates, or from commercial document retrieval services.

The SEC maintains a website that contains reports, proxy statements and other information, including those filed by CIBC and PrivateBancorp, at *www.sec.gov*. You may also access the SEC filings and obtain other information about CIBC and PrivateBancorp through the websites maintained by CIBC and PrivateBancorp at www.cibc.com and www.theprivatebank.com, respectively. The information contained in those websites is not incorporated by reference in, or in any way part of, this proxy statement/prospectus.

CIBC files reports, statements and other information with the Canadian provincial and territorial securities administrators. CIBC filings are also electronically available to the public from the Canadian System for Electronic Document Analysis and Retrieval, the Canadian equivalent of the SEC's EDGAR system, at www.sedar.com.

CIBC has filed a registration statement on Form F-4 to register with the SEC the CIBC common shares to be issued in connection with the merger. This document is a part of that registration statement and constitutes the prospectus of CIBC in addition to being a proxy statement for the PrivateBancorp common stockholders.

Incorporation of Certain Documents by Reference

As allowed by SEC rules, this proxy statement/prospectus does not contain all the information you can find in the registration statement on Form F-4 filed by CIBC and the exhibits to the registration statement. In addition, the SEC allows CIBC and PrivateBancorp to "incorporate by reference"

Table of Contents

information into this proxy statement/prospectus, which means that CIBC and PrivateBancorp can disclose important information to you by referring you to other documents filed separately with the SEC. The information incorporated by reference is deemed to be part of this proxy statement/prospectus, except for any information superseded by information included directly in this proxy statement/prospectus. This proxy statement/prospectus incorporates by reference the documents set forth below that CIBC and PrivateBancorp have previously filed with the SEC, in each case to the extent filed and not furnished. These documents contain important information about the companies and their financial condition.

CIBC Filings with the SEC (File No. 1-14678)	**Period and/or Filing Date**
Annual Report on Form 40-F	Year ended October 31, 2015, as filed December 3, 2015
Report of Foreign Private Issuer on Form 6-K	Filed July 6, 2016
Report of Foreign Private Issuer on Form 6-K	Filed June 29, 2016
Report of Foreign Private Issuer on Form 6-K	Quarter ended April 30, 2016, as filed May 26, 2016
Report of Foreign Private Issuer on Form 6-K	Filed May 26, 2016
Report of Foreign Private Issuer on Form 6-K	Quarter ended January 31, 2016, as filed February 25, 2016
Report of Foreign Private Issuer on Form 6-K	Filed February 25, 2016

PrivateBancorp Filings with the SEC (File No. 001-34066)	**Period and/or Filing Date**
Annual Report on Form 10-K	Year ended December 31, 2015, as filed February 26, 2016
Quarterly Report on Form 10-Q	Quarter ended March 31, 2016, as filed May 5, 2016
Quarterly Report on Form 10-Q	Quarter ended June 30, 2016, as filed August 8, 2016
Current Report on Form 8-K	Filed July 6, 2016
Current Report on Form 8-K	Filed May 29, 2016
Current Report on Form 8-K*	Filed May 19, 2016

*
with respect to Item 5.07 only.

Notwithstanding the foregoing, information furnished by PrivateBancorp or CIBC on any Current Report on Form 8-K or Report of Foreign Private Issuer on Form 6-k, including the related exhibits, that, pursuant to and in accordance with the rules and regulations of the SEC, is deemed furnished and not filed for purposes of the Exchange Act will not be deemed to be incorporated by reference into this proxy statement/prospectus.

All documents filed by CIBC and PrivateBancorp under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this proxy statement/prospectus to the completion of the offering will also be deemed to be incorporated into this proxy statement/prospectus by reference other than the portions of those documents not deemed to be filed. These documents include periodic reports, such as Annual Reports on Form 10-K and 40-F, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and, to the extent, if any, CIBC designates therein that they are so incorporated, Reports of Foreign Private Issuer on Form 6-K that CIBC furnishes to the SEC.

In addition, the description of CIBC common shares contained in CIBC's registration statements under Section 12 of the Exchange Act is incorporated by reference.

Table of Contents

You may also obtain copies of any document incorporated in this proxy statement/prospectus, without charge, by requesting them in writing or by telephone from the appropriate company at the following addresses.

PRIVATEBANCORP, INC.
120 SOUTH LASALLE STREET
CHICAGO, ILLINOIS 60603
ATTENTION: CORPORATE SECRETARY
TELEPHONE: (312) 564-2000

CANADIAN IMPERIAL BANK OF COMMERCE
COMMERCE COURT
TORONTO, ONTARIO
CANADA, M5L 1A2
ATTENTION: CORPORATE SECRETARY
TELEPHONE: (416) 980-2211

If you would like to request documents, please do so by [•], 2016 to receive them before the special meeting. If you request any incorporated documents from us, we will mail them to you by first class mail, or another equally prompt means, within one business day after we receive your request.

Table of Contents

AGREEMENT AND PLAN OF MERGER

by and among

CANADIAN IMPERIAL BANK OF COMMERCE,

PRIVATEBANCORP, INC.

and

CIBC HOLDCO INC.

Dated as of June 29, 2016

Table of Contents

TABLE OF CONTENTS

		Page
ARTICLE I THE MERGER		A-1
1.1	The Merger	A-1
1.2	Closing	A-1
1.3	Effective Time	A-1
1.4	Effects of the Merger	A-2
1.5	Conversion of Company Common Stock	A-2
1.6	Parent Common Shares	A-2
1.7	Surviving Corporation Common Stock	A-2
1.8	Treatment of Company Equity Awards	A-3
1.9	Certificate of Incorporation and Bylaws of the Surviving Corporation	A-5
1.10	Tax Consequences	A-5
ARTICLE II DELIVERY OF MERGER CONSIDERATION		A-5
2.1	Exchange Agent	A-5
2.2	Appraisal Rights	A-6
2.3	Exchange Procedures	A-6
ARTICLE III REPRESENTATIONS AND WARRANTIES OF COMPANY		A-8
3.1	Corporate Organization	A-8
3.2	Capitalization	A-10
3.3	Authority; No Violation	A-11
3.4	Consents and Approvals	A-12
3.5	Reports	A-12
3.6	Financial Statements	A-13
3.7	Broker's Fees	A-14
3.8	Absence of Certain Changes or Events	A-14
3.9	Legal and Regulatory Proceedings	A-15
3.10	Taxes and Tax Returns	A-15
3.11	Employees	A-16

3.12	Compliance with Applicable Law	A-19
3.13	Certain Contracts	A-20
3.14	Agreements with Regulatory Agencies	A-21
3.15	Risk Management Instruments	A-21
3.16	Environmental Matters	A-22

Table of Contents

		Page
3.17	Investment Securities	A-22
3.18	Properties	A-22
3.19	Intellectual Property	A-23
3.20	Related Party Transactions	A-24
3.21	State Takeover Laws	A-24
3.22	Reorganization	A-24
3.23	Opinion	A-24
3.24	Company Information	A-25
3.25	Loan Portfolio	A-25
3.26	Insurance	A-26
3.27	Books and Records	A-26
3.28	No Other Representations or Warranties	A-26
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PARENT AND HOLDCO		A-27
4.1	Corporate Organization	A-27
4.2	Capitalization	A-27
4.3	Authority; No Violation	A-28
4.4	Consents and Approvals	A-28
4.5	Reports	A-29
4.6	Financial Statements	A-29
4.7	Broker's Fees	A-31
4.8	Absence of Certain Changes or Events	A-31
4.9	Legal and Regulatory Proceedings	A-31
4.10	Compliance with Applicable Law	A-31
4.11	Reorganization	A-32
4.12	Parent Information	A-32
4.13	Financing	A-32
4.14	Agreements with Regulatory Agencies	A-32
4.15	Books and Records	A-33
4.16	No Other Representations or Warranties	A-33

ARTICLE V COVENANTS RELATING TO CONDUCT OF BUSINESS A-33
5.1 Conduct of Business of Company Prior to the Effective Time A-33
5.2 Company Forbearances A-33
5.3 Parent and Holdco Forbearances A-36

Table of Contents

		Page
ARTICLE VI ADDITIONAL AGREEMENTS		A-36
6.1	Regulatory Matters	A-36
6.2	Access to Information	A-38
6.3	Company Stockholder Approval	A-39
6.4	Legal Conditions to Merger	A-40
6.5	Stock Exchange Listing	A-40
6.6	Employee Benefit Plans	A-40
6.7	Indemnification; Directors' and Officers' Insurance	A-42
6.8	Additional Agreements	A-43
6.9	Advice of Changes	A-43
6.10	Acquisition Proposals	A-43
6.11	Public Announcements	A-45
6.12	Change of Method	A-45
6.13	Restructuring Efforts	A-45
6.14	Takeover Statutes	A-45
6.15	Exemption from Liability Under Section 16(b)	A-45
6.16	Litigation and Claims	A-46
6.17	Company Debt	A-46
6.18	Financial Statements and Other Current Information	A-46
6.19	Company Dividends	A-46
6.20	Corporate Governance	A-46
6.21	Company Intellectual Property	A-47
ARTICLE VII CONDITIONS PRECEDENT		A-47
7.1	Conditions to Each Party's Obligation to Effect the Merger	A-47
7.2	Conditions to Obligations of Parent and Holdco	A-48
7.3	Conditions to Obligations of Company	A-49
ARTICLE VIII TERMINATION AND AMENDMENT		A-50
8.1	Termination	A-50
8.2	Effect of Termination	A-51

ARTICLE IX GENERAL PROVISIONS A-52
9.1 Non-survival of Representations, Warranties and Agreements A-52
9.2 Amendment A-52
9.3 Extension; Waiver A-52

Table of Contents

		Page
9.4	Expenses	A-52
9.5	Notices	A-52
9.6	Interpretation	A-54
9.7	Counterparts	A-54
9.8	Entire Agreement	A-54
9.9	Governing Law; Jurisdiction	A-55
9.10	Waiver of Jury Trial	A-55
9.11	Assignment; Third Party Beneficiaries	A-55
9.12	Specific Performance	A-56
9.13	Severability	A-56
9.14	Delivery by Facsimile or Electronic Transmission	A-56

Table of Contents

INDEX OF DEFINED TERMS

Acquisition Proposal	52
Adjusted Performance Share Unit Award	4
Adjusted Restricted Stock Award	4
Adjusted Restricted Stock Unit Award	4
Adjusted Stock Option	3
affiliate	64
Agreement	1
Anti-Corruption Laws	23
Anti-Money Laundering Laws	23
BHC Act	10
business day	64
Canadian GAAP	35
Certificate of Merger	2
Chosen Courts	65
Closing	1
Closing Date	2
Code	1
Company	1
Company Bank	23
Company Benefit Plans	19
Company Bylaws	11
Company Certificate	11
Company Common Stock	2
Company Contract	24
Company Debentures	54
Company Director	55
Company Disclosure Schedule	9
Company Equity Awards	6
Company ERISA Affiliate	19
Company Indemnified Parties	49
Company Meeting	46
Company Performance Share Unit Award	4
Company Qualified Plans	20
Company Regulatory Agreement	25
Company Restricted Stock Award	4
Company Restricted Stock Unit Award	4
Company SEC Reports	15
Company Severance Plan	48
Company Stock Option	3
Company Stock Plans	3
Company Subsidiary	11
Confidentiality Agreement	46
Continuation Period	48
Continuing Employee	48
Copyrights	28
Deferred Compensation Plan	5
Deferred Unit	5
Delaware Secretary	2
Derivative Contracts	25

Table of Contents

DGCL	1
Dissenting Shares	7
Dissenting Stockholder	7
dollars	64
Effective Time	2
Enforceability Exceptions	13
Environmental Laws	26
Equity Award Exchange Ratio	3
ERISA	19
Exception Shares	2
Exchange Act	14
Exchange Agent	6
Exchange Fund	6
Exchange Ratio	2
F-4	14
FDIC	11
Federal Reserve Board	14
GAAP	10
Governmental Entity	14
Holdco	1
HSR Act	14
IFRS	10
Intellectual Property	28
IRS	18
knowledge	64
Leased Properties	27
Liens	13
Loans	30
made available	64
Material Adverse Effect	10
Materially Burdensome Regulatory Condition	45
Merger	1
Merger Consideration	2
Multiemployer Plan	21
Multiple Employer Plan	21
New Certificates	6
New Plans	48
NYSE	14
Old Certificate	2
OSFI	14
Owned Properties	27
Parent	1
Parent Capitalization Date	32
Parent Common Shares	2
Parent Disclosure Schedule	31
Parent Preferred Shares	32
Parent Regulatory Agreement	38
Parent SEC Reports	34
Parent Share Closing Price	9
Parent Stock Plans	32
Patents	28

Table of Contents

Per Share Cash Consideration	2
Per Unit Total Consideration	4
Permitted Encumbrances	27
Premium Cap	50
Proxy Statement	14
Real Property	27
Registered Intellectual Property	28
Registered Owned Intellectual Property	28
Regulatory Agencies	14
Representatives	51
Requisite Company Vote	13
Requisite Regulatory Approvals	56
Sanctioned Country	23
Sanctions	23
Sarbanes-Oxley Act	16
SEC	14
Securities Act	15
Severance Continuation Period	48
SRO	14
Subsidiary	11
Superior Proposal	52
Surviving Corporation	1
Systems	27
Takeover Statutes	29
Tax	19
Tax Return	19
Taxes	19
Termination Date	59
Termination Fee	60
Trademarks	28
TSX	14

Table of Contents

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of June 29, 2016 (this "*Agreement*"), by and among CANADIAN IMPERIAL BANK OF COMMERCE, a Canadian chartered bank ("*Parent*"), PRIVATEBANCORP, INC., a Delaware corporation ("*Company*"), and CIBC HOLDCO INC., a Delaware corporation and a direct, wholly owned subsidiary of Parent ("*Holdco*").

W I T N E S S E T H:

WHEREAS, the Boards of Directors of Parent, Company and Holdco have determined that it is in the best interests of their respective companies and their shareholders to consummate the strategic business combination transaction provided for herein, pursuant to which Company will, subject to the terms and conditions set forth herein, merge with and into Holdco (the "*Merger*"), so that Holdco is the surviving corporation (hereinafter sometimes referred to in such capacity as the "*Surviving Corporation*") in the Merger;

WHEREAS, for Federal income tax purposes, it is intended that the Merger shall qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and this Agreement is intended to be and is adopted as a plan of reorganization for purposes of Sections 354 and 361 of the Code;

WHEREAS, as an inducement to and condition of Parent's willingness to enter into this Agreement, concurrently with the entry of the parties into this Agreement, Larry D. Richman is entering into an employment agreement with Parent; and

WHEREAS, the parties desire to make certain representations, warranties and agreements in connection with the Merger and also to prescribe certain conditions to the Merger.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

THE MERGER

1.1 *The Merger.* Subject to the terms and conditions of this Agreement, in accordance with the Delaware General Corporation Law (the "*DGCL*"), at the Effective Time, Company shall merge with and into Holdco. Holdco shall be the Surviving Corporation in the Merger, and shall continue its corporate existence under the laws of the State of Delaware. Upon consummation of the Merger, the separate corporate existence of Company shall terminate.

1.2 *Closing.* Subject to the terms and conditions of this Agreement, the closing of the Merger (the "*Closing*") will take place at 10:00 a.m., New York City time, at the offices of Mayer Brown LLP, on a date which shall be no later than three (3) business days after the satisfaction or waiver (subject to applicable law) of the latest to occur of the conditions set forth in Article VII hereof (other than those conditions that by their nature can only be satisfied at the Closing, but subject to the satisfaction or waiver thereof) unless another date, time or place is agreed to in writing by Parent and Company. The date on which the Closing occurs is referred to in this Agreement as the "*Closing Date*".

1.3 *Effective Time.* Subject to the terms and conditions of this Agreement, on or before the Closing Date, Parent shall cause to be filed with the Secretary of State of the State of Delaware (the "*Delaware Secretary*") a certificate of merger (the "*Certificate of Merger*"), as provided in Section 251 of the DGCL. The Merger shall become effective as of the date and time specified in the Certificate of Merger (such date and time, the "*Effective Time*").

Table of Contents

1.4 *Effects of the Merger.* At and after the Effective Time, the Merger shall have the effects set forth in the applicable provisions of the DGCL.

1.5 *Conversion of Company Common Stock.* At the Effective Time, by virtue of the Merger and without any action on the part of Parent, Holdco, Company or the holder of any of the following securities:

(a) Each share of the common stock, without par value, of Company issued and outstanding immediately prior to the Effective Time (the "*Company Common Stock*") (except for (x) shares of Company Common Stock owned by Company as treasury stock or owned by Company or Parent (in each case other than shares of Company Common Stock (A) held in any Company Benefit Plans or related trust accounts, managed accounts, mutual funds and the like, or otherwise held in a fiduciary or agency capacity or (B) held, directly or indirectly, in respect of a debt previously contracted (collectively, the "*Exception Shares*")), (y) Dissenting Shares and (z) Company Restricted Share Awards) shall be converted, in accordance with the procedures set forth in this Agreement, into the right to receive without interest, (i) 0.3657 common shares (the "*Exchange Ratio*") of Parent (the "*Parent Common Shares*") and (ii) $18.80 in cash (the "*Per Share Cash Consideration*") (the consideration described in clauses (i) and (ii), the "*Merger Consideration*").

(b) All the shares of Company Common Stock converted into the right to receive the Merger Consideration pursuant to this Article I shall no longer be outstanding and shall automatically be cancelled and shall cease to exist as of the Effective Time, and each certificate (each, an "*Old Certificate*", it being understood that any reference herein to "Old Certificate" shall be deemed to include reference to book-entry account statements relating to the ownership of shares of Company Common Stock) previously representing any such shares of Company Common Stock shall thereafter represent only the right to receive (i) the Merger Consideration, (ii) cash in lieu of fractional shares which the shares of Company Common Stock represented by such Old Certificate have been converted into the right to receive pursuant to this Section 1.5 and Section 2.3(e), without any interest thereon, and (iii) any dividends or distributions which the holder thereof has the right to receive pursuant to Section 2.3(b). If, prior to the Effective Time, the outstanding Parent Common Shares shall have been increased, decreased, or changed into or exchanged for a different number or kind of shares or securities, in any such case as a result of a reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, or other similar change in capitalization, or there shall be any extraordinary dividend or distribution, an appropriate and proportionate adjustment shall be made to the Merger Consideration to give holders of Company Common Stock the same economic effect as contemplated by this Agreement prior to such event.

(c) Notwithstanding anything in this Agreement to the contrary, at the Effective Time, all shares of Company Common Stock that are owned by Company or Parent (in each case other than the Exception Shares) shall be cancelled and shall cease to exist and neither the Merger Consideration nor any other consideration shall be delivered in exchange therefor.

1.6 *Parent Common Shares.* At and after the Effective Time, each Parent Common Share issued and outstanding immediately prior to the Effective Time shall remain an issued and outstanding share of common stock of the Parent and shall not be affected by the Merger.

1.7 *Surviving Corporation Common Stock.* At and after the Effective Time, each share of the common stock of Holdco issued and outstanding immediately prior to the Effective Time shall remain an issued and outstanding share of common stock of the Surviving Corporation and shall not be affected by the Merger.

Table of Contents

1.8 *Treatment of Company Equity Awards*.

(a) At the Effective Time, each option to purchase shares of Company Common Stock granted by Company under a Company Stock Plan (as defined below) that is outstanding and unexercised immediately prior to the Effective Time (a "*Company Stock Option*") shall be converted automatically into an option (an "*Adjusted Stock Option*") to purchase, on the same terms and conditions as were applicable under such Company Stock Option immediately prior to the Effective Time (including vesting terms), the number of Parent Common Shares (rounded down to the nearest whole number of shares) equal to the product of (i) the number of shares of Company Common Stock subject to such Company Stock Option immediately prior to the Effective Time, multiplied by (ii) the sum of (A) the Exchange Ratio and (B) the quotient (rounded to four decimal places) obtained by dividing (x) the Per Share Cash Consideration by (y) the Parent Share Closing Price (clause (ii) hereof, the "*Equity Award Exchange Ratio*"), which Adjusted Stock Option shall have an exercise price per Parent Common Share equal to the quotient (rounded up to the nearest whole cent) obtained by dividing (1) the exercise price per share of Company Common Stock subject to such Company Stock Option immediately prior to the Effective Time, by (2) the Equity Award Exchange Ratio. For purposes of this Agreement, "*Company Stock Plans*" means the Company Incentive Compensation Plan, the Company Strategic Long-Term Incentive Plan, the Company 2007 Long-Term Incentive Compensation Plan, and the Company Amended and Restated 2011 Incentive Compensation Plan.

(b) At the Effective Time, each award of shares of Company Common Stock subject to vesting, repurchase or other lapse restriction granted under a Company Stock Plan that is outstanding and unvested immediately prior to the Effective Time (a "*Company Restricted Stock Award*") shall be cancelled and replaced with a restricted stock award of Parent Common Shares (an "*Adjusted Restricted Stock Award*") with the same terms and conditions as were applicable under such Company Restricted Stock Award immediately prior to the Effective Time (including vesting terms), and relating to the number of Parent Common Shares equal to the product of (i) the number of shares of Company Common Stock subject to such Company Restricted Stock Award immediately prior to the Effective Time, multiplied by (ii) the Equity Award Exchange Ratio, with any fractional shares rounded to the next whole number of shares.

(c) At the Effective Time, each restricted stock unit award in respect of shares of Company Common Stock granted under a Company Stock Plan that is outstanding immediately prior to the Effective Time (a "*Company Restricted Stock Unit Award*") shall (i) if unvested, be converted automatically into a cash-settled restricted stock unit award (an "*Adjusted Restricted Stock Unit Award*") with the same terms and conditions as were applicable under such Company Restricted Stock Unit Award immediately prior to the Effective Time (including vesting terms), except that settlement shall be in the form of a cash payment equal to the fair market value (determined under the methodology used by Parent for determining fair market value for employee equity awards generally) of the Parent Common Shares to which the award relates, and relating to the number of Parent Common Shares equal to the product (taken to the fourth decimal place) of (A) the number of shares of Company Common Stock subject to such Company Restricted Stock Unit Award immediately prior to the Effective Time, multiplied by (B) the Equity Award Exchange Ratio, or (ii) if vested (including for this purpose all Company Restricted Stock Unit Awards held by non-employee directors, whether or not vested as of date hereof, all of which shall be vested and settled within ten (10) days after the Effective Time pursuant to this clause (ii)), be cancelled and converted automatically into the right to receive, as soon as reasonably practicable (but not later than ten (10) days) after the Effective Time, (A) a cash payment equal to the sum of (1) the Per Share Cash Consideration plus (2) the product of the Exchange Ratio multiplied by the Parent Share Closing Price (such sum, the "*Per Unit Total Consideration*") (without interest and less applicable Tax withholding) in respect of each share of Company Common Stock underlying

Table of Contents

such Company Restricted Stock Unit Award and (B) a cash payment equal to all dividend equivalents accumulated with respect to such Company Restricted Stock Unit Award that have not been paid prior to the Effective Time; *provided*, that if the terms of any such vested Company Restricted Stock Unit Award do not provide for settlement upon a change in control, such vested Company Restricted Stock Unit Award shall instead be converted into an Adjusted Restricted Stock Unit Award pursuant to clause (i) above and shall be settled at the earliest time provided by its terms as is consistent with Section 409A of the Code. For purposes of the preceding sentence, each vested Company Restricted Stock Unit Award for which settlement was delayed for the purpose of avoiding a loss of deduction pursuant to Section 162(m) of the Code shall be treated as providing for settlement upon a change in control.

(d) At the Effective Time, each performance share unit award in respect of shares of Company Common Stock granted under a Company Stock Plan that is outstanding immediately prior to the Effective Time (a "*Company Performance Share Unit Award*") shall (i) if unvested, be converted automatically into a cash-settled restricted stock unit award (an "*Adjusted Performance Share Unit Award*") with the same terms and conditions as were applicable under such Company Performance Share Unit Award immediately prior to the Effective Time (except that such Adjusted Performance Share Unit Award shall be subject solely to time based vesting and settlement shall be in the form of a cash payment equal to the fair market value (determined under the methodology used by Parent for determining fair market value for employee equity awards generally) of the Parent Common Shares to which the award relates), and relating to the number of Parent Common Shares equal to the product (taken to the fourth decimal place) of (A) the number of shares of Company Common Stock subject to such Company Performance Share Unit Award immediately prior to the Effective Time, multiplied by (B) the Equity Award Exchange Ratio, or (ii) if vested, be cancelled and converted automatically into the right to receive, as soon as reasonably practicable (but not later than ten (10) days) after the Effective Time, (A) a cash payment equal to the Per Unit Total Consideration (without interest and less applicable Tax withholding) in respect of each share of Company Common Stock underlying such Company Performance Share Unit Award and (B) a cash payment equal to all dividend equivalents accumulated with respect to such Company Performance Share Unit Award that have not been paid prior to the Effective Time; *provided*, that if the terms of any such vested Company Performance Share Unit Award do not provide for settlement upon a change in control, such vested Company Performance Share Unit Award shall instead be converted into an Adjusted Performance Share Unit Award pursuant to clause (i) above and shall be settled at the earliest time provided by its terms as is consistent with Section 409A of the Code. For all purposes of this Section 1.8(d), the number of shares of Company Common Stock subject to each Performance Share Unit Award that was granted in 2014, 2015 or 2016 that is outstanding immediately prior to the Effective Time shall be determined by assuming that the applicable performance goals have been achieved at the maximum level.

(e) At the Effective Time, each stock unit (each, a "*Deferred Unit*") credited to an account that is deemed invested in Company Common Stock as of immediately prior to the Effective Time under Company's Deferred Compensation Plan (the "*Deferred Compensation Plan*") shall be converted automatically into a deemed investment relating to Parent Common Shares that will be cash-settled (with the cash payment due on settlement equal to the fair market value (determined under the methodology used by Parent for determining fair market value for employee equity awards generally) of the Parent Common Shares to which the Deferred Units relate), with the number of Parent Common Shares subject to the Deferred Units in a participant's account under the Deferred Compensation Plan as of the Effective Time to be equal to the product (taken to the fourth decimal place) of (i) the number of shares of Company Common Stock subject to such Deferred Units as of immediately prior to the Effective Time, and (ii) the Equity Award Exchange Ratio. Following the Effective Time, the Deferred Compensation Plan will otherwise continue to

Table of Contents

be maintained by the Surviving Corporation with the same terms, including payment terms and investment alternatives that were applicable immediately prior to the Effective Time, with the Company Common Stock fund to be replaced with a Parent Common Shares fund, subject to all rights of the Company (and the Surviving Corporation as its successor) to amend or terminate the Deferred Compensation Plan.

(f) At or prior to the Effective Time, Company, the Board of Directors of the Company and its Compensation Committee, and Parent, the Board of Directors of Parent and its Compensation Committee, as applicable, shall adopt any resolutions that are necessary to effectuate the provisions of this Section 1.8, including, in the case of the Board of Directors of Company and its Compensation Committee, a resolution providing that the Adjusted Stock Options, Adjusted Restricted Stock Awards, Adjusted Restricted Stock Unit Awards and Adjusted Performance Share Unit Awards constitute a "Replacement Award" as defined in the Company Amended and Restated 2011 Incentive Compensation Plan and the award agreements issued thereunder, and, in the case of the Board of Directors of Parent and its Compensation Committee, the reservation, issuance and listing of the shares of Parent Common Stock as is necessary to effectuate the treatment of the Company Equity Awards (as defined below) contemplated herein and the assumption by Parent of the Company Stock Plans and the award agreement thereunder. As of the Effective Time, Parent shall file a post-effective amendment to the Form F-4 or an effective registration statement on Form S-8 (or other applicable form) with respect to the Parent Common Shares subject to Adjusted Stock Options and Adjusted Restricted Stock Awards and shall distribute a prospectus relating to such Form S-8, if applicable, and Parent shall use reasonable commercial efforts to maintain the effectiveness of such registration statement for so long as such Adjusted Stock Options and Adjusted Restricted Stock Awards remain outstanding.

(g) As used herein, the phrase the "*Company Equity Awards*" means the Company Performance Share Unit Awards, the Company Stock Options, the Company Restricted Stock Awards, and the Company Restricted Stock Unit Awards.

1.9 *Certificate of Incorporation and Bylaws of the Surviving Corporation.* The certificate of incorporation and bylaws of the Surviving Corporation shall be the certificate of incorporation and bylaws of Holdco as in effect immediately prior to the Effective Time, until duly amended in accordance with the respective terms thereof and applicable law.

1.10 *Tax Consequences.* It is intended that the Merger shall qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and that this Agreement is intended to be and is adopted as a "plan of reorganization" for the purposes of Sections 354 and 361 of the Code.

ARTICLE II

DELIVERY OF MERGER CONSIDERATION

2.1 *Exchange Agent.* Prior to the Effective Time, Parent shall deposit, or shall cause to be deposited by Holdco, with a bank or trust company designated by Parent and reasonably acceptable to Company (the "*Exchange Agent*"), for the benefit of the holders of Old Certificates, for exchange in accordance with this Article II, (a) certificates, or at Parent's option, evidence of shares in book entry form, representing the Parent Common Shares ("*New Certificates*"), to be delivered to the holders of Company Common Stock pursuant to Section 1.5 and this Article II in exchange for outstanding shares of such Company Common Stock, and (b) cash in an amount sufficient to allow the Exchange Agent to make all payments required pursuant to this Article II (such New Certificates and cash, together with any dividends or distributions with respect thereto, being hereinafter referred to as the "*Exchange Fund*"). The Exchange Agent shall invest any cash included in the Exchange Fund as directed by Parent, provided that no such investment or losses thereon shall affect the amount of Merger

Table of Contents

Consideration payable to the holders of Old Certificates. Any interest and other income resulting from such investments shall be paid to Parent or Holdco, or as otherwise directed by Parent.

2.2 *Appraisal Rights.* Each issued and outstanding share of Company Common Stock the holder of which has perfected his right to dissent under the DGCL and has not effectively withdrawn or lost such right as of the Effective Time (the "*Dissenting Shares*") shall not be converted into or represent a right to receive the Merger Consideration hereunder, and the holder thereof shall be entitled only to such rights as are granted by the DGCL. Company shall give Parent prompt notice upon receipt by Company of any such demands for payment of the fair value of such shares of Company Common Stock, any withdrawals of such notice and any other instruments provided pursuant to applicable law (any stockholder duly making such demand being hereinafter called a "*Dissenting Stockholder*"). Company shall not, except with the prior written consent of Parent, voluntarily make any payment with respect to, or settle or offer to settle, any such demand for payment, or waive any failure to timely deliver a written demand for appraisal or the taking of any other action by such Dissenting Stockholder as may be necessary to perfect appraisal rights under the DGCL. Company shall give Parent the opportunity to participate in and direct all negotiations and proceedings with respect to any such demands. Any payments made in respect of Dissenting Shares shall be made by the Surviving Corporation. If any Dissenting Stockholder shall effectively withdraw or lose (through failure to perfect or otherwise) his, her or its right to such payment at or prior to the Effective Time, such holder's shares of Company Common Stock shall be converted into a right to receive the Merger Consideration in accordance with Section 1.5(a).

2.3 *Exchange Procedures*.

(a) As promptly as practicable after the Effective Time, but in no event later than ten (10) days thereafter, Parent shall cause the Exchange Agent to mail to each person who was, immediately prior to the Effective Time, a holder of record of one or more Old Certificates representing shares of Company Common Stock, a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Old Certificates shall pass, only upon proper delivery of the Old Certificates to the Exchange Agent) and instructions for use in effecting the surrender of the Old Certificates in exchange for certificates representing the number of whole Parent Common Shares, any cash in lieu of fractional shares and the cash portion of the Merger Consideration which the shares of Company Common Stock represented by such Old Certificate or Old Certificates shall have been converted into the right to receive pursuant to this Agreement as well as any dividends or distributions to be paid in respect thereof pursuant to Section 2.3(b). From and after the Effective Time, upon proper surrender of an Old Certificate or Old Certificates for exchange and cancellation to the Exchange Agent, together with such properly completed letter of transmittal, duly executed, the holder of such Old Certificate or Old Certificates shall be entitled to receive in exchange therefor, subject to Section 2.2, (i) a New Certificate representing that number of whole Parent Common Shares to which such holder of Company Common Stock shall have become entitled pursuant to the provisions of Article I and (ii) a check representing the amount of (A) the cash portion of the Merger Consideration which such holder has the right to receive in respect of the Old Certificate or Old Certificates surrendered pursuant to the provisions of this Article II, (B) any cash in lieu of a fractional share which such holder has the right to receive in respect of the Old Certificate or Old Certificates surrendered pursuant to the provisions of this Article II, and (C) and dividends or distributions that the holder presenting such Old Certificates is entitled to, as provided in this Article II, and the Old Certificate or Old Certificates so surrendered shall forthwith be cancelled. No interest will be paid or accrued with respect to any property to be delivered upon surrender of Old Certificates. Until surrendered as contemplated by this Section 2.3, each Old Certificate shall be deemed at any time after the Effective Time to represent only the right to receive, upon surrender, the Merger

Table of Contents

Consideration and any cash in lieu of fractional shares or in respect of dividends or distributions as contemplated by this Section 2.3.

(b) No dividends or other distributions declared with respect to Parent Common Shares shall be paid to the holder of any unsurrendered Old Certificate until the holder thereof shall surrender such Old Certificate in accordance with this Article II. After the surrender of an Old Certificate in accordance with this Article II, the record holder thereof shall be entitled to receive any such dividends or other distributions, without any interest thereon, which theretofore had become payable with respect to the whole Parent Common Shares which the shares of Company Common Stock represented by such Old Certificate have been converted into the right to receive.

(c) If any New Certificate representing Parent Common Shares is to be issued in a name other than that in which the Old Certificate or Old Certificates surrendered in exchange therefor is or are registered, it shall be a condition of the issuance thereof that the Old Certificate or Old Certificates so surrendered shall be properly endorsed (or accompanied by an appropriate instrument of transfer) and otherwise in proper form for transfer, and that the person requesting such exchange shall pay to the Exchange Agent in advance any transfer or other similar Taxes required by reason of the issuance of a New Certificate representing Parent Common Shares in any name other than that of the registered holder of the Old Certificate or Old Certificates surrendered, or required for any other reason, or shall establish to the satisfaction of the Exchange Agent that such Tax has been paid or is not payable.

(d) After the Effective Time, there shall be no transfers on the stock transfer books of Company of the shares of Company Common Stock that were issued and outstanding immediately prior to the Effective Time.

(e) Notwithstanding anything to the contrary contained herein, no New Certificates or scrip representing fractional Parent Common Shares shall be issued upon the surrender for exchange of Old Certificates, no dividend or distribution with respect to Parent Common Shares shall be payable on or with respect to any fractional share, and such fractional share interests shall not entitle the owner thereof to vote or to any other rights of a shareholder of Parent. In lieu of the issuance of any such fractional share, Parent shall pay to each former stockholder of Company who otherwise would be entitled to receive such fractional share an amount in cash (rounded to the nearest cent) determined by multiplying (i) the volume-weighted average trading price of one Parent Common Share for the ten (10) day period in which both the Canadian and U.S. Markets are open for trading ending on the last such day immediately preceding the Closing Date, calculated using both Canadian and U.S. trading prices and volumes during normal market hours and assuming in respect of such trading prices on the TSX, for each trading day, the Bank of Canada daily noon Canada/U.S. exchange rate for the Canadian calculations (the "*Parent Share Closing Price*") by (ii) the fraction of a Parent Common Share (rounded to the nearest thousandth when expressed in decimal form) to which such holder would otherwise be entitled (after taking into account all shares of Company Common Stock owned by such holder as of immediately prior to the Effective Time).

(f) Any portion of the Exchange Fund that remains unclaimed by the stockholders of Company for one (1) year after the Effective Time shall be paid to the Surviving Corporation. Any former stockholders of Company who have not theretofore exchanged their Old Certificates pursuant to this Article II shall thereafter look only to the Surviving Corporation for payment of the Merger Consideration, cash in lieu of any fractional shares and any unpaid dividends and distributions on the Parent Common Shares deliverable in respect of each former share of Company Common Stock such stockholder holds as determined pursuant to this Agreement, in each case, without any interest thereon. Notwithstanding the foregoing, none of Parent, Company, the Surviving Corporation, the Exchange Agent or any other person shall be liable to any former holder of shares of Company Common Stock for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar laws.

Table of Contents

(g) Parent shall be entitled to deduct and withhold, or cause Holdco, Company or the Exchange Agent to deduct and withhold, from the cash portion of the aggregate Merger Consideration, any cash in lieu of fractional Parent Common Shares, cash dividends or distributions payable pursuant to this Section 2.3 or any other cash amounts otherwise payable pursuant to this Agreement to any holder of Company Common Stock such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign Tax law. To the extent that amounts are so withheld by Parent, Holdco, Company or the Exchange Agent, as the case may be, and paid over to the appropriate governmental authority, the withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of Company Common Stock in respect of which the deduction and withholding was made by Parent, Holdco, Company or the Exchange Agent, as the case may be.

(h) In the event any Old Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Old Certificate to be lost, stolen or destroyed and, if required by Parent, the posting by such person of a bond in such amount as Parent may determine is reasonably necessary as indemnity against any claim that may be made against it with respect to such Old Certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed Old Certificate the Merger Consideration and any cash in lieu of fractional shares and dividends or distributions deliverable in respect thereof pursuant to this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF COMPANY

Except (i) as disclosed in the disclosure schedule delivered by Company to Parent prior to the execution hereof (the "*Company Disclosure Schedule*") (*provided*, that (a) no such item is required to be set forth as an exception to a representation or warranty if its absence would not result in the related representation or warranty being deemed untrue or incorrect, (b) the mere inclusion of an item in the Company Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission by Company that such item represents a material exception or fact, event or circumstance or that such item is reasonably likely to result in a Material Adverse Effect and (c) any disclosures made with respect to a section of this Article III shall be deemed to qualify (1) any other section of this Article III specifically referenced or cross-referenced and (2) other sections of this Article III to the extent it is reasonably apparent on its face (notwithstanding the absence of a specific cross reference) from a reading of the disclosure that such disclosure applies to such other sections) or (ii) as disclosed in any Company SEC Reports filed prior to the date hereof (but disregarding risk factor disclosures contained under the heading "Risk Factors," or disclosures of risks set forth in any "forward-looking statements" disclaimer or any other statements that are similarly non-specific or cautionary, predictive or forward-looking in nature), Company hereby represents and warrants to Parent and Holdco as follows:

3.1 *Corporate Organization*.

(a) Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is a bank holding company duly registered under the Bank Holding Company Act of 1956, as amended (the "*BHC Act*"). Company has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted. Company is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified would not, either individually or in the aggregate, reasonably

Table of Contents

be likely to have a Material Adverse Effect on Company. As used in this Agreement, the term "*Material Adverse Effect*" means, with respect to Parent, Company or the Surviving Corporation, as the case may be, a material adverse effect on (i) the business, properties, assets, liabilities, results of operations or financial condition of such party and its Subsidiaries taken as a whole (*provided*, *however*, that, with respect to this clause (i), Material Adverse Effect shall not be deemed to include the impact of (A) changes, after the date hereof, in U.S. generally accepted accounting principles ("*GAAP*") (or, with respect to Parent, International Financial Reporting Standards ("*IFRS*")) or applicable regulatory accounting requirements, (B) changes, after the date hereof, in laws, rules or regulations of general applicability to companies in the industries in which such party and its Subsidiaries operate, or interpretations thereof by courts or Governmental Entities, (C) changes, after the date hereof, in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in economic or market conditions affecting the financial services industry generally and not specifically relating to such party or its Subsidiaries, including changes in prevailing interest rates, credit availability and liquidity, currency exchange rates and price levels or trading volumes in U.S. or foreign securities markets or any change in the credit markets, (D) failure, in and of itself, to meet earnings projections or internal financial forecasts, but not including the underlying causes thereof (unless otherwise excluded hereunder), (E) changes attributable to disclosure of the transactions contemplated hereby or to actions expressly required by this Agreement in contemplation of the transactions contemplated hereby, or (F) actions or omissions taken pursuant to the written consent of Parent, in the case of Company, or Company, in the case of Parent; except, with respect to subclauses (A), (B), or (C), to the extent that the effects of such change are materially disproportionately adverse to the business, properties, assets, liabilities, results of operations or financial condition of such party and its Subsidiaries, taken as a whole, as compared to other companies in the industry in which such party and its Subsidiaries operate) or (ii) the ability of such party to timely consummate the transactions contemplated hereby. As used in this Agreement, the word "*Subsidiary*" when used with respect to any party, means any corporation, partnership, limited liability company, bank or other organization, whether incorporated or unincorporated, which is consolidated with such party for financial reporting purposes. True and complete copies of the Restated Certificate of Incorporation of Company, as amended (the "*Company Certificate*"), and the bylaws of Company, as amended (the "*Company Bylaws*"), as in effect as of the date of this Agreement, have previously been made available by Company to Parent.

(b) Each Subsidiary of Company (a "*Company Subsidiary*") (i) is duly organized and validly existing under the laws of its jurisdiction of organization, (ii) is duly qualified to do business and, where such concept is recognized under applicable law, in good standing in all jurisdictions (whether federal, state, local or foreign) where its ownership or leasing of property or the conduct of its business requires it to be so qualified and in which the failure to be so qualified would reasonably be likely, either individually or in the aggregate, to have a Material Adverse Effect on Company and (iii) has all requisite corporate power and authority to own or lease its properties and assets and to carry on its business as now conducted. There are no restrictions on the ability of any Company Subsidiary to pay dividends or distributions except, in the case of a Subsidiary that is a regulated entity, for restrictions on dividends or distributions generally applicable to all such regulated entities. The deposit accounts of each Company Subsidiary that is an insured depository institution are insured by the Federal Deposit Insurance Corporation (the "*FDIC*") through the Deposit Insurance Fund (as defined in Section 3(y) of the Federal Deposit Insurance Act of 1950) to the fullest extent permitted by law, all premiums and assessments required to be paid in connection therewith have been paid when due, and no proceedings for the termination of such insurance are pending or, to Company's knowledge, threatened. Section 3.1(b) of the Company Disclosure Schedule sets forth a true, correct and complete list of (x) all Company Subsidiaries as of the date hereof and their jurisdiction of formation and, for any Company

Table of Contents

Subsidiaries that are not directly or indirectly wholly owned by Company, their capital structure (including the identity of any other equity holders), (y) all persons (not including Company Subsidiaries) in which Company, together with any Company Subsidiaries, owns (directly or indirectly) more than 4.9% of a class of voting securities and (z) all outstanding subscriptions, options, warrants, puts, calls, rights, exchangeable or convertible securities or other commitments or agreements obligating Company or any of its Subsidiaries to issue, transfer, sell, purchase, redeem or otherwise acquire any securities of any other person for its or their own account. Neither the Company nor any of the Company Subsidiaries is required to register with the SEC as an investment advisor under the Investment Advisers Act of 1940, as amended, and neither the Company nor any of the Company Subsidiaries is a broker-dealer under Section 15(b) of the Exchange Act.

3.2 *Capitalization*.

(a) The authorized capital stock of Company consists of 174,000,000 shares of Company Common Stock, without par value, 1,000,000 shares of preferred stock, without par value, and 5,000,000 shares of non-voting common stock, without par value. As of June 24, 2016, no shares of capital stock or other voting securities of Company are issued, reserved for issuance or outstanding, other than (i) 79,456,248 shares of Company Common Stock issued and outstanding, which number includes the shares of Company Common Stock held in the Company Savings, Retirement & Employee Stock Ownership Plan and the 547,034 shares of Company Common Stock underlying outstanding Company Restricted Stock Awards, (ii) 0 shares of Company Common Stock held in treasury, (iii) 3,216,231 shares of Company Common Stock issuable upon the exercise of outstanding Company Stock Options, (iv) 566,998 shares of Company Common Stock underlying outstanding Company Restricted Stock Unit Awards; (v) 645,945 shares of Company Common Stock underlying outstanding Company Performance Share Unit Awards (assuming, with respect to any such unvested Company Performance Share Award, that all applicable performance goals are achieved at the maximum level); and (vi) 138,956 shares of Company Common Stock underlying the Deferred Units under the Deferred Compensation Plans. All the issued and outstanding shares of Company Common Stock have been duly authorized and validly issued and are fully paid, non-assessable and free of preemptive rights, with no personal liability attaching to the ownership thereof. As of the date of this Agreement, no bonds, debentures, notes or other indebtedness that have the right to vote on any matters on which stockholders of Company may vote are issued or outstanding. Except as set forth in Section 3.2(a) of the Company Disclosure Schedule, as of the date of this Agreement, no trust preferred or subordinated debt securities of Company or any Company Subsidiary are issued or outstanding. Other than the Company Equity Awards, in each case, as of the date of this Agreement, there are no outstanding subscriptions, options, warrants, puts, calls, rights, exchangeable or convertible securities or other commitments or agreements obligating Company to issue, transfer, sell, purchase, redeem or otherwise acquire any such securities or any dividend reinvestment plans relating to Company Securities.

(b) There are no voting trusts, shareholder agreements, proxies or other agreements in effect pursuant to which Company or any of the Company Subsidiaries has a contractual or other obligation with respect to the voting or transfer of the Company Common Stock or other equity interests of Company. Section 3.2(b) of the Company Disclosure Schedule sets forth a true, correct and complete list of all Company Equity Awards outstanding as of the date hereof specifying, on a holder-by-holder basis, (i) the name of each holder, (ii) the number of shares subject to each such Company Equity Award, (iii) the grant date of each such Company Equity Award, (iv) the Company Stock Plan under which each such Company Equity Award was granted, (v) the exercise price for each such Company Equity Award that is a Company Stock Option, (vi) the vesting schedule applicable to each such Company Equity Award, and (vii) the expiration date of each

Table of Contents

such Company Equity Award that is a Company Stock Option. As of the date hereof, other than the Company Equity Awards and Deferred Units, no equity-based awards (including any cash awards where the amount of payment is determined in whole or in part based on the price of any capital stock of Company or any Company Subsidiaries) are outstanding.

(c) Company owns, directly or indirectly, all the issued and outstanding shares of capital stock or other equity ownership interests of each of the Company Subsidiaries, free and clear of any liens, pledges, charges, encumbrances and security interests whatsoever ("*Liens*"), and all such shares or equity ownership interests are duly authorized and validly issued and are fully paid, non-assessable (except, with respect to Company Subsidiaries that are insured depository institutions, as provided under 12 U.S.C. § 55 or any comparable provision of applicable state law) and free of preemptive rights, with no personal liability attaching to the ownership thereof. No Company Subsidiary has or is bound by any outstanding subscriptions, options, warrants, calls, rights, commitments or agreements of any character calling for the purchase or issuance of any shares of capital stock or any other equity security of such Subsidiary or any securities representing the right to purchase or otherwise receive any shares of capital stock or any other equity security of such Subsidiary.

3.3 *Authority; No Violation*.

(a) Company has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the Merger have been duly and validly approved by the Board of Directors of Company. The Board of Directors of Company has determined that the Merger, on the terms and conditions set forth in this Agreement, is in the best interests of Company and its stockholders and has directed that this Agreement and the transactions contemplated hereby be submitted to Company's stockholders for adoption at a meeting of such stockholders and has adopted a resolution to the foregoing effect. Except for the adoption of this Agreement by the affirmative vote of the holders of outstanding Company Common Stock (the "*Requisite Company Vote*"), no other corporate proceedings on the part of Company are necessary to approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Company and (assuming due authorization, execution and delivery by Parent) constitutes a valid and binding obligation of Company, enforceable against Company in accordance with its terms (except in all cases as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or similar laws of general applicability relating to or affecting insured depository institutions or the rights of creditors generally and subject to general principles of equity (the "*Enforceability Exceptions*")).

(b) Neither the execution and delivery of this Agreement by Company nor the consummation by Company of the transactions contemplated hereby, nor compliance by Company with any of the terms or provisions hereof, will (i) violate any provision of the Company Certificate or the Company Bylaws or (ii) assuming that the consents, approvals and filings referred to in Section 3.4 are duly obtained and/or made, (x) violate any law, statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to Company or any of its Subsidiaries or any of their respective properties or assets or (y) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Company or any of its Subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which Company or any of its Subsidiaries is a party, or by which they or any of their respective properties

Table of Contents

or assets may be bound, except (in the case of clause (ii) above) for such violations, conflicts, breaches, defaults, terminations, cancellations, accelerations or creations which, either individually or in the aggregate, would not reasonably be likely to have a Material Adverse Effect on Company.

3.4 *Consents and Approvals.* Except for (i) the filing of applications, filings and notices, as applicable, with the Board of Governors of the Federal Reserve System (the "*Federal Reserve Board*") under the BHC Act, the Office of the Superintendent of Financial Institutions (Canada) ("*OSFI*") under the Bank Act (Canada) and the Illinois Department of Financial and Professional Regulation, Division of Banking under Illinois law, and approval of such applications, filings and notices, (ii) the filing with the Securities and Exchange Commission (the "*SEC*") of a proxy statement in definitive form relating to the meeting of Company's stockholders to be held in connection with this Agreement and the transactions contemplated hereby (including any amendments or supplements thereto, the "*Proxy Statement*"), and of the registration statement on Form F-4 in which the Proxy Statement will be included as a prospectus, to be filed with the SEC by Parent in connection with the transactions contemplated by this Agreement (the "*F-4*") and declaration of effectiveness of the F-4, (iii) the filing of the Certificate of Merger with the Delaware Secretary pursuant to the DGCL, (iv) the filing of any notices or other filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "*HSR Act*"), (v) such filings and approvals as are required to be made or obtained under the securities or "Blue Sky" laws of various states in connection with the issuance of the Parent Common Shares pursuant to this Agreement and (vi) the approval of the listing of such Parent Common Shares on the New York Stock Exchange ("*NYSE*") and the Toronto Stock Exchange (the "*TSX*"), no consents or approvals of or filings or registrations with any court or administrative agency or commission or other governmental authority or instrumentality or SRO (each a "*Governmental Entity*") are necessary in connection with (A) the execution and delivery by Company of this Agreement or (B) the consummation by Company of the Merger and the other transactions contemplated hereby. As used in this Agreement, "*SRO*" means (x) any "self regulatory organization" as defined in Section 3(a)(26) of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*") and (y) any other United States or foreign securities exchange, futures exchange, commodities exchange or contract market. As of the date hereof, Company is not aware of any reason why the necessary regulatory approvals and consents will not be received in order to permit consummation of the Merger on a timely basis.

3.5 *Reports*.

(a) Company and each of its Subsidiaries have timely filed (or furnished, as applicable) all material reports, registrations and statements, together with any amendments required to be made with respect thereto, that they were required to file (or furnish, as applicable) since January 1, 2013 with (i) any state regulatory authority, including the Illinois Department of Financial and Professional Regulation, Division of Banking, (ii) the SEC, (iii) the Federal Reserve Board, (iv) FDIC, (v) any foreign regulatory authority and (vi) any SRO (clauses (i)-(vi), collectively "*Regulatory Agencies*"), including any material report, registration or statement required to be filed (or furnished, as applicable) pursuant to the laws, rules or regulations of the United States, any state, any foreign entity, or any Regulatory Agency, and have paid all fees and assessments due and payable in connection therewith. Except for examinations of Company and its Subsidiaries conducted by a Regulatory Agency in the ordinary course of business, no Regulatory Agency has initiated or has pending any proceeding or, to the knowledge of Company, investigation into the business or operations of Company or any of its Subsidiaries since January 1, 2013. Except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect, there is no unresolved violation, criticism, or exception by any Regulatory Agency with respect to any report or statement relating to any examinations or inspections of Company or any of its Subsidiaries. There have been no material formal or informal inquiries by, or disagreements

Table of Contents

or disputes with, any Regulatory Agency with respect to the business, operations, policies or procedures of Company or any of its Subsidiaries since January 1, 2013.

(b) An accurate and complete copy of each final registration statement, prospectus, report, schedule and definitive proxy statement filed with or furnished to the SEC by Company or any of its Subsidiaries pursuant to the Securities Act of 1933, as amended (the "*Securities Act*") or the Exchange Act, as the case may be, since January 1, 2013 (the "*Company SEC Reports*") is publicly available. No such Company SEC Report, at the time filed, furnished or communicated (and, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of the relevant meetings, respectively), contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading, except that information filed or furnished as of a later date (but before the date of this Agreement) shall be deemed to modify information as of an earlier date. As of their respective dates, all Company SEC Reports filed or furnished under the Securities Act and the Exchange Act complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto. As of the date of this Agreement, no executive officer of Company has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes-Oxley Act. As of the date of this Agreement, there are no outstanding comments from or material unresolved issues raised by the SEC with respect to any of the Company SEC Reports.

3.6 *Financial Statements*.

(a) The financial statements of Company and its Subsidiaries included (or incorporated by reference) in the Company SEC Reports (including the related notes, where applicable) (i) have been prepared from, and are in accordance with, the books and records of Company and its Subsidiaries, (ii) fairly present in all material respects the consolidated results of operations, cash flows, changes in shareholders' equity and consolidated financial position of Company and its Subsidiaries for the respective fiscal periods or as of the respective dates therein set forth (subject in the case of unaudited statements to year-end audit adjustments normal in nature and amount), (iii) complied, as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, and (iv) have been prepared in accordance with GAAP consistently applied during the periods involved, except, in each case, as indicated in such statements or in the notes thereto. The books and records of Company and its Subsidiaries have been, since January 1, 2013, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements. Ernst & Young LLP has not resigned (or informed Company that it intends to resign) or been dismissed as independent public accountants of Company as a result of or in connection with any disagreements with Company on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

(b) Except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Company, neither Company nor any of its Subsidiaries has any liability of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether due or to become due), except for (i) those liabilities that are reflected or reserved against on the consolidated balance sheet of Company included in its Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2016 (including any notes thereto), (ii) liabilities incurred in the ordinary course of business consistent with past practice since March 31, 2016 or in connection with this Agreement and the transactions contemplated hereby or (iii) liabilities that are not material to Company and its Subsidiaries, taken as a whole.

(c) The records, systems, controls, data and information of Company and its Subsidiaries are recorded, stored, maintained and operated under means (including any electronic, mechanical or

Table of Contents

photographic process, whether computerized or not) that are under the exclusive ownership and direct control of Company or its Subsidiaries or accountants (including all means of access thereto and therefrom), except for any non-exclusive ownership and non-direct control that would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Company. Company (i) has implemented and maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) to ensure that material information relating to Company, including its Subsidiaries, is made known to the chief executive officer and the chief financial officer of Company by others within those entities as appropriate to allow timely decisions regarding required disclosures and to make the certifications required by the Exchange Act and Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 (the "*Sarbanes-Oxley Act*"), and (ii) has disclosed, based on its most recent evaluation prior to the date hereof, to Company's outside auditors and the audit committee of Company's Board of Directors (x) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) which are reasonably likely to adversely affect Company's ability to record, process, summarize and report financial information, and (y) to the knowledge of Company, any fraud, whether or not material, that involves management or other employees who have a significant role in Company's internal controls over financial reporting. Copies of any such disclosures were made in writing by management to Company's auditors and audit committee and a copy has been previously made available to Parent. To the knowledge of Company, there is no reason to believe that Company's outside auditors and its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, prior to the Closing Date.

(d) Since January 1, 2013, (i) neither Company nor any of its Subsidiaries, nor, to the knowledge of Company, any director, officer, auditor, accountant or representative of Company or any of its Subsidiaries, has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or, to the knowledge of Company, oral, regarding the accounting or auditing practices, procedures, methodologies or methods (including with respect to loan loss reserves, write-downs, charge-offs and accruals) of Company or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or written claim that Company or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no attorney representing Company or any of its Subsidiaries, whether or not employed by Company or any of its Subsidiaries, has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by Company or any of its officers, directors or employees to the Board of Directors of Company or any committee thereof or to the knowledge of Company, to any director or officer of Company.

3.7 *Broker's Fees.* Neither Company nor any Company Subsidiary nor any of their respective officers or directors has employed any broker, finder or financial advisor or incurred any liability for any broker's fees, commissions or finder's fees in connection with the Merger or related transactions contemplated by this Agreement, other than Goldman, Sachs & Co. and Sandler O'Neill & Partners, L.P., each pursuant to a letter agreement, true and complete copies of which have been previously provided to Parent.

3.8 *Absence of Certain Changes or Events.*

(a) Since December 31, 2015, no event or events have occurred that have had or would reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Company.

(b) Since December 31, 2015, except with respect to the transactions contemplated hereby or as required or permitted by this Agreement, (i) Company and its Subsidiaries have carried on their respective businesses in the ordinary course, and (ii) none of the events specified in Section 5.2 (other than clauses (f), (h), (l), (m), (n)(ii), (r) or (s)) have occurred.

Table of Contents

3.9 *Legal and Regulatory Proceedings.*

(a) There is no suit, action, investigation, claim or proceeding pending, or to Company's knowledge, threatened against or involving it or any of its Subsidiaries or, in their capacities as such, any of the current or former directors or executive officers of it or any of its Subsidiaries (and Company is not aware of any basis for any such suit, action or proceeding) (i) that is brought by a Governmental Entity, (ii) that, individually or in the aggregate, and, in either case, is (A) material to it and its Subsidiaries, taken as a whole, or is reasonably likely to result in a material restriction on its or any of its Subsidiaries' businesses, or, after the Effective Time, the business of Parent and any of its affiliates, or (B) reasonably likely to materially prevent or delay it from performing its obligations under, or consummating the transactions contemplated by, this Agreement, (iii) that is a class action or, to Company's knowledge, is seeking status as a class action or (iv) that is of a material nature challenging the validity or propriety of this Agreement.

(b) There is no injunction, order, judgment, decree or regulatory restriction imposed upon Company or any of its Subsidiaries or the assets of Company or any of its Subsidiaries (or that, upon consummation of the Merger, would apply to Parent, Surviving Corporation or any of their respective affiliates) that is material to Company and its Subsidiaries, taken as a whole.

3.10 *Taxes and Tax Returns.*

(a) (i) Each of Company and its Subsidiaries has duly and timely filed (taking into account all applicable extensions) all material Tax Returns in all jurisdictions in which Tax Returns are required to be filed by it, and all such Tax Returns are true, correct, and complete in all material respects; (ii) neither Company nor any of its Subsidiaries is the beneficiary of any extension of time within which to file any material Tax Return; (iii) all material Taxes of Company and its Subsidiaries (whether or not shown on any Tax Returns) that are due have been fully and timely paid; (iv) each of Company and its Subsidiaries has collected or withheld all material Taxes required to have been collected or withheld and to the extent required by applicable law have paid such amounts to the proper governmental authority or other person; (v) neither Company nor any of its Subsidiaries has granted any extension or waiver of the limitation period applicable to any material Tax that remains in effect; (vi) the federal income Tax Returns of Company and its Subsidiaries for all years up to and including December 31, 2013 have been examined by the Internal Revenue Service (the "*IRS*") or are Tax Returns with respect to which the applicable period for assessment under applicable law, after giving effect to extensions or waivers, has expired; (vii) no deficiency with respect to a material amount of Taxes has been proposed, asserted or assessed against Company or any of its Subsidiaries; (viii) there are no pending or threatened in writing disputes, claims, audits, examinations or other proceedings regarding any material Taxes of Company and its Subsidiaries or the assets of Company and its Subsidiaries (ix) in the last six years, neither Company nor any of its Subsidiaries has been informed in writing by any jurisdiction that the jurisdiction believes that Company or any of its Subsidiaries was required to file any material Tax Return that was not filed; (x) Company has made available to Parent true, correct, and complete copies of any private letter ruling requests, technical advice memorandum received, voluntary compliance program statement or similar agreement, closing agreements or gain recognition agreements with respect to material Taxes requested or executed in the last six years; (xi) Company and each of its Subsidiaries has in its respective files all Tax Returns that it is required to retain in respect of withholding and information reporting requirements imposed by the Code (including the requirements of Chapters 3, 4 and 61 of the Code) or any similar foreign, state or local law; (xii) Company and each of its Subsidiaries has systems, processes and procedures in place in order to materially comply with Sections 1471 through 1474 of the Code and any similar provision of foreign law; (xiii) there are no Liens for material Taxes (except Taxes not yet due and payable) on any of the assets of Company or any of its Subsidiaries; (xiv) neither Company nor any of its Subsidiaries is a party to or is bound by any Tax sharing, allocation or

Table of Contents

indemnification agreement or arrangement (other than such an agreement or arrangement exclusively between or among Company and its Subsidiaries); (xv) neither Company nor any of its Subsidiaries (A) has been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which was Company) or (B) has any liability for the Taxes of any person (other than Company or any of its Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise; (xvi) neither Company nor any of its Subsidiaries has been, within the past two (2) years or otherwise as part of a "plan (or series of related transactions)" within the meaning of Section 355(e) of the Code of which the Merger is also a part, a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock intended to qualify for tax-free treatment under Section 355 of the Code; (xvii) neither Company nor any of its Subsidiaries has participated in a "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2); (xviii) at no time during the past five (5) years has Company been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code; (xix) neither Company nor any of its Subsidiaries will be required to include any material item of income in, or to exclude any material item of deduction from, taxable income in any taxable period (or portion thereof) ending after the Closing Date as a result of any (A) change in method of accounting, (B) installment sale or open transaction disposition made on or prior to the closing date, or (C) prepaid amount received on or prior to the Closing Date, in each of case (A), (B) and (C), outside of the ordinary course of business; and (xx) all Subsidiaries of the Company are members of a consolidated group for U.S. federal income tax purposes for which the Company is the common parent.

(b) As used in this Agreement, the term "*Tax*" or "*Taxes*" means all federal, state, local, and foreign income, excise, gross receipts, ad valorem, profits, gains, property, capital, sales, transfer, use, license, payroll, employment, social security, severance, unemployment, withholding, duties, windfall profits, intangibles, franchise, backup withholding, value added, alternative or add-on minimum, estimated and other taxes, charges, fees, levies or like assessments together with all penalties and additions to tax and interest thereon.

(c) As used in this Agreement, the term "*Tax Return*" means any return, declaration, report, claim for refund, estimate, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof, supplied or required to be supplied to a Governmental Entity, and any documentation required to be filed with any taxing authority or to be retained by Company or any of its Subsidiaries in respect of information reporting and withholding requirements imposed by the Code or any similar foreign state or local law.

3.11 *Employees.*

(a) Section 3.11(a) of the Company Disclosure Schedule lists all Company Benefit Plans sponsored or maintained by Company or any Company Subsidiary and all material Company Benefit Plans sponsored or maintained by any Company ERISA Affiliate. For purposes of this Agreement, "*Company Benefit Plans*" means all employee benefit plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*")), whether or not subject to ERISA, and all bonus, stock option, stock purchase, restricted stock, incentive, deferred compensation (whether in the form of cash, stock, options, units or other equity or derivative thereof), perquisite, retiree medical or life insurance, and supplemental retirement plans, programs or arrangements, and all fringe, vacation, retention, change in control, employment, consulting, termination, and severance plans, programs, contracts, agreements or arrangements (i) with respect to which Company or any Subsidiary or other entity which together with Company would be deemed a "single employer" within the meaning of Section 4001 of ERISA (a "*Company*

Table of Contents

ERISA Affiliate"), is a party or has any obligation or (ii) that are maintained, contributed to or sponsored by Company or any of its Subsidiaries or any Company ERISA Affiliate for the benefit of any current or former employee, officer, director or independent contractor (who is a natural person) of Company or any of its Subsidiaries or any Company ERISA Affiliate.

(b) Company has heretofore provided to Parent a true and complete copy of each Company Benefit Plan sponsored or maintained by Company or any Company Subsidiary and each material Company Benefit Plan sponsored or maintained by any Company ERISA Affiliate and the following related documents, to the extent applicable: (i) the most recent copy of any summary plan description and all written amendments, modifications or material supplements applicable to such material Company Benefit Plan (and a summary of any material unwritten amendment, modification or supplement applicable to such material Company Benefit Plan), (ii) the annual report (Form 5500), if any, filed with the IRS for the last two completed plan years, (iii) the most recently received IRS determination or opinion letter, if any, relating to such material Company Benefit Plan, and (iv) the most recently prepared actuarial report for such material Company Benefit Plan for each of the last two (2) completed plan years (if applicable).

(c) Each Company Benefit Plan has been established, operated and administered in all material respects in accordance with its terms and the requirements of all applicable laws, including ERISA and the Code, and, to Company's knowledge, no event has occurred which would reasonably be expected to result in any such Company Benefit Plan to fail to comply in any material respect with such requirements and no written notice has been delivered to Company by any Governmental Entity questioning or challenging such compliance. Neither Company nor any of its Subsidiaries has, within the prior three (3) years, taken any action to take material corrective action or make a material filing under any voluntary correction program of the IRS, the U.S. Department of Labor or any other Governmental Entity with respect to any Company Benefit Plan, and neither Company nor any of its Subsidiaries has any knowledge of any plan defect that would qualify for correction under any such program.

(d) Section 3.11(d) of the Company Disclosure Schedule identifies each Company Benefit Plan that is intended to be qualified under Section 401(a) of the Code (the "*Company Qualified Plans*"). The IRS has issued a favorable determination, advisory or opinion letter with respect to each Company Qualified Plan and the related trust, which letter has not been revoked (nor has revocation been threatened in writing), and, to the knowledge of Company, there are no existing circumstances and no events have occurred that could reasonably be expected to result in disqualification of any Company Qualified Plan or the related trust. No trust funding any Company Benefit Plan is intended to meet the requirements of Section 501(c)(9) of the Code.

(e) Except as has not resulted in, and would not reasonably be expected to result in, a material liability to the Company and its Subsidiaries taken as a whole, each Company Benefit Plan that is a "nonqualified deferred compensation plan" (as defined in Section 409A(d)(1) of the Code) and any award thereunder, in each case that is subject to Section 409A of the Code, has (i) since January 1, 2006, been maintained and operated in good faith compliance with Section 409A of the Code and IRS Notice 2005-1 and (ii) since January 1, 2010, been in documentary and operational compliance with Section 409A of the Code.

(f) None of Company and its Subsidiaries nor any Company ERISA Affiliate has, at any time during the last six (6) years, (i) contributed to or been obligated to contribute to any plan that (A) is subject to Title IV or Section 302 of ERISA or Section 412 of the Code, (B) is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA (a "*Multiemployer Plan*") or (C) has two (2) or more contributing sponsors at least two (2) of whom are not under common control, within the meaning of Section 4063 of ERISA (a "*Multiple Employer Plan*"), or (ii) incurred any liability to a Multiemployer Plan or Multiple Employer Plan as a result of a

Table of Contents

complete or partial withdrawal (as those terms are defined in Part I of Subtitle E of Title IV of ERISA) from a Multiemployer Plan or Multiple Employer Plan that has not been satisfied in full.

(g) Neither Company nor any of its Subsidiaries sponsors, has sponsored or has any obligation with respect to any employee benefit plan that provides for any post-employment or post-retirement health or medical or life insurance benefits for retired or former employees or beneficiaries or dependents thereof, except as required by Section 4980B of the Code.

(h) All material contributions required to be made to any Company Benefit Plan by applicable law or by any plan document or other contractual undertaking, and all material premiums due or payable with respect to insurance policies funding any Company Benefit Plan, for any period in the prior three (3) years through the date hereof, have been timely made or paid in full or, to the extent not required to be made or paid on or before the date hereof, have been fully reflected on the books and records of Company.

(i) There are no pending or, to Company's knowledge, material threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations that have been asserted or instituted, and, to Company's knowledge, no set of circumstances exists that may reasonably be likely to give rise to a material claim or lawsuit, against the Company Benefit Plans, any fiduciaries thereof with respect to their duties to the Company Benefit Plans or the assets of any of the trusts under any of the Company Benefit Plans.

(j) None of Company and its Subsidiaries nor any Company ERISA Affiliate, nor, to Company's knowledge, any fiduciary, has engaged in any "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 of ERISA), which could subject any of the Company Benefit Plans or their related trusts, Company, any of its Subsidiaries, any Company ERISA Affiliate or any person that Company or any of its Subsidiaries has an obligation to indemnify, to any material tax or material penalty imposed under Section 4975 or 4976 of the Code or Section 409 or 502 of ERISA.

(k) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event) (i) result in or cause an acceleration of the vesting, exercisability or delivery of, or increase in the amount or value of, any payment, right or other benefit to any employee, officer, director or independent contractor (who is a natural person) of Company or any of its Subsidiaries under any Company Benefit Plan, (ii) entitle any employee, officer, director or independent contractor (who is a natural person) of Company or any of its Subsidiaries to severance pay or (iii) result in any limitation on the right of Company or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Company Benefit Plan or related trust. Without limiting the generality of the foregoing, no amount paid or payable (whether in cash, in property, or in the form of benefits) by Company or any of its Subsidiaries in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event) will be an "excess parachute payment" within the meaning of Section 280G of the Code. Neither Company nor any of its Subsidiaries maintains or contributes to a rabbi trust or similar funding vehicle, and the transactions contemplated by this Agreement will not cause or require Company or any of its affiliates to establish or make any contribution to a rabbi trust or similar funding vehicle.

(l) No Company Benefit Plan provides for the gross-up or reimbursement of Taxes under Section 409A of the Code.

(m) No Company Benefit Plan provides for the gross-up or reimbursement of Taxes under Section 4999 of the Code.

Table of Contents

(n) The Company is in compliance, in all material respects, with all applicable Laws regarding employment, equal employment opportunity and pay, worker classification, labor, leaves, workers' compensation, disability, occupational health and safety, immigration, collective bargaining, secondment, contractors and temporary employees, other employment terms and conditions, plant closings and layoffs (including the WARN Act), withholding and payment of social security and other taxes, and wage and hour matters. There are no pending or, to Company's knowledge, threatened material employment claims or charges, labor grievances or material unfair labor practice claims or charges against Company or any of its Subsidiaries, or any strikes or other material labor disputes against Company or any of its Subsidiaries. Neither Company nor any of its Subsidiaries are party to or bound by any collective bargaining or similar agreement with any labor organization, or work rules or practices agreed to with any labor organization applicable to employees of Company or any of its Subsidiaries and, to Company's knowledge, there are no organizing efforts by any union seeking to represent any employees of Company or any of its Subsidiaries.

3.12 *Compliance with Applicable Law.*

(a) Company and each of its Subsidiaries hold, and have at all times since January 1, 2013 held, all material licenses, franchises, permits and authorizations necessary for the lawful conduct of their respective businesses and ownership of their respective properties, rights and assets under and pursuant to each (and have paid all material fees and assessments due and payable in connection therewith), and to the knowledge of Company, no suspension or cancellation of any such necessary material license, franchise, permit or authorization is threatened. Company and each of its Subsidiaries have since January 1, 2013 complied with and are not in default or violation under any law, statute, order, rule or regulation of any Governmental Entity applicable to Company or any of its Subsidiaries, including (to the extent applicable to Company or its Subsidiaries), all laws related to data protection or privacy, the USA PATRIOT Act, the Equal Credit Opportunity Act and Regulation B, the Fair Housing Act, the Community Reinvestment Act, the Fair Credit Reporting Act, the Truth in Lending Act and Regulation Z, the Home Mortgage Disclosure Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, any regulations promulgated by the Consumer Financial Protection Bureau, the Foreign Corrupt Practices Act, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the SAFE Mortgage Licensing Act of 2008, the Real Estate Settlement Procedures Act and Regulation X, and any other law relating to bank secrecy, discriminatory or abusive or deceptive lending or any other product or service, financing or leasing practices, money laundering prevention, Sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act, and all agency requirements relating to the origination, sale and servicing of mortgage and consumer loans, in each case, except for any such non-compliance, default or violation as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Company. The PrivateBank and Trust Company ("*Company Bank*") has a Community Reinvestment Act rating of "satisfactory" or better.

(b) Neither Company nor any of the Company Subsidiaries nor, to Company's knowledge, any director, officer, agent, employee or any other person acting on behalf of Company or any of the Company Subsidiaries has (i) used any funds for any unlawful contribution, payment, benefit, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any government or regulatory official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing; (iii) violated or is in violation of any provision of any applicable anti-bribery or anti-corruption laws (collectively, the "*Anti-Corruption Laws*"), or

Table of Contents

(iv) made, offered, agreed, requested or accepted any unlawful bribe or other unlawful benefit, including any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit, in the case of each of clauses (i) through (iv) of this Section 3.12(b) in connection with the operation of the businesses of Company and its Subsidiaries. Company and its Subsidiaries have established and maintain a system of internal controls designed to provide reasonable assurances regarding compliance by Company and its Subsidiaries with all applicable Anti-Corruption Laws.

(c) Company and its Subsidiaries are and since January 1, 2013 have been conducting operations at all times in compliance in all material respects with applicable financial recordkeeping and reporting requirements of all money laundering laws administered or enforced by any Governmental Entity in jurisdictions where Company and its Subsidiaries conduct business (collectively, the "*Anti-Money Laundering Laws*"). Company and its Subsidiaries have established and maintain a system of internal controls designed to ensure compliance by Company and its Subsidiaries with applicable financial recordkeeping and reporting requirements of the Anti-Money Laundering Laws.

(d) Neither Company nor any of its Subsidiaries nor any director, officer, agent, employee or any other person acting on behalf of Company or any of its Subsidiaries is currently the subject or the target of any sanctions administered or enforced by any the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State (collectively, "*Sanctions*"), nor is Company or any of its Subsidiaries located, organized or resident in a country or territory that is the subject or the target of Sanctions (each, a "*Sanctioned Country*"). For the past five (5) years, Company and its Subsidiaries have not knowingly engaged in, are not now knowingly engaged in and will not engage in, any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country. Company and its Subsidiaries have established and maintain a system of internal controls designed to provide reasonable assurances regarding compliance by Company and its Subsidiaries with all applicable Sanctions.

(e) Company and each of its Subsidiaries has properly administered in all material respects all accounts for which it acts as a fiduciary, including accounts for which it serves as a trustee, agent, custodian, personal representative, guardian, conservator or investment advisor, in accordance with the terms of the governing documents and applicable law. None of Company, any of its Subsidiaries, or any director, officer or employee of Company or of any of its Subsidiaries, has committed any material breach of trust or fiduciary duty with respect to any such fiduciary account, and the accountings for each such fiduciary account are true and correct and accurately reflect the assets of such fiduciary account.

3.13 *Certain Contracts.*

(a) Except as set forth in Section 3.13(a) of the Company Disclosure Schedule, as of the date hereof, neither Company nor any of its Subsidiaries is a party to or bound by any contract, arrangement, commitment or understanding (whether written or oral), other than any Company Benefit Plans, (i) which is a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC), (ii) which contains a non-compete or client or customer non-solicit requirement or any other provision that materially restricts the conduct of any line of business by Company or any of its affiliates or upon consummation of the Merger will materially restrict the ability of the Surviving Corporation or any of its affiliates to engage in any line of business, (iii) with or to a labor union or guild (including any collective bargaining agreement), (iv) that relates to the incurrence of indebtedness by Company or any of its Subsidiaries (other than deposit liabilities, trade payables, federal funds purchased, advances and loans from the Federal Home Loan Bank and securities sold under agreements to repurchase, in each case incurred in the

Table of Contents

ordinary course of business consistent with past practice, or intercompany indebtedness) in the principal amount of $1,000,000 or more including any sale and leaseback transactions, capitalized leases and other similar financing transactions, (v) that grants any right of first refusal, right of first offer or similar right with respect to any assets, rights or properties (x) that are material to Company and its Subsidiaries, taken as a whole, or (y) that would be applicable to Parent or any of its Subsidiaries (other than Company or any of its Subsidiaries) after the Closing; or (vi) that is a vendor agreement or joint marketing agreement, including any consulting agreement, data processing, software programming or licensing contract, involving (x) the payment of more than $1,000,000 over the remaining term of the agreement (other than any such contracts which are terminable by Company or any of its Subsidiaries on sixty (60) days' or less notice without any required payment or other conditions, other than the condition of notice) or (y) the payment of more than $1,000,000 payable as a result of the termination of the agreement or the consummation of the Merger. Each contract, arrangement, commitment or understanding of the type described in this Section 3.13(a), whether or not set forth in the Company Disclosure Schedule, is referred to herein as a "*Company Contract*," and neither Company nor any of its Subsidiaries has received notice of, and to the Company's knowledge there does not exist, any violation of a Company Contract by any of the other parties thereto which would reasonably be expected to be, either individually or in the aggregate, material to Company and its Subsidiaries, taken as a whole. Section 3.13(a) of the Company Disclosure Schedule sets forth (a) a true, correct and complete list of all acquisitions and sales of businesses made by Company or any of its Subsidiaries within the five (5) year period prior to the date of this Agreement and (ii) a true, correct and complete list of any continuing earn-out obligations arising out of the acquisitions referred to in clause (i).

(b) In each case, except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Company: (i) each Company Contract is valid and binding on Company or one of its Subsidiaries, as applicable, and in full force and effect, (ii) Company and each of its Subsidiaries has performed all obligations required to be performed by it prior to the date hereof under each Company Contract, (iii) to Company's knowledge, each third-party counterparty to each Company Contract has performed all obligations required to be performed by it to date under such Company Contract and (iv) no event or condition exists which constitutes or, after notice or lapse of time or both, will constitute, a default on the part of Company or any of its Subsidiaries under any such Company Contract.

3.14 *Agreements with Regulatory Agencies.* Neither Company nor any of its Subsidiaries is subject to any cease-and-desist or other order or enforcement action issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any order or directive by, or has been ordered to pay any civil money penalty by, or has been since January 1, 2013, a recipient of any supervisory letter from, or since January 1, 2013, has adopted any policies, procedures or board resolutions at the request or suggestion of any Regulatory Agency or other Governmental Entity, specific to Company or its Subsidiaries, that, in each of any such cases, currently restricts in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its ability to pay dividends, its credit or risk management policies, its management or its business (each, whether or not set forth in the Company Disclosure Schedule, a "*Company Regulatory Agreement*"), nor has Company or any of its Subsidiaries been advised in writing or, to Company's knowledge, orally, since January 1, 2013, by any Regulatory Agency or other Governmental Entity that it is considering issuing, initiating, ordering, or requesting any such Company Regulatory Agreement.

3.15 *Risk Management Instruments.* All swaps, caps, floors, option agreements, futures and forward contracts and other similar derivative transactions and risk management arrangements ("*Derivative Contracts*"), whether entered into for the account of Company, any of its Subsidiaries or for the account of a customer of Company or one of its Subsidiaries, were entered into in the ordinary

Table of Contents

course of business and in accordance in all material respects with applicable rules, regulations and policies of any Regulatory Agency and with counterparties believed to be financially responsible at the time and are legal, valid and binding obligations of Company or one of its Subsidiaries enforceable in accordance with their terms (except as may be limited by the Enforceability Exceptions). Company and each of its Subsidiaries have duly performed in all material respects all of their material obligations thereunder to the extent that such obligations to perform have accrued, and, to Company's knowledge, there are no material breaches, violations or defaults or *bona fide* allegations or assertions of such by any party thereunder. The financial position of Company and its Subsidiaries on a consolidated basis under or with respect to each such Derivative Contract has been reflected in its books and records and the books and records of such Subsidiaries, in each case in accordance with GAAP consistently applied.

3.16 *Environmental Matters.* Except as would not reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect on Company, Company and its Subsidiaries are in compliance, and since January 1, 2013, have complied, with any federal, state or local law, regulation, order, decree, permit, authorization, common law or legal requirement relating to: (i) the protection or restoration of the environment, health and safety as it relates to hazardous substance exposure or natural resource damages, (ii) the handling, use, presence, disposal, release or threatened release of, or exposure to, any hazardous substance, or (iii) noise, odor, wetlands, indoor air, pollution, contamination or any injury to persons or property from exposure to any hazardous substance (collectively, "*Environmental Laws*") and have not incurred any liabilities under Environmental Laws. There are no legal, administrative, arbitral or other judicial proceedings, claims or actions, or to the knowledge of Company, any private environmental investigations or remediation activities or governmental investigations of any nature seeking to impose, or that could reasonably be likely to result in the imposition, on Company or any of its Subsidiaries of any material liability or obligation arising under any Environmental Law, pending or threatened against Company. To the knowledge of Company, there is no reasonable basis for any such proceeding, claim, action or governmental investigation that would impose any material liability or obligation. Company is not subject to any material agreement, order, judgment, decree, letter agreement or memorandum of agreement by or with any court, governmental authority, regulatory agency or third party imposing any liability or obligation with respect to any Environmental Law.

3.17 *Investment Securities.*

(a) Each of Company and its Subsidiaries has good title in all material respects to all securities owned by it (except those sold under repurchase agreements or held in any fiduciary or agency capacity), free and clear of any Lien, except (i) as set forth in the financial statements included in the Company SEC Reports and (ii) to the extent such securities or commodities are pledged in the ordinary course of business to secure obligations of Company or its Subsidiaries. Such securities are valued on the books of Company in accordance with GAAP in all material respects.

(b) Company and its Subsidiaries employ, to the extent applicable, investment, securities, risk management and other policies, practices and procedures relating to the management of its investment securities portfolio that Company believes are prudent and reasonable in the context of their respective businesses, and Company and its Subsidiaries have, since January 1, 2013, been in compliance with such policies, practices and procedures in all material respects.

3.18 *Properties.* Except as would not reasonably be likely, either individually or in the aggregate, to have a Material Adverse Effect on Company, Company or one of its Subsidiaries (a) has good and marketable title to all the properties and assets reflected in the latest audited balance sheet included in such Company SEC Reports as being owned by Company or one of its Subsidiaries or acquired after the date thereof (except properties sold or otherwise disposed of since the date thereof in the ordinary course of business) (the "*Owned Properties*"), free and clear of all Liens of any nature whatsoever, except (i) statutory Liens securing payments not yet due, (ii) Liens for real property Taxes not yet due

Table of Contents

and payable, (iii) easements, rights of way, and other similar encumbrances that do not materially affect the use of the properties or assets subject thereto or affected thereby or otherwise materially impair business operations at such properties and (iv) such imperfections or irregularities of title or Liens as do not materially affect the use of the properties or assets subject thereto or affected thereby or otherwise materially impair business operations at such properties (collectively, "*Permitted Encumbrances*"), and (b) is the lessee of all leasehold estates reflected in the latest audited financial statements included in such Company SEC Reports or acquired after the date thereof (except for leases that have expired by their terms since the date thereof) (the "*Leased Properties*" and, collectively with the Owned Properties, the "*Real Property*"), free and clear of all Liens of any nature whatsoever, except for Permitted Encumbrances, and is in possession of the properties purported to be leased thereunder, and each such lease is valid without default thereunder by the lessee or, to the knowledge of Company, the lessor. There are no pending or, to the knowledge of Company, threatened condemnation proceedings against any Real Property that is material to Company. Other than the Owned Property, neither the Company nor any of its Subsidiaries owns any real property.

3.19 *Intellectual Property*.

(a) Each item of registered or issued Registered Owned Intellectual Property is subsisting and, to Company's knowledge, valid and enforceable.

(b) To the knowledge of Company: (i) Company and each of its Subsidiaries owns, or is licensed to use (in each case, free and clear of any material Liens other than any Permitted Encumbrances), all material Intellectual Property necessary for the conduct of its business as currently conducted; (ii)(A) the conduct of the respective business of Company and each of its Subsidiaries does not infringe, misappropriate or otherwise violate, and in the three-year period prior to the date of this Agreement has not infringed, misappropriated or otherwise violated, the Intellectual Property rights of any person in any material respect, and (B) neither Company nor any of its Subsidiaries has received in the three-year period prior to the date of this Agreement any written claims alleging that the conduct of its business infringes, misappropriates or otherwise violates the Intellectual Property rights of any person in any material respect; (iii) no person is challenging, infringing, misappropriating or otherwise violating any material right of Company or any of its Subsidiaries with respect to any material Intellectual Property owned by Company or its Subsidiaries; and (iv) neither Company nor any Company Subsidiary has received any written notice of any pending claim with respect to material Intellectual Property.

(c) In each case, except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Company: (i) the computer, information technology and data processing systems, facilities and services used by Company and each of its Subsidiaries, including all software, hardware, networks, communications facilities, platforms and related systems and services (collectively, the "*Systems*"), are reasonably sufficient for the conduct of the respective businesses of Company and such Subsidiaries as currently conducted; and (ii) the Systems are in good working condition to effectively perform all computing, information technology and data processing operations necessary for the operation of the respective businesses of Company and each of its Subsidiaries as currently conducted. To Company's knowledge, in the three-year period prior to the date of this Agreement no third party has gained unauthorized access to any material Systems owned or controlled by Company or any of its Subsidiaries, and Company and each of its Subsidiaries have taken commercially reasonable steps and implemented commercially reasonable safeguards to ensure that the Systems are secure from unauthorized access and free from any disabling codes or instructions, spyware, Trojan horses, worms, viruses or other software routines that permit or cause unauthorized access to, or disruption, impairment, disablement, or destruction of, software, data or other materials. Company and each of its Subsidiaries has implemented backup and disaster recovery policies, procedures and systems consistent with generally accepted industry standards and sufficient to reasonably maintain the operation of the respective businesses of Company and each of its Subsidiaries in all material respects.

Table of Contents

(d) To Company's knowledge, Company and each of its Subsidiaries has in the three-year period prior to the date of this Agreement (i) complied in all material respects with its published privacy policies and internal privacy policies and guidelines, including with respect to the collection, storage, transmission, transfer, disclosure, destruction and use of personally identifiable information and (ii) taken commercially reasonable measures to ensure that all personally identifiable information in its possession or control is protected against loss, damage, and unauthorized access, use, modification, or other misuse. To Company's knowledge, in the three-year period prior to the date of this Agreement there has been no loss, damage, or unauthorized access, use, modification, or other misuse of any such information by Company, any of its Subsidiaries.

(e) For purposes of this Agreement:

(i) "*Intellectual Property*" means trademarks, service marks, brand names, internet domain names, logos and other indications of origin, the goodwill associated with the foregoing and registrations in any jurisdiction of, and applications in any jurisdiction to register, the foregoing, including any extension, modification or renewal of any such registration or application ("*Trademarks*"); patents, applications for patents (including divisions, continuations, continuations in part and provisional and renewal applications), and any re-examinations, extensions or reissues thereof, in any jurisdiction ("*Patents*"); trade secrets; and copyrights and registrations or applications for registration of copyrights in any jurisdiction, and any renewals or extensions thereof ("*Copyrights*");

(ii) "*Registered Intellectual Property*" means all Trademark registrations and applications for registration (including internet domain name registrations), Copyright registrations and applications for registration, issued Patents and Patent applications; and

(iii) "*Registered Owned Intellectual Property*" means all of the Registered Intellectual Property owned by, or purported to be owned by, filed in the name of or applied for by Company or any of its Subsidiaries.

3.20 *Related Party Transactions*. There are no transactions or series of related transactions, agreements, arrangements or understandings, nor are there any currently proposed transactions or series of related transactions between Company or any of its Subsidiaries, on the one hand, and any current or former director or "executive officer" (as defined in Rule 3b-7 under the Exchange Act) of Company or any of its Subsidiaries or any person who beneficially owns (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) five percent (5%) or more of the outstanding Company Common Stock (or any of such person's immediate family members or affiliates) (other than Company Subsidiaries) on the other hand, of the type required to be reported in any Company SEC Report pursuant to Item 404 of Regulation S-K promulgated under the Exchange Act.

3.21 *State Takeover Laws*. The Board of Directors of Company has approved this Agreement and the transactions contemplated hereby as required to render inapplicable to this Agreement and the transactions contemplated hereby any provisions of the takeover laws of any state, including any "moratorium," "control share," "fair price," "takeover" or "interested shareholder" law (any such laws, "*Takeover Statutes*").

3.22 *Reorganization*. Company has not taken any action and is not aware of any fact or circumstance that could reasonably be expected to prevent the Merger from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code.

3.23 *Opinion*. Prior to the execution of this Agreement, Company has received an opinion (which, if initially rendered orally, has been or will be confirmed by a written opinion, dated the same date) from each of Goldman, Sachs & Co. and Sandler O'Neill & Partners, L.P., to the effect that, as of the date thereof, and based upon and subject to the factors, assumptions and limitations set forth

Table of Contents

therein, the Merger Consideration pursuant to this Agreement is fair, from a financial point of view, to the holders of Company Common Stock. Each such opinion has not been amended or rescinded in any material respect as of the date of this Agreement.

3.24 *Company Information*. The information relating to Company and its Subsidiaries that is provided by Company or its representatives for inclusion in (a) the Proxy Statement, on the date it (or any amendment or supplement thereto) is first mailed to holders of Company Common Stock or at the time of the Company Meeting, (b) in the F-4, when it or any amendment thereto becomes effective under the Securities Act, (c) the documents and financial statements of Company incorporated by reference in the Proxy Statement, the F-4 or any amendment or supplement thereto or (d) any other document filed with any other Regulatory Agency in connection herewith, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. The portions of the Proxy Statement relating to Company and its Subsidiaries and other portions within the reasonable control of Company and its Subsidiaries will comply in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder. Notwithstanding the foregoing, no representation or warranty is made by Company with respect to statements made or incorporated by reference therein based on information provided or supplied by or on behalf of Parent or its Subsidiaries for inclusion in the Proxy Statement or the F-4.

3.25 *Loan Portfolio*.

(a) As of the date hereof, except as set forth in Section 3.25(a) of the Company Disclosure Schedule, neither Company nor any of its Subsidiaries is a party to any written or oral (i) loan, loan agreement, note or borrowing arrangement (including leases, credit enhancements, commitments, guarantees and interest-bearing assets) (collectively, "*Loans*") in which Company or any Company Subsidiary is a creditor which, as of March 31, 2016, had an outstanding balance of $1,000,000 or more and under the terms of which the obligor was, as of March 31, 2016, over 90 days or more delinquent in payment of principal or interest, or (ii) Loans with any director, executive officer or principal stockholder of Company or any of its Subsidiaries (as such terms are defined in 12 C.F.R. Part 215). Except as such disclosure may be limited by any applicable law, rule or regulation, Section 3.25(a) of the Company Disclosure Schedule sets forth a true, correct and complete list of all of the Loans of Company and its Subsidiaries that, as of March 31, 2016, had an outstanding balance of $1,000,000 or more and were classified by Company as "Other Loans Specially Mentioned," "Special Mention," "Substandard," "Doubtful," "Loss," "Classified," "Criticized," "Credit Risk Assets," "Concerned Loans," "Watch List" or words of similar import, together with the principal amount of each such Loan and the aggregate principal amount of such Loans as of such date.

(b) Except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Company, each outstanding Loan of Company and its Subsidiaries (i) is evidenced by notes, agreements or other evidences of indebtedness that are true, genuine and what they purport to be, (ii) to the extent carried on the books and records of Company and its Subsidiaries as secured Loans, has been secured by valid Liens, which have been perfected and (iii) is the legal, valid and binding obligation of the obligor named therein, enforceable in accordance with its terms, subject to the Enforceability Exceptions.

(c) Except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Company, each outstanding Loan of Company and its Subsidiaries has been solicited and originated, and is and has been administered and, where applicable, serviced, and the relevant Loan files are being maintained, in accordance with the relevant notes or other credit or security documents, the applicable written underwriting and servicing standards of Company and its Subsidiaries and with all applicable federal, state and local laws, regulations and

Table of Contents

rules. Every Company Subsidiary that services any mortgage Loans complies with the "small servicer" exemption set forth in the regulations of the Bureau of Consumer Financial Protection, 12 C.F.R. § 1026.41(e)(4).

(d) Neither Company nor any of its Subsidiaries is bound by an agreement pursuant to which Loans or pools of Loans or participations in Loans have been sold that contains any obligation of Company or any of its Subsidiaries to repurchase such Loans or interests therein. Section 3.25(d) of the Company Disclosure Schedule sets forth a true and correct report regarding the current status of (i) repurchase requests received by Company or any of its Subsidiaries to repurchase any Loan or interests therein, and (ii) Company's and its Subsidiaries' reserves in respect of potential repurchase requests to repurchase any Loan or interests therein.

(e) There are no outstanding Loans made by Company or any of its Subsidiaries to any "executive officer" or other "insider" (as each such term is defined in Regulation O promulgated by the Federal Reserve Board) of Company or its Subsidiaries, other than Loans that are subject to and that were made and continue to be in compliance with Regulation O or that are exempt therefrom.

(f) Neither Company nor any of its Subsidiaries is now nor has it ever been since January 1, 2013, subject to any material fine, suspension, settlement or other contract or other administrative agreement or sanction by, or any reduction in any loan purchase commitment from, any Governmental Entity or Regulatory Agency relating to the origination, sale or servicing of mortgage or consumer Loans.

3.26 *Insurance.* (a) Company and its Subsidiaries are insured with reputable insurers against such risks and in such amounts as the management of Company reasonably has determined to be prudent and consistent with industry practice, and neither Company nor any of its Subsidiaries has received notice to the effect that any of them are in default under any material insurance policy; (b) each such policy is outstanding and in full force and effect and, except for policies insuring against potential liabilities of officers, directors and employees of Company and its Subsidiaries, Company or the relevant Subsidiary thereof is the sole beneficiary of such policies; and (c) all premiums and other payments due under any such policy have been paid, and all claims thereunder have been filed in due and timely fashion.

3.27 *Books and Records.* The books and records of Company and its Subsidiaries have been fully, properly and accurately maintained in all material respects, and there are no material inaccuracies or discrepancies or reflected therein.

3.28 *No Other Representations or Warranties*.

(a) Except for the representations and warranties made by Company in this Article III, neither Company nor any other person makes any express or implied representation or warranty with respect to Company, its Subsidiaries, or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and Company hereby disclaims any such other representations or warranties.

(b) Company acknowledges and agrees that none of Parent, Holdco or any other person has made or is making any express or implied representation or warranty other than those contained in Article IV.

Table of Contents

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PARENT AND HOLDCO

Except (i) as disclosed in the disclosure schedule delivered by Parent and Holdco to Company prior to the execution hereof (the "*Parent Disclosure Schedule*") (*provided*, that (a) no such item is required to be set forth as an exception to a representation or warranty if its absence would not result in the related representation or warranty being deemed untrue or incorrect, (b) the mere inclusion of an item in the Parent Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission by Parent or Holdco that such item represents a material exception or fact, event or circumstance or that such item is reasonably likely to result in a Material Adverse Effect, and (c) any disclosures made with respect to a section of this Article IV shall be deemed to qualify (1) any other section of this Article IV specifically referenced or cross-referenced and (2) other sections of this Article IV to the extent it is reasonably apparent on its face (notwithstanding the absence of a specific cross reference) from a reading of the disclosure that such disclosure applies to such other sections) or (ii) as disclosed in any Parent SEC Reports filed prior to the date hereof (but disregarding risk factor disclosures contained under the heading "Risk Factors," or disclosures of risks set forth in any "forward-looking statements" disclaimer or any other statements that are similarly non-specific or cautionary, predictive or forward-looking in nature), Parent and Holdco hereby represent and warrant to Company as follows:

4.1 *Corporate Organization*. Parent validly exists as a Schedule I bank under the Bank Act (Canada) and is a bank holding company duly registered under the BHC Act that has elected to be treated as a financial holding company under the BHC Act. Holdco is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Each of Parent and Holdco has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted and, except as would not, either individually or in the aggregate, reasonably be likely to have a Material Adverse Effect on Parent, is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary. A true and complete copy of Parent's by-laws, as in effect as of the date of this Agreement, has previously been made available by Parent to Company.

4.2 *Capitalization*.

(a) The authorized capital stock of Parent consists of an unlimited number of Parent Common Shares without nominal or par value, and an unlimited number of Class A preferred shares and Class B preferred shares, without nominal or par value, which classes of preferred shares may be issued for a maximum aggregate consideration not to exceed C$10 billion (the "*Parent Preferred Shares*"). As of May 31, 2016 (the "*Parent Capitalization Date*"), no shares of capital stock or other voting securities of Parent were issued, reserved for issuance or outstanding, other than (i) 394,746,840 Parent Common Shares issued and outstanding, (ii) 40,000,000 Parent Preferred Shares issued and outstanding and (iii) 6,798,097 Parent Common Shares reserved for issuance upon exercise of options issued pursuant to employee and director stock plans of Parent or Subsidiaries of Parent in effect as of the date of this Agreement (the "*Parent Stock Plans*"). All the issued and outstanding Parent Common Shares have been duly authorized and validly issued and are fully paid, non-assessable and free of preemptive rights, with no personal liability attaching to the ownership thereof. As of the Parent Capitalization Date, no bonds, debentures, notes or other indebtedness that have the right to vote on any matters on which shareholders of Parent may vote were issued or outstanding, no trust preferred or subordinated debt securities of Parent or any Subsidiary of Parent were issued or outstanding and, other than the Parent Stock Plans, there were no outstanding subscriptions, options, warrants, puts, calls, rights, exchangeable or convertible securities or other commitments or agreements obligating Parent to issue, transfer, sell, purchase, redeem or otherwise acquire any Parent Common Shares.

Table of Contents

(b) There are no voting trusts, shareholder agreements, proxies or other agreements in effect pursuant to which Parent or any of its Subsidiaries has a contractual or other obligation with respect to the voting or transfer of the Parent Common Shares or other equity interests of Parent.

4.3 *Authority; No Violation*.

(a) Each of Parent and Holdco has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the Merger have been duly and validly approved by the Board of Directors of each of Parent and Holdco. The Board of Directors of each of Parent and Holdco has determined that the Merger, on the terms and conditions set forth in this Agreement, is in the best interests of such company. No other corporate proceedings on the part of either Parent or Holdco are necessary to approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by each of Parent and Holdco and (assuming due authorization, execution and delivery by Company) constitutes a valid and binding obligation of each of Parent and Holdco, enforceable against Parent in accordance with its terms (except in all cases as such enforceability may be limited by the Enforceability Exceptions). The Parent Common Shares to be issued in the Merger have been validly authorized and, when issued, will be validly issued, fully paid and non-assessable, and no current or past shareholder of Parent will have any preemptive right or similar rights in respect thereof.

(b) Neither the execution and delivery of this Agreement by each of Parent and Holdco, nor the consummation by each of Parent and Holdco of the transactions contemplated hereby, nor compliance by each of Parent and Holdco with any of the terms or provisions hereof, will (i) violate any provision of the organizational documents of Parent or Holdco, as applicable, or (ii) assuming that the consents, approvals and filings referred to in Section 4.4 are duly obtained and/or made, (x) violate any law, statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to Parent, Holdco or any of their Subsidiaries or any of their respective properties or assets or (y) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Parent, Holdco or any of their Subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which Parent, Holdco or any of their Subsidiaries is a party, or by which they or any of their respective properties or assets may be bound, except (in the case of clause (ii) above) for such violations, conflicts, breaches, defaults, terminations, cancellations, accelerations or creations which either individually or in the aggregate would not reasonably be likely to have a Material Adverse Effect on Parent.

4.4 *Consents and Approvals.* Except for (i) the filing of applications, filings and notices, as applicable, with the Federal Reserve Board under the BHC Act, OSFI under the Bank Act (Canada) and the Illinois Department of Financial and Professional Regulation, Division of Banking under Illinois law, and approval of such applications, filings and notices, the filing with the SEC of the Proxy Statement and the F-4 in which the Proxy Statement will be included as a prospectus, and declaration of effectiveness of the F-4, (ii) the filing of the Certificate of Merger with the Delaware Secretary pursuant to the DGCL, (iii) the filing of any notices or other filings under the HSR Act, (iv) such filings and approvals as are required to be made or obtained under the securities or "Blue Sky" laws of various states in connection with the issuance of the Parent Common Shares pursuant to this Agreement and (v) the approval of the listing of such Parent Common Shares on the NYSE and the TSX, no consents or approvals of or filings or registrations with any Governmental Entity are necessary in connection with (A) the execution and delivery by each of Parent and Holdco of this Agreement or

Table of Contents

(B) the consummation by each of Parent and Holdco of the Merger and the other transactions contemplated hereby. As of the date hereof, neither Parent nor Holdco is aware of any reason why the necessary regulatory approvals and consents will not be received in order to permit consummation of the Merger on a timely basis. No vote or other approval of the shareholders or any other securityholders of Parent is required in connection with the execution, delivery or performance of this Agreement or to consummate the transactions contemplated hereof (including the issuance of stock consideration) in accordance with the terms hereof, whether by reason of applicable law, the organizational documents of Parent, the rules or requirements of any exchange, or otherwise.

4.5 *Reports*.

(a) Each of Parent, Holdco and their respective Subsidiaries has timely filed or furnished, as applicable, all material reports, registrations and statements, together with any amendments required to be made with respect thereto, that they were required to file (or furnish, as applicable) since January 1, 2013 with any Regulatory Agencies, including any material report, registration or statement required to be filed (or furnished, as applicable) pursuant to the laws, rules or regulations of the United States, any state, any foreign entity, or any Regulatory Agency, and have paid all fees and assessments due and payable in connection therewith. Except for examinations of Parent, Holdco and their respective Subsidiaries conducted by a Regulatory Agency in the ordinary course of business, no Regulatory Agency has initiated or has pending any proceeding or, to the knowledge of Parent or Holdco, investigation into the business or operations of Parent, Holdco or any of their respective Subsidiaries since January 1, 2013. Except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect, there is no unresolved violation, criticism or exception by any Regulatory Agency with respect to any report or statement relating to any examinations or inspections of Parent, Holdco or any of their respective Subsidiaries.

(b) An accurate and complete copy of each final registration statement, prospectus, report, schedule and definitive proxy statement filed with or furnished to the SEC by Parent or any of its Subsidiaries pursuant to the Securities Act or the Exchange Act, as the case may be, since January 1, 2013 (the "*Parent SEC Reports*") is publicly available. No such Parent SEC Report, at the time filed, furnished or communicated (and, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of the relevant meetings, respectively), contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading, except that information filed or furnished as of a later date (but before the date of this Agreement) shall be deemed to modify information as of an earlier date. As of their respective dates, all Parent SEC Reports filed or furnished under the Securities Act and the Exchange Act complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto. As of the date of this Agreement, no executive officer of Parent has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes-Oxley Act. As of the date of this Agreement, there are no outstanding comments from, or material unresolved issues raised by, the SEC with respect to any of the Parent SEC Reports.

4.6 *Financial Statements*.

(a) The financial statements of Parent and its Subsidiaries included (or incorporated by reference) in the Parent SEC Reports (including the related notes, where applicable) (i) have been prepared from, and are in accordance with, the books and records of Parent and its Subsidiaries, (ii) fairly present in all material respects the consolidated results of operations, cash flows, changes in shareholders' equity and consolidated financial position of Parent and its Subsidiaries for the respective fiscal periods or as of the respective dates therein set forth (subject in the case of

Table of Contents

unaudited statements to year-end audit adjustments normal in nature and amount), (iii) complied, as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, and (iv) have been prepared in accordance with IFRS or Canadian generally accepted accounting principles ("*Canadian GAAP*"), as applicable, consistently applied during the periods involved, except, in each case, as indicated in such statements or in the notes thereto. The books and records of Parent and its Subsidiaries have been, since January 1, 2013, and are being maintained in all material respects in accordance with IFRS, Canadian GAAP or GAAP, as applicable, and any other applicable legal and accounting requirements. Ernst & Young LLP has not resigned (or informed Parent that it intends to resign) or been dismissed as independent public accountants of Parent as a result of or in connection with any disagreements with Parent on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

(b) Except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Parent, none of Parent, Holdco or any of their respective Subsidiaries has any liability of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether due or to become due), except for (i) those liabilities that are reflected or reserved against on the consolidated balance sheet of Parent included in its Quarterly Report to Shareholders filed with the SEC on Form 6-K for the fiscal quarter ended April 30, 2016 (including any notes thereto), (ii) liabilities incurred in the ordinary course of business consistent with past practice since April 30, 2016 or in connection with this Agreement and the transactions contemplated hereby or (iii) liabilities that are not material to Parent and its Subsidiaries, taken as a whole.

(c) The records, systems, controls, data and information of Parent and its Subsidiaries are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership and direct control of Parent or its Subsidiaries or accountants (including all means of access thereto and therefrom), except for any non-exclusive ownership and non-direct control that would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Parent. Parent (i) has implemented and maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) to ensure that material information relating to Parent, including its Subsidiaries, is made known to the chief executive officer and the chief financial officer of Parent by others within those entities as appropriate to allow timely decisions regarding required disclosures and to make the certifications required by the Exchange Act and Sections 302 and 906 of the Sarbanes-Oxley Act, and (ii) has disclosed, based on its most recent evaluation prior to the date hereof, to Parent's outside auditors and the audit committee of Parent's Board of Directors (x) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) which are reasonably likely to adversely affect Parent's ability to record, process, summarize and report financial information, and (y) to the knowledge of Parent, any fraud, whether or not material, that involves management or other employees who have a significant role in Parent's internal controls over financial reporting. Copies of any such disclosures were made in writing by management to Parent's auditors and audit committee and a copy has previously been made available to Company. To the knowledge of Parent, there is no reason to believe that Parent's outside auditors and its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, prior to the Closing Date.

(d) Since January 1, 2013, (i) none of Parent, Holdco or any of their respective Subsidiaries, nor, to the knowledge of Parent, any director, officer, auditor, accountant or representative of

Table of Contents

Parent, Holdco or any of their respective Subsidiaries, has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or, to the knowledge of Parent, oral, regarding the accounting or auditing practices, procedures, methodologies or methods (including with respect to loan loss reserves, write-downs, charge-offs and accruals) of Parent, Holdco or any of their respective Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or written claim that Parent, Holdco or any of their respective Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no attorney representing Parent, Holdco or any of their respective Subsidiaries, whether or not employed by Parent, Holdco or any of their respective Subsidiaries, has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by Parent, Holdco or any of their respective officers, directors or employees to the Board of Directors of either Parent or Holdco or any committee thereof or to the knowledge of Parent, to any director or officer of Parent or Holdco.

4.7 *Broker's Fees*. None of Parent, Holdco or any of their respective Subsidiaries, nor any of their respective officers or directors, has employed any broker, finder or financial advisor or incurred any liability for any broker's fees, commissions or finder's fees in connection with the Merger or related transactions contemplated by this Agreement, other than CIBC World Markets Inc. and J.P. Morgan Securities LLC.

4.8 *Absence of Certain Changes or Events*. Since October 31, 2015, no event or events have occurred that have had or would reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Parent.

4.9 *Legal and Regulatory Proceedings*.

(a) There is no suit, action, investigation, claim or proceeding pending or, to Parent's knowledge, threatened against or involving Parent or Holdco or any of their respective Subsidiaries or, in their capacities as such, any of the current or former directors or executive officers of Parent, Holdco or any of their Subsidiaries (and Parent is not aware of any basis for any such suit, action or proceeding) (i) that would reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Parent, or (ii) of a material nature challenging the validity or propriety of this Agreement.

(b) There is no injunction, order, judgment, decree, or regulatory restriction imposed upon Parent, Holdco, any of their respective Subsidiaries or the assets of Parent, Holdco or any of their respective Subsidiaries that is material to Parent and its Subsidiaries, taken as a whole.

4.10 *Compliance with Applicable Law*.

(a) Parent, Holdco and each of their respective Subsidiaries hold, and have at all times since January 1, 2013 held, all material licenses, franchises, permits and authorizations necessary for the lawful conduct of their respective businesses and ownership of their respective properties, rights and assets under and pursuant to each (and have paid all material fees and assessments due and payable in connection therewith), and to the knowledge of Parent, no suspension or cancellation of any such necessary material license, franchise, permit or authorization is threatened. Parent, Holdco and each of their respective Subsidiaries have since January 1, 2013 complied with and are not in default or violation under any, law, statute, order, rule or regulation of any Governmental Entity applicable to them, including (to the extent applicable to Parent, Holdco or their respective Subsidiaries), all laws related to data protection or privacy, the USA PATRIOT Act, the Bank Secrecy Act, the Equal Credit Opportunity Act and Regulation B, the Fair Housing Act, the Community Reinvestment Act, the Fair Credit Reporting Act, the Truth in Lending Act and Regulation Z, the Home Mortgage Disclosure Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act,

Table of Contents

any regulations promulgated by the Consumer Financial Protection Bureau, the Foreign Corrupt Practices Act, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the SAFE Mortgage Licensing Act of 2008, the Real Estate Settlement Procedures Act and Regulation X, and any other law relating to bank secrecy, discriminatory or abusive or deceptive lending or any other product or service, financing or leasing practices, money laundering prevention, Sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act, and all agency requirements relating to the origination, sale and servicing of mortgage and consumer loans, in each case, except for any such non-compliance, default or violation as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Parent.

(b) Parent, Holdco and their respective Subsidiaries are and since January 1, 2013 have been conducting operations at all times in compliance with applicable financial recordkeeping and reporting requirements of all Anti-Money Laundering Laws, except for any such non-compliance as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Parent.

4.11 *Reorganization.* Neither Parent nor Holdco has taken any action or is aware of any fact or circumstance that could reasonably be expected to prevent the Merger from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code.

4.12 *Parent Information.* The information relating to Parent and its Subsidiaries that is provided by Parent or its representatives for inclusion in (a) the Proxy Statement, on the date it (or any amendment or supplement thereto) is first mailed to holders of Company Common Stock or at the time of the Company Meeting, (b) the F-4, when it or any amendment thereto becomes effective under the Securities Act, (c) the documents and financial statements of Parent incorporated by reference in the Proxy Statement, the F-4 or any amendment or supplement thereto or (d) any other document filed with any other Regulatory Agency in connection herewith, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. The portions of the Proxy Statement relating to Parent and its Subsidiaries and other portions within the reasonable control of Parent will comply in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder. Notwithstanding the foregoing, no representation or warranty is made by Parent with respect to statements made or incorporated by reference therein based on information provided or supplied by or on behalf of Company or its Subsidiaries for inclusion in the Proxy Statement or the F-4.

4.13 *Financing.* Parent has, or will have available to it prior to the Closing Date, all funds necessary to satisfy its obligations hereunder.

4.14 *Agreements with Regulatory Agencies.* In each case, except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Parent, neither Parent nor any of its Subsidiaries is subject to any cease-and-desist or other order or enforcement action issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any order or directive by, or has been ordered to pay any civil money penalty by, or has been since January 1, 2013, a recipient of any supervisory letter from, or since January 1, 2013, has adopted any policies, procedures or board resolutions at the request or suggestion of any Regulatory Agency or other Governmental Entity, specific to Parent or its Subsidiaries, that, in each of any such cases, currently restricts in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its ability to pay dividends, its credit or risk management policies, its management or its business (each, whether or not set forth in the Parent Disclosure Schedule, a "*Parent Regulatory Agreement*"), nor has Parent or any of its Subsidiaries been advised in writing or, to Parent's knowledge, orally, since January 1, 2013, by any Regulatory Agency or other Governmental Entity that it is considering issuing, initiating, ordering, or requesting any such Parent Regulatory Agreement.

Table of Contents

4.15 *Books and Records.* The books and records of Parent and its Subsidiaries have been fully, properly and accurately maintained in all material respects, and there are no material inaccuracies or discrepancies or reflected therein.

4.16 *No Other Representations or Warranties.*

(a) Except for the representations and warranties made by each of Parent and Holdco in this Article IV, none of Parent, Holdco or any other person makes any express or implied representation or warranty with respect to Parent, Holdco, their respective Subsidiaries, or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and each of Parent and Holdco hereby disclaims any such other representations or warranties.

(b) Each of Parent and Holdco acknowledges and agrees that neither Company nor any other person has made or is making any express or implied representation or warranty other than those contained in Article III.

ARTICLE V

COVENANTS RELATING TO CONDUCT OF BUSINESS

5.1 *Conduct of Business of Company Prior to the Effective Time.* During the period from the date of this Agreement to the Effective Time or earlier termination of this Agreement, except as expressly contemplated or permitted by this Agreement (including as set forth in the Company Disclosure Schedule), required by law or as consented to in writing by Parent (such consent not to be unreasonably withheld), (a) Company shall, and shall cause its Subsidiaries to, (i) conduct its business in the ordinary course in all material respects and (ii) use reasonable best efforts to maintain and preserve intact its business organization, employees and advantageous business relationships, and (b) each of Parent and Company shall, and shall cause their respective Subsidiaries to, take no action, or, to the extent feasible, fail to prevent an action, that is intended to or would reasonably be likely to adversely affect or delay the ability to obtain any necessary approvals of any Regulatory Agency or other Governmental Entity required for the transactions contemplated hereby or to perform its respective covenants and agreements under this Agreement or to consummate the transactions contemplated hereby on a timely basis.

5.2 *Company Forbearances.* During the period from the date of this Agreement to the Effective Time or earlier termination of this Agreement, except as set forth in the Company Disclosure Schedule, as expressly contemplated or permitted by this Agreement or as required by law, Company shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of Parent (such consent not to be unreasonably withheld):

(a) other than in the ordinary course of business, incur any indebtedness for borrowed money, assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person (other than any Company Subsidiary);

(b) (i) adjust, split, combine or reclassify any capital stock;

(ii) make, declare or pay any dividend, or make any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock or any securities or obligations convertible (whether currently convertible or convertible only after the passage of time or the occurrence of certain events) into or exchangeable for any shares of its capital stock (except (A) regular quarterly cash dividends by Company (and dividend equivalents to the extent provided by the terms of any Company Equity Awards or Deferred Units) at a rate not in excess of $0.01 per share of Company Common Stock, (B) dividends paid by any Company Subsidiary to Company or any of its wholly owned Subsidiaries, (C) any required dividends on the preferred stock of any Company Subsidiary or (D) the withholding

Table of Contents

or acceptance of shares of Company Common Stock in connection with the vesting, exercise and/or settlement of any Company Equity Award or Deferred Unit, in each case in accordance with past practice and the terms of the applicable award agreements);

(iii) grant any stock options, stock appreciation rights, performance shares, restricted stock units, restricted shares or other equity-based awards or interests, or grant any individual, corporation or other entity any right to acquire any shares of its capital stock; or

(iv) issue, sell or otherwise permit to become outstanding any additional shares of capital stock or securities convertible or exchangeable into, or exercisable for, any shares of its capital stock or any options, warrants or other rights of any kind to acquire any shares of capital stock, except for the issuance of shares upon the exercise of Company Stock Options or the vesting or settlement of Company Equity Awards (and dividend equivalents thereon, if any);

(c) sell, transfer, mortgage, encumber or otherwise dispose of any of its material properties or assets to any individual, corporation or other entity other than a wholly owned Subsidiary, or cancel, release or assign any indebtedness to any such person or any claims held by any such person, in each case other than in the ordinary course of business;

(d) except for transactions in the ordinary course of business, make any material investment either by purchase of stock or securities, contributions to capital, property transfers, or purchase of any property or assets of any other individual, corporation or other entity, other than in a wholly owned Company Subsidiary;

(e) other than in the ordinary course of business, (i) terminate, materially amend, or waive any material provision of, any Company Contract, or make any change in any instrument or agreement governing the terms of any of its securities, or (ii) enter into any contract that would constitute a Company Contract if it were in effect on the date of this Agreement;

(f) except as required under applicable law or the terms of any Company Benefit Plan existing as of the date hereof, (i) enter into, adopt or terminate any material employee benefit or compensation plan, program, policy or arrangement for the benefit of any current or former employee, officer, director or consultant (who is a natural person), (ii) except as would not in the aggregate result in an increase in costs from the date hereof that would be material to the Company or the Surviving Corporation, enter into any new, adopt, amend (whether in writing or through the interpretation of) or terminate any Company Benefit Plan or any employee benefit or compensation plan, program, policy or arrangement for the benefit of any current or former employee, officer, director or consultant (who is a natural person) that would be a Company Benefit Plan if in effect on the date hereof, (iii) increase the compensation or benefits payable to any current or former employee, officer, director or consultant (who is a natural person), (iv) pay or award, or commit to pay or award, any bonuses or incentive compensation, (v) grant or accelerate the vesting of any equity-based awards or other compensation, (vi) fund any rabbi trust, (viii) terminate the employment of any member of the Company's Operating Committee or Executive Committee as of the date hereof, other than for cause, or (ix) hire any employee to a position that would be a member of the Company's Operating Committee or Executive Committee;

(g) settle any material claim, suit, action or proceeding, except in the ordinary course of business, in an amount and for consideration not in excess of $5,000,000 individually or $10,000,000 in the aggregate or that would not impose any material restriction on the business of it or its Subsidiaries or the Surviving Corporation or affect the Merger and the other transactions contemplated hereby;

Table of Contents

(h) take any action or knowingly fail to take any action where such action or failure to act could reasonably be expected to prevent the Merger from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code;

(i) amend the Company Certificate, Company Bylaws or comparable governing documents of Subsidiaries;

(j) merge or consolidate itself or any of its Subsidiaries with any other person, or restructure, reorganize or completely or partially liquidate or dissolve it or any of its Subsidiaries;

(k) materially restructure or materially change its investment securities or derivatives portfolio or its interest rate exposure, through purchases, sales or otherwise;

(l) take any action that is intended or expected to result in any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect at any time prior to the Effective Time, or in any of the conditions to the Merger set forth in Article VII not being satisfied or in a violation of any provision of this Agreement, except, in every case, as may be required by applicable law;

(m) implement or adopt any change in its accounting principles, practices or methods, other than as may be required by GAAP or by applicable laws, regulations, guidelines or policies imposed by any Governmental Entity;

(n) (i) enter into any material new line of business or change in any material respect its lending, investment, underwriting, risk and asset liability management and other banking and operating, securitization and servicing policies (including any change in the maximum ratio or similar limits as a percentage of its capital exposure applicable with respect to its loan portfolio or any segment thereof), except as required by such policies or applicable law, regulation or policies imposed by any Governmental Entity or (ii) make any loans or extensions of credit except in the ordinary course of business consistent with past practice and in conformity with Company's ordinary course lending policies and guidelines (including, in each case, with respect to loan amounts, security, collateral, loan terms, single name exposure limits and portfolio mix) in effect as of the date hereof;

(o) make any material changes in its policies and practices with respect to (i) underwriting, pricing, originating, acquiring, selling, servicing or buying or selling rights to service Loans or (ii) its hedging practices and policies, in each case except as may be required by such policies and practices or by any applicable laws, regulations, guidelines or policies imposed by any Governmental Entity;

(p) make, or commit to make, any capital expenditures in excess of the amounts specified in the capital expenditure budget made available to Parent prior to the date hereof plus 10%;

(q) other than in the ordinary course of business consistent with past practice, make, change or revoke any material Tax election, change an annual Tax accounting period, adopt or materially change any Tax accounting method, file any amended Tax Return, enter into any closing agreement with respect to Taxes, or settle any material Tax claim, audit, assessment or dispute or surrender any right to claim a refund of a material amount of Taxes;

(r) make application for the opening, relocation or closing of any, or open, relocate or close any, branch office, loan production office or other significant office or operations facility of it or its Subsidiaries;

(s) terminate, or fail to maintain in effect, the material insurance policies of Company and its Subsidiaries, including any policies of directors' and officers' liability insurance, of at least the same

Table of Contents

coverage and amounts and on terms and conditions not less advantageous to the insured as currently maintained by Company and its Subsidiaries; or

(t) agree to take, make any commitment to take, or adopt any resolutions of its Board of Directors or similar governing body in support of, any of the actions prohibited by this Section 5.2.

5.3 *Parent and Holdco Forbearances.* During the period from the date of this Agreement to the Effective Time or earlier termination of this Agreement, except as set forth in the Parent Disclosure Schedule, as expressly contemplated or permitted by this Agreement, or as required by law, each of Parent and Holdco shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of Company (such consent not to be unreasonably withheld):

(a) amend the Parent's by-laws or the governing documents of any of its Subsidiaries in a manner that would materially and adversely affect the economic benefits of the Merger to the holders of Company Common Stock or adversely affect the holders of Company Common Stock relative to holders of Parent Common Shares or that would materially impede Parent's ability to consummate the transactions contemplated by this Agreement;

(b) Except as would not (i) reasonably be expected to have a Material Adverse Effect on Parent or (ii) adversely affect the Tax treatment of the Merger with respect to Company's stockholders or the value or the Merger Consideration, merge or consolidate itself or any of its Subsidiaries with any other person, or restructure, reorganize or completely or partially liquidate or dissolve it or any of its Subsidiaries;

(c) notwithstanding anything herein to the contrary, take any action or knowingly fail to take any action where such action or failure to act could reasonably be expected to (i) prevent the Merger from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code or (ii) cause the stockholders of Company to recognize gain pursuant to Section 367(a) of the Code (assuming that, in the case of any such holder who would be treated as a "five-percent transferee shareholder" within the meaning of Treasury Regulations Section 1.367(a)-3(c)(5)(ii), such holder enters into a five-year gain recognition agreement in the form provided in Treasury Regulations Section 1.367(a)-8, as provided for in Treasury Regulations Section 1.367(a)-3(c)(1)(iii)(B), and complies with the requirements of that agreement and Treasury Regulations Section 1.367(a)-8 for avoiding the recognition of gain), or, except as may be required by applicable law, regulation or policies imposed by any Governmental Entity, (i) take any action that would reasonably be expected to prevent, materially impede or materially delay the consummation of the transactions contemplated by this Agreement, or (ii) take, or omit to take, any action where such action or omission is reasonably likely to result in any of the conditions to the Merger set forth in Article VII not being satisfied; or

(d) agree to take, make any commitment to take, or adopt any resolutions of its Board of Directors in support of, any of the actions prohibited by this Section 5.3.

ARTICLE VI

ADDITIONAL AGREEMENTS

6.1 *Regulatory Matters.*

(a) Parent and Company shall prepare the F-4 and the Proxy Statement promptly and in no event later than thirty (30) days after the date of this Agreement. Parent shall thereupon file the F-4, in which the Proxy Statement will be included as a prospectus, with the SEC. Each of Parent and Company shall use its reasonable best efforts to have the F-4 declared effective under the Securities Act as promptly as practicable after such filing, and Company shall thereafter file the Proxy Statement with the SEC and mail or deliver the Proxy Statement to its stockholders. Parent

Table of Contents

shall also use its reasonable best efforts to obtain all necessary state securities law or "Blue Sky" permits and approvals required to carry out the transactions contemplated by this Agreement, and Company shall furnish all information concerning Company and the holders of Company Common Stock as may be reasonably requested in connection with any such action.

(b) Subject to other provisions of this Agreement, the parties hereto shall cooperate with each other and use their reasonable best efforts to promptly prepare and file all necessary documentation, to effect all applications, notices, petitions and filings, to obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties and Governmental Entities which are necessary or advisable to consummate the transactions contemplated by this Agreement (including the Merger), and to comply with the terms and conditions of all such permits, consents, approvals and authorizations of all such third parties and Governmental Entities. Without limiting the generality of the foregoing, as soon as practicable and in no event later than forty (40) days after the date of this Agreement, Parent and Company shall, and shall cause their respective Subsidiaries to, each prepare and file any applications, notices and filings required in order to obtain the Requisite Regulatory Approvals. Parent and Company shall each use, and shall each cause their applicable Subsidiaries to use, reasonable best efforts to obtain each such Requisite Regulatory Approval as promptly as reasonably practicable. The parties shall cooperate with each other in connection therewith (including the furnishing of any information and any reasonable undertaking or commitments that may be required to obtain the Requisite Regulatory Approvals). Parent and Company shall have the right to review in advance, and, to the extent practicable, each will consult the other on, in each case subject to applicable laws relating to the exchange of information, all the information relating to Company or Parent, as the case may be, and any of their respective Subsidiaries, which appears in any filing made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions contemplated by this Agreement. In exercising the foregoing right, each of the parties hereto shall act reasonably and as promptly as practicable. Each party will provide the other with copies of any applications and all correspondence relating thereto prior to filing, other than any portions of material filed in connection therewith that contain competitively sensitive business or other proprietary information filed under a claim of confidentiality and subject to applicable laws relating to the exchange of information. The parties hereto agree that they will consult with each other with respect to the obtaining of all permits, consents, approvals and authorizations of all third parties and Governmental Entities necessary or advisable to consummate the transactions contemplated by this Agreement, and each party will keep the other apprised of the status of matters relating to completion of the transactions contemplated herein. Each party shall consult with the other in advance of any meeting or conference with any Governmental Entity in connection with the transactions contemplated by this Agreement, and to the extent permitted by such Governmental Entity, give the other party and/or its counsel the opportunity to attend and participate in such meetings and conferences; *provided* that each party shall be permitted to respond to inbound telephone calls or other inquiries from any Governmental Entity, and to provide informal status updates to a Governmental Entity, in each case without consulting in advance with the other party; *provided*, *further*, that Parent shall be permitted to redact from copies provided to Company of written materials submitted or intended for submission by Parent to OSFI, information relating to the business or operations of Parent to the extent that access to such information is not required for Company to reasonably assess the status of matters relating to consummation of the transactions contemplated by this Agreement, and Parent need not include Company in meetings or conferences, or portions of meetings or conferences, between Parent (or any of its affiliates) and OSFI in which the business or operations of Parent will be discussed with OSFI, provided that if such a discussion is germane to the status of matters relating to the consummation of the transactions contemplated by this Agreement, Parent will promptly inform Company of the occurrence of such a meeting and the general subject discussed and provide Company with summary information conveying the import of the matters discussed.

Table of Contents

(c) In furtherance and not in limitation of the foregoing, each of Parent and Company shall use its reasonable best efforts to avoid the entry of, or to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that would restrain, prevent or delay the Closing. Notwithstanding anything to the contrary in this Agreement, nothing contained in this Agreement shall require Parent or Company to take, or commit to take, any action or agree to any condition or restriction that would reasonably be likely to have a material and adverse effect on Parent and its Subsidiaries, taken as a whole, giving effect to the Merger (with such materiality measured on a scale relative to Company and its Subsidiaries, taken as a whole) (a "*Materially Burdensome Regulatory Condition*").

(d) Parent and Company shall, upon request, furnish each other with all information to which they have access concerning themselves, their Subsidiaries, directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with the Proxy Statement, the F-4 or any other statement, filing, notice or application made by or on behalf of Parent, Company or any of their respective Subsidiaries to any Governmental Entity in connection with the Merger and the other transactions contemplated by this Agreement. Each of Parent and Company agrees, as to itself and its Subsidiaries, (i) that none of the information supplied or to be supplied by it for inclusion or incorporation by reference in the F-4 will, at the time the F-4 and each amendment or supplement thereto, if any, becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (ii) that none of the information supplied or to be supplied by it for inclusion or incorporation by reference in the Proxy Statement and any amendment or supplement thereto will, at the date of mailing to shareholders and at the time of the Company Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statement was made, not misleading. Each of Parent and Company further agrees that if it becomes aware that any information furnished by it would cause any of the statements in the F-4 or the Proxy Statement to be false or misleading with respect to any material fact, or to omit to state any material fact necessary to make the statements therein not false or misleading, to promptly inform the other party thereof and to take appropriate steps to correct the F-4 or the Proxy Statement.

(e) Parent and Company shall promptly advise each other upon receiving any communication from any Governmental Entity whose consent or approval is required for consummation of the transactions contemplated by this Agreement that causes such party to believe that there is a reasonable likelihood that any Requisite Regulatory Approval will not be obtained or that the receipt of any such approval will be materially delayed.

(f) Parent shall, and shall cause the Surviving Company to, comply with the "reporting requirements" of Treasury Regulations Section 1.367(a)-3(c)(6).

6.2 *Access to Information*.

(a) Upon reasonable notice and subject to applicable laws, Company shall, and shall cause each of its Subsidiaries to, afford to the officers, employees, accountants, counsel, advisors and other representatives of Parent reasonable access, during normal business hours during the period prior to the Effective Time, to all its properties, books, contracts, personnel, information technology systems and records, and each shall reasonably cooperate with Parent in preparing to execute after the Effective Time conversion or consolidation of systems and business operations generally (including by entering into customary confidentiality, nondisclosure and similar agreements with service providers), and, during such period, Company shall, and shall cause its Subsidiaries to, make available to Parent such information concerning its business, properties and personnel as Parent may reasonably request. Parent shall use commercially reasonable efforts to

Table of Contents

minimize any interference with Company's regular business operations during any such access. Upon reasonable notice and subject to applicable laws, Parent shall, and shall cause each of its Subsidiaries to, furnish or otherwise make available to the officers, employees, accountants, counsel, advisors and other representatives of Company such information concerning its businesses as is reasonably relevant to Company and its stockholders in connection with the transactions contemplated by this Agreement. No party shall be required to provide access to or to disclose information where such access or disclosure would jeopardize the attorney-client privilege of the institution in possession or control of such information (after giving due consideration to the existence of any common interest, joint defense or similar agreement between the parties) or contravene any law, rule, regulation, order, judgment, decree, fiduciary duty or binding agreement entered into prior to the date of this Agreement. The parties hereto will make appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply.

(b) Each party shall hold all information furnished by or on behalf of it or any of its Subsidiaries or representatives pursuant to Section 6.2(a) in confidence to the extent required by, and in accordance with, the provisions of the confidentiality agreement, dated April 25, 2016, by and between Parent and Company (the "*Confidentiality Agreement*"); *provided* that, as of the date of this Agreement, Sections 13 and 15 of the Confidentiality Agreement shall terminate and no longer be in effect.

(c) No investigation by Parent, Company or their respective representatives pursuant to this Section 6.2 or prior to the date of this Agreement shall affect or be deemed to modify or waive the representations and warranties of the other set forth herein. Nothing contained in this Agreement shall give either Parent or Company, directly or indirectly, the right to control or direct the operations of the other party prior to the Effective Time. Prior to the Effective Time, each party shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and its Subsidiaries' respective operations.

6.3 *Company Stockholder Approval*.

(a) Company shall take, in accordance with applicable law and the Company Certificate and Company Bylaws, all action necessary to convene a meeting of its stockholders (the "*Company Meeting*") to be held as soon as reasonably practicable after the F-4 is declared effective for the purpose of obtaining the Requisite Company Vote required in connection with this Agreement and the Merger, and, if so desired and mutually agreed, upon other matters of the type customarily brought before an annual or special meeting of stockholders to adopt a merger agreement. The Board of Directors of Company shall use its reasonable best efforts to obtain from the stockholders of Company the Requisite Company Vote, including by communicating to its stockholders its recommendation (and including such recommendation in the Proxy Statement) that they adopt and approve this Agreement and the transactions contemplated hereby. Company shall engage a proxy solicitor reasonably acceptable to Parent to assist in the solicitation of proxies from stockholders relating to the Requisite Company Vote. However, subject to Sections 8.1 and 8.2, if the Board of Directors of Company, after receiving the advice of its outside counsel and, with respect to financial matters, its financial advisors, determines in good faith that, because of the receipt by Company of an Acquisition Proposal that the Board of Directors of Company concludes in good faith constitutes a Superior Proposal, it would violate its fiduciary duties under applicable law to continue to recommend this Agreement, then in submitting this Agreement to its stockholders, the Board of Directors of Company may submit this Agreement to its stockholders without recommendation (although the resolutions approving this Agreement as of the date hereof may not be rescinded or amended), in which event the Board of Directors of Company may communicate the basis for its lack of a recommendation to its stockholders in the Proxy Statement or an appropriate amendment or supplement thereto to the extent required by law; *provided* that

Table of Contents

the Board of Directors of Company may not take any actions under this sentence unless (i) it gives Parent at least four (4) business days' prior written notice of its intention to take such action and a reasonable description of the event or circumstances giving rise to its determination to take such action (including, in the event such action is taken by the Board of Directors of Company in response to an Acquisition Proposal, the latest material terms and conditions and the identity of the third party in any such Acquisition Proposal, or any amendment or modification thereof, or describe in reasonable detail such other event or circumstances) and (ii) at the end of such notice period, the Board of Directors of Company takes into account any amendment or modification to this Agreement proposed in writing by Parent and after receiving the advice of its outside counsel and, with respect to financial matters, its financial advisors, determines in good faith that it would nevertheless more likely than not result in a violation of its fiduciary duties under applicable law to continue to recommend this Agreement. Any material amendment to any Acquisition Proposal will be deemed to be a new Acquisition Proposal for purposes of this Section 6.3 and will require a new notice period as referred to in this Section 6.3.

(b) Company shall adjourn or postpone the Company Meeting (i) if, as of the time for which such meeting is originally scheduled, there are insufficient shares of Company Common Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting, or (ii) if, on the date of such meeting, Company has not received proxies representing a sufficient number of shares necessary to obtain the Requisite Company Vote. Notwithstanding anything to the contrary herein, unless this Agreement has been terminated in accordance with its terms, the Company Meeting shall be convened and this Agreement shall be submitted to the stockholders of Company at the Company Meeting, for the purpose of voting on the adoption of this Agreement and the other matters contemplated hereby, and nothing contained herein shall be deemed to relieve Company of such obligation. Company shall only be required to adjourn or postpone the Company Meeting twice pursuant to this Section 6.3(b).

6.4 *Legal Conditions to Merger.* Subject in all respects to Section 6.1 of this Agreement, each of Parent and Company shall, and shall cause its Subsidiaries to, use their reasonable best efforts (a) to take, or cause to be taken, all actions necessary, proper or advisable to comply promptly with all legal requirements that may be imposed on such party or its Subsidiaries with respect to the Merger and, subject to the conditions set forth in Article VII hereof, to consummate the transactions contemplated by this Agreement, and (b) to obtain (and to cooperate with the other party to obtain) any material consent, authorization, order or approval of, or any exemption by, any Governmental Entity and any other third party that is required to be obtained by Company or Parent or any of their respective Subsidiaries in connection with the Merger and the other transactions contemplated by this Agreement.

6.5 *Stock Exchange Listing.* Parent shall cause the Parent Common Shares to be issued in the Merger to be approved for listing on the NYSE and the TSX, in each case subject to official notices of issuance, prior to the Effective Time.

6.6 *Employee Benefit Plans*.

(a) During the period commencing at the Effective Time and ending on October 31, 2018 (the "*Continuation Period*"), Parent shall cause the Surviving Corporation to provide each employee of Company or any of its Subsidiaries as of the Effective Time who remains employed by Parent or any of its affiliates (including the Surviving Corporation and its Subsidiaries) following the Effective Time (a "*Continuing Employee*") with (i) an annual base salary or base wage rate that is no less than that provided to such employee by Company and its Subsidiaries immediately prior to the Effective Time, (ii) a total incentive compensation opportunity that is no less than the aggregate total incentive compensation opportunity (whether relating to annual or any other type of incentive compensation) provided to such employee by Company and its Subsidiaries immediately prior to the Effective Time and (iii) employee benefits that are substantially

Table of Contents

comparable in the aggregate to those provided to such employees by Company and its Subsidiaries immediately prior to the Effective Time. In addition, Parent agrees that, for each Continuing Employee, the terms and conditions of (A) the annual long-term incentive awards granted in respect of calendar year 2016 to be granted in the first quarter of 2017, (B) the 2017 annual short-term incentive award and (C) to the extent applicable, mandatory 2016 annual bonus deferrals, shall, in each case, be consistent with the terms described on Section 6.6(a) of the Company Disclosure Schedule. During the period commencing at the Effective Time and ending on the second anniversary of the Effective Time (the "*Severance Continuation Period*"), Parent shall continue to maintain or cause to be maintained, without amendment, the Company's severance plan applicable to Continuing Employees immediately prior to the Effective Time which shall include the terms set forth on Section 6.6(a) of the Company Disclosure Schedule (the "*Company Severance Plan*"), and shall provide, or cause to be provided, to each Continuing Employee whose employment is terminated during the Severance Continuation Period without "cause", as such term is defined or concept is used for purposes of the Company Severance Plan, or who otherwise experiences a severance-qualifying termination under the Company Severance Plan, with the severance benefits specified in the Company Severance Plan.

(b) With respect to any employee benefit plans of Parent or its Subsidiaries in which any employees of Company or its Subsidiaries become eligible to participate on or after the Effective Time (the "*New Plans*"), Parent shall or shall cause the Surviving Corporation to:

(i) use commercially reasonable efforts to (A) waive all pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to each such employee and his or her eligible dependents under any New Plans, except to the extent such pre-existing conditions, exclusions or waiting periods would apply under the analogous Company Benefit Plan, and (B) provide each such employee and his or her eligible dependents with credit for any co-payments or deductibles paid prior to the Effective Time under a Company Benefit Plan (to the same extent that such credit was given under the analogous Company Benefit Plan prior to the Effective Time) in satisfying any applicable deductible or out-of-pocket requirements under any New Plans; and

(ii) recognize all service of each such employee with Company and its Subsidiaries (and their respective predecessors, if applicable) for all purposes in any New Plan; *provided* that the foregoing service recognition shall not apply (A) to the extent it would result in duplication of benefits for the same period of services, (B) for purposes of any defined benefit pension plan or benefit plan that provides retiree welfare benefits, or (C) to any benefit plan that is a frozen plan or provides grandfathered benefits.

(c) Nothing in this Agreement shall confer upon any employee, officer, director or consultant of Company or any of its Subsidiaries or affiliates any right to continue in the employ or service of the Surviving Corporation, Company, or any Subsidiary or affiliate thereof, or shall interfere with or restrict in any way the rights of the Surviving Corporation, Company, Parent or any Subsidiary or affiliate thereof to discharge or terminate the services of any employee, officer, director or consultant of Company or any of its Subsidiaries or affiliates at any time for any reason whatsoever, with or without cause. Nothing in this Agreement shall be deemed to (i) establish, amend or modify any Company Benefit Plan, New Plan or any other benefit or employment plan, program, agreement or arrangement, or (ii) alter or limit the ability of the Surviving Corporation or any of its Subsidiaries or affiliates to amend, modify or terminate any particular Company Benefit Plan, New Plan or any other benefit or employment plan, program, agreement or arrangement after the Effective Time. Without limiting the generality of the final sentence of Section 9.11, nothing in this Agreement, express or implied, is intended to or shall confer upon any person, other than the parties hereto, including any current or former employee, officer,

Table of Contents

director or consultant of Company or any of its Subsidiaries or affiliates, any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

6.7 *Indemnification; Directors' and Officers' Insurance*.

(a) From and after the Effective Time, Parent shall cause the Surviving Corporation to indemnify and hold harmless each present and former director, officer or employee of Company and its Subsidiaries or fiduciaries of Company or any of its Subsidiaries under Company Benefit Plans (in each case, when acting in such capacity) (collectively, the "*Company Indemnified Parties*") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, damages or liabilities incurred in connection with any threatened or actual claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, whether arising before or after the Effective Time, arising in whole or in part out of (i) the fact that such person is or was a director, officer or employee of Company or any Company Subsidiary or is or was a fiduciary of Company or any of its Subsidiaries under Company Benefit Plans or (ii) matters, acts or omissions existing or occurring at or prior to the Effective Time, including the transactions contemplated hereby to the same extent as such persons are indemnified as of the date of this Agreement by Company pursuant to the Company Certificate, the Company Bylaws, the governing or organizational documents of any Company Subsidiary and any indemnification agreements in existence as of the date hereof; and Parent shall also cause the Surviving Corporation to advance expenses as incurred by such Company Indemnified Party to the same extent as such persons are entitled to advancement of expenses as of the date of this Agreement by Company pursuant to the Company Certificate, the Company Bylaws, the governing or organizational documents of any Company Subsidiary and any indemnification agreements in existence as of the date hereof; *provided* that the Company Indemnified Party to whom expenses are advanced provides an undertaking (in a reasonable and customary form) to repay such advances if it is ultimately determined that such Company Indemnified Party is not entitled to indemnification.

(b) Subject to the following sentence, for a period of six (6) years after the Effective Time, Parent shall cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by Company (*provided*, that the Surviving Corporation may substitute therefor policies with a substantially comparable insurer of at least the same coverage and amounts containing terms and conditions which are no less advantageous to the insured) with respect to claims against the present and former officers and directors of Company or any of its Subsidiaries arising from facts or events which occurred at or before the Effective Time (including the transactions contemplated by this Agreement); *provided*, *however*, that the Surviving Corporation shall not be obligated to expend, on an annual basis, an amount in excess of 300% of the aggregate annual premium paid as of the date hereof by Company for such insurance (the "*Premium Cap*"), and if such premiums for such insurance would at any time exceed the Premium Cap, then the Surviving Corporation shall cause to be maintained policies of insurance which, in the Surviving Corporation's good faith determination, provide the maximum coverage available at an annual premium equal to the Premium Cap. In lieu of the foregoing, Company, in consultation with Parent may (and at the request of Parent, Company shall use its reasonable best efforts to) obtain at or prior to the Effective Time a six-year "tail" policy under Company's existing directors and officers insurance policy providing equivalent coverage to that described in the preceding sentence if and to the extent that the same may be obtained for an amount that, in the aggregate, does not exceed the Premium Cap (it being understood that any failure by Company to obtain such a "tail" policy shall not modify or alter in any manner any of the obligations of Parent or the Surviving Corporation under this Section 6.7).

(c) The provisions of this Section 6.7 shall survive the Effective Time and are intended to be for the benefit of, and shall be enforceable by, each Company Indemnified Party and his or her heirs and representatives. If the Surviving Corporation, or any of its successors or assigns,

Table of Contents

consolidates with or merges into any other entity and is not the continuing or surviving entity of such consolidation or merger, transfers all or substantially all of its assets or deposits to any other entity or engages in any similar transaction, then in each case, the Surviving Corporation will cause proper provision to be made so that the successors and assigns of the Surviving Corporation will expressly assume the obligations set forth in this Section 6.7.

6.8 *Additional Agreements.* In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation with full title to all properties, assets, rights, approvals, immunities and franchises of any of the parties to the Merger, each party to this Agreement and their respective Subsidiaries shall take, or cause to be taken, all such necessary action as may be reasonably requested by any other party, at the expense of the party who makes any such request.

6.9 *Advice of Changes.* Each of Parent and Company shall promptly advise the other of any fact, change, event or circumstance known to it (i) that has had or is reasonably likely to have a Material Adverse Effect on it or (ii) which it believes would or would be reasonably likely to cause or constitute a material breach of any of its representations, warranties or covenants contained herein or that reasonably could be expected to give rise, individually or in the aggregate, to the failure of a condition in Article VII; *provided*, that any failure to give notice in accordance with the foregoing shall not be deemed to constitute a violation of this Section 6.9, provide a basis for terminating this Agreement or constitute the failure of any condition set forth in Article VII to be satisfied, or otherwise constitute a breach of this Agreement by the party failing to give such notice, in each case unless the underlying fact, change, event or circumstance would independently result in a failure of the conditions set forth in Article VII to be satisfied or provide a basis for terminating this Agreement or constitute a breach of this Agreement.

6.10 *Acquisition Proposals*.

(a) Company shall not, and shall cause its Subsidiaries not to, and shall use its reasonable best efforts to cause its and their officers, directors, agents, advisors and representatives (collectively, "*Representatives*") not to, directly or indirectly, (i) initiate, solicit, knowingly encourage or knowingly facilitate inquiries or proposals with respect to, (ii) engage or participate in any negotiations with any person concerning or (iii) provide any confidential or nonpublic information or data to, or have or participate in any discussions with, any person relating to, any Acquisition Proposal; *provided*, that, prior to receipt of the Requisite Company Vote, in the event Company receives an unsolicited *bona fide* written Acquisition Proposal and the Board of Directors of Company concludes in good faith that such Acquisition Proposal constitutes or is more likely than not result in a Superior Proposal, it may, and may permit its Subsidiaries and its and its Subsidiaries' Representatives to, furnish or cause to be furnished nonpublic information or data and participate in such negotiations or discussions to the extent that its Board of Directors concludes in good faith (after receiving the advice of its outside counsel, and with respect to financial matters, its financial advisors) that failure to take such actions would result in a violation of its fiduciary duties under applicable law; *provided*, *further*, that, prior to or substantially concurrently with providing any nonpublic information permitted to be provided pursuant to the foregoing proviso, Company shall have provided notice to Parent of its intention to provide such information, and shall have provided such information to Parent if not previously provided to Parent, and shall have entered into a confidentiality agreement with such third party on terms no less favorable to it than the Confidentiality Agreement, which confidentiality agreement shall not provide such person with any exclusive right to negotiate with Company. Company will, and will cause its Representatives to, immediately cease and cause to be terminated any activities, discussions or negotiations conducted before the date of this Agreement with any person other than Parent with respect to any Acquisition Proposal. Company will promptly (and in any event within twenty-four (24) hours) advise Parent following receipt of any Acquisition Proposal or any

Table of Contents

inquiry which could reasonably be expected to result in an Acquisition Proposal, and the substance thereof (including the terms and conditions of and the identity of the person making such inquiry or Acquisition Proposal), and will promptly (and in any event within twenty-four (24) hours) advise Parent of any related developments, discussions and negotiations on a current basis, including any amendments to or revisions of the terms of such inquiry or Acquisition Proposal. Company shall use its reasonable best efforts, subject to applicable law, to (x) enforce any existing confidentiality, standstill or similar agreements to which it or any of its Subsidiaries is a party relating to an Acquisition Proposal, and (y) within ten (10) business days after the date hereof, request and confirm the return or destruction of any confidential information provided to any person (other than Parent and its affiliates) pursuant to any such confidentiality, standstill or similar agreement. Unless this Agreement is contemporaneously terminated in accordance with its terms, Company shall not, and shall cause its Subsidiaries and its and their officers, directors, agents, advisors and representatives not to on its behalf, enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, or other agreement (other than a confidentiality agreement referred to and entered into in accordance with this Section 6.10(a)) relating to any Acquisition Proposal).

(b) As used in this Agreement, "*Acquisition Proposal*" shall mean, other than the transactions contemplated by this Agreement, any offer, proposal, inquiry or indication of interest, made by a person (or a group of persons acting in concert within the meaning of Rule 13d-5 of the Exchange Act) relating to (i) any acquisition or purchase, direct or indirect, of twenty percent (20%) or more of the consolidated assets of Company and its Subsidiaries or twenty percent (20%) or more of any class of voting securities of Company or its Subsidiaries whose assets, individually or in the aggregate, constitute more than twenty percent (20%) of the consolidated assets of Company, (ii) any tender offer or exchange offer that, if consummated, would result in such third party beneficially owning twenty percent (20%) or more of any class of equity or voting securities of Company or its Subsidiaries whose assets, individually or in the aggregate, constitute more than twenty percent (20%) of the consolidated assets of Company, or (iii) a merger, consolidation, share exchange, other business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving Company or its Subsidiaries whose assets, individually or in the aggregate, constitute more than twenty percent (20%) of the consolidated assets of Company, except, in each case, any sale of whole loans and securitizations in the ordinary course of business and any *bona fide* internal reorganization.

(c) As used in this Agreement, "*Superior Proposal*" means a *bona fide* written Acquisition Proposal that the Board of Directors of Company concludes in good faith to be more favorable from a financial point of view to its stockholders than the Merger and the other transactions contemplated hereby, (i) after receiving the advice of its financial advisors (who shall be a nationally recognized investment banking firm), (ii) after taking into account the likelihood of consummation of such transaction on the terms set forth therein and (iii) after taking into account all legal (with the advice of outside counsel), financial (including the financing terms of any such proposal), regulatory and other aspects of such proposal (including any expense reimbursement provisions and conditions to closing) and any other relevant factors permitted under applicable law; *provided*, that for purposes of the definition of "Superior Proposal," the references to "20%" in the definition of Acquisition Proposal shall be deemed to be references to "a majority."

(d) Nothing contained in this Agreement shall prevent Company or its Board of Directors from complying with Rules 14d-9 and 14e-2 under the Exchange Act with respect to an Acquisition Proposal; *provided*, that such Rules will in no way eliminate or modify the effect that any action pursuant to such Rules would otherwise have under this Agreement.

Table of Contents

6.11 *Public Announcements.* Company and Parent shall each use their reasonable best efforts (a) to develop a joint communications plan, (b) to ensure that all press releases and other public statements with respect to the transactions contemplated hereby shall be consistent with such joint communications plan, and (c) except in respect of any announcement required by (i) applicable law or regulation, (ii) a request by a Governmental Entity, (iii) an obligation pursuant to any listing agreement with or rules of any securities exchange or (iv) disclosures by Parent in connection with the offering of securities or capital raising, each of Company and Parent agrees to consult with the other and to obtain the advance approval of the other (which approval shall not be unreasonably withheld, conditioned or delayed) before issuing any press release or, to the extent practical, otherwise making any public statement with respect to this Agreement or the transactions contemplated hereby; provided that Company shall not be required to comply with such joint communications plan pursuant to this Section 6.11 with respect to communications made relating to an Acquisition Proposal.

6.12 *Change of Method.* Parent may at any time change the method of effecting the transactions contemplated hereby if and to the extent requested by Parent, and Company hereby agrees to enter into such amendments to this Agreement as Parent may reasonably request in order to give effect to such restructuring, including effecting the acquisition of Company by Parent through other affiliates of Parent; *provided*, *however*, that no such change or amendment shall (i) alter or change the amount or kind of the Merger Consideration provided for in this Agreement, (ii) adversely affect the Tax treatment of the Merger with respect to Company's stockholders or (iii) be reasonably likely to cause the Closing to be materially delayed or the receipt of the Requisite Regulatory Approvals to be prevented or materially delayed.

6.13 *Restructuring Efforts.* If Company shall have failed to obtain the Requisite Company Vote at the duly convened Company Meeting or any adjournment or postponement thereof, each of the parties shall in good faith use its reasonable best efforts to negotiate a restructuring of the transaction provided for herein (*provided*, *however*, that no party shall have any obligation to agree to (i) alter or change any material term of this Agreement, including the amount or kind of the Merger Consideration, in a manner adverse to such party or its shareholders or (ii) adversely affect the Tax treatment of the Merger with respect to Company's stockholders) and/or (in the case of Company) resubmit this Agreement or the transactions contemplated hereby (or as restructured pursuant to this Section 6.13) to its stockholders for approval or adoption.

6.14 *Takeover Statutes.* No party shall take any action that would cause any Takeover Statute to become applicable to this Agreement, the Merger, or any of the other transactions contemplated hereby, and each party shall take all necessary steps within its control to exempt (or ensure the continued exemption of) the Merger and the other transactions contemplated hereby from any applicable Takeover Statute now or hereafter in effect. If any Takeover Statute may become, or may purport to be, applicable to the transactions contemplated hereby, each party and its respective board of directors will grant such approvals and take such actions within its control as are necessary so that the transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to eliminate or minimize the effects of any Takeover Statute on any of the transactions contemplated by this Agreement, including, if necessary, challenging the validity or applicability of any such Takeover Statute.

6.15 *Exemption from Liability Under Section 16(b).* Prior to the Effective Time, Parent and Company shall each take such steps as may be necessary or appropriate to cause any disposition of shares of Company Common Stock or conversion of any derivative securities in respect of such shares of Company Common Stock in connection with the consummation of the transactions contemplated by this Agreement to be exempt under Rule 16b-3 promulgated under the Exchange Act.

Table of Contents

6.16 *Litigation and Claims.* Each of Parent and Company shall promptly notify each other in writing of any action, arbitration, audit, hearing, investigation, litigation, suit, subpoena or summons issued, commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Entity or arbitrator pending or, to the knowledge of Parent or Company, as applicable, threatened against Parent, Company or any of their respective Subsidiaries that (a) questions or would reasonably be expected to question the validity of this Agreement or the other agreements contemplated hereby or thereby or any actions taken or to be taken by Parent, Company or their respective Subsidiaries with respect hereto or thereto, or (b) seeks to enjoin, materially delay or otherwise restrain the transactions contemplated hereby or thereby. Company shall give Parent the opportunity to participate at its own expense in the defense or settlement of any stockholder litigation against Company and/or its directors or affiliates relating to the transactions contemplated by this Agreement, and no such settlement shall be agreed without Parent's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed).

6.17 *Company Debt.* Parent will execute and deliver, or cause to be executed and delivered, by or on behalf of Holdco, at or prior to the Effective Time, any supplements, amendments or other instruments required for the due assumption of Company's outstanding fixed and floating rate Junior Subordinated Debentures due 2034, 2035 and 2068 and 7.125% Subordinated Debentures due 2042 (collectively, the "*Company Debentures*") and (to the extent informed of such requirement by the Company) other agreements to the extent required by the terms of the Company Debentures.

6.18 *Financial Statements and Other Current Information.* As soon as reasonably practicable after they become available, but in no event more than thirty (30) days after the end of each calendar month ending after the date hereof, Company will furnish to Parent (a) consolidated financial statements (including balance sheets, statements of operations and shareholders' equity) of Company and any of its Subsidiaries (to the extent available) as of and for such month then ended, (b) internal management reports showing actual financial performance against plan and previous period, and (c) to the extent permitted by applicable law, any reports provided to Company's Board of Directors or any committee thereof relating to the financial performance and risk management of Company or any of its Subsidiaries.

6.19 *Company Dividends.* After the date of this Agreement until the earlier of Closing or termination of this Agreement in accordance with its terms, Company shall coordinate with Parent regarding the record dates and payment dates for dividends in respect of Company Common Stock, it being the intention of the parties that holders of Company Common Stock shall not receive two dividends, or fail to receive one dividend, for any single calendar quarter with respect to their shares of Company Common Stock and any Parent Common Shares any such holder receives in exchange therefor in the Merger. Parent agrees that, in the event that a dividend record date with respect to Parent Common Shares is anticipated to occur contemporaneously with the anticipated Closing, the parties shall cooperate to implement the intentions of the parties set forth in this Section 6.19 and to the extent practicable have the Effective Time occur prior to such record date.

6.20 *Corporate Governance*.

(a) Parent shall take all appropriate action so that, as of the Effective Time, subject to Parent's organizational documents, policies and applicable law and regulation, one (1) individual designated by Company and reasonably acceptable to Parent (the "*Company Director*") shall be appointed as an independent director of Parent. The Company Director shall thereafter be nominated for election as a director of Parent, subject to the approval of the Board of Directors, at Parent's first annual meeting of shareholders after the Closing Date. Subject to the foregoing, the Company Director, once duly confirmed as a director, shall be given the opportunity to serve on at least one (1) committee of the Board of Directors of Parent, with the applicable committee

Table of Contents

determination to be as recommended by Parent's Corporate Governance Committee from time to time, for so long as the Company Director is a member of the Board of Directors of Parent.

(b) Parent will take all appropriate action so that, as of the Effective Time, subject to Parent's organizational documents, policies and applicable law and regulation, the board of directors of Holdco (and any successor thereto) will be comprised of nine (9) directors, of whom three (3) independent directors and one (1) non-independent director will be individuals designated by Company and reasonably acceptable to Parent, subject to Holdco's organizational documents, policies and applicable law and regulation.

(c) Parent will take all appropriate action so that, as of the Effective Time, subject to Parent's organizational documents, policies and applicable law and regulation, the board of directors of Company Bank (and any successor thereto) will be comprised of nine (9) directors, of whom three (3) independent directors and one (1) non-independent director will be individuals designated by Company and reasonably acceptable to Parent, subject to Company Bank's organizational documents, policies and applicable law and regulation.

(d) At the Effective Time, Company Bank will be headquartered in Chicago, Illinois and that Holdco and Company Bank will constitute the primary banking, lending and wealth management platform of Parent in the United States.

6.21 *Company Intellectual Property.* No later than thirty (30) days after the date of this Agreement, Company shall provide Parent with a complete and accurate list of all Registered Owned Intellectual Property, in each case listing, as applicable, (i) the name of the applicant/registrant and current owner, (ii) the jurisdiction where the application/registration is located (or, for internet domain names, the applicable registrar), (iii) the application or registration number, and (iv) the filing date, issuance/registration/grant date (other than with respect to internet domain names) and expiration date.

ARTICLE VII

CONDITIONS PRECEDENT

7.1 *Conditions to Each Party's Obligation to Effect the Merger.* The respective obligations of the parties to effect the Merger shall be subject to the satisfaction at or prior to the Effective Time of the following conditions:

(a) Stockholder Approval. This Agreement shall have been adopted by the stockholders of Company by the Requisite Company Vote.

(b) Stock Exchange Listing. The Parent Common Shares that shall be issuable pursuant to this Agreement shall have been authorized for listing on the NYSE and the TSX, in each case subject to official notices of issuance.

(c) F-4 Effectiveness. The F-4 shall have become effective under the Securities Act and no stop order suspending the effectiveness of the F-4 shall have been issued and be in effect and no proceedings for that purpose shall have been initiated or threatened by the SEC and not withdrawn.

(d) No Injunctions or Restraints; Illegality. No order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Merger shall be in effect. No statute, rule, regulation, order, injunction or decree shall have been enacted, entered, promulgated or enforced by any Governmental Entity which prohibits or makes illegal consummation of the Merger.

(e) Regulatory Approval. (i) (x) All regulatory authorizations, consents, orders or approvals from the Federal Reserve Board, the OSFI and the Illinois Department of Financial and

Table of Contents

Professional Regulation, Division of Banking and under the HSR Act and (y) any other approvals set forth in Sections 3.4 and 4.4 which are necessary to consummate the transactions contemplated by this Agreement, including the Merger, or those the failure of which to be obtained would reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect on the Surviving Corporation, shall have been obtained and shall remain in full force and effect and all statutory waiting periods in respect thereof shall have expired (such approvals and the expiration of such waiting periods being referred to herein as the "*Requisite Regulatory Approvals*"), and (ii) no such Requisite Regulatory Approval shall have resulted in the imposition of any Materially Burdensome Regulatory Condition.

7.2 *Conditions to Obligations of Parent and Holdco.* The obligation of Parent and Holdco to effect the Merger is also subject to the satisfaction, or waiver by Parent, at or prior to the Effective Time, of the following conditions:

(a) *Representations and Warranties.* The representations and warranties of Company set forth in Section 3.2(a) and Section 3.8(a) (in each case after giving effect to the lead-in to Article III) shall be true and correct (other than, in the case of Section 3.2(a), such failures to be true and correct as are *de minimis*) in each case as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date, and the representations and warranties of Company set forth in Section 3.1, Section 3.2(b), Section 3.2(c), Section 3.3(a) and Section 3.7 (in each case, after giving effect to the lead-in to Article III) shall be true and correct in all material respects as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date. All other representations and warranties of Company set forth in this Agreement (read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties but, in each case, after giving effect to the lead-in to Article III) shall be true and correct in all respects as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date; *provided*, *however*, that for purposes of this sentence, such representations and warranties shall be deemed to be true and correct unless the failure or failures of such representations and warranties to be so true and correct, either individually or in the aggregate, and without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties, has had or would reasonably be likely to have a Material Adverse Effect on Company or the Surviving Corporation. Parent shall have received a certificate signed on behalf of Company by the Chief Executive Officer and the Chief Financial Officer of Company to the foregoing effect.

(b) *Performance of Obligations of Company.* Company shall have performed in all material respects the obligations required to be performed by it under this Agreement at or prior to the Closing Date, and Parent shall have received a certificate signed on behalf of Company by the Chief Executive Officer and the Chief Financial Officer of Company to such effect.

(c) *Federal Tax Opinion.* Parent shall have received an opinion of Mayer Brown LLP, in form and substance reasonably satisfactory to Parent, dated as of the Closing Date and based on facts, representations and assumptions described in such opinion, to the effect that (i) the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code and (ii) that the Merger will not result in gain recognition to the holders of Company Common Stock pursuant to Section 367(a) of the Code (assuming that in the case of any such holder who would be treated as a "five-percent transferee shareholder" within the meaning of Treasury Regulations Section 1.367(a)-3(c)(5)(ii), such holder enters into a five-year gain recognition agreement in the form provided in Treasury Regulations Section 1.367(a)-8, as provided for in Treasury Regulations Section 1.367(a)-3(c)(1)(iii)(B), and complies with the requirements of that agreement and

Table of Contents

Treasury Regulations Section 1.367(a)-8 for avoiding the recognition of gain). In rendering such opinion, Mayer Brown LLP will be entitled to receive and rely upon customary certificates and representations of officers of Parent, Holdco and Company.

7.3 *Conditions to Obligations of Company.* The obligation of Company to effect the Merger is also subject to the satisfaction, or waiver by Company, at or prior to the Effective Time, of the following conditions:

(a) *Representations and Warranties.* The representations and warranties of Parent and Holdco set forth in Section 4.2(a) and Section 4.8 (in each case, after giving effect to the lead-in to Article IV) shall be true and correct (other than, in the case of Section 4.2(a), such failures to be true and correct as are *de minimis*) in each case as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date, and the representations and warranties of Parent set forth in Sections 4.1, 4.2(b) and 4.3(a) (in each case, after giving effect to the lead-in to Article IV) shall be true and correct in all material respects as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date. All other representations and warranties of Parent set forth in this Agreement (read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties but, in each case, after giving effect to the lead-in to Article IV) shall be true and correct in all respects as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date, *provided*, *however*, that for purposes of this sentence, such representations and warranties shall be deemed to be true and correct unless the failure or failures of such representations and warranties to be so true and correct, either individually or in the aggregate, and without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties, has had or would be reasonably expected to have a Material Adverse Effect on Parent. Company shall have received a certificate signed on behalf of Parent by the Chief Executive Officer and the Chief Financial Officer of Parent to the foregoing effect.

(b) *Performance of Obligations of Parent and Holdco.* Each of Parent and Holdco shall have performed in all material respects the obligations required to be performed by it under this Agreement at or prior to the Closing Date, and Company shall have received a certificate to such effect from each of Parent and Holdco (i) signed on behalf of Parent by the Chief Executive Officer and the Chief Financial Officer of Parent and (ii) signed on behalf of Holdco by the Chief Executive Officer and the Chief Financial Officer of Holdco.

(c) *Federal Tax Opinion.* Company shall have received an opinion of Wachtell, Lipton, Rosen & Katz, in form and substance reasonably satisfactory to Company, dated as of the Closing Date and based on facts, representations and assumptions described in such opinion, to the effect that (i) the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code and (ii) that the Merger will not result in gain recognition to the holders of Company Common Stock pursuant to Section 367(a) of the Code (assuming that, in the case of any such holder who would be treated as a "five-percent transferee shareholder" within the meaning of Treasury Regulations Section 1.367(a)-3(c)(5)(ii), such holder enters into a five-year gain recognition agreement in the form provided in Treasury Regulations Section 1.367(a)-8, as provided for in Treasury Regulations Section 1.367(a)-3(c)(1)(iii)(B), and complies with the requirements of that agreement and Treasury Regulations Section 1.367(a)-8 for avoiding the recognition of gain). In rendering such opinion, Wachtell, Lipton, Rosen & Katz will be entitled to receive and rely upon customary certificates and representations of officers of Parent, Holdco and Company.

Table of Contents

ARTICLE VIII

TERMINATION AND AMENDMENT

8.1 *Termination.* This Agreement may be terminated at any time prior to the Effective Time, whether before or after adoption of this Agreement by the stockholders of Company:

(a) by mutual consent of Parent and Company in a written instrument;

(b) by either Parent or Company if any Governmental Entity that must grant a Requisite Regulatory Approval has denied approval of the Merger or the other transactions contemplated hereby and such denial has become final and non-appealable or any Governmental Entity of competent jurisdiction shall have issued a final non-appealable order, injunction or decree permanently enjoining or otherwise prohibiting or making illegal the consummation of the Merger or the other transactions contemplated hereby, unless the failure to obtain a Requisite Regulatory Approval shall be due to the failure of the party seeking to terminate this Agreement to perform or observe the covenants and agreements of such party set forth herein;

(c) by either Parent or Company if the Merger shall not have been consummated on or before the first anniversary of the date of this Agreement (the "*Termination Date*"), unless the failure of the Closing to occur by such date shall be due to the failure of the party seeking to terminate this Agreement to perform or observe the covenants and agreements of such party set forth herein;

(d) by either Parent or Company (*provided*, that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein) if there shall have been a breach of any of the covenants or agreements or any of the representations or warranties (or any such representation or warranty shall cease to be true) set forth in this Agreement on the part of Company, in the case of a termination by Parent, or Parent, in the case of a termination by Company, which breach or failure to be true, either individually or in the aggregate with all other breaches by such party (or failures of such representations or warranties to be true), would constitute, if occurring or continuing on the Closing Date, the failure of a condition set forth in Section 7.2 or Section 7.3, as the case may be, and which is not cured before the earlier of the Termination Date and 60 days following written notice to Company, in the case of a termination by Parent, or Parent, in the case of a termination by Company, or by its nature or timing cannot be cured during such period; or

(e) by Parent, if (i) prior to such time as the Requisite Company Vote is obtained, Company or the Board of Directors of Company (A) submits this Agreement to its stockholders without a recommendation for approval, or otherwise withdraws or materially and adversely modifies (or publicly discloses its intention to withdraw or materially and adversely modify) its recommendation as contemplated by Section 6.3(a), or recommends to its stockholders an Acquisition Proposal other than the Merger, or (B) materially breaches its obligations under Section 6.3 or its obligations under Section 6.10; or (ii) a tender offer or exchange offer for 20% or more of the outstanding shares of Company Common Stock is commenced (other than by Parent or a Subsidiary thereof), and the Board of Directors of Company recommends that the stockholders of Company tender their shares in such tender or exchange offer or otherwise fails to recommend that such stockholders reject such tender offer or exchange offer within the 10 business day period specified in Rule 14e-2(a) under the Exchange Act.

The party desiring to terminate this Agreement pursuant to clause (b), (c), (d) or (e) of this Section 8.1 shall give written notice of such termination to the other party in accordance with Section 9.5, specifying the provision or provisions hereof pursuant to which such termination is effected.

Table of Contents

8.2 *Effect of Termination*.

(a) In the event of termination of this Agreement by either Parent or Company as provided in Section 8.1, this Agreement shall forthwith become void and have no effect, and none of Parent, Company, Holdco, any of their respective Subsidiaries or any of the officers or directors of any of them shall have any liability of any nature whatsoever hereunder, or in connection with the transactions contemplated hereby, except that (i) Sections 3.3(a), 3.7, 4.3(a), 4.7, 6.2(b), this Section 8.2 and Article IX shall survive any termination of this Agreement, and (ii) notwithstanding anything to the contrary contained in this Agreement, neither Parent nor Company shall be relieved or released from any liabilities or damages arising out of its willful and material breach of any provision of this Agreement (which, in the case of Company, shall include the loss to the holders of Company Common Stock of the economic benefits of the Merger, including the loss of premium offered to such holders).

(b) (i) In the event that (A) after the date of this Agreement a *bona fide* Acquisition Proposal shall have been made known to senior management of Company or shall have been made directly to its stockholders generally or any person shall have publicly announced (and not withdrawn) an Acquisition Proposal with respect to Company and thereafter (x) this Agreement is terminated by either Parent or Company pursuant to Section 8.1(c) without the Requisite Company Vote having been obtained, or (y) this Agreement is terminated by Parent pursuant to Section 8.1(d), and (B) prior to the date that is fifteen (15) months after the date of any applicable termination described in clauses (x) through (y) hereof, Company enters into a definitive agreement or consummates a transaction with respect to an Acquisition Proposal (whether or not the same Acquisition Proposal as that referred to above), then Company shall, on the earlier of the date it enters into such definitive agreement and the date of consummation of such transaction, pay Parent, by wire transfer of same day funds, a fee equal to $150,000,000 (the "*Termination Fee*"); *provided*, that for purposes of this Section 8.2(b), all references in the definition of Acquisition Proposal to "20%" shall instead refer to "50%".

(ii) In the event that this Agreement is terminated by Parent pursuant to Section 8.1(e) (or this Agreement is terminated pursuant to Section 8.1(c) but at the time of such termination Parent could have terminated this Agreement pursuant to Section 8.1(e)), then Company shall pay Parent, by wire transfer of same day funds, the Termination Fee as promptly as reasonably practical after the date of termination (and, in any event, within three (3) business days thereafter).

(c) Notwithstanding anything to the contrary herein, but without limiting the right of any party to recover liabilities or damages, the maximum aggregate amount of fees payable by Company under this Section 8.2 shall be equal to the Termination Fee, and in no event shall Company be obligated to pay the Termination Fee on more than one occasion.

(d) Each of Parent and Company acknowledges that the agreements contained in this Section 8.2 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, the other party would not enter into this Agreement; accordingly, if Company fails promptly to pay the amount due pursuant to this Section 8.2, and, in order to obtain such payment, Parent commences a suit which results in a judgment against Company for the Termination Fee or any portion thereof, Company shall pay the costs and expenses of Parent (including reasonable attorneys' fees and expenses) in connection with such suit. In addition, if Company fails to pay the amounts payable pursuant to this Section 8.2, then Company shall pay interest on such overdue amounts (for the period commencing as of the date that such overdue amount was originally required to be paid and ending on the date that such overdue amount is actually paid in full) at a rate per annum equal to the "prime rate" (as announced by JPMorgan Chase & Co. or any successor thereto) in effect on the date on which such payment was required

Table of Contents

to be made for the period commencing as of the date that such overdue amount was originally required to be paid. The amount payable by Company pursuant to Section 8.2(b) shall, except in the case of fraud or willful misconduct, be the sole monetary remedy of Parent in the event of a termination of this Agreement specified in such section.

ARTICLE IX

GENERAL PROVISIONS

9.1 *Non-survival of Representations, Warranties and Agreements.* None of the representations, warranties, covenants and agreements in this Agreement or in any instrument delivered pursuant to this Agreement (other than the Confidentiality Agreement, which shall survive in accordance with its terms) shall survive the Effective Time, except for Section 3.28, Section 4.16 and Section 6.7 and for those other covenants and agreements contained herein and therein which by their terms apply or are to be performed in whole or in part after the Effective Time.

9.2 *Amendment.* Subject to compliance with applicable law, this Agreement may be amended by the parties hereto, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with Merger by the stockholders of Company; *provided*, *however*, that after the adoption of this Agreement by the stockholders of Company, there may not be, without further approval of such stockholders, any amendment of this Agreement that requires further approval under applicable law. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each of the parties in interest at the time of the amendment.

9.3 *Extension; Waiver*. At any time prior to the Effective Time, the parties hereto may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (c) waive compliance with any of the agreements or satisfaction of any conditions contained herein; *provided*, *however*, that after adoption of this Agreement by the stockholders of Company, there may not be, without further approval of such stockholders, any extension or waiver of this Agreement or any portion thereof that requires further approval under applicable law. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party, but such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

9.4 *Expenses*. Except (i) with respect to costs and expenses of printing and mailing the Proxy Statement and all filing and other fees paid to the SEC in connection with the Merger, which shall be borne equally by Parent and Company, (ii) as otherwise provided in Section 8.2, all fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees or expenses, whether or not the Merger is consummated.

9.5 *Notices*. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or if by facsimile or email, upon confirmation of receipt, (b) on the first business day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier or (c) on the earlier of confirmed receipt or the fifth business day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered to the addresses set forth

Table of Contents

below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

(a) if to Company, to:

PrivateBancorp, Inc.
120 South LaSalle Street
Chicago, Illinois 60603
Attention: Jennifer Evans, Executive Managing Director, General Counsel and Corporate Secretary
Facsimile: 312-564-6882
Email: jrevans@theprivatebank.com

With a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10011
Attention: Edward D. Herlihy and Matthew M. Guest
Facsimile: (212) 403-2000
Email: EDHerlihy@wlrk.com and MGuest@wlrk.com

and

(b) if to Parent, to:

Canadian Imperial Bank of Commerce
199 Bay Street, 11th Floor
Toronto, ON M5L 1A2
Attention: Robert J. Richardson, Senior Vice President & General Counsel
Facsimile: 416-368-9826
Email: Robert.Richardson@cibc.com

With a copy (which shall not constitute notice) to:

Mayer Brown LLP
1221 Avenue of the Americas
New York, NY 10020
Attention: James B. Carlson and Reb D. Wheeler
Facsimile: (212) 849-5515; (212) 849-5914
Email: jcarlson@mayerbrown.com and
rwheeler@mayerbrown.com

(c) if to Holdco, to:
CIBC Holdco Inc.
425 Lexington Ave.
New York, NY 10017
Attention: Achilles Perry, Vice President & General Counsel (U.S.)
Facsimile: 212-667-8366
Email: Achilles.Perry@cibc.com

Table of Contents

With a copy (which shall not constitute notice) to:

Mayer Brown LLP
1221 Avenue of the Americas
New York, NY 10020
Attention: James B. Carlson and Reb D. Wheeler
Facsimile: (212) 849-5515; (212) 849-5914
Email: jcarlson@mayerbrown.com and
rwheeler@mayerbrown.com

9.6 *Interpretation*. The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement. When a reference is made in this Agreement to Articles, Sections, Exhibits or Schedules, such reference shall be to an Article or Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." References to "the date hereof" shall mean the date of this Agreement. As used in this Agreement, the "*knowledge*" of Company means the actual knowledge of any of the officers of Company listed on Section 9.6 of the Company Disclosure Schedule, and the "*knowledge*" of Parent means the actual knowledge of any of the officers of Parent listed on Section 9.6 of the Parent Disclosure Schedule. As used herein, (i) "*business day*" means any day other than a Saturday, a Sunday or a day on which banks in New York, New York, Chicago, Illinois or Toronto, Canada are authorized by law or executive order to be closed, (ii) the term "*person*" means any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, Governmental Entity or other entity of any kind or nature, (iii) an "*affiliate*" of a specified person is any person that directly or indirectly controls, is controlled by, or is under common control with, such specified person and (iv) the term "*made available*" means any document or other information that was (a) provided by one party or its representatives to the other party and its representatives prior to the date hereof, (b) included in the virtual data room of a party prior to the date hereof or (c) filed by a party with the SEC and publicly available on EDGAR prior to the date hereof. The Company Disclosure Schedule and the Parent Disclosure Schedule, as well as all other schedules and all exhibits hereto, shall be deemed part of this Agreement and included in any reference to this Agreement. All references to "*dollars*" or "$" in this Agreement are to United States dollars. This Agreement shall not be interpreted or construed to require any person to take any action, or fail to take any action, if to do so would violate any applicable law. No disclosure, representation or warranty shall be required to be made (or any other action taken) pursuant to this Agreement that would involve the disclosure of confidential supervisory information of a Governmental Entity by any party hereto to the extent prohibited by applicable law, and appropriate substitute disclosures or actions shall be made or taken under circumstances in which the limitations of this sentence apply.

9.7 *Counterparts*. This Agreement may be executed in two or more counterparts (including by facsimile or other electronic means), all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

9.8 *Entire Agreement*. This Agreement (including the documents and the instruments referred to herein) together with the Confidentiality Agreement constitutes the entire agreement among the parties and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

Table of Contents

9.9 *Governing Law; Jurisdiction*.

(a) This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without regard to any applicable conflicts of law.

(b) Each party agrees that it will bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in any federal or state court of competent jurisdiction located in the State of Delaware (the "*Chosen Courts*"), and, solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such action or proceeding will be effective if notice is given in accordance with Section 9.5.

9.10 *Waiver of Jury Trial*. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.10.

9.11 *Assignment; Third Party Beneficiaries*. Neither this Agreement nor any of the rights, interests or obligations shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party. Any purported assignment in contravention hereof shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. Except as otherwise specifically provided in Section 6.7, which is intended to benefit each Company Indemnified Party and his or her heirs and representatives, this Agreement (including the documents and instruments referred to herein) is not intended to and does not confer upon any person other than the parties hereto any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein. The representations and warranties in this Agreement are the product of negotiations among the parties hereto and are for the sole benefit of the parties. Any inaccuracies in such representations and warranties are subject to waiver by the parties hereto in accordance herewith without notice or liability to any other person. In some instances, the representations and warranties in this Agreement may represent an allocation among the parties hereto of risks associated with particular matters regardless of the knowledge of any of the parties hereto. Consequently, persons other than the parties may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date. Except as provided in Section 6.7, notwithstanding any other provision hereof to the contrary, no consent, approval or agreement of any third party beneficiary will be required to amend, modify or waive any provision of this Agreement.

Table of Contents

9.12 *Specific Performance*. The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached. Accordingly, subject to Section 8.2(a) and the last sentence of Section 8.2(d), the parties shall be entitled to specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof (including the parties' obligation to consummate the Merger), in addition to any other remedy to which they are entitled at law or in equity. Each of the parties hereby further waives (a) any defense in any action for specific performance that a remedy at law would be adequate and (b) any requirement under any law to post security or a bond as a prerequisite to obtaining equitable relief.

9.13 *Severability*. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in such jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction such that the invalid, illegal or unenforceable provision or portion thereof shall be interpreted to be only so broad as is enforceable.

9.14 *Delivery by Facsimile or Electronic Transmission*. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments or waivers hereto or thereto, to the extent signed and delivered by means of a facsimile machine or by e-mail delivery of a ".pdf" format data file, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or e-mail delivery of a ".pdf" format data file to deliver a signature to this Agreement or any amendment hereto or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or e-mail delivery of a ".pdf" format data file as a defense to the formation of a contract and each party hereto forever waives any such defense.

[*Signature Page Follows*]

Table of Contents

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

CANADIAN IMPERIAL BANK OF COMMERCE
By: /s/ VICTOR G. DODIG

Name: Victor G. Dodig
Title: *President & Chief Executive Officer*
By: /s/ MICHAEL G. CAPATIDES

Name: Michael G. Capatides
Title: *Senior Executive Vice President, Chief Administrative Officer & General Counsel*

PRIVATEBANCORP, INC.
By: /s/ LARRY D. RICHMAN

Name: Larry D. Richman
Title: *President & Chief Executive Officer*

CIBC HOLDCO INC.
By: /s/ MICHAEL G. CAPATIDES

Name: Michael G. Capatides
Title: *Director*

[Signature Page to Agreement and Plan of Merger]

Table of Contents

APPENDIX B OPINION OF GOLDMAN SACHS

PERSONAL AND CONFIDENTIAL

June 29, 2016
Board of Directors
PrivateBancorp, Inc.
120 S. LaSalle Street
Chicago, IL 60603
Ladies and Gentlemen:

You have requested our opinion as to the fairness from a financial point of view to the holders (other than Canadian Imperial Bank of Commerce ("CIBC") and its affiliates) of the outstanding shares of common stock, without par value (the "Shares"), of PrivateBancorp, Inc. (the "Company") of the Aggregate Consideration (as defined below) to be paid to such holders pursuant to the Agreement and Plan of Merger, dated as of June 29, 2016 (the "Agreement"), by and among CIBC, CIBC Holdco Inc., a direct, wholly owned subsidiary of CIBC ("Holdco"), and the Company. Pursuant to the Agreement, the Company will be merged with and into Holdco and each outstanding Share will be converted into $18.80 in cash (the "Cash Consideration") and 0.3657 common shares ("CIBC Common Shares") of CIBC (the "Share Consideration," together with the Cash Consideration, the "Aggregate Consideration").

Goldman, Sachs & Co. and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman, Sachs & Co. and its affiliates and employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of the Company, CIBC, any of their respective affiliates and third parties, or any currency or commodity that may be involved in the transaction contemplated by the Agreement (the "Transaction"). We have acted as financial advisor to the Company in connection with, and have participated in certain of the negotiations leading to, the Transaction. We expect to receive fees for our services in connection with the Transaction, the principal portion of which is contingent upon consummation of the Transaction, and the Company has agreed to reimburse certain of our expenses arising, and indemnify us against certain liabilities that may arise, out of our engagement. We have provided certain financial advisory and/or underwriting services to the Company and/or its affiliates from time to time. We have provided certain financial advisory and/or underwriting services to CIBC and/or its affiliates from time to time for which our Investment Banking Division has received, and may receive, compensation. We may also in the future provide financial advisory and/or underwriting services to the Company, CIBC and their respective affiliates for which our Investment Banking Division may receive compensation.

In connection with this opinion, we have reviewed, among other things, the Agreement; annual reports to stockholders and Annual Reports on Form 10-K of the Company for the five fiscal years ended December 31, 2015 and annual reports to shareholders and Annual Reports on Form 40-F of CIBC for the five fiscal years ended October 31, 2015; certain interim reports to stockholders and Quarterly Reports on Form 10-Q of the Company and certain interim reports to shareholders of CIBC; certain other communications from the Company to its stockholders and from CIBC to its shareholders; certain publicly available research analyst reports for the Company and CIBC; and certain internal financial analyses and forecasts for the Company on a stand-alone basis prepared by its management ("Company Financial Forecasts"), certain financial analyses and forecasts for CIBC on a stand-alone basis reflecting Wall Street analyst consensus estimates for CIBC for 2016 and 2017, as

Table of Contents

extrapolated by management of the Company for periods thereafter ("CIBC Forecasts"), certain financial analyses and forecasts for the Company as owned by CIBC provided by the Company and comprised of the Company Financial Forecasts and estimates and judgments of the management of the Company with respect to ownership of the Company by CIBC ("Company As-Owned Forecasts") and certain financial analyses and forecasts for the combined Company and CIBC provided by the Company and comprised of the CIBC Forecasts and the Company As-Owned Forecasts, in each case, as approved for our use by the Company (the "Forecasts"), including certain operating synergies and other adjustments anticipated by the management of the Company to result from the Transaction, as approved for our use by the Company (the "Synergies"). We have also held discussions with members of the senior management of the Company regarding their assessment of the past and current business operations, financial condition and future prospects of the Company and CIBC and the strategic rationale for, and the potential benefits of, the Transaction and with members of the senior management of CIBC regarding their assessment of the past and current business operations, financial condition and future prospects of the CIBC and the strategic rationale for, and the potential benefits of, the Transaction; reviewed the reported price and trading activity for the Shares and CIBC Common Shares; compared certain financial and stock market information for the Company and CIBC with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the banking industry; and performed such other studies and analyses, and considered such other factors, as we deemed appropriate.

For purposes of rendering this opinion, we have, with your consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, us, without assuming any responsibility for independent verification thereof. In that regard, we have assumed with your consent that the Forecasts, including the Synergies, have been reasonably prepared and reflect the best currently available estimates and judgments of the management of the Company. We have not reviewed individual credit files nor have we made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of the Company or CIBC or any of their respective subsidiaries and we have not been furnished with any such evaluation or appraisal. We are not experts in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances and marks for losses with respect thereto and, accordingly, we have assumed that such allowances and marks are in the aggregate adequate to cover such losses. We have assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Company or CIBC or on the expected benefits of the Transaction in any way meaningful to our analysis. We have assumed that the Transaction will be consummated on the terms set forth in the Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to our analysis.

Our opinion does not address the underlying business decision of the Company to engage in the Transaction, or the relative merits of the Transaction as compared to any strategic alternatives that may be available to the Company; nor does it address any legal, regulatory, tax or accounting matters. We were not requested to solicit, and did not solicit, interest from other parties with respect to an acquisition of, or other business combination with, the Company or any other alternative transaction. This opinion addresses only the fairness from a financial point of view to the holders (other than CIBC and its affiliates) of Shares, as of the date hereof, of the Aggregate Consideration to be paid to such holders pursuant to the Agreement. We do not express any view on, and our opinion does not address, any other term or aspect of the Agreement or Transaction or any term or aspect of any other agreement or instrument contemplated by the Agreement or entered into or amended in connection with the Transaction, including, the fairness of the Transaction to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of the Company; nor as to the fairness of the amount or nature of any compensation to be paid or

Table of Contents

payable to any of the officers, directors or employees of the Company, or class of such persons, in connection with the Transaction, whether relative to the Aggregate Consideration to be paid to the holders (other than CIBC and its affiliates) of Shares pursuant to the Agreement or otherwise. We are not expressing any opinion as to the prices at which the CIBC Common Shares will trade at any time or as to the impact of the Transaction on the solvency or viability of the Company or CIBC or the ability of the Company or CIBC to pay their respective obligations when they come due. Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof and we assume no responsibility for updating, revising or reaffirming this opinion based on circumstances, developments or events occurring after the date hereof. Our advisory services and the opinion expressed herein are provided for the information and assistance of the Board of Directors of the Company in connection with its consideration of the Transaction and such opinion does not constitute a recommendation as to how any holder of Shares should vote with respect to such Transaction or any other matter. This opinion has been approved by a fairness committee of Goldman, Sachs & Co.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Aggregate Consideration to be paid to the holders (other than CIBC and its affiliates) of Shares pursuant to the Agreement is fair from a financial point of view to such holders.

Very truly yours,

/s/ Goldman, Sachs & Co.

GOLDMAN, SACHS & CO.

Table of Contents

APPENDIX C OPINION OF SANDLER O'NEILL

June 29, 2016

Board of Directors
PrivateBancorp, Inc.
120 S. LaSalle Street, Suite 400
Chicago, IL 60603

Ladies and Gentlemen:

PrivateBancorp, Inc. ("Company"), Canadian Imperial Bank of Commerce ("Parent") and CIBC Holdco Inc. ("Holdco"), a direct, wholly-owned subsidiary of Parent, are proposing to enter into an Agreement and Plan of Merger (the "Agreement") pursuant to which Company will merge with and into Holdco (the "Merger") with Holdco surviving the Merger. Pursuant to the terms of the Agreement, upon the Effective Time of the Merger, each share of common stock, no par value, of Company issued and outstanding immediately prior to the Effective Time ("Company Common Stock"), except for certain shares of Company Common Stock as specified in the Agreement, shall be converted, in accordance with the procedures set forth in the Agreement, into the right to receive, without interest, (i) 0.3657 common shares of Parent (the "Per Share Stock Consideration"), and (ii) $18.80 in cash (the "Per Share Cash Consideration"). The terms and conditions of the Merger are more fully set forth in the Agreement. The Per Share Stock Consideration and the Per Share Cash Consideration are collectively referred to herein as the "Merger Consideration." Capitalized terms used herein without definition shall have the meanings assigned to them in the Agreement. You have requested our opinion as to the fairness, from a financial point of view, of the Merger Consideration to the holders of Company Common Stock.

Sandler O'Neill & Partners, L.P. ("Sandler O'Neill", "we" or "our"), as part of its investment banking business, is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions. In connection with this opinion, we have reviewed and considered, among other things: (i) the Agreement; (ii) certain publicly available financial statements and other historical financial information of Company that we deemed relevant; (iii) certain publicly available financial statements and other historical financial information of Parent that we deemed relevant; (iv) internal financial projections for Company for the years ending December 31, 2016 through December 31, 2022, as provided by the senior management of Company; (v) financial projections for Parent for the years ending October 31, 2016 through October 31, 2022, as provided by the senior management of Company; (vi) the pro forma financial impact of the Merger on Parent based on certain assumptions relating to transaction expenses, purchase accounting adjustments, a core deposit intangible asset and cost savings, as well as internal financial projections for Company, as owned by Parent, for the years ending December 31, 2016 through December 31, 2022, as provided by the senior management of Company; (vii) the publicly reported historical price and trading activity for Company Common Stock and Parent common shares, including a comparison of certain stock market information for Company and Parent common stock and certain stock indices as well as publicly available information for certain other similar companies, the securities of which are publicly traded; (viii) a comparison of certain financial information for Company and Parent with similar institutions for which information is publicly available; (ix) the financial terms of certain recent business combinations in the banking industry (on a regional and nationwide basis), to the extent publicly available; (x) the current market environment generally and the banking environment in particular; and (xi) such other information, financial studies, analyses and investigations and financial, economic and market criteria as we considered relevant. We also discussed with certain members of senior management of Company the business, financial condition, results of operations and prospects of Company and held similar discussions with certain members of senior management of Parent regarding the business, financial condition, results of operations and prospects of Parent.

Table of Contents

In performing our review, we have relied upon the accuracy and completeness of all of the financial and other information that was available to and reviewed by us from public sources, that was provided to us by Company or Parent, or their respective representatives, or that was otherwise reviewed by us and we have assumed such accuracy and completeness for purposes of rendering this opinion without any independent verification or investigation. We have further relied on the assurances of the respective managements of Company and Parent that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. We have not been asked to and have not undertaken an independent verification of any of such information and we do not assume any responsibility or liability for the accuracy or completeness thereof. We did not make an independent evaluation or perform an appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of Company or Parent or any of their respective subsidiaries, nor have we been furnished with any such evaluations or appraisals. We render no opinion or evaluation on the collectability of any assets or the future performance of any loans of Company or Parent or any of their respective subsidiaries. We did not make an independent evaluation of the adequacy of the allowance for loan losses of Company or Parent, or the combined entity after the Merger and we have not reviewed any individual credit files relating to Company or Parent or any of their respective subsidiaries. We have assumed, with your consent, that the respective allowances for loan losses for both Company and Parent are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O'Neill used internal financial projections for Company for the years ending December 31, 2016 through December 31, 2022, as provided by the senior management of Company. In addition, in preparing its analyses Sandler O'Neill used financial projections for Parent for the years ending October 31, 2016 through October 31, 2022, as provided by the senior management of Company. Sandler O'Neill also received and used in its pro forma analyses certain assumptions relating to transaction expenses, purchase accounting adjustments, a core deposit intangible asset and cost savings, as well as internal financial projections for Company, as owned by Parent, for the years ending December 31, 2016 through December31, 2022, as provided by the senior management of Company. With respect to the foregoing information, the management of Company confirmed to us that such information reflected the best currently available projections, estimates and judgment of senior management of the future financial performance of Company and Parent, as applicable, and we assumed that such performance would be achieved. We express no opinion as to such projections, estimates or judgments, or the assumptions on which they are based. We have also assumed that there has been no material change in Company's or Parent's assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to us. We have assumed in all respects material to our analysis that Company and Parent will remain as going concerns for all periods relevant to our analyses.

We have also assumed, with your consent, that (i) each of the parties to the Agreement will comply in all material respects with all material terms and conditions of the Agreement and all related agreements, that all of the representations and warranties contained in such agreements are true and correct in all material respects, that the parties to such agreements will perform in all material respects all of the covenants and other obligations required to be performed by such party under such agreements and that the conditions precedent in such agreements are not and will not be waived, (ii) in the course of obtaining the necessary regulatory or third party approvals, consents and releases with respect to the Merger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Company, Parent or the benefits contemplated by the Merger or any related transaction, and (iii) the Merger and any related transaction will be consummated in accordance with the terms of the Agreement without any waiver, modification or amendment of any material term, condition or agreement thereof and in compliance with all applicable laws and other requirements. We express no opinion as to any of the legal, accounting or tax matters relating to the Merger or any other transactions contemplated in connection therewith.

Table of Contents

Our analyses and opinion are necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof could materially affect this opinion. We have not undertaken to update, revise, reaffirm or withdraw this opinion or otherwise comment upon events occurring after the date hereof. We express no opinion as to the trading values of Company Common Stock or Parent common shares at any time or what the value of Parent common stock will be once it is actually received by the holders of Company Common Stock.

We will receive a fee for rendering this opinion. Company has also agreed to indemnify us against certain claims and liabilities arising out of our engagement and to reimburse us for certain of our out-of-pocket expenses incurred in connection with our engagement. We have not provided any other investment banking services to Company in the two years immediately preceding the date hereof, nor have we provided any investment banking services to Parent in the two years immediately preceding the date hereof. In the ordinary course of our business as a broker-dealer, we may purchase securities from and sell securities to Company or Parent and their respective affiliates. We may also actively trade the equity and debt securities of Company and Parent or their respective affiliates for our own account and for the accounts of our customers.

Our opinion is directed to the Board of Directors of Company in connection with its consideration of the Agreement and the Merger and does not constitute a recommendation to any shareholder of Company as to how any such shareholder should vote at any meeting of shareholders called to consider and vote upon the adoption of the Agreement and approval of the Merger. Our opinion is directed only to the fairness, from a financial point of view, of the Merger Consideration to the holders of Company Common Stock and does not address the underlying business decision of Company to engage in the Merger, the form or structure of the Merger or the other transactions contemplated in the Agreement, the relative merits of the Merger as compared to any other alternative transactions or business strategies that might exist for Company or the effect of any other transaction in which Company might engage. We also do not express any opinion as to the amount of compensation to be received in the Merger by any Company or Parent officer, director or employee, or class of such persons, if any, relative to the amount of compensation to be received by any other shareholder. This opinion has been approved by Sandler O'Neill's fairness opinion committee. This opinion shall not be reproduced without Sandler O'Neill's prior written consent; *provided*, however, Sandler O'Neill will provide its consent for the opinion to be included in regulatory filings to be completed in connection with the Merger.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Merger Consideration is fair to holders of Company Common Stock from a financial point of view.

Very truly yours,

/s/ Sandler O'Neill & Partners, L.P.

Sandler O'Neill & Partners, L.P.

Table of Contents

APPENDIX D SECTION 262 OF THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE

§ 262. Appraisal rights.

(a)

Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to § 228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in 1 or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b)

Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to § 251 (other than a merger effected pursuant to § 251(g) of this title and, subject to paragraph (b)(3) of this section, § 251(h) of this title), § 252, § 254, § 255, § 256, § 257, § 258, § 263 or § 264 of this title:

(1)

Provided, however, that, except as expressly provided in § 363(b) of this title, no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of the meeting of stockholders to act upon the agreement of merger or consolidation, were either: (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in § 251(f) of this title.

(2)

Notwithstanding paragraph (b)(1) of this section, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to §§ 251, 252, 254, 255, 256, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a.

Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b.

Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 holders;

c.

Cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a. and b. of this section; or

d.

Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a., b. and c. of this section.

(3)

In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under § 251(h), § 253 or § 267 of this title is not owned by the parent immediately prior to

Table of Contents

the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

(4)

In the event of an amendment to a corporation's certificate of incorporation contemplated by § 363(a) of this title, appraisal rights shall be available as contemplated by § 363(b) of this title, and the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as practicable, with the word "amendment" substituted for the words "merger or consolidation," and the word "corporation" substituted for the words "constituent corporation" and/or "surviving or resulting corporation."

(c)

Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the provisions of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as is practicable.

(d)

Appraisal rights shall be perfected as follows:

(1)

If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for notice of such meeting (or such members who received notice in accordance with § 255(c) of this title) with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) of this section that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of § 114 of this title. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2)

If the merger or consolidation was approved pursuant to § 228, § 251(h), § 253, or § 267 of this title, then either a constituent corporation before the effective date of the merger or consolidation or the surviving or resulting corporation within 10 days thereafter shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of § 114 of this title. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice or, in the case of a merger approved pursuant to § 251(h) of this title, within the later of the consummation of the tender or exchange offer contemplated by § 251(h) of this title and 20 days after the date

Table of Contents

of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice or, in the case of a merger approved pursuant to § 251(h) of this title, later than the later of the consummation of the tender or exchange offer contemplated by § 251(h) of this title and 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e)

Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) of this section hereof and who is otherwise entitled to appraisal rights, may commence an appraisal proceeding by filing a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) of this section hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) of this section hereof, whichever is later. Notwithstanding subsection (a) of this section, a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition or request from the corporation the statement described in this subsection.

(f)

Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting

Table of Contents

corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g)

At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(h)

After the Court determines the stockholders entitled to an appraisal, the appraisal proceeding shall be conducted in accordance with the rules of the Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding the Court shall determine the fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. Unless the Court in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the stockholders entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i)

The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j)

The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k)

From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock

Table of Contents

(except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just; provided, however that this provision shall not affect the right of any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation within 60 days after the effective date of the merger or consolidation, as set forth in subsection (e) of this section.

(l)

The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

Table of Contents

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers

Under the Bank Act and CIBC's by-laws, CIBC indemnifies any director of officer of CIBC, any former director of officer of CIBC, and any other person who acts or acted at CIBC's request as a director or officer of or in a similar capacity for another entity, and his or her heirs and personal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by them in respect of any civil, criminal, administrative, investigative or other proceeding in which they are involved because of that association with CIBC or other entity; provided (i) the person acted honestly and in good faith or in a similar capacity; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believe that their conduct was lawful.

Under the Bank Act, the indemnified persons referred to above are entitled to indemnity from CIBC in respect of all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the person in connection with the defense of any civil, criminal, administrative, investigative or other proceeding to which the person is subject because of their association with CIBC or another entity, if the person seeking indemnity:

was not judged by the court or other competent authority to have committed any fault or omitted to do anything they ought to have done; and

fulfils the conditions set out in (i) and (ii) above.

CIBC has obtained director's and officer's liability insurance coverage, which, subject to policy terms and limitations, provides coverage for directors and officers of CIBC, acting as directors and officers of CIBC and its subsidiaries, in certain circumstances where CIBC is unable to provide indemnification to such directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 21. Exhibits and Financial Statement Schedules

The following documents are exhibits to the registration statement.

Exhibit No.	Description of Document
2.1	Agreement and Plan of Merger, dated as of June 29, 2016, by and between Canadian Imperial Bank of Commerce, a Canadian chartered bank, PrivateBancorp, Inc., a Delaware corporation, and CIBC Holdco Inc., a Delaware corporation and a direct, wholly owned subsidiary of Canadian Imperial Bank of Commerce (attached as Appendix A to the proxy statement/prospectus contained in this Registration Statement).
3.1	By-laws of Canadian Imperial Bank of Commerce (incorporated by reference to the Current Report on Form 6-K filed by Canadian Imperial Bank of Commerce with the SEC on April 5, 2016).
5.1	Legal Opinion of Torys LLP as to the validity of the common shares of Canadian Imperial Bank of Commerce being registered.
8.1	Form of Opinion of Mayer Brown LLP as to certain tax matters.*
8.2	Form of Opinion of Wachtell, Lipton, Rosen & Katz as to certain tax matters.*

Table of Contents

Exhibit No.	Description of Document
15.1	Letter from Ernst & Young LLP regarding Unaudited Interim Financial Information of PrivateBancorp, Inc.
23.1	Consent of Torys LLP (included in Exhibit 5.1).
23.2	Consent of Mayer Brown LLP (included in Exhibit 8.1).
23.3	Consent of Wachtell, Lipton, Rosen & Katz (included in Exhibit 8.2).
23.4	Consent of Ernst & Young LLP.
23.5	Consent of Ernst & Young LLP.
24.1	Power of Attorney (on signature page).
99.1	Form of proxy for PrivateBancorp, Inc.*
99.2	Consent of Goldman, Sachs & Co.
99.3	Consent of Sandler O'Neill & Partners, L.P.

Pursuant to Item 601(b)(2) of Regulation S-K, CIBC agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Agreement and Plan of Merger to the SEC upon request.

*

To be filed by amendment.

Item 22. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1)

To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i)

to include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii)

to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii)

to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2)

That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at

that time shall be deemed to be the initial bona fide offering thereof.

(3)

To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4)

To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by

Table of Contents

Section 10(a)(3) of the Securities Act of 1933 need not be furnished, provided that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

The undersigned registrant hereby undertakes as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reoffering by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

The registrant undertakes that every prospectus (i) that is filed pursuant to the immediately preceding paragraph, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act of 1933 and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer of controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(a)

The undersigned registrant hereby undertakes: (i) to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means; and (ii) to arrange or provide for a facility in the United States for the purpose of responding to such requests. The undertaking clause (i) above includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(b)

The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Canadian Imperial Bank of Commerce certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on this Form F-4 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Toronto, Province of Ontario, Canada, on August 15, 2016.

CANADIAN IMPERIAL BANK OF COMMERCE

By: /s/ VICTOR G. DODIG

Victor G. Dodig
President and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints each of Victor G. Dodig, Kevin Glass and Michael G. Capatides as his or her true and lawful attorney-in-fact and agent, each acting alone, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and any registration statement relating to the offering covered by this Registration Statement and filed pursuant to Rule 462(b) under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the United States Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing appropriate or necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities indicated in the City of Toronto, Providence of Ontario, Canada, on , 2016.

SIGNATURE	CAPACITY	DATE
/s/ VICTOR G. DODIG Victor G. Dodig	President, Chief Executive Officer and Director (Principal Executive Officer)	August 15, 2016
/s/ KEVIN GLASS Kevin Glass	Senior Executive Vice-President and Chief Financial Officer (Principal Financial Officer)	August 15, 2016
/s/ DAVID ARNOLD David Arnold	Executive Vice-President, Finance Shared Services and Global Controller (Controller)	August 15, 2016

Table of Contents

SIGNATURE	CAPACITY	DATE
/s/ JOHN P. MANLEY John P. Manley	Chair of the Board	August 15, 2016
/s/ BRENT S. BELZBERG Brent S. Belzberg	Director	August 15, 2016
/s/ NANCY E. CALDWELL Nancy E. Caldwell	Director	August 15, 2016
/s/ GARY F. COLTER Gary F. Colter	Director	August 15, 2016
/s/ PATRICK D. DANIEL Patrick D. Daniel	Director	August 15, 2016
/s/ LUC DESJARDINS Luc Desjardins	Director	August 15, 2016
/s/ GORDON D. GIFFIN Gordon D. Giffin	Director	August 15, 2016
/s/ LINDA S. HASENFRATZ Linda S. Hasenfratz	Director	August 15, 2016
/s/ KEVIN J. KELLY Kevin J. Kelly	Director	August 15, 2016
/s/ CHRISTINE E. LARSEN Christine E. Larsen	Director	August 15, 2016
/s/ NICHOLAS D. LE PAN Nicholas D. Le Pan	Director	August 15, 2016

Table of Contents

SIGNATURE	CAPACITY	DATE
/s/ JANE L. PEVERETT Jane L. Peverett	Director	August 15, 2016
/s/ KATHARINE B. STEVENSON Katharine B. Stevenson	Director	August 15, 2016
/s/ MARTINE TURCOTTE Martine Turcotte	Director	August 15, 2016
/s/ RONALD W. TYSOE Ronald W. Tysoe	Director	August 15, 2016
/s/ BARRY L. ZUBROW Barry L. Zubrow	Director	August 15, 2016

Table of Contents

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements of Section 6(a) of the Securities Act of 1933, as amended, the undersigned has signed this Registration Statement, solely in the capacity of the duly authorized representative of Canadian Imperial Bank of Commerce in the United States, on August 15, 2016.

By: /s/ MICHAEL G. CAPATIDES

Michael G. Capatides
Authorized Representative in the United States

Table of Contents

EXHIBIT INDEX

Exhibit No.	Description of Document
2.1	Agreement and Plan of Merger, dated as of June 29, 2016, by and between Canadian Imperial Bank of Commerce, a Canadian chartered bank, PrivateBancorp, Inc., a Delaware corporation, and CIBC Holdco Inc., a Delaware corporation and a direct, wholly owned subsidiary of Canadian Imperial Bank of Commerce (attached as Appendix A to the proxy statement/prospectus contained in this Registration Statement).
3.1	By-laws of Canadian Imperial Bank of Commerce (incorporated by reference to the Current Report on Form 6-K filed by Canadian Imperial Bank of Commerce with the SEC on April 5, 2016).
5.1	Legal Opinion of Torys LLP as to the validity of the common shares of Canadian Imperial Bank of Commerce being registered.
8.1	Form of Opinion of Mayer Brown LLP as to certain tax matters.*
8.2	Form of Opinion of Wachtell, Lipton, Rosen & Katz as to certain tax matters.*
15.1	Letter from Ernst & Young LLP regarding Unaudited Interim Financial Information of PrivateBancorp, Inc.
23.1	Consent of Torys LLP (included in Exhibit 5.1).
23.2	Consent of Mayer Brown LLP (included in Exhibit 8.1).
23.3	Consent of Wachtell, Lipton, Rosen & Katz (included in Exhibit 8.2).
23.4	Consent of Ernst & Young LLP.
23.5	Consent of Ernst & Young LLP.
24.1	Power of Attorney (on signature page).
99.1	Form of proxy for PrivateBancorp, Inc.*
99.2	Consent of Goldman, Sachs & Co.
99.3	Consent of Sandler O'Neill & Partners, L.P.

Pursuant to Item 601(b)(2) of Regulation S-K, CIBC agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Agreement and Plan of Merger to the SEC upon request.

*

To be filed by amendment.