

AUTONATION, INC.  
Form 4  
March 03, 2016

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MILLER CHERYL

(Last) (First) (Middle)  
200 SW 1ST AVE, SUITE 1600  
  
(Street)

FORT LAUDERDALE, FL 33301

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
AUTONATION, INC. [AN]

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/01/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
EVP and CFO

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 52.53	03/01/2016	A	86,000					(1)	03/01/2026	Common Stock, par value \$0.01 per share	86,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MILLER CHERYL 200 SW 1ST AVE SUITE 1600 FORT LAUDERDALE, FL 33301			EVP and CFO	

## Signatures

/s/ Jonathan P. Ferrando,  
Attorney-in-Fact

03/03/2016

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The option becomes exercisable in 25% annual increments on each of the first four anniversaries of March 1, 2016, subject to continuous employment with the Company.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

2016

First Quarter

76.31

56.53

Second Quarter

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77.76

69.25

Third Quarter

74.17

70.73

Fourth Quarter

94.73

70.28

2017

First Quarter

105.50

90.92

Second Quarter

103.02

82.15

Third Quarter

89.04

65.62

Fourth Quarter (through the Pricing Date)

82.90

74.44

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Explanation of Responses:

Notes Linked to Raymond James Focus on Capital Returning Stocks Equity Linked Notes due November 27, 2019

### Old Republic International Corporation

Old Republic International Corporation is an insurance holding company. Its subsidiaries market, underwrite, and provide risk management services. The company provides services for a variety of coverages in the property and liability, mortgage guaranty, title, and life and health insurance fields. Its common stock trades on the NYSE under the symbol ORI.

### Historical Information of the Common Stock of Old Republic International Corporation

The following table sets forth the high and low Closing Prices of this Reference Share from the first quarter of 2012 through the Pricing Date.

		<b>High (\$)</b>	<b>Low (\$)</b>
2012	First Quarter	11.19	9.00
	Second Quarter	10.76	8.16
	Third Quarter	9.70	7.83
	Fourth Quarter	10.80	9.27
2013	First Quarter	12.71	10.89
	Second Quarter	14.45	12.12
	Third Quarter	15.40	12.99
	Fourth Quarter	17.36	14.55
2014	First Quarter	17.12	14.70
	Second Quarter	17.23	15.79
	Third Quarter	16.82	14.28
	Fourth Quarter	15.36	13.74
2015	First Quarter	15.26	13.87
	Second Quarter	16.23	14.85
	Third Quarter	16.84	15.05
	Fourth Quarter	19.02	15.50
2016	First Quarter	18.68	17.19
	Second Quarter	19.29	17.80
	Third Quarter	19.98	17.61
	Fourth Quarter	19.11	16.58
2017	First Quarter	21.08	18.82
	Second Quarter	20.83	19.42
	Third Quarter	20.15	18.11
	Fourth Quarter (through the Pricing Date)	20.87	19.43

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Notes Linked to Raymond James Focus on Capital Returning Stocks Equity Linked Notes due November 27, 2019

### Occidental Petroleum Corporation

Occidental Petroleum Corporation explores for, develops, produces, and markets crude oil and natural gas. The company also manufactures and markets a variety of basic chemicals, vinyls and performance chemicals. The company also gathers, treats, processes, transports, stores, trades and markets crude oil, natural gas, NGLs, condensate and carbon dioxide and generates and markets power. Its common stock trades on the NYSE under the symbol OXY.

### Historical Information of the Common Stock of Occidental Petroleum Corporation

The following table sets forth the high and low Closing Prices of this Reference Share from the first quarter of 2012 through the Pricing Date.

		High (\$)	Low (\$)
2012	First Quarter	101.16	90.58
	Second Quarter	93.51	74.18
	Third Quarter	88.20	79.28
	Fourth Quarter	82.86	70.59
2013	First Quarter	85.07	74.83
	Second Quarter	90.89	75.73
	Third Quarter	90.61	81.90
	Fourth Quarter	95.32	86.53
2014	First Quarter	93.30	83.54
	Second Quarter	100.90	89.53
	Third Quarter	99.77	92.23
	Fourth Quarter	93.12	73.13
2015	First Quarter	83.08	71.84
	Second Quarter	81.48	74.21
	Third Quarter	75.92	63.61
	Fourth Quarter	76.66	65.93
2016	First Quarter	71.65	59.60
	Second Quarter	78.31	67.42
	Third Quarter	78.00	68.65
	Fourth Quarter	75.03	64.95
2017	First Quarter	72.27	62.06
	Second Quarter	65.06	58.02
	Third Quarter	65.19	58.68
	Fourth Quarter (through the Pricing Date)	68.82	63.91

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Notes Linked to Raymond James Focus on Capital Returning Stocks Equity Linked Notes due November 27, 2019

### Republic Services, Inc.

Republic Services, Inc. provides non-hazardous solid waste collection and disposal services in the United States. The company provides solid waste collection services for commercial, industrial, municipal, and residential customers. The company also operates transfer stations, landfills and recycling facilities. Its common stock trades on the NYSE under the symbol RSG.

### Historical Information of the Common Stock of Republic Services, Inc.

The following table sets forth the high and low Closing Prices of this Reference Share from the first quarter of 2012 through the Pricing Date.

		High (\$)	Low (\$)
2012	First Quarter	30.70	27.30
	Second Quarter	31.14	25.39
	Third Quarter	28.93	25.85
	Fourth Quarter	29.96	26.48
2013	First Quarter	33.00	29.53
	Second Quarter	35.09	32.26
	Third Quarter	35.44	32.16
	Fourth Quarter	35.15	32.37
2014	First Quarter	34.40	31.53
	Second Quarter	38.13	34.07
	Third Quarter	39.55	36.83
	Fourth Quarter	40.89	37.68
2015	First Quarter	41.91	39.34
	Second Quarter	41.23	39.04
	Third Quarter	43.51	39.43
	Fourth Quarter	45.25	41.21
2016	First Quarter	48.72	42.20
	Second Quarter	51.31	45.62
	Third Quarter	52.61	49.52
	Fourth Quarter	57.50	49.49
2017	First Quarter	63.69	56.42
	Second Quarter	65.11	61.25
	Third Quarter	66.94	63.58
	Fourth Quarter (through the Pricing Date)	66.57	62.44

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Notes Linked to Raymond James Focus on Capital Returning Stocks Equity Linked Notes due November 27, 2019

### AT&T Inc.

AT&T Inc., through its subsidiaries and affiliates, provides local and long-distance phone service, wireless and data communications, Internet access and messaging, IP-based and satellite television, security services, telecommunications equipment, and directory advertising and publishing. Its common stock trades on the NYSE under the symbol T.

### Historical Information of the Common Stock of AT&T Inc.

The following table sets forth the high and low Closing Prices of this Reference Share from the first quarter of 2012 through the Pricing Date.

		High (\$)	Low (\$)
2012	First Quarter	31.84	29.16
	Second Quarter	35.71	30.13
	Third Quarter	38.25	34.63
	Fourth Quarter	38.34	33.14
2013	First Quarter	36.86	33.20
	Second Quarter	39.00	34.35
	Third Quarter	35.96	33.32
	Fourth Quarter	36.45	33.11
2014	First Quarter	35.07	31.86
	Second Quarter	36.74	34.49
	Third Quarter	36.59	34.21
	Fourth Quarter	35.90	32.14
2015	First Quarter	34.87	32.62
	Second Quarter	36.18	32.51
	Third Quarter	35.77	31.80
	Fourth Quarter	34.93	32.31
2016	First Quarter	39.45	33.51
	Second Quarter	43.21	37.86
	Third Quarter	43.47	39.71
	Fourth Quarter	42.73	36.13
2017	First Quarter	43.02	40.61
	Second Quarter	41.69	37.46
	Third Quarter	39.41	35.59
	Fourth Quarter (through the Pricing Date)	39.51	32.86

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Notes Linked to Raymond James Focus on Capital Returning Stocks Equity Linked Notes due November 27, 2019

### Targa Resources Corp.

Targa Resources Corp. owns general and limited partner interests in a limited partnership that provides midstream natural gas and natural gas liquid services. The partnership gathers, compresses, treats, processes, and sells natural gas. The company also stores, fractionates, treats, transports, and sells natural gas liquids and related products. Its common stock trades on the NYSE under the symbol TRGP.

### Historical Information of the Common Stock of Targa Resources Corp.

The following table sets forth the high and low Closing Prices of this Reference Share from the first quarter of 2012 through the Pricing Date.

		High (\$)	Low (\$)
2012	First Quarter	46.91	39.62
	Second Quarter	49.21	40.54
	Third Quarter	50.81	42.23
	Fourth Quarter	52.84	46.13
2013	First Quarter	67.96	55.11
	Second Quarter	69.19	61.68
	Third Quarter	73.97	66.06
	Fourth Quarter	88.46	72.42
2014	First Quarter	99.26	85.34
	Second Quarter	150.62	101.56
	Third Quarter	142.25	127.50
	Fourth Quarter	139.10	89.35
2015	First Quarter	107.06	85.44
	Second Quarter	107.22	88.09
	Third Quarter	91.26	48.92
	Fourth Quarter	65.43	25.74
2016	First Quarter	30.24	15.43
	Second Quarter	44.96	27.52
	Third Quarter	49.40	36.88
	Fourth Quarter	58.20	43.90
2017	First Quarter	61.35	54.96
	Second Quarter	59.72	40.68
	Third Quarter	48.35	42.62
	Fourth Quarter (through the Pricing Date)	48.27	40.35

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Notes Linked to Raymond James Focus on Capital Returning Stocks Equity Linked Notes due November 27, 2019

### Umpqua Holdings Corporation

Umpqua Holdings Corporation is the holding company for Umpqua Bank, an Oregon state-chartered bank. Umpqua Bank is engaged primarily in the business of commercial and retail banking and the delivery of retail brokerage services. The bank provides asset management, mortgage banking and other financial services to corporate, institutional and individual customers. Its common stock trades on the NASDAQ under the symbol UMPQ.

### Historical Information of the Common Stock of Umpqua Holdings Corporation

The following table sets forth the high and low Closing Prices of this Reference Share from the first quarter of 2012 through the Pricing Date.

		High (\$)	Low (\$)
2012	First Quarter	13.74	11.75
	Second Quarter	13.65	11.89
	Third Quarter	13.81	11.89
	Fourth Quarter	12.74	11.33
2013	First Quarter	13.54	12.38
	Second Quarter	15.20	11.75
	Third Quarter	17.45	15.27
	Fourth Quarter	19.44	16.13
2014	First Quarter	19.33	16.64
	Second Quarter	19.28	15.99
	Third Quarter	18.11	16.47
	Fourth Quarter	17.95	15.78
2015	First Quarter	17.47	15.37
	Second Quarter	18.79	16.84
	Third Quarter	18.72	15.63
	Fourth Quarter	17.92	15.88
2016	First Quarter	16.22	13.48
	Second Quarter	16.72	14.72
	Third Quarter	16.42	14.85
	Fourth Quarter	19.24	14.82
2017	First Quarter	19.35	17.12
	Second Quarter	18.85	16.72
	Third Quarter	19.63	16.93
	Fourth Quarter (through the Pricing Date)	20.98	19.54

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Notes Linked to Raymond James Focus on Capital Returning Stocks Equity Linked Notes due November 27, 2019

## Union Pacific Corporation

Union Pacific Corporation is a rail transportation company. The company's railroad hauls a variety of goods, including agricultural, automotive, and chemical products. The company offers long-haul routes from all major West Coast and Gulf Coast ports to eastern gateways as well as connects with Canada's rail systems and serves the major gateways to Mexico. Its common stock trades on the NYSE under the symbol UNP.

### Historical Information of the Common Stock of Union Pacific Corporation

The following table sets forth the high and low Closing Prices of this Reference Share from the first quarter of 2012 through the Pricing Date.

		<b>High (\$)</b>	<b>Low (\$)</b>
2012	First Quarter	58.06	53.40
	Second Quarter	59.66	52.49
	Third Quarter	64.22	58.15
	Fourth Quarter	63.58	58.73
2013	First Quarter	71.21	64.23
	Second Quarter	79.96	67.88
	Third Quarter	81.69	76.77
	Fourth Quarter	84.00	75.29
2014	First Quarter	94.70	82.58
	Second Quarter	102.42	90.54
	Third Quarter	109.58	97.48
	Fourth Quarter	123.31	98.08
2015	First Quarter	123.83	108.17
	Second Quarter	111.42	95.37
	Third Quarter	98.82	80.56
	Fourth Quarter	97.05	75.43
2016	First Quarter	84.42	68.79
	Second Quarter	89.63	78.00
	Third Quarter	97.53	87.16
	Fourth Quarter	106.33	87.89
2017	First Quarter	110.42	102.13
	Second Quarter	113.53	104.78
	Third Quarter	116.64	101.40
	Fourth Quarter (through the Pricing Date)	118.39	110.27

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Notes Linked to Raymond James Focus on Capital Returning Stocks Equity Linked Notes due November 27, 2019

### USE OF PROCEEDS AND HEDGING

The net proceeds from the sale of the Notes will be used as described under "Use of Proceeds" in the accompanying Prospectus Supplement and the Prospectus and to hedge market risks of the Bank associated with its obligation to pay the amount due at maturity of the Notes.

We may hedge our obligations under the Notes by, among other things, purchasing securities, futures, options or other derivative instruments with returns linked or related to changes in the value of the Reference Shares, and we may adjust these hedges by, among other things, purchasing or selling securities, futures, options or other derivative instruments at any time. Our cost of hedging will include the projected profit that our counterparty expects to realize in consideration for assuming the risks inherent in hedging our obligations under the Notes. Because hedging our obligations entails risk and may be influenced by market forces beyond our or our counterparty's control, such hedging may result in a profit that is more or less than expected, or could result in a loss. It is possible that we could receive substantial returns from these hedging activities while the value of the Notes declines.

We expect to hedge our obligations under the Notes through one of our affiliates and/or another unaffiliated counterparty.

We have no obligation to engage in any manner of hedging activity and we will do so solely at our discretion and for our own account. No holder of the Notes will have any rights or interest in our hedging activity or any positions we or any unaffiliated counterparty may take in connection with our hedging activity. The hedging activity discussed above may adversely affect the value of the Notes from time to time. See "Additional Risk Factors: The Inclusion of Dealer Spread and Projected Profit from Hedging in the Original Issue Price Is Likely to Adversely Affect Secondary Market Prices" and "Certain Business and Trading Activities May Create Conflicts With Your Interests and Could Potentially Adversely Affect the Value of the Notes" in this Pricing Supplement.

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Notes Linked to Raymond James Focus on Capital Returning Stocks Equity Linked Notes due November 27, 2019

### **THE BANK'S ESTIMATED VALUE OF THE NOTES**

The Bank's estimated value of the Notes set forth on the cover of this Pricing Supplement is equal to the sum of the values of the following hypothetical components: (1) a fixed-income debt component with the same maturity as the Notes, valued using our internal funding rate for structured debt described below, and (2) the derivative or derivatives underlying the economic terms of the Notes. The Bank's estimated value does not represent a minimum price at which CIBCWM or any other person would be willing to buy your Notes in any secondary market (if any exists) at any time. The internal funding rate used in the determination of the Bank's estimated value generally represents a discount from the credit spreads for our conventional fixed-rate debt. The discount is based on, among other things, our view of the funding value of the Notes as well as the higher issuance, operational and ongoing liability management costs of the Notes in comparison to those costs for our conventional fixed-rate debt. For additional information, see **Additional Risk Factors The Bank's Estimated Value Was Not Determined by Reference to Credit Spreads for Our Conventional Fixed-Rate Debt** in this Pricing Supplement. The value of the derivative or derivatives underlying the economic terms of the Notes is derived from the Bank's or a third party hedge provider's internal pricing models. These models are dependent on inputs such as the traded market prices of comparable derivative instruments and on various other inputs, some of which are market-observable, and which can include volatility, dividend rates, interest rates and other factors, as well as assumptions about future market events and/or environments. Accordingly, the Bank's estimated value of the Notes was determined based on market conditions and other relevant factors and assumptions on the Pricing Date. See **Additional Risk Factors The Bank's Estimated Value Does Not Represent Future Values of the Notes and May Differ from Others' Estimates** in this Pricing Supplement.

The Bank's estimated value of the Notes is lower than the original issue price of the Notes because costs associated with selling, structuring and hedging the Notes are included in the original issue price of the Notes. These costs include the projected profits that our affiliates expect to realize for assuming risks inherent in hedging our obligations under the Notes and the estimated cost of hedging our obligations under the Notes. Because hedging our obligations entails risk and may be influenced by market forces beyond our control, this hedging may result in a profit that is more or less than expected, or it may result in a loss. We or one or more of our affiliates will retain any profits realized in hedging our obligations under the Notes. See **Additional Risk Factors The Bank's Estimated Value of the Notes Is Lower Than the Original Issue Price (Price to Public) of the Notes** in this Pricing Supplement.

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Notes Linked to Raymond James Focus on Capital Returning Stocks Equity Linked Notes due November 27, 2019

### **CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

The following discussion supplements the discussion in the section called "Material Income Tax Consequences - United States Taxation" in the accompanying Prospectus, and is subject to the limitations and exceptions set forth therein. Capitalized terms used in this section without definition shall have the respective meanings given such terms in the accompanying Prospectus. This discussion is only applicable to you if you are a U.S. Holder. If you are not a U.S. Holder, please consult your own tax advisor.

The following summary describes certain U.S. federal income tax consequences relevant to the purchase, ownership, and disposition of the Notes. This summary applies only to holders that acquire their Notes in this offering for a price equal to the original offering price, which we understand will be at par, and hold such Notes as capital assets. This discussion is based upon current provisions of the Code, existing and proposed Treasury Regulations thereunder, current administrative rulings, judicial decisions and other applicable authorities. All of the foregoing are subject to change, which change may apply retroactively and could affect the continued validity of this summary. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the U.S. federal government. This discussion also does not purport to be a complete analysis of all tax considerations relating to the Notes. You should consult your tax advisor concerning the U.S. federal income tax and other tax consequences of your investment in the Notes in your particular circumstances, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

#### **U.S. Holders**

The U.S. federal income tax consequences of your investment in the Notes are uncertain. No statutory, judicial or administrative authority directly discusses how the Notes should be treated for U.S. federal income tax purposes. We intend to treat the Notes as pre-paid cash-settled derivative contracts. Pursuant to the terms of the Notes, you agree to treat the Notes in this manner for all U.S. federal income tax purposes. If your Notes are so treated, you should generally recognize capital gain or loss upon the sale, exchange or payment on maturity in an amount equal to the difference between the amount you receive at such time and the amount that you paid for your Notes. Such gain or loss should generally be long-term capital gain or loss if you have held your Notes for more than one year. Capital gain recognized by an individual U.S. holder is generally taxed at preferential rates where the property is held for more than one year and is generally taxed at ordinary income rates where the property is held for one year or less. The deductibility of capital losses is subject to limitations. The holding period for Notes of a U.S. holder who acquires the Notes upon issuance will generally begin on the date after the issue date (i.e., the settlement date) of the Notes.

We intend to treat periodic distributions designated as interest on the Notes as ordinary income, which holders of the Notes will recognize in accordance with their regular method of accounting. Non-corporate holders of Notes will not be able to treat payments of interest as qualified dividend income, even though the payment of interest will be determined with reference to the dividends paid on the Reference Shares in the Basket.

*Alternative Treatments.* As noted above, there is no judicial or administrative authority discussing how the Notes should be treated for U.S. federal income tax purposes. Therefore, other treatments would also be reasonable and the Internal Revenue Service might assert that treatment other than that described above is more appropriate.

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For example, the Notes may be properly treated as a custodial arrangement under which CIBC is treated as holding the Basket on behalf of Note holders. In this case, any dividends paid on the Basket would be immediately taxable to Note holders, even though Note holders would not receive a distribution at such time and could constitute qualified dividend income for non-corporate holders. Additionally, in this case, the Internal Revenue Service could also assert that a holder should be required to treat any amounts attributable to the Participation Rate as separate investment expenses to the extent the Participation Rate is less than 100%. The deduction of any such deemed expenses would generally be subject to a 2% floor on miscellaneous itemized deductions applicable to a holder who is an individual, trust or estate. Such amount would correspondingly increase the amount of gain and income or decrease the amount of loss recognized by a holder with respect to an investment in the notes.

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Notes Linked to Raymond James Focus on Capital Returning Stocks Equity Linked Notes due November 27, 2019

Another possible alternative treatment is that a Note could be treated as a single debt instrument subject to the special tax rules governing contingent payment debt instruments. If the Notes are so treated, you would be required to accrue interest income over the term of a Note based upon the yield at which we would issue a non-contingent fixed-rate debt instrument with other terms and conditions similar to your Note. You would recognize gain or loss upon the sale, call or maturity of the Note in an amount equal to the difference, if any, between the amount you receive at such time and your adjusted basis in the Note. In general, your adjusted basis in the Note would be equal to the amount you paid for the Note, increased by the amount of interest you previously accrued with respect to the Note. Any gain you recognize upon the sale, call or maturity of the Note would be ordinary income and any loss recognized by you at such time would generally be ordinary loss to the extent of interest you included in income in the current or previous taxable years with respect to the Note, and thereafter would be capital loss.

If a Note is treated as a contingent payment debt instrument and you purchase a Note in the secondary market at a price that is at a discount from, or in excess of, the adjusted issue price of the Note, such excess or discount would not be subject to the generally applicable market discount or amortizable bond premium rules but rather would be subject to special rules set forth in treasury regulations governing contingent payment debt instruments. Accordingly, if you purchase a Note in the secondary market, you should consult your tax advisor as to the possible application of such rules to you.

In addition, the Internal Revenue Service has released a notice that may affect the taxation of holders of prepaid forward contracts and similar instruments. According to the notice, the Internal Revenue Service and the U.S. Treasury are actively considering whether the holder of such instruments should be required to accrue ordinary income on a current basis, and they are seeking taxpayer comments on the subject. While it is not clear whether the Notes would be viewed as similar to such instruments, it is possible that any future guidance could materially and adversely affect the tax consequences of an investment in the Notes, possibly with retroactive effect.

Because of the absence of authority regarding the appropriate tax characterization of the Notes, it is possible that the Internal Revenue Service could seek to characterize the Notes in a manner that results in tax consequences to you that are different from those described above. For example, the Internal Revenue Service could possibly assert that any gain or loss that a holder may recognize upon the sale or maturity of the Notes should be treated as ordinary gain or loss. In addition, it is possible that the amount an individual holder receives upon sale or maturity that is attributable to the Dividend Amount will be taxable as a dividend, which may be treated, in whole or in part, as qualified dividend income, subject to the reduced tax rate applicable to net long-term capital gains. Holders should consult their tax advisors as to the tax consequences of such characterizations and any possible alternative characterizations of the notes for U.S. federal income tax purposes.

We do not believe that the constructive ownership transaction rules of Section 1260 of the Code apply to this offering.

You are urged to consult your tax advisors concerning the significance, and the potential impact, of the above considerations.

*Additional Information for U.S. Holders.* For the treatment regarding other aspects of interest payments and backup withholding and information reporting considerations please see the discussion under Material Income Tax Consequences United States Taxation in the accompanying Prospectus.

**Foreign Account Tax Compliance Act**

For information regarding the applicability of FATCA to the securities, please see the discussion under **Material Income Tax Consequences United States Taxation FATCA Withholding** in the accompanying Prospectus. FATCA may impose a 30% withholding tax on payments of gross proceeds from the sale, exchange or redemption of property that gives rise to U.S.-source dividends or interest. The Internal Revenue Service recently announced in published guidance its intent to amend the regulations to extend the effective date of withholding on gross proceeds to 1 January 2019. Similarly, the Internal Revenue Service announced its intention to delay the effective date of withholding tax on foreign passthru payments to the later of 1 January 2019 or the date of publication of final U.S. Treasury regulations defining such term.

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Notes Linked to Raymond James Focus on Capital Returning Stocks Equity Linked Notes due November 27, 2019

The Canada Revenue Agency released detailed technical guidance relating to the US-Canada IGA and the Canadian legislation implementing such IGA. Generally, under the terms of the guidance and the US-Canada IGA, the Issuer may be required to collect information from holders of Notes (other than Notes that are regularly traded on an established securities market for purposes of the IGA) regarding such holders' status as Specified U.S. Persons as defined in the IGA (generally, U.S. residents and U.S. citizens) and report certain information to the Canada Revenue Agency regarding such persons' investment in the Notes. The Canada Revenue Agency would then communicate this information to the IRS under the existing provisions of the Canada-United States Tax Convention (1980) (as amended). For this purpose, a Note is not considered to be regularly traded if the holder (other than certain financial institutions acting as intermediary) is registered on the books of the Issuer.

FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding.

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

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### CERTAIN CANADIAN INCOME TAX CONSEQUENCES

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

This summary is supplemental to and should be read together with the description of material Canadian federal income tax considerations relevant to a Non-Resident Holder owning Notes under Material Income Tax Consequences Canadian Taxation in the accompanying Prospectus and a Non-Resident Holder should carefully read that description as well.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Non-Resident Holder. Non-Resident Holders are advised to consult with their own tax advisors with respect to their particular circumstances.**

Based on Canadian tax counsel's understanding of the Canada Revenue Agency's administrative policies, and having regard to the terms of the Notes, interest payable on the Notes should not be considered to be participating debt interest as defined in the Canadian Tax Act and accordingly, a Non-Resident Holder should not be subject to Canadian non-resident withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by the Issuer on a Note as, on account of or in lieu of payment of, or in satisfaction of, interest.

Non-Resident Holders should consult their own advisors regarding the consequences to them of a disposition of Notes to a person with whom they are not dealing at arm's length for purposes of the Canadian Tax Act.

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**SUPPLEMENTAL PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)**

Pursuant to the terms of a distribution agreement, CIBCWM will purchase the Notes from the Bank for distribution through Raymond James, which will act as agent in the distribution of the Notes. The Notes sold to investors were offered at the issue price of \$1,000 per Note. No commissions will be paid in connection with the sale of the Notes. Raymond James will receive licensing fees for its research related to the Reference Shares, as described in Description of the Reference Shares License Agreement.

We will deliver the Notes on a date that is greater than two business days following the Pricing Date. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes more than two business days prior to the issue date will be required to specify alternative settlement arrangements to prevent a failed settlement.

Raymond James and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Raymond James and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Bank, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, Raymond James and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Bank. Raymond James and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Bank owns, directly or indirectly, all of the outstanding equity securities of CIBCWM. In accordance with FINRA Rule 5121, CIBCWM may not make sales in this offering to any of its discretionary accounts without the prior written approval of the customer.

The Bank may use this Pricing Supplement in the initial sale of the Notes. In addition, CIBCWM or another of the Bank's affiliates may use this Pricing Supplement in market-making transactions in any Notes after their initial sale. Unless CIBCWM or we inform you otherwise in the confirmation of sale, this Pricing Supplement is being used by CIBCWM in a market-making transaction.

While CIBCWM may make markets in the Notes, it is under no obligation to do so and may discontinue any market-making activities at any time without notice. See the section titled Supplemental Plan of Distribution (Conflicts of Interest) in the accompanying Prospectus Supplement.

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The price at which you purchase the Notes includes costs that the Bank or its affiliates expect to incur and profits that the Bank or its affiliates expect to realize in connection with hedging activities related to the Notes, as set forth above. These costs and profits will likely reduce the secondary market price, if any secondary market develops, for the Notes. As a result, you may experience an immediate and substantial decline in the market value of your Notes on the Issue Date.

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### **VALIDITY OF THE NOTES**

In the opinion of Blake, Cassels & Graydon LLP, as Canadian counsel to the Bank, the issue and sale of the Notes has been duly authorized by all necessary corporate action of the Bank in conformity with the indenture, and when the Notes have been duly executed, authenticated and issued in accordance with the indenture, the Notes will be validly issued and, to the extent validity of the Notes is a matter governed by the laws of the Province of Ontario or the federal laws of Canada applicable therein, will be valid obligations of the Bank, subject to applicable bankruptcy, insolvency and other laws of general application affecting creditors' rights, equitable principles, and subject to limitations as to the currency in which judgments in Canada may be rendered, as prescribed by the Currency Act (Canada), and subject to any bail-in conversion requirements under the Canada Deposit Insurance Corporation Act (Canada). This opinion is given as of the date hereof and is limited to the laws of the Province of Ontario and the federal laws of Canada applicable therein. In addition, this opinion is subject to customary assumptions about the trustee's authorization, execution and delivery of the indenture and the genuineness of signature, and to such counsel's reliance on the Bank and other sources as to certain factual matters, all as stated in the opinion letter of such counsel dated February 27, 2017, which has been filed as Exhibit 5.2 to the Bank's Registration Statement on Form F-3 filed with the SEC on February 27, 2017.

In the opinion of Mayer Brown LLP, when the Notes have been duly completed in accordance with the indenture and issued and sold as contemplated by the prospectus supplement and the prospectus, the Notes will constitute valid and binding obligations of the Bank, entitled to the benefits of the indenture, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. This opinion is given as of the date hereof and is limited to the laws of the State of New York. This opinion is subject to customary assumptions about the trustee's authorization, execution and delivery of the indenture and such counsel's reliance on the Bank and other sources as to certain factual matters, all as stated in the legal opinion dated February 27, 2017, which has been filed as Exhibit 5.1 to the Bank's Registration Statement on Form F-3 filed with the SEC on February 27, 2017.

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