

# Press Release:

TSX SYMBOLS: XCM, XCM.PR.A

## COMMERCE SPLIT CORP.

### Announces Details of Capital Reorganization

**TORONTO, ONTARIO – February 12, 2010** / Marketwire: Commerce Split Corp. (the “Company”) previously announced that a proposed capital reorganization plan for the Company had been approved at the special meeting of Shareholders held on February 3, 2010. The Company wishes to provide additional details regarding investment options available pursuant to the capital reorganization, being the “Original Commerce Split Fund” and the “New Commerce Split Fund”.

The reorganization provides all Shareholders with the opportunity to select one of these two investment options. Every Shareholder may elect to maintain the current investment characteristics of their existing shares (a status quo option), through the Original Commerce Split Fund. If they do not elect this option, they will be deemed to have elected to participate in the New Commerce Split Fund, which would potentially provide greater distribution and capital growth potential than the Original Commerce Split Fund, especially if the common shares of CIBC increase over the remaining 5 year term of the Fund.

In order to elect one of the two investment options, Shareholders must ensure that they make their election through their CDS Participant, in accordance with such participant’s election process and timing, so that the election is received by Computershare Investor Services Inc. no later than 5:00 p.m. (Toronto Time) on February 26, 2010 (the “Notice Deadline”). Shareholder should note that the requirements of any particular CDS Participant may vary, and that Shareholders may need to inform their CDS Participant of any intention to elect in advance of the February 26 deadline.

**If an Election Notice is not received from a Shareholder by the Notice Deadline, the Shareholder will be deemed to have elected to transfer to into the New Commerce Split Fund. Shareholders are advised to contact their financial advisers if they need assistance in making an investment decision in respect of this election.**

#### *Details of the Investment Options*

#### **Original Commerce Split Fund**

Under the Original Commerce Split Fund, there will be two classes of shares, Priority Equity Shares (Original) and Class A Shares (Original). The rights, privileges, restrictions and conditions attaching to these two classes of shares will be substantially the same as those attached to the existing Priority Equity Shares and Class A Shares, respectively.

It is intended that the Priority Equity Shares (Original) and Class A Shares (Original) will be listed and posted for trading on the Toronto Stock Exchange (the “TSX”).

Holders of existing Priority Equity Shares who elect to participate in the Original Commerce Split Fund will receive one Priority Equity Share (Original) for each Priority Equity Share held when the Company files articles of amendment to effect the capital reorganization. Holders of existing Class A Shares will receive one Class A Share (Original) for each Class A Share held.

**The ability of the Company to honour Election Notices received will depend upon the Company being able to meet the minimum listing requirements of the TSX, as well as the requirement that an equal number of Priority Equity Shares (Original) and Class A (Original) Shares be issued.**

## **New Commerce Split Fund**

Under the New Commerce Split Fund, the Company will be creating three new classes of shares - Preferred Shares, Class I (the "Class I Preferred Shares"), Preferred Shares, Class II (the "Class II Preferred Shares") and Capital Shares. The Company will also be creating two series of warrants (the "2011 Warrants" and the "2012 Warrants") to acquire one Class I Preferred Share, one Class II Preferred Share and one Capital Share (together a "Unit"). It is intended that the Class I Preferred Shares, Class II Preferred Shares, Capital Shares, 2011 Warrants and 2012 Warrants will be listed and posted for trading on the TSX.

Holders of the existing Priority Equity Shares who fail to make a proper election into the Original Commerce Split Fund by the election deadline will be deemed to have elected to participate in the New Commerce Split Fund and will receive the following securities for each Priority Equity Share held:

One \$5.00 Class I Preferred Share – paying fixed cumulative preferential monthly dividends to yield 7.50% per annum on the \$5.00 notional issue price and having a repayment objective on December 1, 2014 or such other date as the Company may be terminated (the "Termination Date") of \$5.00;

One \$5.00 Class II Preferred Share – paying distributions to yield 7.50% per annum on the \$5.00 notional issue price if and when the net asset value per Unit exceeds \$12.50 and having a repayment objective on the Termination Date of \$5.00;

One-half of a 2011 Warrant – each whole 2011 Warrant can be exercised to purchase one Unit for an exercise price of \$10.00 per Unit at specified times until February 28, 2011; and

One 2012 Warrant – each 2012 Warrant can be exercised to purchase one Unit for an exercise price of \$12.50 per Unit at specified times until February 28, 2012.

Holders of the existing Class A Shares who fail to make a proper election into the Original Commerce Split Fund by the election deadline will be deemed to have elected to participate in the New Commerce Split Fund will receive the following security for each Class A Share held:

One Capital Share – Capital Shares will continue to participate in any net asset value growth over \$10.00 per Unit and dividends would be reinstated only if and when the net asset value per Unit exceeds \$15.00. The dividend rate on the Capital Shares will be set by the Board of Directors of the Company at its discretion, based on market conditions. No dividend payments will be made on the Capital Shares unless all dividends on the Class I Preferred Shares and, if applicable, Class II Preferred Shares have been declared and paid.

The conversion ratios set out above may vary based on the Company's need to rebalance the number of shares of each class of each Fund following the elections.

All new securities issued pursuant to the capital reorganization will be delivered to shareholders shortly after the Company files articles of amendment to effect the capital reorganization.

**The ability of the Company to honour Election Notices received will depend upon the Company being able to meet the minimum listing requirements of the TSX, as well as the requirement that an equal number of Class I Preferred Shares, Class II Preferred Shares and Capital Shares be issued.**

The Company has the discretion not to proceed with this capital reorganization, notwithstanding it has been approved by Shareholders. In exercising this discretion, the Company will be primarily governed by TSX listing requirements and the desire to ensure the continued viability of each fund.

Additional information regarding the capital reorganization is contained in the Management Information Circular dated December 23, 2009 prepared in respect of the special meeting, available on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website. The Company will issue a further press release including key dates relating to the capital reorganization as soon as such details have been determined, which is expected to occur in early March when all Election Notices have been received and analyzed.

For further information please contact Investor Relations at 416-304-4443, toll free at 1-877-4-Quadra (1-877-478-2372), or visit [www.CommerceSplit.com](http://www.CommerceSplit.com).