

# Notes to Consolidated Financial Statements

*[in thousands of Canadian dollars, except per share amounts]*

December 31, 2012 and 2011

## **Advisor services agreements**

CI is a party to certain advisor services agreements, which provide that the advisor has the option to require CI to purchase a practice that cannot otherwise be transitioned to a qualified buyer. The purchase price would be in accordance with a pre-determined formula contained in the advisor services agreements.

## **Indemnities**

CI has agreed to indemnify its directors and officers, and certain of its employees in accordance with its by-laws. CI maintains insurance policies that may provide coverage against certain claims.

## **14. RELATED PARTY TRANSACTIONS**

The Bank of Nova Scotia ["Scotiabank"] owns approximately 37% of the common shares of CI, and is therefore considered a related party. CI has entered into transactions related to the advisory and distribution of its mutual funds with Scotiabank and its related parties. These transactions are in the normal course of operations and are recorded at the agreed upon exchange amounts. During the year ended December 31, 2012, CI incurred charges for deferred sales commissions of \$4,926 and trailer fees of \$20,278, respectively [2011 - \$4,896 and \$19,978, respectively] which were paid or payable to Scotiabank and its related parties. The balance payable to Scotiabank and its related parties as at December 31, 2012 of \$1,745 [December 31, 2011 - \$1,681] is included in accounts payable and accrued liabilities.

Scotiabank was the provider of and administrative agent for CI's revolving credit facility during the period January 1, 2011 to March 17, 2011. During the period January 1, 2011 to March 17, 2011, interest and stamping fees of \$389 were recorded as interest expense.

Also, on December 16, 2009, CI entered into an interest rate swap agreement with Scotiabank as described in Note 5.