



**NORTHLAND POWER
INCOME FUND**

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS TO BE HELD MAY 24, 2001

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of Unitholders of Northland Power Income Fund (the "Fund") will be held at TSE Conference Centre, Exchange Tower, 130 King Street West, Toronto, Ontario, on Thursday, May 24, 2001 at 11:00 a.m. (Toronto time) for the following purposes:

1. to receive and consider the financial statements of the Fund for the fiscal year ended December 31, 2000, together with the report of the auditors thereon;
2. to elect the Fund's nominees to the board of directors of Iroquois Falls Power Corp., the Fund's subsidiary;
3. to re-appoint the incumbent auditors of the Fund;
4. to consider and, if thought fit, pass the special resolution attached as Schedule "A" to the accompanying Management and Information Circular;
5. to consider and, if thought fit, pass the ordinary resolution attached as Schedule "B" to the accompanying Management and Information Circular;
6. to consider and, if thought fit, pass the ordinary resolution attached as Schedule "C" to the accompanying Management and Information Circular; and
7. to transact such further or other business as may properly come before the meeting or any adjournment thereof.

A copy of the Management Information Circular and a form of proxy for use at the meeting accompanies this notice. In addition, the financial statements of the Fund for the fiscal year ended December 31, 2000 and the report of the auditors thereon are enclosed.

Holders of units of the Fund are entitled to vote at the meeting either in person or by proxy. If you do not intend to attend the meeting in person, please exercise your right to vote by completing and signing the enclosed form of proxy and returning it by mail or delivery to the registered office of the Fund or by mailing it to Montreal Trust Company of Canada, Proxy Department, 100 University Avenue, Toronto, Ontario M5J 2Y1 or by delivering it to Montreal Trust Company of Canada, Proxy Department, 100 University Avenue, Toronto, Ontario M5J 2Y1. **Proxies to be used at the meeting must be deposited with the Fund or received by Montreal Trust Company of Canada at least 48 hours preceding the time of the meeting, or with the chairman of the meeting prior to commencement of the meeting.**

DATED at Toronto, Ontario, the 8th day of March, 2001.

ON BEHALF OF IROQUOIS FALLS POWER MANAGEMENT INC.,
MANAGER OF THE FUND,

James C. Temerty
President

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with the solicitation of proxies by Iroquois Falls Power Management Inc. (the "Manager") on behalf of Montreal Trust Company of Canada (the "Trustee") for the Annual and Special Meeting (the "Meeting") of the unitholders (the "Unitholders") of Northland Power Income Fund (the "Fund") to be held at TSE Conference Centre, Exchange Tower, 130 King Street West, Toronto, Ontario, on Thursday, May 24, 2001, at 11:00 a.m. Toronto time. Except where otherwise indicated, this Management Information Circular contains information as of the close of business on March 8, 2001. The solicitation will be made primarily by mail, supplemented possibly by telephone or other personal contact by regular employees of the Manager. The cost of the solicitation by the Manager will be borne by the Fund.

APPOINTMENT, TIME FOR DEPOSIT AND REVOCABILITY OF PROXY

The persons named in the enclosed Form of Proxy are officers of the Manager. **A Unitholder or intermediary holding units on behalf of a beneficial Unitholder desiring to appoint some other person (who need not be a Unitholder of the Fund) to represent him or her at the Meeting may do so by inserting such person's name in the blank space provided in the Form of Proxy and striking out the names of the persons specified, or by completing another proper Form of Proxy.** A Proxy to be used at the Meeting must be delivered or mailed to the registered office of the Fund or to Montreal Trust Company of Canada (the "TrustCo"), Proxy Department, 151 Front Street West, 8th Floor, Toronto, Ontario, M5J 2N1 and received at least 48 hours preceding the time of the Meeting. A Unitholder who has given a Proxy may revoke the Proxy by an instrument in writing executed by the Unitholder or by his or her attorney authorized in writing or, if the Unitholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at such office of the TrustCo or the registered office of the Fund, at any time up to 48 hours preceding the time of the Meeting, or any adjournment thereof, at which the Proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment thereof, or in any other manner permitted by law.

EXERCISE OF DISCRETION BY HOLDERS OF PROXIES

The Form of Proxy forwarded to Unitholders with the Notice of Meeting and this Management Information Circular provides the Unitholder with an opportunity to specify that the Units registered in his or her name shall be voted or withheld from voting in respect of certain of the matters to be considered at the Meeting. On any ballot that may be called for, the Units represented by proxies in favour of the Manager's nominees will be voted for or withheld from voting, in respect of the election of the nominees of the Fund to the Board of Directors of Iroquois Falls Power Corp. located at 30 St. Clair Avenue West, 17th Floor, Toronto, Ontario, M4V 3A2 ("IFPC") and the reappointment of Ernst & Young LLP as auditors of the Fund, in each case in accordance with the specifications made by Unitholders in the manner referred to above, and will be voted for or voted against the Special Resolution (as defined below). **In respect of proxies in which Unitholders have not specified the manner of voting, the Units represented by proxies in favour of the persons named in the enclosed Form of Proxy will be VOTED in favour of the election of the persons listed in this Management Information Circular as the nominees of the Fund as directors of IFPC and the reappointment of Ernst & Young LLP as auditors of the Fund and will be VOTED FOR the Special Resolution relating to the proposed amendments to the Management Agreement, VOTED FOR the Ordinary Resolution relating to a potential replacement of the Trustee and VOTED FOR the Ordinary Resolution relating to the distribution reinvestment plan.**

The Form of Proxy confers discretionary authority upon the proxy nominees with respect to amendments or variations of matters identified in the Notice of Meeting or other matters which may properly come before the Meeting. The Manager knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not now known to the Manager should properly come before the Meeting, the units represented by proxies in favour of the Manager's nominees will be voted on such matter in accordance with the best judgment of the proxy nominee.

VOTING SECURITIES

As of the close of business on March 8, 2001 the Fund had outstanding 30,823,443 trust units (“Units”) each of which carries the right to one vote at meetings of the Unitholders.

The directors of IFPC have fixed a record date of April 4, 2001 (the “Record Date”) for the purpose of determining Unitholders entitled to receive notice of the Meeting. Only persons registered as Unitholders on the books of the Fund as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting. The failure of any Unitholder to receive notice of the Meeting does not deprive the Unitholder of the right to vote at the Meeting.

Except for the Special Resolution (as defined below), approval of any matter at the Meeting (including the two Ordinary Resolutions referred to below) requires a majority of the votes cast at the Meeting on the question. As noted below, approval for the Special Resolution will require a majority of not less than 66 2/3% of the votes cast at the Meeting on the Special Resolution.

VOTING OF UNITS - ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to the public Unitholders of the Fund, as none of the public Unitholders (“Beneficial Unitholders”) of the Fund hold Units in their own name. Beneficial Unitholders should note that only proxies deposited by Unitholders whose names appear on the records of the Fund as the registered holders of Units can be recognized and acted upon at the Meeting. All of the Units are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited (“CDS”). CDS maintains books showing through which of its participants, such as investment dealers or brokers, the Units are owned. Investment dealers and brokers maintain their own records showing the Beneficial Unitholders of such Units by their clients. Units held by CDS can be voted only upon the instructions of the Beneficial Unitholder. Without specific instructions, CDS and its participants are prohibited from voting Units for their clients. The Manager does not know for whose benefit the Units registered in the names of CDS are held. Therefore, Beneficial Unitholders cannot be recognized at the Meeting for purposes of voting their Units in person or by way of proxy unless they comply with the procedure designated below.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Unitholders in advance of Unitholder’s meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Unitholder by its broker is identical to that provided to CDS. However, its purpose is limited to instructing the registered Unitholder how to vote on behalf of the Beneficial Unitholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Corporation (“IICC”). IICC typically prepares a voting instruction form (the “Voting Form”) which it mails to the Beneficial Unitholders and asks Beneficial Unitholders to return the Voting Form directly to IICC. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Units to be represented at the Meeting. A Beneficial Unitholder receiving a Voting Form cannot use that Voting Form to vote Units directly at the Meeting, the Voting Form must be returned to IICC well in advance of the Meeting in order to have the Units voted.

IF YOU WISH TO VOTE IN PERSON AT THE MEETING, PLEASE CONTACT YOUR BROKER OR AGENT WELL IN ADVANCE OF THE MEETING TO DETERMINE HOW YOU CAN DO SO.

PRINCIPAL HOLDERS OF VOTING UNITS

As of the close of business on March 8, 2001, all of the Units were registered in the name of CDS & Co., which holds such Units on behalf of the Beneficial Unitholders. To the knowledge of the Manager, no person or corporation owns beneficially, directly or indirectly, more than 10% of the issued Units of the Fund.

ELECTION OF NOMINEES TO THE BOARD OF IFPC

The articles of IFPC provide for a minimum of one and a maximum of ten directors and the present number of directors is five. Pursuant to a unanimous shareholders' agreement (the "USA") amongst the Fund, the Manager and IFPC, the Fund agreed that the number of directors of IFPC would be five. Two of the directors are nominees of the Manager. The Manager has nominated Mr. Temerty and Mr. Gloutney. Three of the directors are nominees of the Fund and shall be independent of the Manager and those directors independent of the Manager are currently Messrs. Moysey, Rounthwaite and Turner. The supplemental and restated trust indenture dated April 15, 1997, as amended, (the "Trust Indenture") which governs the Fund provides that the nominees to the Board of Directors of IFPC are to be selected by the Fund and elected by the Unitholders. In accordance with the Trust Indenture, the directors of IFPC who are currently nominees of the Fund have nominated Messrs. Moysey, Rounthwaite and Turner to be the nominees of the Fund to be elected to the Board of Directors of IFPC. It is proposed that each of the persons whose names appear below be elected as a director of IFPC to serve until the close of the next Annual Meeting of IFPC or until his successor is elected or appointed. Units represented by proxies in favour of the individuals named in the enclosed Form of Proxy will be voted in favour of the election of Messrs. Moysey, Rounthwaite and Turner as the nominees of the Fund as directors of IFPC, unless a Unitholder has specified in his or her Proxy that his or her Units are to be withheld from voting in the election of directors. The Manager does not contemplate that any of the said nominees will be unable to serve as a director, but should that occur prior to the Meeting, the persons named in the enclosed Form of Proxy will vote for another nominee of the current independent directors of IFPC in their discretion.

The table below shows the names and municipalities of residence of all persons nominated at the Meeting for election as directors of IFPC and those persons nominated by the Manager, the number of issued Units owned beneficially, directly or indirectly, by them, or over which they exercise control or direction, their principal occupations, and the year they first became directors of IFPC.

| Name and Municipality of Residence | Positions and Offices held with IFPC | Principal Occupation | Year Became Director | Number of Units Beneficially Owned Directly or Indirectly ⁽¹⁾ |
|---|--------------------------------------|---|----------------------|--|
| James C. Temerty ⁽³⁾ Toronto, Ontario | President and Director | President of Northland Power Inc. (the parent company of the Manager) and its predecessor | 1997 | 1,375,700 ⁽⁴⁾ |
| Pierre R. Gloutney ^{(2),(3)} Terrasse Vaudreuil, Quebec | Director | President and Chief Executive Officer, Refco Futures (Canada) Ltd. | 1997 | 10,000 |
| A. Warren Moysey ⁽²⁾ Toronto, Ontario | Director | Company Director. Prior to October 1996, Chairman and Director, C.I. Fund Management Inc. | 1997 | 1,000 |
| F. David Rounthwaite ⁽²⁾ Toronto, Ontario | Director | Partner, McCarthy Tétrault (law firm) | 1997 | 200 |
| The Right Honourable John N. Turner, Q.C. Toronto, Ontario | Director | Partner, Miller Thomson (law firm) | 1997 | NIL |

Notes: ¹⁾ This information, not being within the knowledge of the Manager, has been furnished by the respective directors individually.

²⁾ Member of the Audit Committee of IFPC.

³⁾ Nominee of the Manager.

⁴⁾ Of these 1,375,700 Units, 670,900 Units are held directly by Mr. Temerty and 704,800 Units are held by the Temerty Family Foundation which Mr. Temerty directs.

Compensation of Directors of IFPC

Directors of IFPC receive an annual fee of \$15,000 per director plus \$1,000 in respect of each directors' meeting attended in person or \$250 by telephone and \$500 for each committee meeting attended in person or by telephone. The chair of the Audit

Committee receives an additional \$3,000 annually for serving in that capacity. All directors are reimbursed for their respective out-of-pocket expenses in relation to their attendance at directors' and committee meetings. Directors of IFPC, in such capacity, receive no other compensation from the Fund or IFPC. The officers and director of the Manager receive no compensation from the Fund or IFPC for service in that capacity.

INDEBTEDNESS OF EXECUTIVE OFFICERS AND DIRECTORS

The executive officers and directors of IFPC and the Manager and their associates did not have any indebtedness to the Fund or IFPC in respect of the financial year ended December 31, 2000. Neither the Fund nor IFPC has guaranteed any indebtedness of any such persons.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Toronto Stock Exchange requires every listed company incorporated in Canada to disclose on an annual basis its approach to corporate governance with reference to the guidelines (the "TSE Guidelines") adopted by the Exchange. The Manager considers that the Fund and IFPC have conformed to the TSE Guidelines to the extent consistent with the structure of the Fund and IFPC and the terms of the Trust Indenture and the agreements to which the Fund and IFPC are parties.

The Manager manages all aspects of the operation, maintenance, management and gas supply management of the Iroquois Falls Cogeneration Facility (the "Facility"), owned by the Fund and leased to IFPC, pursuant to the management agreement between IFPC and the Manager, made as of April 15, 1997, as amended (the "Management Agreement"). Pursuant to the Management Agreement, the Manager has agreed to render advice and management services to IFPC in connection with its respective day-to-day operations in a manner consistent with the policies determined from time to time by the directors of IFPC.

The composition of the Board of Directors of IFPC is prescribed by the USA. The USA provides that IFPC shall have five directors, two of whom shall be nominees of the Manager and three of whom shall be nominees of the Fund elected by the Unitholders. A majority of the Board of Directors of IFPC namely, Messrs. Gloutney, Moysey, Rounthwaite and Turner, are unrelated and independent directors. As a result, the composition of the Board of Directors of IFPC conforms to the TSE Guidelines.

As a result of the provisions of the USA and the Trust Indenture, the TSE Guidelines which require that a committee be appointed to propose new nominees are inapplicable unless a nominee to the Board of Directors of IFPC previously confirmed by Unitholders should resign. There are no formal education programs for new directors but the Manager provides such orientation and information as individual directors may request. As the USA provides for a Board of Directors for IFPC of five members, the TSE Guidelines requiring that boards of directors consider a reduction in their size are also inapplicable.

In view of the size of the Board of Directors of IFPC and the provisions of the Administration Agreement (described below) and Management Agreement which establish the role of the Manager as manager of the Facility, administrator of the Fund and IFPC and delegate of the Trustee, the directors of IFPC have not established a separate committee for corporate governance or compensation which matters are dealt with by the entire Board of Directors. The directors of IFPC have established an Audit Committee composed of Messrs. Gloutney, Moysey and Rounthwaite, all of whom are unrelated to the Manager, which is consistent with the TSE Guidelines. The Audit Committee of IFPC meets with the Manager to discuss internal controls, financial reporting issues and auditing matters related to IFPC.

The Management Agreement provides for the appointment of an arbitrator where a dispute arises as to whether the Manager is in default under the Management Agreement or with respect to the calculation of any management incentive fee payable to the Manager. The Management Agreement also contemplates that the directors of IFPC may engage outside advisors in certain circumstances which is also consistent with the TSE Guidelines.

There are no directors of the Fund itself and management and administration of the Fund is performed by the Manager as the delegate of the Trustee under the Trust Indenture and the administration agreement made as of April 15, 1997 (the "Administration Agreement") amongst the Fund, IFPC and the Manager. The directors of IFPC advise the Manager in respect of certain of the Manager's functions in relation to the Fund. The Trust Indenture requires Unitholder approval before any fundamental change can be made in the business of the Fund or in the structure of the Fund or IFPC. Unitholder approval is also required before any change is made to the rights of the Unitholders.

AUDITORS

It is intended that the Units represented by proxies in favour of the persons shown in the enclosed Form of Proxy will be voted in favour of the re-appointment of Ernst & Young LLP, Chartered Accountants, of Toronto, Ontario, as auditors of the Fund, unless a Unitholder has specified in his or her Proxy that his or her Units are to be withheld from voting in the appointment of auditors. Ernst & Young LLP were first appointed auditors of the Fund on April 3, 1997.

MANAGEMENT AGREEMENT

In consideration for the services provided by the Manager under the Management Agreement, IFPC has agreed to pay to the Manager a monthly fee of 1/12 of \$460,000 adjusted annually with changes to the Consumer Price Index and certain incentive fees if applicable. During the period from January 1, 2000 to December 31, 2000, IFPC paid the Manager a total of \$478,160 for the services provided under the Management Agreement and has accrued an incentive fee of \$397,000. The Manager's address is 30 St. Clair Avenue West, 17th Floor, Toronto, Ontario M4V 3A2. No compensation is payable to the Manager under the Administration Agreement.

AMENDMENT TO MANAGEMENT AGREEMENT

Following the enactment of the *Electricity Act, 1998* (Ontario) and the *Ontario Energy Board Act, 1998* (Ontario), a deregulated electricity market is expected to be established which may (i) provide opportunities for IFPC, and hence the Fund, to earn revenues in addition to revenues derived from the sale of electricity pursuant to the existing power purchase agreement and the sale of steam pursuant to the existing steam sales agreement; and (ii) result in some one-time costs and ongoing expenses related to IFPC's participation in such a deregulated electricity market. Ontario's deregulated electricity market was originally scheduled to open in November 2000. Market opening has been delayed and no definitive opening date has been announced by the Ontario government. At this stage, given the uncertainties about market opening, the Manager cannot assess the amount of additional revenues through market transactions which may be available to IFPC and the Fund. However, the Manager believes it can presently estimate the costs to be incurred in order to be able to participate in the new market. The Manager has proposed to IFPC that the Manager will share with IFPC certain of the costs and expenses of market participation in return for a share of any net revenues resulting from market transactions. This cost and revenue-sharing arrangement would be documented in certain amendments to the Management Agreement. Under the Trust Indenture, such amendments require prior approval of the Unitholders.

The Manager and the IFPC Directors are proposing that the Unitholders consider, and if thought advisable, pass the Special Resolution set out in Schedule "A" authorizing certain amendments to the Management Agreement (the "Special Resolution").

It is proposed that IFPC would be responsible for the one-time costs of becoming a market participant, to a maximum of \$250,000, and that the Manager would be responsible for the ongoing expenses related to IFPC's market participation, estimated at approximately \$240,000 per year. In consideration of the Manager assuming the ongoing expenses, the Manager would be entitled to receive an annual incentive fee, paid monthly, equal to: 100% of up to the first \$240,000 of any revenues (net of expenses incurred by IFPC itself) generated by IFPC's market participation and 25% of any net revenues generated thereafter by IFPC's market participation. IFPC would retain the remaining 75% of any net revenues generated after the first \$240,000 of net revenues. The \$240,000 amount would be adjusted annually for inflation based upon the Statistics Canada consumer price index.

The Manager and the IFPC Board of Directors will determine whether IFPC will undertake any market activities after market opening, based on their assessment of the risks and benefits of market transactions. There is no assurance that market activities will be undertaken. The Manager proposes that market transactions will only be pursued which are consistent with the current risk profile of the Fund. As a result, there is no assurance that any revenue will be derived from market transactions.

In addition to the amendment relating to market participation, a further amendment is contemplated to ensure that no gas Incentive Fee is paid to the Manager unless the Distributable Cash Flow declared and paid to Unitholders for the year equals or exceeds \$0.934.

The Trust Indenture prohibits the Fund from voting any of the Fund's IFPC Shares to authorize any amendment to the Management Agreement unless it has the authorization by Special Resolution of the Unitholders. Accordingly, the Manager and the IFPC Board of directors are requesting the Unitholders to approve the Special Resolution in order that the proposed amendments to the Management Agreement might be implemented. In order to be adopted, the Special Resolution will require a majority of not less than 66 2/3% of the votes cast on the Special Resolution at the Meeting.

POTENTIAL CHANGE IN TRUSTEE

The Manager and the IFPC Directors are proposing that the Unitholders consider, and if thought advisable, pass the Ordinary Resolution set out in Schedule "B" pertaining to a potential change in the Trustee of the Fund.

Montreal Trust Company of Canada has been the Trustee of the Fund and its Registrar and Transfer Agent since the Fund's inception in 1997. Effective as of July 1, 2000, Computershare Investor Services Inc. acquired the stock transfer and corporate trust businesses of Montreal Trust. The Fund has received a request from Computershare Trust Company of Canada to consent to an assignment of Transfer Agent, Registrar & Dividend Disbursing Agent Agreement dated April 10, 1997. The Fund anticipates that it is likely that, once Computershare Trust Company of Canada has all required regulatory approvals to act as a trustee, the Fund will receive a request from Montreal Trust Company of Canada to be permitted to resign as Trustee of the Fund and have Computershare Trust Company of Canada appointed in its place. As the approval of the Unitholders is required to approve a successor Trustee, the Manager and the IFPC Directors believe that it is in the best interests of the of the Fund and the Unitholders that such Unitholder approval be obtained at the Meeting in order to avoid the necessity of calling a special meeting. Any such approval would be subject to Computershare Trust Company of Canada providing evidence to the Manager and the IFPC Directors, reasonably satisfactory to them, that Computershare Trust Company of Canada complies with the qualifications for a successor Trustee set forth in subsection 3.1(3) of the Trust Indenture.

The resolution set forth in Schedule "B" is an Ordinary Resolution and in order to be adopted will require a majority of the votes cast on the Ordinary Resolution at the Meeting.

DISTRIBUTION REINVESTMENT PLAN

The Manager and the IFPC Directors are proposing that the Unitholders consider, and if thought advisable, pass the Ordinary Resolution set out in Schedule "C" authorizing the establishment of a distribution reinvestment plan.

At last year's annual and special meeting, the Unitholders approved certain amendments to the Trust Indenture which allowed for the Fund to establish a distribution reinvestment plan. The Manager and the IFPC Directors have determined that it is in the best interests of the Fund to establish such a plan. The plan would permit Unitholders to direct that the monthly distributions on their Units be aggregated with the distributions payable to other participating Unitholders and used to purchase additional Units on The Toronto Stock Exchange. The Fund would bear the transactions costs on behalf of Unitholders participating in the proposed plan. Further details relating to such plan are included with the materials being mailed to Unitholders in connection with the Meeting.

The resolution set forth in Schedule "C" is an Ordinary Resolution and in order to be adopted will require a majority of the votes cast on the Ordinary Resolution at the Meeting.

DIRECTOR APPROVAL

The contents and the distribution of this Management Information Circular have been approved by the Director of the Manager on behalf of the Fund.

DATED at Toronto, Ontario, this 8th day of March, 2001.



James C. Temerty
President
Iroquois Falls Power Management Inc.



**NORTHLAND POWER
INCOME FUND**

SCHEDULE "A"

RESOLVED as a special resolution that the Unitholders authorize amendments to the Management Agreement dated April 15, 1997 between Iroquois Falls Power Corp. ("IFPC") and Iroquois Falls Power Management Inc. (the "Manager") to permit IFPC to participate in the contemplated Ontario deregulated electricity market on the basis that:

- a) IFPC would be responsible for the one-time costs of becoming a market participant to a maximum of \$250,000;
- b) the Manager would be responsible for the ongoing expenses related to IFPC's market participation;
- c) in consideration of the Manager assuming the ongoing expenses, the Manager would be entitled to receive an annual incentive fee, paid monthly, equal to the aggregate of:
 - i) 100% of up to the first \$240,000 of any revenues (net of expenses incurred by IFPC itself) generated by IFPC's market participation, and
 - ii) 25% of any net revenues generated thereafter by IFPC's market participation. (IFPC would retain the remaining 75% of any net revenues generated after the first \$240,000 of net revenues.); and
- d) the \$240,000 amount referred to in (c)(i) would be adjusted annually for inflation based upon the Statistics Canada consumer price index.



**NORTHLAND POWER
INCOME FUND**

SCHEDULE "B"

RESOLVED that, if Montreal Trust Company of Canada resigns as Trustee of Northland Power Income Fund and requests that Computershare Trust Company of Canada be appointed as the successor Trustee, then:

- a) subject to Computershare Trust Company of Canada ("Computershare") providing evidence reasonably satisfactory to Iroquois Falls Power Management Inc. and the board of directors of Iroquois Falls Power Corp. that Computershare meets the eligibility criteria set forth in subsection 3.1(3) of the amended and restated trust indenture dated as of April 15, 1997, as amended, between Northland Power Inc. and Montreal Trust Company of Canada (the "Trust Indenture"), Computershare be appointed as successor Trustee under the Trust Indenture; and
- b) Northland Power Income Fund and Iroquois Falls Power Corp. be authorized to take any necessary action, including entering into any necessary documentation, in order to effect such appointment.



**NORTHLAND POWER
INCOME FUND**

SCHEDULE "C"

RESOLVED that Northland Power Income Fund be and hereby is authorized to establish a distribution reinvestment plan in the form set forth in the materials accompanying the management information circular.

IROQUOIS FALLS POWER MANAGEMENT INC.
30 St. Clair Avenue West, 17th Floor, Toronto, Ontario
M4V 3A2