



**NORTHLAND POWER
INCOME FUND**

NOTICE OF ANNUAL MEETING OF UNITHOLDERS TO BE HELD MAY 13, 2005

NOTICE IS HEREBY GIVEN that the Annual Meeting of Unitholders of Northland Power Income Fund (the "Fund") will be held at the TSX Conference Centre, Exchange Tower, 130 King Street West, Toronto, Ontario, on Friday, May 13, 2005 at 11:00 a.m. (Toronto time) for the following purposes:

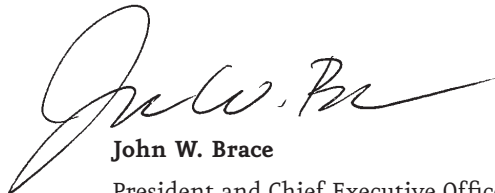
1. to receive and consider the financial statements of the Fund for the fiscal year ended December 31, 2004, together with the report of the auditors thereon;
2. to direct and instruct Computershare Trust Company of Canada (the "Trustee") as to the manner in which the Trustee shall vote the units of NPIF Commercial Trust ("CT") held by the Fund in respect of the election of the trustees of CT who are unrelated to Northland Power Income Fund Management Inc.;
3. to reappoint the incumbent auditors of the Fund; and
4. 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, 2004 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 mailing or delivering it to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1. **Proxies to be used at the meeting must be received by Computershare Trust Company of Canada at least 48 hours preceding the time of the meeting, or by the chairman of the meeting prior to commencement of the meeting.**

DATED at Toronto, Ontario, the 24th day of March, 2005.

ON BEHALF OF NORTHLAND POWER INCOME FUND MANAGEMENT INC.,
ADMINISTRATOR OF THE FUND,



John W. Brace
President and Chief Executive Officer



NORTHLAND POWER INCOME FUND

30 St. Clair Avenue West, 17th Floor, Toronto, Ontario M4V 3A1

MANAGEMENT INFORMATION CIRCULAR

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GLOSSARY OF TERMS

In this Management Information Circular, the following terms have the meanings set forth below unless otherwise indicated:

“Administration Agreement” means the amended and restated administration agreement made as of July 1, 2003 amongst the Fund, IFPC, CT and the Manager.

“Beneficial Unitholders” is defined under the heading “Voting of Units – Advice to Beneficial Holders of Securities”.

“CDS” means The Canadian Depository for Securities Limited.

“CT” means NPIF Commercial Trust.

“CT Board of Trustees” or **“Trustees”** means the board of trustees of NPIF Commercial Trust.

“CT Management Agreement” means the management agreement made as of July 1, 2003 between CT and the Manager.

“CT Trust Indenture” means the supplemental and restated trust indenture dated as of July 1, 2003, as amended by the First Amendment dated as of February 17, 2005, which governs NPIF Commercial Trust.

“Fund” means Northland Power Income Fund.

“Fund Trust Indenture” means the supplemental and restated trust indenture dated as of July 1, 2003, as amended which governs the Fund.

“Fund Trustee” means Computershare Trust Company of Canada, trustee of the Fund.

“IFPC” means Iroquois Falls Power Corp.

“IFPC Management Agreement” means the amended and restated management agreement made as of July 1, 2003 amongst IFPC, CT, and the Manager.

“Iroquois Falls Facility” means the 120 MW electricity and steam generating facility located in Iroquois Falls, Ontario, and all ancillary assets.

“KCLP” means Kingston CoGen Limited Partnership.

“KCLP Investment” means the 50% general partner interest in KCLP held indirectly by the Fund.

“Manager” means Northland Power Income Fund Management Inc.

“Management Incentive Fee” means the fee payable to the Manager under the Administration Agreement, equal to 25% of the amount by which annual distributable cash exceeds \$0.934 per Unit, less the amount of certain operational incentive fees.

“Meeting” means the annual meeting of Unitholders to be held at the TSX Conference Centre, located at The Toronto Exchange Tower, 130 King Street West, Toronto, Ontario, on Friday, May 13, 2005, at 11:00 a.m. Toronto time.

“Miller Management Agreement” means the management agreement dated as of August 5, 2004 between Mount Miller Wind Energy Limited Partnership, the owner of the Mont Miller Project, and the Manager.

“Mont Miller Project” means the 54 MW wind farm project, to be located on Mont Miller near Murdochville, Quebec.

“Record Date” means March 24, 2005.

“Trustco” means Computershare Trust Company of Canada, in its capacity as registrar and transfer agent of the Fund.

“Units” means trust units of the Fund.

“Unitholders” means the holders of Units.

SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with the solicitation of proxies by the Manager on behalf of the Fund Trustee for the Annual Meeting of Unitholders of the Fund to be held at the TSX Conference Centre, located at The Toronto Exchange Tower, 130 King Street West, Toronto, Ontario on Friday, May 13, 2005 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 10, 2005. 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 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 Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 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 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 for or withheld from voting or voted against 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: (a) the reappointment of Ernst & Young LLP as the auditors of the Fund, and (b) directions and instructions to the Trustee as to the manner in which the Trustee shall vote the CT units in respect of the election of the nominees of the Fund to the CT Board of Trustees, in accordance with the specifications made by Unitholders in the manner referred to above. **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 trustees of CT, and the re-appointment of Ernst & Young LLP as auditors of the Fund.**

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 10, 2005, the Fund had outstanding 47,958,023 Units each of which carries the right to one vote at meetings of the Unitholders.

The CT Board of Trustees has fixed a record date of March 24, 2005 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.

Approval of any matter at the Meeting requires a majority of the votes cast at the Meeting on the question.

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 (“Beneficial Unitholders”), as none of the public 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 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 name 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 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 ADP Investor Communications (“ADP”). ADP 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 ADP. ADP 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 ADP well in advance of the Meeting in order to have the Units voted.

IF YOU WISH TO VOTE IN PERSON AT THE MEETING, YOU MUST INSERT YOUR OWN NAME IN THE SPACE PROVIDED FOR THE APPOINTMENT OF A PROXY HOLDER ON THE ENCLOSED FORM OF PROXY OR VOTING FORM PROVIDED TO YOU. BY DOING SO, YOU ARE INSTRUCTING CDS TO APPOINT YOU AS PROXY HOLDER. THEN FOLLOW THE SIGNING AND RETURN INSTRUCTIONS PROVIDED ON THE ENCLOSED FORM OF PROXY OR VOTING FORM. YOU DO NOT NEED TO COMPLETE THE REMAINDER OF THE FORM OF PROXY OR VOTING FORM, AS YOU WILL BE VOTING AT THE MEETING. PLEASE PRESENT YOURSELF AT THE MEETING TO A REPRESENTATIVE OF THE FUND TRUSTEE IN ORDER TO OBTAIN FURTHER INSTRUCTIONS ON HOW TO VOTE.

PRINCIPAL HOLDERS OF VOTING UNITS

As of the close of business on March 10, 2005, all of the Units were registered in the name of CDS & Co., which holds such Units on behalf of the Beneficial Unitholders. As at March 10, 2005, to the knowledge of the Manager, the only persons exercising control or direction over more than 10% of the Units of the Fund are various accounts managed by Goodman & Company, Investment Counsel, as follows:

Name and Address of Beneficial Owner	Units	
	Units	%
Goodman & Company, Investment Counsel Ltd.	5,561,847 ⁽¹⁾	11.60%

(1) This information, not being within the knowledge of the Manager, has been furnished by Goodman & Company.

ELECTION OF NOMINEES TO THE CT BOARD OF TRUSTEES

The CT Trust Indenture which governs CT provides that CT shall have five Trustees. During the term of the CT Management Agreement, two of the Trustees will be appointed by the Manager. The Manager has appointed Mr. Temerty and Mr. Gloutney. The other three Trustees are nominees of the Fund and not of the Manager and those Trustees are currently Messrs. Moysey, Rounthwaite and Turner. The CT Trust Indenture provides that independent nominees to the CT Board of Trustees are to be selected by the current independent Trustees and elected by the Unitholders. In accordance with the CT Trust Indenture, the current independent Trustees have nominated Messrs. Moysey, Rounthwaite and Turner to be the nominees of the Fund to be elected to the CT Board of Trustees. It is proposed that each of the persons whose names appear below be elected as a Trustee of CT to serve until the close of the next annual meeting of CT 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 nominees of the Fund as Trustees of CT, 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 Trustees. The Manager does not contemplate that any of the said nominees will be unable to serve as Trustee, 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 Trustees of CT in their discretion.

The table below shows the names and municipalities of residence of all persons nominated at the Meeting for election as Trustees of CT and those persons appointed by the Manager as trustees of CT, 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 Trustees of CT.

Name and Municipality of Residence	Positions and Offices held with CT	Principal Occupation	Year Became Trustee⁽¹⁾	Number of Units Beneficially Owned Directly or Indirectly⁽²⁾
James C. Temerty⁽³⁾ Toronto, Ontario	Chairman, Chief Executive Officer and Trustee	Chairman of Northland Power Inc. (the parent company of the Manager)	2003	1,519,400 ⁽⁴⁾
Pierre R. Gloutney^{(3) (5)} Terrasse Vaudreuil, Quebec	Trustee	Chairman and Chief Executive Officer, Refco Futures (Canada) Ltd. (investment management)	2003	13,137
A. Warren Moysey⁽⁵⁾ Toronto, Ontario	Trustee	Director and Chairman of Aviva Canada Inc. (insurance)	2003	1,000
F. David Rounthwaite⁽⁵⁾ Toronto, Ontario	Trustee	Principal of Nereus Financial Inc. (investment management)	2003	1,000
The Right Honourable John N. Turner⁽⁵⁾, Q.C. Toronto, Ontario	Trustee	Partner, Miller Thomson LLP (law firm)	2003	500

Notes: (1) Prior to the reorganization that took place as of July 1, 2003, each of the Trustees had been a director of IFPC since 1997.

(2) This information, not being within the knowledge of the Manager, has been furnished by the respective Trustees individually.

(3) Appointed by the Manager.

(4) Of these 1,519,400 Units, 736,600 Units are held directly and indirectly by Mr. Temerty, 78,000 Units are held by Mr. Temerty's spouse, Mrs. Louise Temerty, and 704,800 Units are held by the Temerty Family Foundation which Mr. Temerty directs.

(5) Member of the Audit Committee of CT.

COMPENSATION OF TRUSTEES AND EXECUTIVE OFFICERS OF CT

In 2004, each of the Trustees of CT received an annual fee of \$16,000 per Trustee. In addition to the annual fee, each Trustee received an additional \$1,500 in respect of each Trustees' meeting attended in person or \$750 by telephone. The Trustees who served on CT's Audit Committee received an annual fee of \$4,000 per Trustee plus \$1,500 in respect of each Audit Committee meeting attended in person or \$750 for each Audit Committee meeting attended by telephone. The Trustee who served as chair of CT's Audit Committee received an additional \$3,000 for serving in that capacity. The Trustee who served as the chair of a committee of independent Trustees to consider the acquisition of the Mont Miller Project received a special payment of \$5,000 for serving in that capacity. All Trustees were reimbursed for their respective out-of-pocket expenses in relation to their attendance at Trustees' and committee meetings. The Trustees received no other compensation from the Fund or CT.

The officers and director of the Manager received no compensation from the Fund or CT for service in that capacity. The Fund does not have any executives. Executive services to CT are provided by the Manager at its cost under the terms of the CT Management Agreement with the exception of CT's corporate secretary who acts as outside counsel. CT paid her law firm for her time.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS OF CT

The respective Trustees, directors and executive officers of CT and the Manager and their associates did not have any indebtedness to the Fund or CT as of March 10, 2005. Neither the Fund nor CT has guaranteed any indebtedness of any such persons.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Toronto Stock Exchange (the "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 "TSX Guidelines") adopted by the Exchange. The Manager considers that the Fund and CT have conformed to the TSX Guidelines to the extent consistent with the structure of the Fund and CT and the terms of the Fund Trust Indenture, CT Trust Indenture and the agreements to which the Fund and CT are parties. Attached to this information circular as Schedule "A" is a checklist describing the Fund's and CT's alignment with the TSX 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 Fund Trustee under the Fund Trust Indenture and the Administration Agreement. The Manager provides management and general administrative service to CT pursuant to the CT Management Agreement. Pursuant to the CT Management Agreement, the Manager has agreed to render advice and management services to CT in connection with any future acquisitions or future investments by CT.

The Manager also manages all aspects of the operation, maintenance, management, gas supply management and electricity sales of the Iroquois Falls Facility, owned by CT and leased to IFPC, pursuant to the IFPC Management Agreement. Pursuant to the IFPC Management Agreement, the Manager has agreed to render advice and management services to IFPC in connection with its day-to-day operations in a manner consistent with the policies determined from time to time by the CT Board of Trustees.

The Manager will manage the Mont Miller Project, pursuant to the Miller Management Agreement, once the project is operational. Until such time as the Mont Miller Project is operational, the parent company of the Manager is receiving a monthly fee in exchange for certain administrative services during the construction of the project.

The CT Board of Trustees is the central governing body of the Fund. The CT Trust Indenture provides that CT shall have five trustees, two of whom shall be appointed by the Manager and three of whom shall be nominees of the Fund elected by the Unitholders. A majority of the CT Board of Trustees are unrelated and independent trustees. As a result, the composition of the CT Board of Trustees conforms to the TSX Guidelines. The CT Board of Trustees advises the Manager in respect of certain of the Manager’s functions in relation to the Fund, exercises the discretionary power of the Fund Trustee under the Fund Trust Indenture and exercises approval rights in relation to the conduct of the business of the Fund.

The CT Board of Trustees has established an Audit Committee composed of Messrs. Gloutney, Moyses, Rounthwaite and Turner, all of whom meet the requirements of Multilateral Instrument 52-110 concerning audit committees (the “Audit Committee Rule”). The Audit Committee of CT meets with the Manager and separately with the external auditors of the Fund to discuss internal controls, financial reporting issues and auditing matters related to the Fund. The CT Board of Trustees has adopted an Audit Committee Charter which sets out terms of reference for the Audit Committee consistent with the TSX Guidelines and the Audit Committee Rule.

The Administration Agreement, CT Management Agreement and IFPC Management Agreement provide for the appointment of an arbitrator where certain types of disputes arise under the respective agreements, including the calculation of any management incentive fee payable to the Manager pursuant to the Administration Agreement or the IFPC Management Agreement. The IFPC Management Agreement also contemplates that the CT Board of Trustees may engage outside advisors in certain circumstances which is also consistent with the TSX Guidelines.

In October 2004, Canadian Securities Administrators released proposed “National Policy 58-201 Corporate Governance Guidelines” and proposed “National Instrument 58-101 Disclosure of Corporate Governance Practices”. It is expected that these guidelines and the required disclosure on governance practices will become effective later in 2005 and will replace the TSX Guidelines. The CT Board of Trustees will review the Fund’s current governance practices to ensure consistency with best practices and the requirements of Canadian Securities Administrators.

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 for the Fund. Ernst & Young LLP were first appointed auditors of the Fund on April 3, 1997.

MANAGEMENT AND ADMINISTRATION AGREEMENTS

In consideration for the services performed by the Manager under the IFPC Management Agreement, IFPC has agreed to pay to the Manager a monthly fee of \$32,697 for operations and maintenance services, a monthly fee of \$11,540 for gas administration services, both adjusted annually with changes to the Consumer Price Index, as well as certain operation-related incentive fees if applicable. During the period from January 1, 2004 to December 31, 2004, IFPC paid the Manager a total of \$528,000 for the services provided under the IFPC Management Agreement and has accrued operation-related incentive fees of \$1,118,000. Pursuant to the CT Management Agreement, the Manager earned a monthly fee of \$5,080, adjusted annually with changes to the Consumer Price Index, with respect to services performed in managing the KCLP Investment. During the period from January 1, 2004 to December 31, 2004, CT paid the Manager a total of \$61,000 for the KCLP Investment management services provided under the CT Management Agreement. The Manager received \$250,000, during the year ended December 31, 2004, in connection with the acquisition of the Fund's interest in Panda Energy Corporation. During the year ended December 31, 2004, the Manager also earned a \$550,000 fee related to the Fund's acquisition of an additional 25% general partnership interest in KCLP. The parent company of the Manager currently receives a \$10,000 monthly fee in exchange for providing certain administrative services during the construction of the Mont Miller Project. The Manager is entitled to an annual US\$200,000 loan administration fee (which includes an allowance of US\$75,000 to reimburse the Manager for third party costs) in connection with the senior loan to Panda Interfunding Company LLC, subject to certain conditions. The Manager's address is 30 St. Clair Avenue West, 17th Floor, Toronto, Ontario, M4V 3A1. No compensation is presently payable to the Manager under the Administration Agreement.

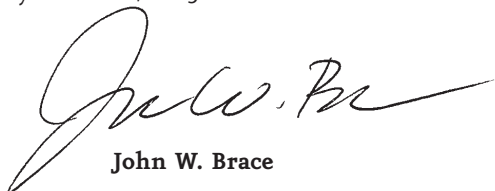
AMENDMENTS TO THE FUND TRUST INDENTURE AND CT TRUST INDENTURE

The Fund's consolidated financial statements and the financial statements of IFPC are audited by Ernst & Young LLP. The Fund's audited consolidated financial statements include the results of the operations of all entities which are wholly-owned by the Fund, including CT, which holds all of the Fund's investments. As permitted by the Fund Trust Indenture and the CT Trust Indenture, the CT Board of Trustees, at their meeting on February 17, 2005, approved minor amendments to the Fund Trust Indenture and to the CT Trust Indenture to clarify the provisions of those indentures that separate audited financial statements for CT itself are not required to be prepared as long as all of the units of CT are held by the Fund. Unitholders will continue to receive annual audited and quarterly unaudited consolidated financial statements of the Fund, as required by applicable securities laws. These clarifying amendments to the trust indentures have been made in accordance with Section 12.1 of the Fund Trust Indenture and Section 12.1 of the CT Trust Indenture, each of which permits the Trustees to remove any conflict or any inconsistencies in the relevant trust indenture or make minor corrections which are, in the opinion of the CT Board of Trustees, necessary or desirable and not materially prejudicial to the Unitholders.

ADMINISTRATOR AND TRUSTEES' APPROVAL

The contents and the distribution of this Management Information Circular have been approved by the Director of the Administrator and by the CT Board of Trustees on behalf of the Fund.

DATED at Toronto, Ontario, this 10th day of March, 2005.



John W. Brace

President and Chief Executive Officer

Northland Power Income Fund Management Inc.,

Administrator of the Fund

SCHEDULE "A"

Corporate Governance of Northland Power Income Fund (the "Fund") and NPIF Commercial Trust ("CT") and TSX Guidelines

Guideline 1

The Fund complies with the Guideline.

The CT Board of Trustees assumes responsibility for the stewardship of the Fund and CT.

Computershare Trust Company of Canada has been appointed as the sole trustee of the Fund. The Fund Trustee has no active role in management of the Fund.

The Fund's wholly-owned subsidiary, CT, owns, directly and indirectly, all operating subsidiaries and other assets of the Fund. The Board of Trustees of CT has assumed responsibility for the overall stewardship of the Fund.

The CT Board of Trustees exercises supervision over the Manager which has been delegated responsibility for the administration of the Fund and the management of the assets of the Fund under the Administration Agreement, the IFPC Management Agreement, CT Management Agreement and the Miller Management Agreement, respectively.

Guideline 1(a)

To the extent applicable to the Fund's structure, the Fund complies with the Guideline.

The CT Board of Trustees assumes responsibility for the adoption of a strategic planning process.

The Fund Trust Indenture sets out the investment objective and the acquisition and investment guidelines for the Fund. The CT Board of Trustees has also adopted a set of internal guidelines and criteria for acquisitions and investments. Although a formal strategic plan has not been adopted, the Manager is responsible for the development and implementation of the strategy for identifying opportunities for acquisitions and investments which meet all of the required criteria. The CT Board of Trustees reviews and assesses the transaction opportunities developed by the Manager and approves all acquisitions and significant capital expenditures.

Guideline 1(b)

The Fund complies with the Guideline.

The CT Board of Trustees assumes responsibility for the identification of principal business risks and the implementation of appropriate systems to manage those risks.

The CT Board of Trustees has assumed responsibility for understanding the principal risks related to the Fund's business activities. The Manager is responsible for the identification of the principal business risks of the Fund's businesses and for implementation of appropriate systems to manage those risks, subject to review and oversight by the CT Board of Trustees. It is the responsibility of the Manager to ensure that the Board of Trustees is advised of any changes to the risks in a timely manner.

The Audit Committee reviews with the Manager the risks of the Fund's businesses and related risk management and insurance programs. The Audit Committee reports to the CT Board of Trustees on its review of these programs with the Manager.

Guideline 1(c)

To the extent applicable to the Fund's structure, the Fund complies with the Guideline.

The CT Board of Trustees assumes responsibility for succession planning, including appointing, training and monitoring senior management.

The CT Board of Trustees does not have a program with respect to succession planning for the Manager or its officers or other senior personnel because of the nature of the relationship of the Fund and CT with the Manager. The management and administration of the Fund is the responsibility of the Manager pursuant to the Management Agreement and the Administration Agreement, respectively. The Trustees review the performance of the Manager, including the fulfillment of the terms of the Management Agreement and the Administration Agreement, and provide feedback to the Manager. If a CT Trustee who was not appointed by the Manager were to indicate that he was no longer able to serve, the remaining CT Trustees will take steps to identify an appropriate replacement Trustee for recommendation to the Fund's Unitholders.

Guideline 1(d)

The Fund complies with the Guideline.

The CT Board of Trustees assumes responsibility for communications policy.

The CT Board of Trustees and the Audit Committee review and approve Unitholder communications (which are prepared by the Manager), including releases of quarterly and year-end results; press releases concerning material information to the public; notices and proxy circulars for Unitholder meetings; and other public disclosure communications, as required.

The Manager's Chief Financial Officer oversees investor relations and responds to any Unitholder inquiries. Issues that are of a significant nature are brought to the attention of the Board of Trustees.

Guideline 1(e)

The Fund complies with the Guideline.

The CT Board of Trustees assumes responsibility for integrity of internal control and management information systems.

The CT Board of Trustees has established an Audit Committee composed solely of the Trustees who are unrelated to the Manager. Under its Management and Administration Agreements with IFPC, CT, and the Fund, the Manager is responsible for providing financial statements and related information which are reviewed by the Trustees. The CT Board of Trustees reviews issues of internal control and management information systems with the Manager and the Fund's external auditors.

The Manager's President and Chief Executive Officer and Chief Financial Officer provide certificates relating to the contents of the Fund's quarterly and annual reports, which are filed with securities regulatory authorities.

Guideline 2

The Fund complies with the Guideline.

Majority of Trustees should be “unrelated”.

During the term of the CT Management Agreement, two of the Trustees will be appointed by the Manager. Messrs. Temerty and Gloutney are the appointees of the Manager. Mr. Temerty is the Chair of Northland Power Inc., the parent company of the Manager. The other three Trustees are nominees of the Fund and must be independent of the Manager.

Four of the five members of the CT Board of Trustees are “unrelated” to the Manager and the Fund does not have a “significant” Unitholder, as defined by the TSX Guidelines.

Guideline 3

The Fund complies with the Guideline.

Disclose for each Trustee whether he or she is related and how that conclusion was reached.

The CT Board of Trustees has determined based on information provided by each Trustee that none of Messrs. Gloutney, Moysey, Rounthwaite or Turner have a material relationship with the Fund or CT which could reasonably interfere with the exercise of that member’s independent judgement concerning the affairs of the Fund and CT.

Guideline 4

To the extent applicable to the Fund’s structure, the Fund complies with the Guideline.

Appoint a committee of outside Trustees responsible for proposing new nominees to the CT Board of Trustees and for assessing Trustees on an ongoing basis.

Due to the small size of the CT Board of Trustees, the Trustees have determined not to create a separate committee to assess the performance of Trustees. Instead, the CT Board of Trustees, as a whole, assesses the performance of individual Trustees on an ongoing basis.

If and when required, independent Trustees will be responsible for recommending new independent Trustees, as the need arises, to ensure that the composition of the CT Board of Trustees provides the appropriate set of skills and experience to guide the long-term strategy and ongoing business of the Fund.

Guideline 5

To the extent applicable to the Fund’s structure, the Fund complies with the Guideline.

Implement a committee process to assess the effectiveness of the CT Board of Trustees, its committees and the contribution of individual Trustees.

Given the small size of the CT Board of Trustees, the Trustees have decided not to establish a separate corporate governance committee. The full Board of Trustees is responsible for assessing the effectiveness of the Board of Trustees, its committees, and the contribution of individual Trustees.

Guideline 6

The Fund complies with the Guideline.

Provide orientation and education programs for new Board of Trustees members.

No new individuals have become Trustees since the directors of IFPC were appointed in 1997. All of the directors of IFPC are now Trustees. When new Trustees are appointed they will be provided with an orientation and educational program about the duties and responsibilities of Trustees and the business and operations of the Fund.

Guideline 7

The Fund complies with the Guideline.

Examine size of CT Board of Trustees with a view to determining the appropriate size that facilitates effective decision-making.

The CT Trust Indenture provides for the appointment of five Trustees. The Trustees consider that, given the background and experience of the current CT Trustees, the current size of the CT Board of Trustees facilitates effective decision-making. However, the CT Trustees may from time to time review the number of Trustees required and, based upon their assessment of the effectiveness of the decision-making process, may propose an amendment to the CT Trust Indenture to effect a change to the size of the Board of Trustees.

Guideline 8

The Fund complies with the Guideline.

Review adequacy and form of compensation of Trustees in light of the risks and responsibilities involved in being an effective Trustee.

The Manager and the CT Board of Trustees review the compensation paid to the Trustees to ensure that it is appropriate in light of the risks and responsibilities involved in being an effective Trustee and the compensation paid to trustees of comparable funds.

Guideline 9

The Fund complies with the Guideline.

Committees should generally be composed of outside Trustees, a majority of whom are “unrelated”.

Because of the small number of CT Trustees, the CT Trustees frequently operate as a committee of the whole. However, where it is appropriate to operate through a committee, the committee is composed of a majority of Trustees who are independent of and unrelated to the Manager. The Audit Committee is composed of independent Trustees in accordance with the Audit Committee Charter and the requirements of the Audit Committee Rule.

Guideline 10

To the extent applicable to the Fund’s structure, the Fund complies with the Guideline.

Appoint a committee responsible for developing an approach to corporate governance issues.

The Audit Committee regularly monitors the governance proposals of Canadian securities authorities and industry best practices to enable the implementation of appropriate corporate governance practices for the Fund.

Guideline 11

To the extent applicable to the Fund’s structure, the Fund complies with the Guideline.

Develop position descriptions for the Board of Trustees and the CEO.

The authority of the Fund Trustee has been delegated to the Manager under the Management Agreement. The Trustees’ duties are outlined in the Fund Trust Indenture and the CT Trust Indenture.

The President and Chief Executive Officer of the Manager, John W. Brace, acts as the Chief Operating Officer of the Trust. The Chairman of the Manager, James C. Temerty also acts as the Chairman and Chief Executive Officer of CT. There is no specific position description in place for these positions since the overall duties and limits on these duties of the Manager are set out in the Administration Agreement and the Management Agreement, respectively.

Guideline 12

The Fund complies with the Guideline.

Establish structures and procedures to enable the CT Board of Trustees to function independently of management.

The independent, unrelated Trustees meet as required to review matters of interest independent of the Manager. Any conflicts of interest between the Fund on the one hand, and the Manager and its affiliates on the other hand, are identified and the Trustee related to the Manager is not permitted to vote on any such matter when it comes before the Trustees.

The CT Board of Trustees has a number of structures and processes in place to facilitate the functioning of the Board independently of the Manager. The CT Board of Trustees consists of a majority of Trustees who are independent of the Manager. The Chair of the Audit Committee of the Trustees is an independent Trustee. The agendas for meetings of the CT Board of Trustees and its committees are not set by the Manager alone. Where appropriate, the independent Trustees meet without the presence of representatives of the Manager.

Guideline 13

The Fund complies with the Guideline.

Audit Committee of the CT Board of Trustees to be composed of unrelated Trustees. Audit Committee to have direct access to the internal and external auditors to review specific issues as appropriate.

The Audit Committee of the Board of Trustees is composed of four unrelated and independent Trustees: A. Warren Moysey (Chair), Pierre R. Gloutney, F. David Rounthwaite and the Right Honourable John N. Turner, Q.C.

The Audit Committee has direct access to the Fund’s external auditors and to the Chief Financial Officer of the Manager to review specific issues as appropriate. It meets with the Manager’s Chief Financial Officer and the external auditors, and also separately with the auditors (without any representative of the Manager present), to review the financial statements, financial reporting and internal controls of the Fund.

The Audit Committee Charter explicitly defines the role and responsibility of the Committee with respect to its relationship to and expectation of the external auditors, including the establishment of independence; its oversight of internal control; the disclosure of financial and related information; and, any other important matters delegated by the CT Board of Trustees.

The mandate of the Audit Committee, which clearly outlines the roles and responsibilities of the Committee, is reviewed by the Trustees on an annual basis.

Guideline 14

The Fund complies with the Guideline.

Implement a system to enable individual Trustees to engage outside advisors at the expense of the Trust.

Individual Trustees may, from time to time, engage independent advisors at the expense of CT and this authority is expressly recognized in the Audit Committee Charter adopted by the CT Board of Trustees.



**NORTHLAND POWER
INCOME FUND**

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