



**NORTHLAND POWER
INCOME FUND**

NOTICE OF ANNUAL MEETING OF UNITHOLDERS TO BE HELD MAY 14th, 2008

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 Wednesday, May 14, 2008 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, 2007, 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.

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 28th day of March, 2008.

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, Canada M4V 3A1

MANAGEMENT INFORMATION CIRCULAR

March 28, 2008

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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.

“AIF” means the Fund’s Annual Information Form for the financial year ended December 31, 2007.

“Audit Committee Rule” means Multilateral Instrument 52-110, Audit Committee.

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

“CDS” means CDS Clearing and Depository Services Inc.

“CSA” means Canadian Securities Administrators.

“CSA Guidelines” means National Policy 58-201, Corporate Governance Guidelines.

“CT” means NPIF Commercial Trust.

“CT Board of Trustees”, “Board” 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, the Second Amendment dated as of February 15, 2006 and the Third Amendment dated as of January 31, 2007, which governs NPIF Commercial Trust.

“Disclosure Rule” means National Instrument 58-101, Disclosure of Corporate Governance Practices.

“Fund” means Northland Power Income Fund.

“Fund 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 and the Second Amendment dated as of January 31, 2007, which governs the Fund.

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

“German Wind Farms” mean the two wind farms located near Kavelstorf and Eckolstädt, Germany with a total installed capacity of 21.5 MW.

“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.

“Independent Trustee” means a Trustee who is independent for the purposes of the Disclosure Rule.

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

“KCLP” means Kingston CoGen Limited Partnership.

“KCLP Facility” means the 110 MW electricity and steam generating facility located near Kingston, Ontario.

“KCLP Management Agreement” means the management services agreement made as of June 16, 1995 and amended as of March 22, 2006 between KCLP and NPIF Kingston Cogen Corp.

“Manager” means Northland Power Income Fund Management Inc.

“Management Agreements” means, collectively, the CT Management Agreement, the IFPC Management Agreement, the Miller Management Agreement, the KCLP Management Agreement and the Panda Management Fee Agreement.

“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 or cash distributions to Unitholders 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, Exchange Tower, 130 King Street West, Toronto, Ontario, on May 14, 2008, at 11:00 a.m. Toronto time.

“Miller Developer” means Mount Miller Construction and Services Inc., a 50% owned subsidiary of NPI, and the holder of a minority interest in Miller LP.

“Miller LP” means Mount Miller Wind Energy Limited Partnership/Énergie Éolienne du Mont Miller société en commandité, the entity that owns the Mont Miller Facility and in which the Fund has an indirect majority interest.

“Miller Management Agreement” means the management agreement dated as of August 5, 2004 between Miller LP and the Manager.

“Mont Miller Facility” means the 54 MW wind farm, located on Mont Miller near Murdochville, Quebec.

“NPI” means Northland Power Inc., the parent company of the Manager.

“Panda Investment” means the 19% equity investment, and option to increase the equity investment to 49%, made indirectly by the Fund in PEC as well as the extension of a senior loan to PIC made indirectly by the Fund.

“Panda Management Fee Agreement” means the management fee agreement made as of December 15, 2003 amongst IFPC, CT and the Manager.

“PEC” means Panda Energy Corporation, a corporation existing under the laws of Texas, U.S.A.

“PIC” means Panda Interfunding Company LLC, a limited liability company existing under the laws of Delaware, U.S.A.

“Record Date” means March 17, 2008.

“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, Exchange Tower, 130 King Street West, Toronto, Ontario on May 14, 2008 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 4, 2008. 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 the registered office of the Fund or to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 and received no later than 48 hours before the time of the meeting or any adjournment thereof or deposited with the chairman of the Meeting prior to the commencement 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 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) directions and instructions to the Fund Trustee as to the manner in which the Fund Trustee shall vote the CT units in respect of the election of the nominees of the Fund to the CT Board of Trustees; and (b) the reappointment of Ernst & Young LLP as the auditors of the Fund; each 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 each 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 4, 2008, the Fund had outstanding 62,352,423 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 17, 2008 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.

No disproportionate voting rights have been granted in respect of Units held by the Manager or any affiliate of the Manager.

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 the Beneficial Unitholders. 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 the Beneficial Unitholders. 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. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions (“Broadridge”). Broadridge 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 Broadridge. Broadridge 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 Broadridge 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 4, 2008, 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 4, 2008, to the knowledge of the Manager, no person or company beneficially owns, directly or indirectly, or controls or directs 10% or more of the Units of the Fund.

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. 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. The Governance and Nominating Committee has also recommended their nominations. 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 following table shows the names and province 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 and value (as of the close of business on March 4, 2008) 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 as well as information concerning committee membership, Independent Trustees and attendance at board and committee meetings in 2007.

Trustees are required to hold a minimum of 500 Units.

Name and Province of Residence	Positions and Offices held with CT	Principal Occupation	Year Became Trustee ⁽¹⁾	Number and Value of Units Beneficially Owned Directly or Indirectly ⁽²⁾⁽⁹⁾	Other Reporting Issuers' Board of Directors
James C. Temerty ⁽³⁾ Ontario, Canada	Chair ⁽⁸⁾ and Trustee	Chair of Northland Power Inc. (the parent company of the Manager)	2003	3,130,280 ⁽⁴⁾ \$38,784,169	
Pierre R. Gloutney ⁽³⁾⁽⁶⁾ Quebec, Canada	Trustee	Chairman, MF Global Canada Co.	2003	17,632 ⁽⁵⁾ \$218,460	
A. Warren Moysey ⁽⁷⁾⁽¹⁰⁾ Ontario, Canada	Trustee	Chairman and Director of Aviva Canada Inc. (insurance company)	2003	1,500 \$18,585	
F. David Rounthwaite ⁽⁶⁾⁽¹⁰⁾ Ontario, Canada	Trustee	Previously a Director and President of Nereus Financial Inc. (investment management company) and Partner, McCarthy Tetrault LLP (law firm)	2003	2,500 \$30,975	
The Right Honourable John N. Turner ⁽⁶⁾⁽¹¹⁾ , Q.C. Ontario, Canada	Lead Trustee	Partner, Miller Thomson LLP (law firm)	2003	548 \$6,790	Director of Q9 Networks

Notes: (1) Prior to 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) Nominee of the Manager.

(4) Of these 3,130,280 Units, 2,487,675 Units are held directly and indirectly by Mr. Temerty, 108,390 Units are held by Mr. Temerty's spouse, Mrs. Louise Temerty, and 534,215 Units are held by the Temerty Family Foundation which Mr. Temerty directs.

(5) Of these 17,632 Units, 14,238 are held directly and indirectly by Mr. Gloutney and 3,394 are held by Mr. Gloutney's spouse, Mrs. Dorothy Gloutney.

(6) Member of the Audit Committee of CT and an Independent Trustee.

(7) Chair of the Audit Committee of CT and an Independent Trustee.

(8) Mr. Temerty was the Chair and Chief Executive Officer of CT from its establishment. Effective February 15, 2007, the roles of Chair and Chief Executive Officer have been separated with Mr. Temerty retaining the Chair and John W. Brace, formerly the President and Chief Operating Officer of CT, becoming President, Chief Executive Officer and Chief Operating Officer.

(9) The value of Units is based on the closing price of Fund Units on the TSX on March 4, 2008.

(10) Member of the Governance and Nominating Committee.

(11) Chair of the Governance and Nominating Committee.

Number of Meetings Attended by the Trustees

	Board	Audit Committee	Governance and Nominating Committee	Independent Trustees
James C. Temerty	10/10	n/a	n/a	n/a
Pierre R. Gloutney	8/10	5/6	n/a	8/10
A. Warren Moysey	10/10	6/6	1/1	10/10
F. David Rounthwaite	10/10	6/6	1/1	10/10
The Right Honourable John N. Turner	10/10	6/6	1/1	10/10

Compensation of Trustees of CT

In 2007, the Board of Trustees as a whole, other than Mr. Temerty, received fees of \$312,500. Mr. Temerty did not receive any fees in 2007 for serving as a Trustee and has not received any fees since the inception of the Fund for serving as a Trustee or director of IFPC. Each of the other Trustees of CT received an annual fee of \$27,000 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 \$1,000 by telephone. Each Trustee who is serving on the Board as an Independent Trustee was paid an additional \$1,500 per Trustee in respect of each meeting of the Independent Trustees attended in person or \$1,000 by telephone. The Trustees who served on CT's Audit Committee and Governance and Nominating Committee received an annual fee of \$5,000 per Trustee plus \$1,500 in respect of each Audit Committee or Governance and Nominating Committee meeting attended in person or \$1,000 for each Audit Committee or Governance and Nominating Committee meeting attended by telephone. The Trustees who served as chair of CT's Audit Committee and as Lead Trustee received \$10,000, respectively, for serving in those capacities. The Trustee who served as Chair of the Governance and Nominating Committee received a fee of \$5,000 for acting 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. Effective February 15, 2007, the Governance and Nominating Committee has assumed responsibility to review the Trustees compensation. No options to acquire securities of the Fund have been awarded to Trustees since the inception of the Fund.

Name of Trustee	Annual Fee	Board Meeting Attendance Fees	Meeting of Independent Trustees Fees	Lead Trustee and Chair of Governance and Nominating Committee	Audit Committee	Governance and Nominating Committee Attendance Fee	Total Fees Paid
				Retainer	Meeting Attendance Fees		
Pierre R. Gloutney	\$27,000	\$10,250	\$7,000	Nil	\$5,750	\$5,000	\$56,500
A. Warren Moysey	\$27,000	\$12,750	\$9,500	Nil	\$7,250	\$20,000 ⁽¹⁾	\$83,000
F. David Rounthwaite	\$27,000	\$13,250	\$20,000 ⁽²⁾	Nil	\$7,250	\$5,000	\$79,000
James C. Temerty	Nil	Nil	Nil	Nil	Nil	Nil	Nil
John N. Turner	\$27,000	\$13,250	\$10,000	\$25,000 ⁽³⁾	\$7,250	\$5,000	\$94,000

(1) Includes \$10,000 for serving as Chair of Audit Committee, and \$5,000 additional audit committee fee for 2006.

(2) Includes a one-time fee of \$10,000 for work in connection with the Fund's subordinated loan to Thorold Cogen LP.

(3) Includes \$5,000 for serving as Chair of Governance and Nominating Committee.

Compensation of Executive Officers of the Manager

NPI, the sole shareholder of the Manager, provides the services of its executive officers to the Manager in addition to providing other services. Neither the Fund nor CT pays any portion of the compensation of such executive officers directly, but instead pay management and administration fees to the Manager. See “Interest of Informed Persons in Material Transactions”. Executive officers of the Manager are also executive officers of NPI and receive all of their compensation from NPI, not from the Manager. No portion of their compensation is specifically based on the services which they perform for the Fund or the fees received by the Manager from the Fund or CT or any of the Fund’s subsidiaries.

Summary Compensation Table

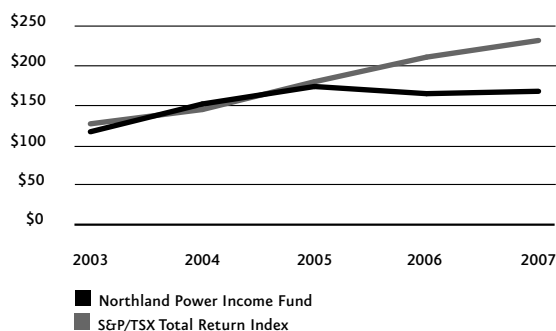
The following table shows the Fund’s Portion of the compensation paid by NPI to the President and the Chief Executive Officer and the Chief Financial Officer of NPI who also serve in such capacities for the Manager and CT. The Fund’s Portion of the salary and bonus paid by NPI to any other individual who might be considered to be an executive officer of the Fund was less than \$150,000 in 2007. For this purpose the “Fund’s Portion” means the portion of the compensation paid by NPI to an executive officer of the Fund that is attributable to services rendered to the Fund directly or indirectly, based upon an estimate of the time that such executive officer spent during the year on behalf of the Manager on Fund matters compared to the total time spent on NPI matters unrelated to the Fund. No options to acquire securities of the Fund have ever been awarded to officers or directors of the Manager or NPI.

Name and Principal Position	Year	Annual Compensation ⁽¹⁾		
		Salary	Bonus	All Other Compensation
John W. Brace President & Chief Executive Officer	2007	\$66,923	\$24,000	Nil
	2006	\$60,000	\$20,000	Nil
	2005	\$47,667	\$27,200	Nil
Anthony F. Anderson Chief Financial Officer	2007	\$116,000	\$40,000	Nil
	2006	\$130,000	\$45,500	Nil
	2005	\$142,189	\$41,400	Nil

(1) Other compensation was below required reporting levels.

Performance Graph

The following graph compares the Fund’s cumulative total Unitholder return as at December 31 in each year (assuming an investment of \$100 on December 31, 2002 and reinvestment of all distributions) with the cumulative returns of the S&P/TSX Composite Stock Index during the same period.



Indebtedness of Directors and Executive Officers

The Trustees of CT and the directors and executive officers of the Manager and their associates did not have any indebtedness to the Fund or CT as of March 4, 2008. Neither the Fund nor CT has guaranteed any indebtedness of any such persons.

Statement of Corporate Governance Practices

The Canadian Securities Administrators (“CSA”) have adopted National Policy 58-201 *Corporate Governance Guidelines* (the “CSA Guidelines”) and the related National Instrument 58-101 *Disclosure of Corporate Governance Practices* (the “Disclosure Rule”). The CSA Guidelines are not mandatory but outline recommended practices for effective corporate governance for reporting issuers. The Disclosure Rule establishes disclosure requirements regarding corporate governance practices of a reporting issuer as well as the requirement to file any written code of business conduct and ethics that a reporting issuer has adopted.

The Manager and the Trustees consider that the Fund and CT have conformed to the CSA Guidelines to the extent consistent with the structure of the Fund and CT and the terms of the Fund Trust Indenture, the CT Trust Indenture and the agreements to which the Fund and CT are parties.

The following summary has been approved by the Governance and Nominating Committee and describes the Fund’s approach to corporate governance in relation to the CSA Guidelines and as required by the Disclosure Rule.

Role of the Manager

There are no directors or trustees 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 services 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 the Iroquois Falls Facility, the Kingston Facility, the Panda Investment, the Mont Miller Facility, and the German Wind Farms, and 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, pursuant to the IFPC Management Agreement. Pursuant to the IFPC Management Agreement, the KCLP Management Agreement and the Miller Management Agreement, the Manager has agreed to render advice and management services to IFPC, KCLP and Miller LP, respectively, 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 Administration Agreement and the Management Agreements each 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.

Role of the Board of Trustees

The CT Board of Trustees is the central governing body of the Fund. 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 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. As of February 15, 2007, the roles of the Chair of the Trust and Chief Executive Officer of the Trust were separated.

Trustee Independence

The CSA Guidelines recommend that boards be made up of a majority of independent directors and the majority of the Trustees are independent for purposes of the Disclosure Rule. There are no interlocking directorships among any of the Trustees.

Mr. Temerty and Mr. Gloutney are the current Trustees appointed by the Manager. Messrs. Moysey, Rounthwaite and Turner, are nominees of the Fund. Messrs. Gloutney, Moysey, Rounthwaite and Turner are independent for the purposes of the Disclosure Rule (the "Independent Trustees").

Mr. Temerty is not independent as he is also the Chair and indirectly the sole shareholder of NPI, the parent company of the Manager.

Trustee Meetings

The Trustees held 10 meetings in 2007 and the attendance record for each Trustee at meetings of the Board and the Audit Committee and the Governance and Nominating Committee is set out in the table above.

The Independent Trustees hold regularly scheduled meetings following each Board meeting at which the non-Independent Trustee and representatives of the Manager are not in attendance. The Independent Trustees held 10 meetings in 2007.

Chair and Lead Trustee

The CSA Guidelines recommend that boards have either a chair or a lead director who is independent for the purposes of the Disclosure Rule.

The Chair of the CT Board of Trustees, Mr. Temerty, is not an Independent Trustee. Mr. Turner, an Independent Trustee, serves as Lead Trustee and Chair of the Governance and Nominating Committee. The responsibilities of the Lead Trustee include:

- (a) ensuring that the board functions independently of the Manager and its parent company, and that Independent Trustees have adequate opportunities to meet to discuss issues without representatives of the Manager present;
- (b) chairing separate meetings of the Independent Trustees and chairing meetings of the Board in the absence of the Chair;
- (c) being available to Trustees who have concerns that cannot be addressed through the Chair or meetings of the Board;
- (d) as requested, acting as a liaison between the Board and the Manager;
- (e) in consultation with the Chair and the Manager, setting the agenda for Board meetings;
- (f) ensuring that the Board has the requisite resources to support its work efficiently and that a process is in place to monitor legislated and best practices; and
- (g) ensuring a process is in place to regularly assess the effectiveness of the Board, its committees and individual Trustees.

Board Mandate

The CSA Guidelines recommend that boards adopt a written mandate in which, among other things, they explicitly acknowledge responsibility for the stewardship of reporting issuers.

On December 5, 2007, the CT Board of Trustees approved and adopted the Board Mandate based on the recommendation of the Governance and Nominating Committee. In the Board Mandate the Trustees explicitly acknowledge their responsibility for the stewardship of the Fund subject to the provisions of the Fund Trust Indenture and the CT Trust Indenture. The Board Mandate sets out the responsibilities of the Board with respect to key operational and administrative issues of relevance to the Fund including the organization of the Board, strategic planning, acquisitions and investments of the Fund, monitoring of the Fund's financial performance and financial statements, risk management, the development of all significant policies and procedures of the Fund, and overseeing the Fund's communications and reporting activities. The complete text of the Board Mandate is available on SEDAR at www.sedar.com.

Under the Fund Trust Indenture, the Fund Trustee 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.

Position Descriptions

The CSA Guidelines recommend that boards develop position descriptions for the chair of the board, chairs of each committee and the CEO as well as to approve corporate goals and objectives that the CEO is responsible for meeting. The objectives of the Fund are set out in the Fund Trust Indenture. The authority of the Fund Trustee has been delegated to the Manager under the Management Agreement. The Trustees' duties are outlined in the Board Mandate, the Fund Trust Indenture and the CT Trust Indenture.

The President and Chief Executive Officer of the Manager, John W. Brace, acted as the President and Chief Operating Officer of the Trust until February 15, 2007 when he became the President, Chief Executive Officer and Chief Operating Officer of CT. The Chair of the Manager, James C. Temerty, is the Chair and until February 14, 2007 was also Chief Executive Officer of CT. There is no written position description for the President and CEO of CT since he is also the President and CEO of the Manager which is responsible for administration, operations and management under the Administration Agreement, the Management Agreement, the Fund Trust Indenture and the CT Trust Indenture. The Chair of the Board provides advice and counsel to the President and Chief Executive Officer of the Manager on issues of importance to the President or the Board.

On December 5, 2007, the CT Board of Trustees approved and adopted position descriptions for the Chair of the Board and the Chair of the Audit Committee and the Chair of the Governance and Nominating Committee which are incorporated into the Board Mandate and the Audit Committee Charter and the Governance and Nominating Committee Charter respectively.

Orientation and Continuing Education

The CSA Guidelines recommend that comprehensive orientation programs for new directors and continuing education opportunities for all directors be instituted by reporting issuers.

No new individuals have become Trustees since the directors of IFPC were appointed in 1997. All of the former directors of IFPC are now Trustees. When new Trustees are appointed, the Manager will provide them with an orientation and educational program about the duties and responsibilities of Trustees and the business and operations of the Fund. The Manager regularly provides information and copies of published reports concerning relevant industry and regulatory developments to the Trustees as continuing education for the Trustees and presentations are made at each meeting on key aspects of the Fund's businesses and operations.

Code of Business Conduct and Ethics

The CSA Guidelines recommend the adoption of a written code of business conduct and ethics, applicable to directors, officers and employees of a reporting issuer.

The CT Board of Trustees adopted a code of business conduct and ethics for the Fund (the “Code”) which applies to all representatives, officers, directors and trustees of each of the Fund, CT, the Manager and all other entities established by the Fund.

The Code is filed on SEDAR and can be reviewed and obtained from the website, www.sedar.com. Upon request, the Fund will promptly provide a copy of the Code free of charge to a Unitholder of the Fund.

The CT Board of Trustees appointed Mr. Moysey, an Independent Trustee and Chair of the Audit Committee, as its representative with respect to the reporting of contraventions of the Code. Individuals who contravene, or deviate from, the Code, or who are aware of contraventions of or deviations from the Code, are required to report the matter to the Manager or Mr. Moysey. The Code provides for the anonymous reporting of information, and a prohibition on any retaliation with respect to reporting, in order to encourage ethical conduct. The Fund has also established a Financial Integrity Policy with respect to the reporting of questionable auditing or accounting practices.

The Code requires individuals, including Trustees, to advise the Manager or Mr. Moysey if they believe that they might have a personal interest that may put them in a position of conflict. A Trustee who has a material interest in a matter before the CT Board of Trustees is required to abstain from voting on the matter and may be required to absent himself from the meeting while discussion of the issue takes place. In situations where the Manager, or an affiliate of the Manager, has a material interest in a matter to be considered by the CT Board of Trustees, representatives of the Manager may be required to absent themselves from the meeting while discussions, and possibly voting, with respect to the matter take place. Mr. Temerty, the Chairman of the Manager, is not permitted to vote with respect to any matter in which the Manager, or any of its affiliates, has a material interest. Any transaction between the Manager and the Fund, other than pursuant to the Administration Agreement or the Management Agreements, must be approved by the Independent Trustees at a meeting at which representatives of the Manager and Mr. Temerty, the Chair, are not in attendance.

No waivers of, or departures from, compliance with the Code have occurred or been granted.

Nomination of Directors

The CSA Guidelines recommend the institution of a nominating committee composed entirely of independent directors as well as a written charter with respect to the committee. The CSA Guidelines make recommendations with respect to the process that should be followed prior to nominating or appointing individuals as directors.

Effective February 15, 2007, the Governance and Nominating Committee composed entirely of Independent Trustees was appointed. Messrs. Moysey, Rounthwaite and Turner are the current members of the Governance and Nominating Committee with Mr. Turner, Lead Trustee, also serving as Chair of that Committee. The Governance and Nominating Committee is responsible for identifying all proposed candidates for nomination by the Unitholders as Trustees of CT having regard to the skills, competencies and experience that it considers appropriate for the Board of Trustees, to possess in order to effectively guide the long-term strategy and ongoing business of the Fund. Based on the foregoing criteria, the Governance and Nominating Committee will recommend new candidates to serve as Trustees as the need arises. On December 5, 2007, the CT Board of Trustees adopted the Charter of the Governance and Nominating Committee, a copy of which is available on SEDAR at www.sedar.com.

Compensation

The CSA Guidelines recommend the institution of a compensation committee composed entirely of independent directors as well as a written charter with respect to the committee. The CSA Guidelines make recommendations with respect to the responsibilities of a compensation committee.

Effective February 15, 2007, the Governance and Nominating Committee assumed responsibility for monitoring the compensation of the CT Trustees. The Governance and Nominating Committee is composed entirely of Independent Trustees. The Manager annually reviews compensation paid to trustees of income trusts which are comparable to the Fund based on publicly available information. The Lead Trustee reviews this information with members of the Governance and Nominating Committee and, in consultation with the Manager, determines the compensation for the Trustees.

Regular Board Assessments

The CSA Guidelines require that boards, committees and individual directors should be regularly assessed regarding their effectiveness and contribution.

Effective February 15, 2007, the Governance and Nominating Committee was appointed and, under the direction of Mr. Turner, the Lead Trustee and Chair of the Governance and Nominating Committee, has assumed responsibility for assessing the performance of the CT Board of Trustees, its committees and individual Trustees.

Mr. Turner as Lead Trustee reviews with each individual Trustee, that Trustee's individual performance on the Board and his evaluation of the performance of the Board as a whole. The Governance and Nominating Committee then reviews the assessments conducted by the Lead Trustee of the performance of individual Trustees and of the Board as a whole.

Other Board Committees

The CT Board of Trustees currently has no standing committees other than the Audit Committee and the Governance and Nominating Committee.

Given the small size of the CT Board of Trustees, the Trustees have decided not to establish any additional separate committees at this time. Accordingly, the Trustees generally operate as a committee of the whole. However, where it is appropriate to operate through a committee other than the Audit Committee or the Governance and Nominating Committee, the committee will be composed of a majority of Independent Trustees.

Audit Committee

The CT Board of Trustees has established an Audit Committee comprised entirely of Independent Trustees. Details regarding the Audit Committee, its members and their responsibilities are provided in the Fund's AIF. The text of the Audit Committee Charter is contained at Schedule "A" to the AIF. The AIF is available on SEDAR at www.sedar.com. Upon request, the Fund will promptly provide a copy of the AIF free of charge to a Unitholder of the Fund.

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.

Interest of Informed Persons in Material Transactions

The Manager: (a) provides administrative services to the Fund, pursuant to the Administration Agreement; and (b) provides administrative management, operating, maintenance and other services to CT and its subsidiaries pursuant to the Management Agreements. The CT Management Agreement contemplates that additional fees will be paid to the Manager to manage additional investments, subject to the approval of the Independent Trustees. See "Role of the Manager" above and "Management and Administration Agreements" in the AIF and below.

James C. Temerty, one of the CT Trustees and the Chair and, until February 14, 2007, Chief Executive Officer of NPIF Commercial Trust, is, indirectly, the sole shareholder of NPI, the parent company of the Manager, and the sole director and Chair of the Manager.

Management and Administration Agreements

The Manager is entitled to receive a fee for services provided relating to the operation and management of the Iroquois Falls Facility, pursuant to the 25-year IFPC Management Agreement expiring in 2021. The annual fee is payable on an equal monthly basis and is adjusted annually with changes to the Consumer Price Index. During the year ended December 31, 2007, the Manager was paid \$565,000 (2006 – \$552,000). The Manager is also entitled to operation-related incentive fees. During the year ended December 31, 2007, the Manager earned \$7,377,000 (2006 – \$983,000) as operation-related incentive fees which are included in cost of sales, except for the one-time fee of \$6,450,000 earned in connection with the settlement by IFPC of its claim against Calpine Canada Natural Gas Partnership (“Calpine Canada”) arising from Calpine Canada’s repudiation of its long term natural gas supply agreement with IFPC. Details of this settlement are contained in the Fund’s AIF which is available on SEDAR at www.sedar.com. All other fees paid to the Manager are included in management and administrative costs.

The Manager, CT and IFPC entered into the Panda Management Fee Agreement pursuant to which the Manager receives an annual loan administration fee and an annual manager’s fee in relation to the Panda Investment until November 20, 2021. Commencing in 2004, the Manager began to receive from PIC a loan administration fee of US\$125,000 and a manager’s fee of US\$75,000 (to reimburse third party costs) per annum, adjusted annually to reflect changes in the U.S. Consumer Price Index. During the year ended December 31, 2007, the Manager received \$236,000 (2006 - \$242,000) related to the PIC loan administration and manager’s fee.

The Manager is entitled to receive an annual \$400,000 fee for services provided relating to the operation and management of the Kingston facility, pursuant to the KCLP Management Agreement expiring in 2017. The annual fee is payable on an equal monthly basis and is adjusted annually with changes to the Consumer Price Index. During the year ended December 31, 2007, the Manager was paid \$407,000 (2006 – \$300,000) pursuant to this management agreement.

The Mont Miller Facility is operated and managed by the Manager under the Miller Management Agreement whose initial term ends December 31, 2021. In connection with the Mont Miller Facility, the Manager and affiliated parties of the Manager have received compensation as follows:

1. The Manager as manager of the Mont Miller project is responsible for all management functions and receives an annual fee of \$300,000 escalating annually according to changes in the Canadian Consumer Price Index. Two-thirds of the fee is subordinated to Class A Priority distributions. During the year ended December 31, 2007, the Manager received \$104,000 (2006 – \$101,000).
2. Miller Developer, as holder of Class B Subordinated Units of Miller LP, is entitled to receive, in any year, 49.95% of the amount by which available cash flow from Miller LP exceeds \$5,786,880 on an annualized basis. No amounts were paid to the Miller Developer in 2007 or 2006 (2006 – \$nil).

The Manager is entitled to receive an annual management fee of Euro75,000 in respect of the management of the German Wind Farms which is adjusted annually with changes to the Consumer Price Index. During the year ended December 31, 2007, the Manager earned \$105,000 (2006 – \$86,000).

The Manager is incented to increase the amount of distributions to Unitholders because it is eligible to receive the Management Incentive Fee. For the year ended December 31, 2007, the Manager received \$nil (2006 – \$1,800,000) pursuant to the formula for calculating the Management Incentive Fee.

Additional Information

Additional information relating to the Fund may be found on SEDAR at www.sedar.com.

Additional financial information, including the consolidated financial statements of the Fund and Management's Discussion and Analysis, is provided in the Fund's Annual Report.

The Fund shall provide any Unitholder, upon request, with one copy of the Fund's Annual Report which incorporates the Fund's consolidated financial statements and Management's Discussion and Analysis for its most recently completed financial year.

Contact

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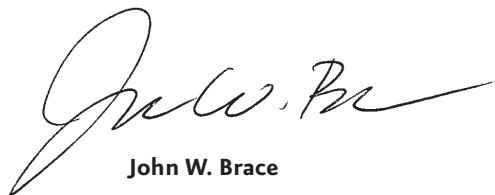
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Manager and Trustees' Approval

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

DATED at Toronto, Ontario, this 28th day of March, 2008.



John W. Brace

President and Chief Executive Officer

Northland Power Income Fund Management Inc.



**NORTHLAND POWER
INCOME FUND**

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