



**NORTHLAND POWER
INCOME FUND**

NOTICE OF ANNUAL MEETING OF UNITHOLDERS TO BE HELD MAY 17, 2006

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 17, 2006 at 11:00 a.m. (Toronto time) for the following purposes:

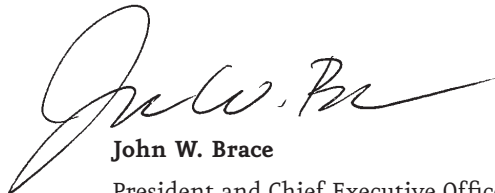
1. to receive and consider the financial statements of the Fund for the fiscal year ended December 31, 2005, together with the report of the auditors thereon;
2. to direct and instruct Computershare Trust Company of Canada (the "Trustee") as to the manner in which the Trustee shall vote the units of 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, 2005 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 5th day of April, 2006.

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

April 5, 2006

TABLE OF CONTENTS

| | |
|--|----|
| Glossary of Terms | 2 |
| Solicitation of Proxies | 4 |
| Appointment, Time for Deposit and Revocability of Proxy | 4 |
| Exercise of Discretion by Holders of Proxies | 4 |
| Voting Securities | 5 |
| Voting of Units – Advice to Beneficial Holders of Securities | 5 |
| Principal Holders of Voting Units | 6 |
| Election of Nominees to the CT Board of Trustees | 6 |
| Compensation of Trustees of CT | 8 |
| Compensation of Executive Officers | 8 |
| Indebtedness of Directors and Executive Officers | 8 |
| Statement of Corporate Governance Practices | 9 |
| Auditors | 10 |
| Interest of Informed Persons in Material Transactions | 10 |
| Management and Administration Agreements | 10 |
| Amendments to the CT Trust Indenture | 10 |
| Additional Information | 11 |
| Manager and Trustees' Approval | 11 |

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 and the Second Amendment dated as of February 15, 2006, 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 by the First Amendment dated as of February 17, 2005, 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 Facility” means the electricity and steam generating facility and all ancillary assets located near Kingston, Ontario owned by KCLP.

“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, Exchange Tower, 130 King Street West, Toronto, Ontario, on Wednesday, May 17, 2006, 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 commandite, the entity that owns the Mount Miller Project and in which the Fund has an indirect majority interest.

“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 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 Panda Energy Corporation as well as the extension of a senior loan to Panda Interfunding Company LLC made indirectly by the Fund.

“Record Date” means March 28, 2006.

“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 Wednesday, May 17, 2006 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 24, 2006. 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 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, 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 24, 2006, the Fund had outstanding 61,462,663 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 28, 2006 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 24, 2006, 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 24, 2006, 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. 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 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) previously President of Northland Power Inc. | 2003 | 1,527,120 ⁽⁴⁾ |
| Pierre R. Gloutney^{(3) (5)} Terrasse Vaudreuil, Quebec | Trustee | Chairman and Chief Executive Officer, MAN Financial Canada Co. (formerly, Refco Canada Co.), previously also President, Refco Futures (Canada) Ltd. (investment dealer) | 2003 | 14,143 |
| A. Warren Moysey⁽⁵⁾ Toronto, Ontario | Trustee | Chairman and Director of Aviva Canada Inc.(insurance); previously Chairman and Director, CGU Canada Ltd. and Pilot Insurance Co. | 2003 | 1,000 |
| F. David Rounthwaite⁽⁵⁾ Toronto, Ontario | Trustee | Principal of Nereus Financial Inc. (investment management company); previously Partner, McCarthy Tetrault LLP (law firm) | 2003 | 1,000 |
| The Right Honourable John N. Turner⁽⁵⁾, Q.C. Toronto, Ontario | Lead Trustee ⁽⁶⁾ | 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) Nominee of the Manager.

(4) Of these 1,527,120 Units, 736,600 Units are held directly and indirectly by Mr. Temerty, 85,720 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.

(6) As at January 1, 2006, Lead Trustee.

COMPENSATION OF TRUSTEES OF CT

In 2005, each of the Trustees of CT received an annual fee of \$24,000 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. 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.

COMPENSATION OF EXECUTIVE OFFICERS

Under applicable securities laws, the executive officers of the Manager may be considered to be the executive officers of the Fund. These individuals are also executive officers of NPI, the sole shareholder of the Manager. Among other things, NPI provides the services of its executive officers to the Manager. The Fund does not pay any portion of the compensation of such executive officers directly, but instead pays management and administration fees to the Manager. See "Interest of Informed Persons in Material Transactions". Executive officers of the Manager 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.

Summary Compensation Table

The following table shows the Fund's Portion of the compensation paid by NPI to the Chief Executive Officer and Chief Financial Officer of the Manager. 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 2005. For this purpose the "Fund's Portion" means the portion of compensation paid by NPI to an executive officer of the Fund which is indirectly attributable to the Fund 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.

| Name and Principal Position | Year | Annual Compensation ⁽¹⁾ | |
|--|------|------------------------------------|----------|
| | | Salary | Bonus |
| John W. Brace President & Chief Executive Officer | 2005 | \$47,667 | \$27,200 |
| | 2004 | \$43,179 | \$30,000 |
| | 2003 | \$43,022 | — |
| Anthony F. Anderson Chief Financial Officer | 2005 | \$142,189 | \$41,400 |
| | 2004 | \$103,847 | \$75,000 |
| | 2003 | \$124,307 | — |

(1) Other compensation was below reporting levels.

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 24, 2006. Neither the Fund nor CT has guaranteed any indebtedness of any such persons.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Canadian Securities Administrators (“CSA”) 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”), effective June 30, 2005. The CSA Guidelines are not mandatory but outline best corporate governance practices 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 considers 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. Attached to this circular as Schedule “A” is a list providing detailed disclosure regarding the Fund’s corporate governance practices.

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 the Iroquois Falls Facility, the Kingston Facility, the Panda Investment and the Mont Miller Facility, 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, 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 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. 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, Moysey, Rounthwaite and Turner, all of whom meet the requirements of Multilateral Instrument 52-110 concerning audit committee members (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 CSA Guidelines and the Audit Committee Rule. The text of the Audit Committee Charter is contained at Schedule “A” to the Fund’s Annual Information Form for the year ended December 31, 2005. The Annual Information Form is available on SEDAR at www.sedar.com.

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 CSA Guidelines.

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 an administration agreement; (b) provides operating and management services to IFPC and to Miller LP pursuant to management agreements; and (c) provides administrative services to and manages the investments of NPIF Commercial Trust pursuant to a management agreement. The latter agreement contemplates that additional fees will be paid to the Manager to manage additional investments, subject to the approval of the NPIF Commercial Trust Trustees. See “Management and Administration Agreements” in the AIF and below.

James C. Temerty, one of the NPIF Commercial Trust Trustees and the Chairman and 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 Chairman 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 a 25-year 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, 2005, the Manager was paid \$539,000 (2004 – \$528,000). The Manager is also entitled to operation-related incentive fees. During the year ended December 31, 2005, the Manager earned \$2,456,000 (2004 – \$1,853,000) as operation-related incentive fees.

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, 2005, the Manager was paid \$250,000 (2004 – \$250,000) related to the acquisition of the interests in PEC in December 2003.

During the year ended December 31, 2005, NPI received \$70,000 as compensation for construction management services related to the Mont Miller Facility. Pursuant to Miller LP’s limited partnership agreement, upon completion of the construction of the Mont Miller Project, Miller Developer received \$5,000,000 in the third quarter of 2005 as a special distribution in relation to its minority interest in Miller LP. This special distribution was included in the capital cost of the Mont Miller Facility. The Manager received \$168,000 in exchange for operations management services performed in respect of the Mont Miller Project under the Miller Management Agreement.

The Manager receives a fee from CT related to administration of CT and its investments. In 2005 the Manager was entitled to receive \$102,000 (2004 – \$61,000).

AMENDMENTS TO THE CT TRUST INDENTURE

Minor amendments were made to the CT Trust Indenture on February 15, 2006 to reflect current developments in corporate governance practices. Previously, the definition of an “independent Trustee” under the CT Trust Indenture referred to the definition of “unrelated directors” in the Toronto Stock Exchange Company Manual. The definition has been amended to conform to the definition of “independence” used for the purposes of the Disclosure Rule. As permitted by the CT Trust Indenture, the CT Board of Trustees at its February 15, 2006 meeting, approved the minor amendments to the CT Trust Indenture. These amendments were made by the Trustees in accordance with Section 12.1 of the CT Trust Indenture, which permits the Trustees to make minor corrections which are, in the opinion of the CT Board of Trustees, necessary or desirable and not materially prejudicial to the Unitholders.

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 | Northland Power Income Fund |
| | c/o Northland Power Income Fund Management Inc. |
| | 30 St. Clair Ave. West, 17th Floor |
| | Toronto, Ontario, Canada M4V 3A1 |
| | Telephone: 416-962-6262 |
| | Fax: 416-962-6266 |
| | E-mail: info@NPIFund.com |
| | Web-Site: NPIFund.com |

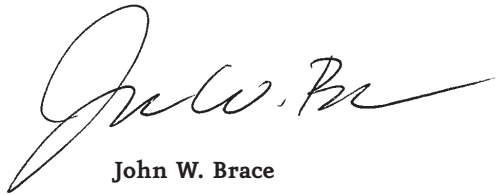
| | |
|----------------------|--|
| Barbara Bokla | Telephone extension: 156 |
| Control Manager | E-mail: barb@northlandpower.ca |

| | |
|-----------------------------------|--|
| Anthony (Tony) F. Anderson | Telephone extension: 120 |
| Chief Financial Officer | E-mail: tony@northlandpower.ca |

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 5th day of April, 2006.



John W. Brace
President and Chief Executive Officer
Northland Power Income Fund Management Inc.

SCHEDULE "A"

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

Board of Directors

The CSA Guidelines recommend that boards be made up of a majority of independent directors. The CSA Guidelines also recommend that boards have either a chair or a lead director who is independent for the purposes of the Disclosure Rule.

During the term of the CT Management Agreement, two of the Trustees will be appointed by the Manager. 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. Accordingly, the majority of the Trustees are independent.

Mr. Temerty is Chairman and a director of Softchoice Corporation. Mr. Moysey is a director of Covington Fund Inc. and Covington Fund II Inc. Mr. Rounthwaite is Chairman and a trustee of Arriscraft International Income Fund. Mr. Turner is a director of Q9 Networks Inc.

Mr. Temerty, is not independent as he is also the Chair of both Northland Power Inc., the parent company of the Manager, and of the Manager.

All of the Trustees were present for all meetings of the Board held during 2005 except that Mr. Turner and Mr. Gloutney were each absent for one meeting. The board met 11 times in 2005.

Since June 30, 2005, the independent Trustees have held two regularly scheduled meetings at which the non-independent Trustees and representatives of the Manager were not in attendance.

The Chair of the CT Board of Trustees, Mr. Temerty, is not an independent Trustee. Mr. Turner has been designated to serve as Lead Trustee. 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.

The CT Board of Trustees has not adopted a written mandate as the responsibilities of the Fund Trustee, the CT Board of Trustees and the Manager with respect to the Fund and the Fund's assets are set out in the Fund Trust Indenture, the CT Trust Indenture, the Administration Agreement, the IFPC Management Agreement, the CT Management Agreement and the Miller Management Agreement.

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. The CT Board of Trustees, pursuant to the CT Trust Indenture 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.

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 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, is the Chairman and Chief Executive Officer of CT. There is no written position description for these positions, as the Manager is responsible for operations and management under the CT Management Agreement.

There is no specific written position description for the Audit Committee Chair but the Audit Committee Charter describes the role of the Audit Committee and certain aspects of the duties of the Audit Committee Chair with respect to procedural matters. For more details regarding the Audit Committee, its members and their responsibilities see the Fund's AIF.

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 directors of IFPC are now Trustees. When new Trustees are appointed the Manager intends to 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.

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 approved the adoption of a code of business conduct and ethics for the Fund (the "Code") on November 29, 2005. The Code 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 has been filed on SEDAR and can be reviewed and obtained from the website, www.sedar.com.

The CT Board of Trustees has appointed Mr. Moysey, an independent Trustee, 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 issue 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 or herself 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, will not be 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, the CT Management Agreement, the IFPC Management Agreement or the Miller Management Agreement must be approved by the independent Trustees.

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.

Due to the small size of the CT Board of Trustees, the Trustees have determined not to create a separate committee to nominate new independent Trustees.

No new individuals have become Trustees since the directors of IFPC were appointed in 1997. All of the directors of IFPC are now Trustees. If and when required, the existing 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.

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.

Due to the small size of the CT Board of Trustees and the fact that the Fund does not pay compensation to any executive officers, the Trustees have determined not to create a separate compensation committee. The CT Board of Trustees reviews 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.

Regular Board Assessments

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

Due to the small size of the CT Board of Trustees, the Trustees have determined not to create a separate committee to be responsible for assessing the performance of the CT Board of Trustees, its committees, and its individual Trustees. Instead, the full CT Board of Trustees, under the guidance of the Lead Trustee, assesses the performance and effectiveness of the board and its committees, as well as the contribution of individual Trustees, on an ongoing basis.

Other Board Committees

The CT Board of Trustee has no committees other than the Audit Committee.

Given the small size of the CT Board of Trustees, the Trustees have decided not to establish any separate committees other than the Audit Committee at this time. Accordingly, the Trustees frequently operate as a committee of the whole. However, where it is appropriate to operate through a committee, the committee will be 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.



**NORTHLAND POWER
INCOME FUND**