NORTHLAND POWER
INCOME FUND

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS TO BE HELD MAY 22, 2003

NOTICE IS HEREBY GIVEN that the Annual and Special 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 Thursday, May 22, 2003 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, 2002, together with the report of the auditors thereon;
2. to elect the Fund's nominees to the board of directors of Iroquois Falls Power Corp. ("IFPC"), the Fund's subsidiary;
3. to re-appoint the incumbent auditors of the Fund;
4. to consider and, if thought fit, pass a special resolution attached as Schedule "A" to the accompanying Management Information Circular with respect to changes to the Fund's investment objective and organizational, governance and management structure including amendments to the Fund's trust indenture and other Fund documents and the continuance of IFPC as an Ontario corporation; and
5. 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, 2002 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 26th day of March, 2003.

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

James C. Temerty

President

NORTHLAND POWER
INCOME FUND

30 St. Clair Avenue West, 17th Floor, Toronto, Ontario M4V 3A2

MANAGEMENT INFORMATION CIRCULAR

TABLE OF CONTENTS

GLOSSARY OF TERMS

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

"Administration Agreement" means the administration agreement made as of April 15, 1997 amongst the Fund, IFPC and the Manager.

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

"CCRA" means Canada Customs and Revenue Agency.

"CDS" means The Canadian Depository for Securities Limited.

"CT Board of Trustees" means the board of trustees of NPIF Commercial Trust.

"CT Notes" means notes issued by NPIF Commercial Trust under the CT Note Indenture.

"CT Note Indenture" means a note indenture to be entered into by NPIF Commercial Trust in favour of an institutional trust company.

"CT Trust Indenture" means the trust indenture dated as of December 20, 2002 made by the Manager in favour of NPIF Trustee Inc., as initial trustee, which governs NPIF Commercial Trust.

"Distributable Cash Flow" has the meaning defined in the Fund Trust Indenture.

"Facility Equipment" means the facility equipment relating to the Iroquois Falls cogeneration facility.

"Facility Equipment Lease Agreement" means the facility equipment lease agreement dated April 15, 1997 between the Fund and IFPC.

"Fund" means Northland Power Income Fund.

"Fund Documents" means the Fund Trust Indenture, the IFPC Note Indenture, the IFPC Notes, the Management Agreement, the Administration Agreement, the Unanimous Shareholder Agreement, the Facility Equipment Lease Agreement, the CT Trust Indenture, the CT Notes and the constating documents of IFPC.

"Fund Trust Indenture" means the supplemental and restated trust indenture dated April 15, 1997, as amended, which governs the Fund.

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

"IFPC" means Iroquois Falls Power Corp.

"IFPC Board" means the board of directors of IFPC.

"IFPC Notes" means notes of IFPC issued under the IFPC Note Indenture.

"IFPC Note Indenture" means the note indenture dated April 15, 1997 between IFPC and the IFPC Note Indenture Trustee.

"IFPC Note Indenture Trustee" means Computershare Trust Company of Canada.

"IFPC Shares" means shares issued by IFPC.

"IFPC Transfer" means the proposed transfer of the IFPC Shares, IFPC Notes and Facility Equipment by the Fund to NPIF Commercial Trust referenced in Section 3(b) under the heading "Changes to the Fund's Investment Objective and Organizational, Governance and Management Structure".

"KCLP" means Kingston CoGen Limited Partnership.

"KCLP Investment" means the 25% general partner interest in KCLP held indirectly by the Fund.

"Manager" means Iroquois Falls Power Management Inc.

"Management Agreement" means the management agreement made as of April 15, 1997, as amended, between IFPC and the Manager.

"Management Incentive Fee" means the fee payable to the Manager under the Management Agreement equal to 25% of the amount by which annual distributions to Unitholders exceed $0.934 per Unit, less the amount of certain operational incentive fees.

"Meeting" means the annual and special meeting of Unitholders to be held at the TSX Conference Centre, Exchange Tower, 130 King Street West, Toronto, Ontario, on Thursday, May 22, 2003, at 11:00 a.m. Toronto time.

"Ordinary Resolution" means a resolution passed by a majority of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of approving such resolution, or approved in writing by the holders of not less then a majority of the Units entitled to be voted on such resolution.

"Record Date" means April 4, 2003.

"Special Resolution" means a resolution passed by a majority of not less than 66-2/3% of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of approving such resolution, or approved in writing by the holders of not less than 66-2/3% of the Units entitled to be voted on such resolution.

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

"Unanimous Shareholder Agreement" means the unanimous shareholder agreement dated April 15, 1997 amongst the Fund, IFPC and the Manager.

"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 Computershare Trust Company of Canada (the "Fund Trustee") for the Annual and Special Meeting of Unitholders of the Fund to be held at the TSX Conference Centre, Exchange Tower, 130 King Street West, Toronto, Ontario on Thursday, May 22, 2003 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 26, 2003. 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 the election of the nominees of the Fund to the IFPC Board and the reappointment of Ernst & Young LLP as auditors of the Fund and will be voted for or against the Special Resolution, in each case 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 directors of IFPC and the reappointment of Ernst & Young LLP as auditors of the Fund and will be voted for the Special Resolution relating to the proposed changes to the Fund's investment objective and organizational, governance and management structure including amendments to the Fund Trust Indenture and other Fund Documents and the continuance of IFPC as an Ontario corporation.**

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 26, 2003 the Fund had outstanding 37,780,943 Units each of which carries the right to one vote at meetings of the Unitholders.

The IFPC Board has fixed a record date of April 4, 2003 for the purpose of determining Unitholders entitled to receive notice of the Meeting. Only persons registered as Unitholders on the books of the Fund as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting. The failure of any Unitholder to receive notice of the Meeting does not deprive the Unitholder of the right to vote at the Meeting.

Except for the Special Resolution described below, approval of any matter at the Meeting requires a majority of the votes cast at the Meeting on the question. As noted below, approval for the Special Resolution will require a majority of not less than 66 2/3% of the votes cast at the Meeting on the Special Resolution.

VOTING OF UNITS – ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to the public Unitholders of the Fund ("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 names of CDS are held. Therefore, Beneficial Unitholders cannot be recognized at the Meeting for purposes of voting their Units in person or by way of proxy unless they comply with the procedure designated below.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Unitholders in advance of Unitholder's meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Unitholder by its broker is identical to that provided to CDS. However, its purpose is limited to instructing the registered Unitholder how to vote on behalf of the Beneficial Unitholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to 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 26, 2003, all of the Units were registered in the name of CDS & Co., which holds such Units on behalf of the Beneficial Unitholders. To the knowledge of the Manager, no person or corporation owns beneficially, directly or indirectly, more than 10% of the issued Units of the Fund.

ELECTION OF NOMINEES TO THE BOARD OF IFPC

The articles of IFPC provide for a minimum of one and a maximum of ten directors and the present number of directors is five. Pursuant to the Unanimous Shareholder Agreement, the Fund agreed that the number of directors of IFPC would be five. Two of the directors are nominees of the Manager. The Manager has nominated Mr. Temerty and Mr. Gloutney. Three of the directors are nominees of the Fund and must be independent of the Manager and those directors independent of the Manager are currently Messrs. Moysey, Rounthwaite and Turner. The Fund Trust Indenture which governs the Fund provides that the nominees to the IFPC Board are to be selected by the Fund and elected by the Unitholders. In accordance with the Fund Trust Indenture, the directors of IFPC who are currently nominees of the Fund have nominated Messrs. Moysey, Rounthwaite and Turner to be the nominees of the Fund to be elected to the IFPC Board. It is proposed that each of the persons whose names appear below be elected as a director of IFPC to serve until the close of the next annual meeting of IFPC or until his successor is elected or appointed. Units represented by proxies in favour of the individuals named in the enclosed form of proxy will be voted in favour of the election of Messrs. Moysey, Rounthwaite and Turner as the nominees of the Fund as directors of IFPC, unless a Unitholder has specified in his or her proxy that his or her Units are to be withheld from voting in the election of directors. The Manager does not contemplate that any of the said nominees will be unable to serve as a director, but should that occur prior to the Meeting, the persons named in the enclosed form of proxy will vote for another nominee of the current independent directors of IFPC in their discretion.

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

Name and Municipality of Residence	Positions and Offices held with IFPC	Principal Occupation	Year Became Director	Number of Units Beneficially Owned Directly or Indirectly(1)
James C. Temerty(3) Toronto, Ontario	President and Director	President of Northland Power Inc. (the parent company of the Manager) and its predecessor	1997	1,515,900(4)
Pierre R. Gloutney(2),(3) Terrasse Vaudreuil, Quebec	Director	Chairman, President and Chief Executive Officer, Refco Futures (Canada) Ltd.	1997	11,205
A. Warren Moysey(2) Toronto, Ontario	Director	Director and Chairman of CGU Canada Ltd.	1997	10,000
F. David Rounthwaite(2) Toronto, Ontario	Director	Partner, McCarthy Tetrault LLP (law firm)	1997	500
The Right Honourable John N. Turner(2), **Q.C.** Toronto, Ontario	Director	Partner, Miller Thomson LLP (law firm)	1997	NIL

Notes: 1) This information, not being within the knowledge of the Manager, has been furnished by the respective directors individually.
2) Member of the Audit Committee of IFPC.
3) Nominee of the Manager.
4) Of these 1,515,900 Units, 736,600 Units are held directly and indirectly by Mr. Temerty, 74,500 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.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS OF IFPC

In 2002, directors of IFPC received an annual fee of $15,000 per director plus $1,000 in respect of each directors' meeting attended in person or $250 by telephone and $500 for each committee meeting attended in person or by telephone. The chair of the Audit Committee received an additional $3,000 for serving in that capacity. All directors have been reimbursed for their respective out-of-pocket expenses in relation to their attendance at directors' and committee meetings. Directors of IFPC, in such capacity, received no other compensation from the Fund or IFPC.

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

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS OF IFPC

The directors and executive officers of IFPC and the Manager and their associates did not have any indebtedness to the Fund or IFPC in respect of the financial year ended December 31, 2002. Neither the Fund nor IFPC has guaranteed any indebtedness of any such persons.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

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

The Manager manages all aspects of the operation, maintenance, management, gas supply management and electricity sales of the Iroquois Falls Cogeneration Facility (the "Facility"), owned by the Fund and leased to IFPC, pursuant to the Management Agreement. Pursuant to the 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 IFPC Board.

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

As a result of the provisions of the Unanimous Shareholder Agreement and the Fund Trust Indenture, the TSX Guidelines which require that a committee be appointed to propose new nominees are inapplicable unless a nominee to the IFPC Board previously confirmed by Unitholders should resign. There are no formal education programs for new directors but there have been no new directors since the Fund was established. The Manager provides such orientation and information as individual directors may request. As the Unanimous Shareholder Agreement provides for a board of directors for IFPC of five members, the TSX Guidelines requiring that boards of directors consider a reduction in their size are inapplicable.

In view of the size of the IFPC Board and the provisions of the Administration Agreement and Management Agreement which establish the role of the Manager as manager of the Facility, administrator of the Fund and IFPC and delegate of the Fund Trustee, the IFPC Board has not established a separate committee for corporate governance, assessment of the effectiveness of the IFPC Board or compensation as these matters are dealt with by the entire IFPC Board. The IFPC Board has established an Audit Committee composed of Messrs. Gloutney, Moysey, Turner and Rounthwaite, all of whom are unrelated to the Manager, which is consistent with the TSX Guidelines. The Audit Committee of IFPC meets with the Manager to discuss internal controls, financial reporting issues and auditing matters related to IFPC. The IFPC Board has adopted an Audit Committee Charter which sets out terms of reference for the Audit Committee consistent with the TSX Guidelines.

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

There are no directors of the Fund itself and management and administration of the Fund is performed by the Manager as the delegate of the Fund Trustee under the Fund Trust Indenture and the Administration Agreement. The IFPC Board advises the Manager in respect of certain of the Manager's functions in relation to the Fund. The Fund Trust Indenture requires Unitholder approval before any fundamental change can be made in the business of the Fund or in the structure of the Fund or IFPC. Unitholder approval is also required before any change is made to the rights of the Unitholders. (See proposed changes set out below under heading "Changes to the Fund's Investment Objective and Organizational, Governance and Management Structure".)

AUDITORS

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

MANAGEMENT AND ADMINISTRATION AGREEMENTS

In consideration for the services provided by the Manager under the Management Agreement, IFPC has agreed to pay to the Manager a monthly fee of 1/12 of $460,000 adjusted annually with changes to the Consumer Price Index and certain incentive fees if applicable. During the period from January 1, 2002 to December 31, 2002, IFPC paid the Manager a total of $504,000 for the services provided under the Management Agreement and has accrued an operation-related incentive fee of $1,118,000. During the year ended December 31, 2002, the Manager also earned $368,000 related to the acquisition of the KCLP Investment. The Manager's address is 30 St. Clair Avenue West, 17th Floor, Toronto, Ontario, M4V 3A2. No compensation is presently payable to the Manager under the Administration Agreement. (See proposed changes set out below under heading "Changes to the Fund's Investment Objective and Organizational, Governance and Management Structure".)

CHANGES TO THE FUND'S INVESTMENT OBJECTIVE AND ORGANIZATIONAL, GOVERNANCE AND MANAGEMENT STRUCTURE

The acquisition by the Fund of the KCLP Investment in December 2002 marked the first step in the transition of the Fund from a single-purpose entity owning only an investment in the Iroquois Falls cogeneration facility to an entity with diversified investments in revenue producing energy-related assets and businesses.

As a result, the Manager and the IFPC Board are proposing that the Unitholders consider and, if thought advisable, pass the Special Resolution set out in Schedule "A" authorizing certain changes to the Fund's investment objective and organizational, governance and management structure including amendments to the Fund Trust Indenture and other Fund Documents and the continuance of IFPC as an Ontario corporation.

1. RATIONALE FOR PROPOSED CHANGES

A) THE CANADIAN INCOME FUND MARKET

Since the Fund was established in 1997, the income fund market in Canada has grown substantially. At present there are over 100 Canadian income funds with a combined market capitalization in excess of $50 billion. The number and diversity of income funds in Canada have significantly increased in recent years and the overwhelming majority of initial public offerings in Canada in 2002 were made by income funds. Income funds have been used to invest in a broad spectrum of business activities including real estate, natural resources, manufacturing, pipelines, telecommunications and power. The Fund was one of the first power sector funds; there are now 8 power funds with a combined market capitalization of over $4 billion.

As the income fund market has grown, investor expectations have changed, and income funds are now expected to seek to mitigate risk through diversification and enhance growth through acquisitions. Diversification of income fund holdings is also considered an effective means to provide stability of cash flows. In the power sector, the majority of income funds are now based on a portfolio of investments representing different power technologies, regulatory regimes and geographic location.

Income funds established in recent years have adopted organizational and governance arrangements which are responsive to a growth and diversification strategy. One such development is the implementation of governance and management structures which place fewer restrictions on the activities that may be undertaken and powers that may be exercised without Unitholder consent, and place greater reliance on, and provide broader authority to, the management and central governing body of the income fund (whether a board of directors or board of trustees) to manage and direct the management of the affairs of the income fund and to protect the interests of Unitholders.

B) CHANGES TO FUND STRUCTURE AND DOCUMENTATION

In light of these changes in the Canadian income fund market, and to facilitate the transition of the Fund from a single-purpose entity to an entity with diversified investments, the Manager and IFPC Board are proposing the changes below to provide a broad investment objective for the Fund and broader powers to achieve this objective.

2. THE FUND'S NEW INVESTMENT OBJECTIVE

To recognize the Fund's objective of becoming an entity with diversified investments in revenue producing energy-related assets and businesses, it is proposed that the Fund Trust Indenture be amended to state the new investment objective of the Fund, which is as follows:

> *The Fund's investment objective is to produce stable and sustainable levels of cash available for distribution to Unitholders from assets, businesses, acquisitions and investments related to the generation, production, conversion, transmission, distribution, purchase and sale of electricity and other forms of energy, energy-related products and fuels.*

This investment objective is intentionally broadly stated. A growth and diversification strategy requires that the management and central governing body have the authority and flexibility to make decisions in the interests of Unitholders, but without the need to seek Unitholder approval for specific transactions. The foregoing statement of the Fund's investment objective will replace the existing restrictions on the Fund's activities set forth in Section 5.1 of the Fund Trust Indenture and the existing definition of permitted acquisition.

3. REORGANIZATION OF THE FUND'S STRUCTURE AND GOVERNANCE

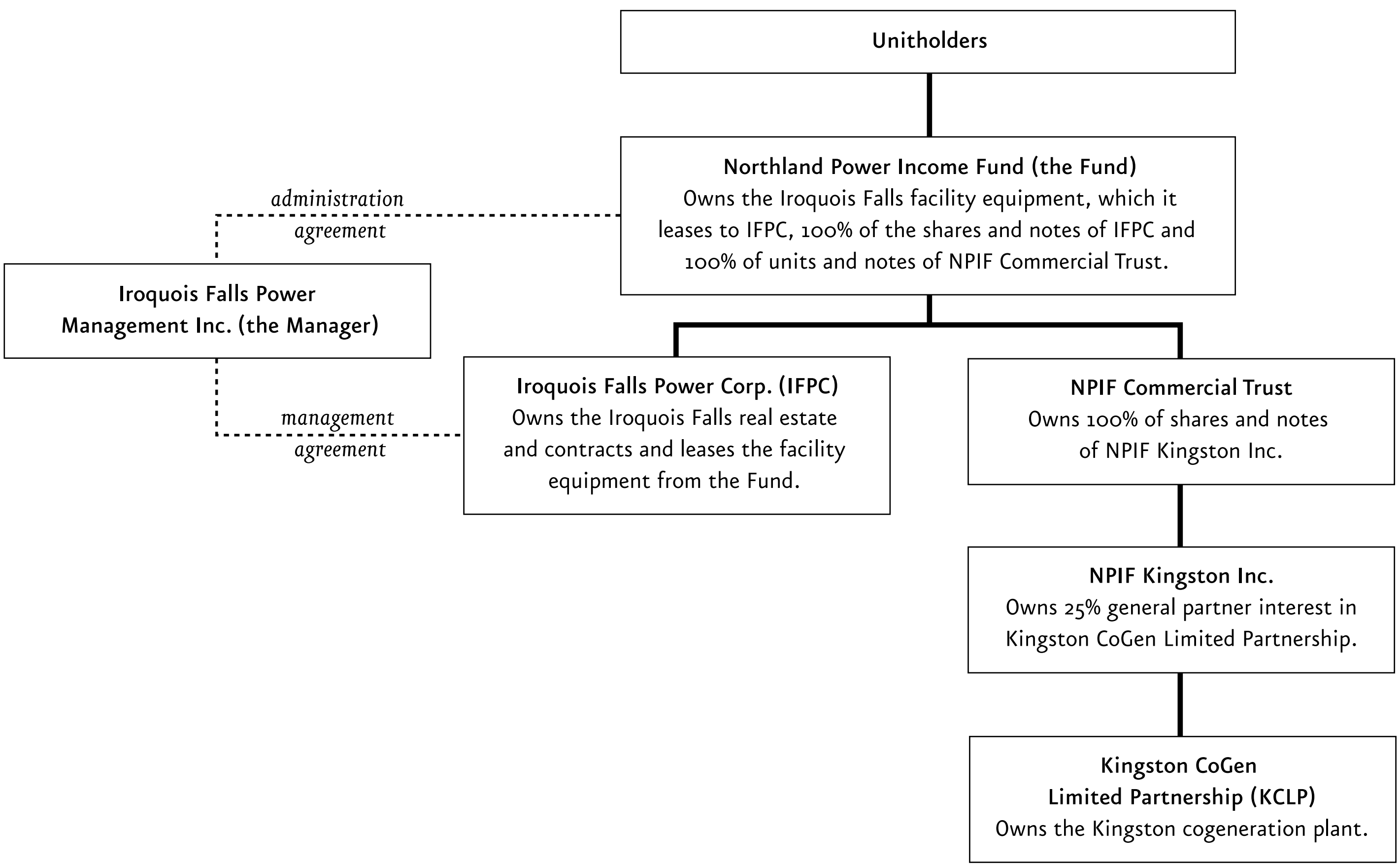
A) EXISTING FUND STRUCTURE

When the Fund was established in 1997, it was one of the first income trusts established for the purpose of investing in operating business assets (as opposed to being a royalty trust). Consistent with market conditions and expectations at the time, the Fund was conceived as a single-purpose entity whose principal asset would be the Iroquois Falls facility. The Fund's organizational, governance and management structure reflected the Fund's single purpose nature and the Fund Trust Indenture and other Fund Documents restricted the Fund to the ownership of the Iroquois Falls facility, imposed limitations on activities of the Fund and IFPC such as making acquisitions, exercising borrowing powers and issuing additional Units, and prohibited amendments to the Management Agreement, the Administration Agreement, the Unanimous Shareholder Agreement and the constating documents of IFPC, without the approval of Unitholders.

Since the Fund's establishment, the Fund Trust Indenture has been amended, with the required Unitholder approval, to permit acquisitions of additional energy-related assets and businesses in conformity with specified acquisition guidelines, and to loosen the restrictions on the exercise of borrowing powers and the power to issue additional Units and other securities. The KCLP Investment was the first acquisition made by the Fund under these acquisition guidelines.

The acquisition of the KCLP Investment was made through a commercial trust known as NPIF Commercial Trust, established pursuant to the CT Trust Indenture. NPIF Commercial Trust is wholly-owned by the Fund. The commercial trust structure is a structure commonly utilized in income trusts established in recent years. The structure enables the Fund to achieve certain tax efficiencies and provides flexibility in undertaking further acquisitions. It is likely that any future acquisitions by the Fund will be made through NPIF Commercial Trust.

The current organizational structure of the Fund following the acquisition of the KCLP Investment is as follows:



B) TRANSFER OF IFPC SHARES, IFPC NOTES AND FACILITY EQUIPMENT TO NPIF COMMERCIAL TRUST

It is proposed that the outstanding IFPC Shares and IFPC Notes and the Facility Equipment be transferred by the Fund to NPIF Commercial Trust (the transfer of the IFPC Shares, IFPC Notes and Facility Equipment to NPIF Commercial Trust are collectively referred to as the "IFPC Transfer"). The Facility Equipment is presently owned by the Fund and leased to IFPC pursuant to the Facility Equipment Lease Agreement.

i) Advantages

The principal reason for the IFPC Transfer is to create a linear ownership structure of the Fund's assets, so that each of the Fund's operating investments is owned, directly or indirectly, by NPIF Commercial Trust. The IFPC Transfer will centralize governance oversight of each of the Fund's investments in a board of trustees of NPIF Commercial Trust which will have authority to establish, approve and monitor policy for all of the Fund's investments. The establishment and role of a board of trustees of NPIF Commercial Trust is discussed further below under the sub-heading "Central Governance Authority".

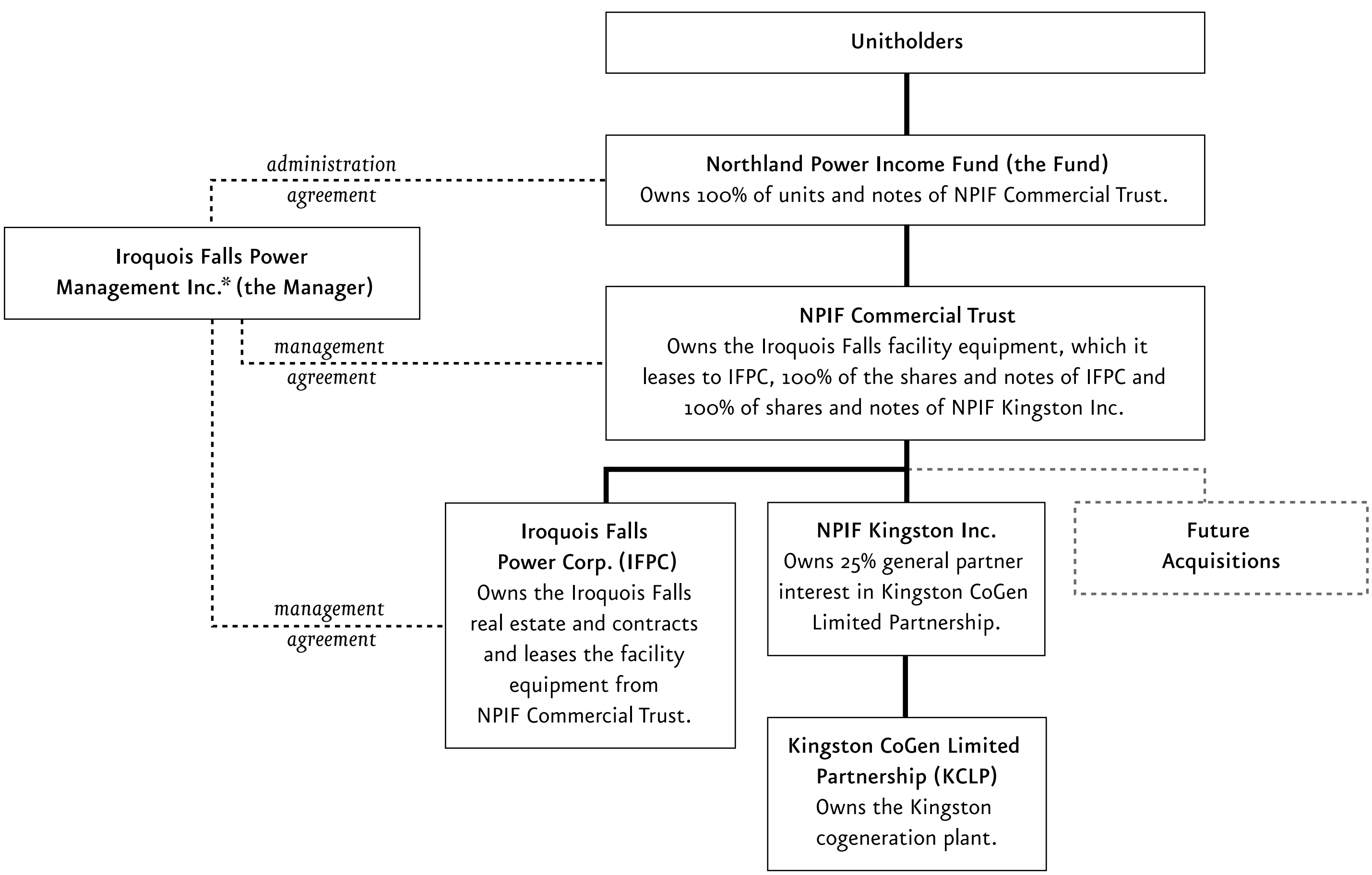
The linear ownership structure will also simplify the Fund's *in specie* redemption mechanism as described in further detail below under the heading "*In Specie* Redemptions".

ii) Advance Tax Ruling

The Manager has requested an advance tax ruling from CCRA to confirm that the IFPC Transfer can be effected on a tax deferred basis. The advance ruling request is currently being considered by CCRA and a definitive response is expected shortly, perhaps even before the Meeting. The IFPC Transfer is contingent upon receiving a favourable ruling from CCRA. If a favourable ruling is not received, the IFPC Transfer will not be made, which will necessitate some changes in the proposed organizational, governance and management structure, as discussed in further detail below under the heading "Failure to Obtain Favourable Tax Ruling".

iii) Proposed Fund Structure

If the IFPC Transfer is completed, the Fund's organizational structure will be as follows:



*** The Manager intends to change its name after the Meeting from Iroquois Falls Power Management Inc. to Northland Power Income Fund Management Inc.**

C) CHANGES IN GOVERNANCE

i) Introduction

The governance structure of the Fund will be changed to accommodate the new organizational structure resulting from the IFPC Transfer and the establishment of NPIF Commercial Trust as the principal acquisition and investment vehicle for the Fund and to provide for other changes to internal governance matters. The objective will be to provide broader powers to the CT Board of Trustees, which will replace the IFPC Board as the central governing body, to determine the activities that may be undertaken by the Fund consistent with its status as an owner of diversified investments in energy-related assets and businesses and its mandate for growth and diversification. The Fund Documents will be amended to define specifically the matters which will require approvals from the Unitholders, whether by Special Resolution or Ordinary Resolution. The purpose of these changes is to ensure that the CT Board of Trustees is not unduly fettered in its ability to direct the management of the Fund's investments, while protecting the interests of Unitholders.

ii) Central Governance Authority

The central governance role for the Fund will be performed by the CT Board of Trustees which will have authority to establish, approve and monitor policy for all of the Fund's investments and to direct the management of all of the Fund's assets. Initially, the CT Board of Trustees will be comprised of five individuals, three of whom will be independent trustees elected by Unitholders, and two of whom will be appointed by the Manager. The trustees will be appointed for one year terms beginning on the date of each annual meeting of Unitholders. The individuals who are elected as directors of IFPC at the Meeting will be appointed as trustees of NPIF Commercial Trust, to serve as the first trustees until the next annual meeting of Unitholders. The CT Board of Trustees will have the duty to act honestly, in good faith with a view to the best interests of the Unitholders and to exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The governance structure will include the appointment of an audit committee of the CT Board of Trustees and provision will be made for the appointment of other committees as required. The accounting firm which is appointed as auditor of the Fund at the Meeting will be appointed as the first auditor of NPIF Commercial Trust, to serve until the next annual meeting of Unitholders.

Upon the establishment of the CT Board of Trustees, the IFPC Board will cease to perform the central governance function in the Fund structure, and will be replaced in that role by the CT Board of Trustees.

iii) Powers of Trustees

The powers that may be exercised by the Fund Trustee and CT Board of Trustees will be broadened in a manner consistent with the Fund's investment objective as an owner of diversified investments in energy-related assets and its mandate for growth and diversification. The Fund Trust Indenture and CT Trust Indenture will be amended to clarify and confirm that the Fund Trustee and CT Board of Trustees have all of the powers of a natural person to carry out their respective roles without further authorization from the Unitholders, subject to the limitations set out in the Fund Trust Indenture and CT Trust Indenture and to the rights reserved to the Unitholders to approve specified matters. In particular, the Fund Trust Indenture and CT Trust Indenture will provide that the CT Board of Trustees have the power, without the approval of Unitholders, to authorize the Fund and/or NPIF Commercial Trust to make acquisitions, to exercise borrowing powers, to dispose of investments, to issue additional Units and other securities of the Fund, to amend the Management Agreement, the Administration Agreement, the Unanimous Shareholder Agreement and the constating documents of IFPC, and to enter into new agreements and arrangements with the Manager.

iv) Acquisitions

The CT Board of Trustees will have the power to approve acquisitions on behalf of the Fund that are consistent with its investment objective, provided that the acquisition conforms with the acquisition guidelines set out below. The range of assets which the Fund may now acquire includes (i) property associated with the generation, transmission, or distribution of electricity and other forms of energy, (ii) revenues and/or contracts related to the provision of services and/or products in connection with the generation, transmission or distribution of electricity or other forms of energy, (iii) interests in reserves of natural gas or the production of natural gas facilities, and (iv) products, services or rights of any kind relating to any of the foregoing. The Fund Trust Indenture will be amended to delete these specific permitted acquisitions and to authorize the CT Board of Trustees to make acquisitions which are consistent with the Fund's investment objective.

The existing Fund acquisition guidelines will be amended and limited to the following:

A. An acquisition or investment must conform to the Fund's investment objective, be recommended by the Manager and be reviewed and approved by the CT Board of Trustees.

B. An acquisition or investment must reasonably be expected to result in an increase in Distributable Cash Flow per Unit or to otherwise provide value to Unitholders. If the acquisition or investment involves construction, rehabilitation or development, the increase in Distributable Cash Flow per Unit or value to Unitholders may be deferred until completion of the construction, rehabilitation or development.

C. An acquisition or investment will not result in the Fund losing its status as either a "unit trust" or a "mutual fund trust" or holding excess "foreign property" under the Tax Act.

The amended acquisition guidelines are intended to be less rigid in prescribing the criteria that must be taken into account by the CT Board of Trustees in assessing a prospective acquisition and to provide broader authority and flexibility to the CT Board of Trustees to evaluate each prospective acquisition on a case by case basis taking into account the facts and circumstances of each case, within the confines of these broader acquisition guidelines.

v) Matters Requiring Unitholder Approvals

1. Ordinary Resolution of Unitholders

The Fund Trust Indenture will provide that the following matters require the approval of Unitholders by Ordinary Resolution:

A. any matter which under applicable law (including policies of Canadian securities commissions) or applicable stock exchange rules requires the approval of the holders of Units by ordinary resolution as defined or described therein in the jurisdictions in which the Fund is a reporting issuer (or equivalent) and in accordance with the rules of the exchanges where the Units are listed for trading, respectively;

B. the replacement of the Fund Trustee and the election of the three independent members of the CT Board of Trustees;

C. appointment of the auditors of the Fund and NPIF Commercial Trust;

in each case subject to customary exceptions set out in the Fund Trust Indenture and CT Trust Indenture.

2. Special Resolution of Unitholders

The Fund Trust Indenture will provide that the following matters require the approval of Unitholders by Special Resolution:

A. any matter which under applicable law (including policies of Canadian securities commissions) or applicable stock exchange rules requires the approval of the holders of Units by special resolution or super-majority as defined or described therein, in the jurisdictions in which the Fund is a reporting issuer (or equivalent) and the exchanges where the Units are listed for trading, respectively;

B. a change of the Manager (other than to an affiliate of the Manager);

C. amendments to the Fund Trust Indenture or the CT Trust Indenture;

D. the sale, lease or exchange of all or substantially all of the property of the Fund or NPIF Commercial Trust other than in the ordinary course of business or in connection with an internal reorganization or sale-leaseback transaction;

E. the termination, liquidation or winding up of the Fund or NPIF Commercial Trust other than in connection with an internal reorganization;

F. the combination, merger or similar transaction of the Fund or NPIF Commercial Trust with any other person, other than in connection with an internal reorganization, if following such transaction the holders of equity interests in such person or the entity resulting from such combination or merger or other transaction would exceed 25 percent of the outstanding Units or other securities resulting from such combination, merger or other transaction;

in each case, subject to customary exceptions set out in the Fund Trust Indenture and CT Trust Indenture.

Except for the foregoing matters, the powers of the Fund and NPIF Commercial Trust may be exercised by the Fund Trustee or the CT Board of Trustees, as the case may be, (or as delegated or directed by the respective trustees) without the need for further authorization or approval from Unitholders.

vi) Specific Matters Requiring the Approval of the CT Board of Trustees

The Fund Trust Indenture will provide that, among other things, the following actions may not be taken without the approval of the CT Board of Trustees:

A. a material change to any administration or management agreement with the Manager including any extension of any such agreement or any increase in fees or other amounts payable thereunder by the Fund or any affiliate thereof; and

B. the terms of any agreement entered into by the Fund or any of its affiliates with the Manager or any of its affiliates.

D) *IN SPECIE* REDEMPTIONS

In circumstances in which the Fund is required to make a redemption of outstanding Units through an *in specie* distribution of Fund property (as opposed to a cash redemption), the Fund Trust Indenture currently provides for the redemption price being satisfied by the distribution to a redeeming Unitholder of a combination of IFPC Shares and IFPC Notes. If the IFPC Transfer is completed, the *in specie* redemption provisions will be amended to provide for the distribution of CT Notes to a redeeming Unitholder in satisfaction of the redemption price, instead of IFPC Shares and IFPC Notes.

Because of the possibility under the existing structure that IFPC Notes could be held directly by Unitholders in the event of an *in specie* redemption of Units under the Fund Trust Indenture, the IFPC Notes were issued pursuant to the IFPC Note Indenture, under which the IFPC Note Indenture Trustee acts as trustee for holders of IFPC Notes. If the IFPC Notes are transferred to NPIF Commercial Trust and the *in specie* redemption mechanism in the Fund Trust Indenture is amended as noted, the IFPC Notes will not be utilized for purposes of making *in specie* redemptions of Units, and it will therefore not be necessary that the IFPC Notes be issued and held under a note indenture. If the IFPC Notes are transferred to NPIF Commercial Trust, the IFPC Notes and IFPC Note Indenture will be amended to provide for the IFPC Notes to be held directly by NPIF Commercial Trust, and Computershare Trust Company of Canada will resign as IFPC Note Indenture Trustee.

E) DISTRIBUTIONS TO UNITHOLDERS

The Fund Trust Indenture will be amended to clarify that proceeds of borrowings by the Fund and proceeds of issuance of Units and other securities by the Fund will not be included in the calculation of Distributable Cash Flow, and that the calculation of Distributable Cash Flow will be net of any required payments on account of indebtedness of the Fund. In addition, there will be minor amendments to the provisions of the Fund Trust Indenture dealing with the determination of net income and distributions to the Unitholders in order to clarify and confirm provisions dealing with tax matters.

None of these, or other amendments to the Fund Trust Indenture, will affect cash distributions by the Fund to Unitholders or the Fund's distribution reinvestment plan.

F) MANAGEMENT AND ADMINISTRATION AGREEMENTS

The Manager will continue to provide administrative services to the Fund under the Administration Agreement and will continue to provide operating and management services to IFPC pursuant to the Management Agreement. The Manager intends to change its name after the Meeting from Iroquois Falls Power Management Inc. to Northland Power Income Fund Management Inc.

i) Amendment to Termination Provisions of Management Agreement

The term of the Management Agreement currently extends until December 31, 2021, but may be terminated by IFPC at any time after April 15, 2002 by giving 180 days prior written notice to the Manager. This termination right was originally provided to allow IFPC to assess the performance of the Manager over the initial five-year term in the context of the as yet undeveloped income fund market. A unilateral right by a fund to terminate its arrangement with its manager without cause before the end of the term, while deemed appropriate at the time the Fund was established in 1997, is not the market practice today. The majority of power income funds have management agreements with initial terms of 10 or 20 years, in many cases with provisions for automatic renewals. The Manager believes that amending the termination provisions of the Management Agreement will provide it with greater certainty concerning its ongoing role with the Fund. The Manager has requested that the Management Agreement be amended to delete this right to terminate without cause to conform to current market practice and provide additional incentive to the Manager to continue to make long-term commitments in connection with its management of IFPC. The term and termination provisions of the Management Agreement will then be similar to the terms of the proposed new management agreement between the Manager and NPIF Commercial Trust described below.

The existence of long-term management arrangements, and the certainty it provides, is intended to create long-term management stability for the Fund. The IFPC Board is satisfied with the performance of the Manager since the inception of the Fund. The IFPC Board has considered the matter of internalization of management, which a number of other income funds and royalty trusts have undertaken. The IFPC Board has concluded that the Manager (i) can provide the range of expertise required for managing the activities of the Fund more economically than internal management because the parent company of the Manager provides similar services in respect to other power projects and (ii) has the skill and know-how to assess potential acquisitions based upon the experience and knowledge of its parent company as a developer of other power projects. The Management Agreement does not contain any provisions giving the Manager special rights in the event that the Fund decides at some time in the future to internalize management.

The proposed deletion of this unilateral right by IFPC to terminate the Management Agreement without cause will not affect the rights of IFPC to terminate the Management Agreement for cause, for instance as a result of a default by or insolvency of the Manager.

ii) Amendment to Move Obligation to Pay Management Incentive Fee to Administration Agreement from Management Agreement

The Management Agreement currently provides for payment by IFPC, in addition to the base management fees and gas and electricity incentive fees, of a management incentive fee (the "Management Incentive Fee") equal to 25% of the amount by which annual distributions to Unitholders exceed $0.934 per Unit, less the amount of certain operational incentive fees. It is proposed that the Management Agreement and Administration Agreement be amended to provide that the Management Incentive Fee be paid on the existing basis by the Fund under the Administration Agreement instead of by IFPC.

iii) Consequential Amendments

In addition to the specific amendments described above, all consequential amendments to the Management Agreement and the Administration Agreement which are required to implement the changes in the Fund's organizational and governance structure as contemplated by the Special Resolution, will be effected with the authorization of the CT Board of Trustees.

G) NEW MANAGEMENT AGREEMENT BETWEEN THE MANAGER AND NPIF COMMERCIAL TRUST

A new management agreement will be entered into between the Manager and NPIF Commercial Trust, pursuant to which the Manager will provide administrative services to, and manage the investments of, NPIF Commercial Trust. The agreement will have a term ending on December 31, 2021. The fee payable to the Manager for managing the KCLP Investment will be $60,000 per annum, which will be adjusted annually with changes to the Consumer Price Index. The management agreement between NPIF Commercial Trust and the Manager will contemplate that additional fees will be paid to manage additional investments as they are acquired. The terms of the new management agreement, and payment of additional fees to manage additional investments, will be subject to the approval of the CT Board of Trustees.

H) CT TRUST INDENTURE AND NOTE INDENTURE

The CT Trust Indenture will be amended to make provision for the proposed organizational, governance and management structure described herein. A note indenture ("CT Note Indenture") will be entered into by NPIF Commercial Trust with an institutional trust company which will provide for the terms and conditions attaching to the CT Notes issued by NPIF Commercial Trust to the Fund. These amendments will include the amendment of the existing note issued by NPIF Commercial Trust to the Fund (the proceeds of which were utilized to finance the acquisition of the KCLP Investment) as a CT Note issued under the CT Note Indenture, and provisions for the issuance of additional CT Notes to the Fund for the purpose of (i) evidencing additional advances made by the Fund to NPIF Commercial Trust, (ii) making distributions to the Fund or redeeming units of NPIF Commercial Trust held by the Fund, or (iii) in connection with *in specie* redemptions of Units.

I) CONTINUANCE OF IFPC AS AN ONTARIO CORPORATION

IFPC was originally incorporated under the laws of New Brunswick. New Brunswick was chosen as the jurisdiction of incorporation because, at that time, the laws of New Brunswick regarding the giving of financial assistance by a subsidiary to its parent were less restrictive than the laws of Ontario. The laws of Ontario have since been changed, and it is no longer necessary that IFPC be a New Brunswick corporation. Accordingly, it is proposed to continue IFPC as an Ontario corporation.

Upon its continuance into Ontario, the restrictions in the constating documents of IFPC on its business, powers and activities (including restrictions on amending its constating documents) will be deleted, consistent with the objectives of removing the limitations that had restricted the Fund to a single purpose and providing greater authority and flexibility to the CT Board of Trustees in managing the Fund's investments. Also consistent with this objective, the Fund Trust Indenture will be amended to delete the restrictions on transactions involving IFPC (including the restrictions on dispositions of assets, issuance of securities and reorganizations) and on amendments to the constating documents of IFPC without the approval of Unitholders. Upon its continuance as an Ontario corporation, new by-laws for IFPC will be adopted in a form approved by the CT Board of Trustees.

Upon the establishment of the CT Board of Trustees, the existing directors of IFPC will resign in favour of one or more directors appointed by the CT Board of Trustees. The provisions of the Unanimous Shareholder Agreement which provide for the composition of the board of directors of IFPC will be amended. If the IFPC Shares are transferred by the Fund to NPIF Commercial Trust, NPIF Commercial Trust will be substituted as a party to the Unanimous Shareholder Agreement in place of the Fund, all on terms approved by the CT Board of Trustees.

J) FAILURE TO OBTAIN FAVOURABLE TAX RULING

If a favourable advance tax ruling is not obtained from CCRA confirming that the IFPC Transfer to NPIF Commercial Trust can be completed on a tax deferred basis, the IFPC Transfer will not be completed, and the proposed organizational, governance and management structure will be amended to provide for:

A. amendments to the Unanimous Shareholder Agreement to include NPIF Commercial Trust as a party and to provide for governance oversight of the affairs of IFPC by the CT Board of Trustees;

B. amendments to the *in specie* redemption provisions of the Fund Trust Indenture to provide for the distribution to a redeeming Unitholder of a combination of IFPC Notes and IFPC Shares and CT Notes upon an *in specie* redemption of Units by the Fund; and

C. the IFPC Notes will continue to be held by the Fund under the terms of the IFPC Note Indenture and Computershare Trust Company of Canada will continue as IFPC Note Indenture Trustee.

Additional changes to the Fund Documents will be required which will be subject to the approval of the CT Board of Trustees. If a favourable tax ruling is obtained with respect to the transfer of the IFPC Shares and IFPC Notes, but not the Facility Equipment, the transfer of the IFPC Shares and IFPC Notes will still be completed. The Facility Equipment will not be transferred but will continue to be owned by the Fund and changes to the proposed structure and documentation will be made as approved by the CT Board of Trustees.

4. IMPLEMENTATION OF PROPOSED CHANGES

The proposed changes to the Fund's organizational, governance and management structure will be implemented through amendments to the Fund Documents and through additional documentation required to implement the structure including the CT Note Indenture and a new management agreement between NPIF Commercial Trust and the Manager.

The most significant changes and amendments to the Fund Trust Indenture and other Fund Documents are described in the foregoing sections of this Management Information Circular. By way of summary only, the principal changes to the Fund Trust Indenture can be summarized as follows:

- replacing the restrictions on the Fund's activities with the Fund's new investment objective,
- changes resulting from the Fund's new organizational structure following the IFPC Transfer and establishment of NPIF Commercial Trust,
- replacing the IFPC Board with the CT Board of Trustees as the central governing body of the Fund,
- amending the Fund's acquisition guidelines,
- deleting the restrictions which require Unitholder approvals for the Fund or IFPC to exercise borrowing powers, dispose of investments and assets, issue additional Units and securities of the Fund and IFPC, amend the Management Agreement, Administration Agreement, Unanimous Shareholder Agreement and constating documents of IFPC, and enter into new a greements with the Manager,
- broadening the powers of the Fund Trustee and CT Board of Trustees to perform their roles without further authorization from the Unitholders, subject to the limitations set out in the Fund Trust Indenture and CT Trust Indenture and to the rights reserved to the Unitholders to approve specified matters,
- redefining the matters which require the approval of Unitholders by Special Resolution or Ordinary Resolution,

all as further described above. Additional amendments to the Fund Trust Indenture and other Fund Documents will be made as approved by the IFPC Board or, following its establishment, the CT Board of Trustees.

Drafts of the principal documents required to implement the changes to the Fund Documents will be available for inspection by Unitholders after May 5, 2003 by contacting Barbara Bokla, Control Manager, at info@NPIFund.com, 416-962-6262, ext. 156.

The estimated costs to the Fund for implementing the proposed restructuring and amendments is approximately $300,000, which costs are included in the budgeted transaction costs for the acquisition of the KCLP Investment.

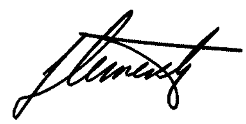
The Manager and the IFPC Board are requesting that the Unitholders approve the Special Resolution attached as Schedule “A”. In order to be adopted, the Special Resolution will require a majority of not less than 66-2/3% of the votes cast on the Special Resolution at the Meeting.

In addition to approval by the Unitholders by Special Resolution, certain of the changes described above require the approval of the lenders to the Fund and IFPC and the Manager will be seeking such approvals. The implementation of these changes is conditional upon receiving these approvals. The changes will be implemented and will become effective following receipt of all approvals.

DIRECTORS APPROVAL

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

DATED at Toronto, Ontario, this 26th day of March, 2003.



James C. Temerty
President
Iroquois Falls Power Management Inc.

IROQUOIS FALLS POWER MANAGEMENT INC.
30 St. Clair Avenue West, 17th Floor, Toronto, Ontario
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NORTHLAND POWER
INCOME FUND

SCHEDULE "A" –
SPECIAL RESOLUTION REGARDING CHANGES TO THE FUND'S INVESTMENT OBJECTIVE AND ORGANIZATIONAL, GOVERNANCE AND MANAGEMENT STRUCTURE

RESOLVED as a special resolution of the Unitholders of Northland Power Income Fund that:

1. Terms which are defined in the Management Information Circular of Northland Power Income Fund (the "Fund") dated March 26, 2003 ("the Management Information Circular") have the same meaning when used herein.
2. The changes to the Fund's investment objective and organizational, governance and management structure, amendments to the Fund Trust Indenture and other Fund Documents and related transactions outlined in the Management Information Circular, and ancillary and other changes and amendments to the Fund Trust Indenture and other Fund Documents and all other transactions approved by the IFPC Board or, following its establishment, the CT Board of Trustees, all on terms and conditions approved by the IFPC Board or, following its establishment, the CT Board of Trustees, be and are hereby authorized and approved.
3. The continuance of IFPC as an Ontario corporation, and the amendment of the constating documents of IFPC to delete the restrictions on its business, powers and activities including restrictions on amending its constating documents, all on terms and conditions approved by the IFPC Board or, following its establishment, the CT Board of Trustees, be and is hereby authorized and approved.
4. The Fund, IFPC, the Manager and NPIF Commercial Trust be and are hereby authorized to execute and deliver all such documents, and to do all such acts and things, as are approved by the IFPC Board or, following its establishment, the CT Board of Trustees to give effect to or implement the transactions referred to in the preceding paragraphs.
5. The approvals by the IFPC Board or CT Board of Trustees referred to in the preceding paragraphs shall be conclusively evidenced by resolutions adopted by the IFPC Board or CT Board of Trustees, as the case may be.

NORTHLAND POWER
INCOME FUND

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