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northlandpower.ca

MANAGEMENT INFORMATION CIRCULAR – APRIL 20, 2012

TABLE OF CONTENTS

INTRODUCTION

This Management Information Circular is furnished in connection with the solicitation of proxies by or on behalf of the Board of Directors for the Annual Meeting of Shareholders of Northland Power Inc. **(the "Corporation")** to be held at the TSX Conference Centre, Exchange Tower, 130 King Street West, Toronto, Ontario, on May 24, 2012 at 11:00 a.m. (Toronto time). Except where otherwise indicated, this Management Information Circular contains information as of the close of business on April 10, 2012. The solicitation will be made primarily by mail, supplemented possibly by telephone or other personal contact by regular employees of the Corporation or its Subsidiaries. The cost of the solicitation will be borne by the Corporation.

The accompanying form of proxy is for use at the Meeting and at any adjournment or postponement thereof and for the purposes set forth in the accompanying Notice of Meeting.

All capitalized terms used in this Management Information Circular but not otherwise defined herein shall have the meanings set forth under the heading "Glossary of Terms" which follows at page 23.

In this Management Information Circular, any references to **"Corporation"** or **"Northland"** refer to Northland Power Inc. and when used in a historical context prior to the Arrangement on January 1, 2011 refer to Northland Power Income Fund.

GENERAL PROXY MATTERS

Appointment, Time for Deposit and Revocability of Proxy

The persons named in the enclosed form of proxy are officers of the Corporation. **A Voting Shareholder who wishes to appoint some other person (who need not be a Voting Shareholder) 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 no later than 11:00 a.m. on May 22, 2012 or two business days before the time of any adjournment of the Meeting. A Voting Shareholder who has given a proxy may revoke the proxy by an instrument in writing executed by the Voting Shareholder or by his or her attorney authorized in writing or, if the Voting Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited at such office of Computershare, at any time up to 11:00 a.m. on May 22, 2012 or two business days preceding the time of any adjournment thereof, at which the proxy is to be used, or in any other manner permitted by law. **No Beneficial Common Shareholders are registered holders. Accordingly, Beneficial Common Shareholders should refer to the directions for voting at "Voting of Common Shares – Advice to Beneficial Holders of Securities".**

Exercise of Discretion by Holders of Proxies

The form of proxy forwarded to Voting Shareholders with the Notice of Meeting and this Management Information Circular provides the Voting Shareholder with an opportunity to specify that the Voting Shares registered in his or her name shall be voted for, withheld from voting or voted against in respect of the matters to be considered at the Meeting. On any ballot that may be called for, the Voting Shares represented by proxies in favour of the Board of Directors' nominees will be voted for, withheld from voting or voted against, in accordance with the specifications made by Voting Shareholders in the manner referred to above. In respect of proxies in which Voting Shareholders have not specified the manner of voting, the Voting Shares represented by proxies in favour of the persons named in the enclosed form of proxy will be voted **FOR** the resolutions.

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 Board of Directors 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 that are not now known to the Board of Directors should properly come before the Meeting, the Voting Shares represented by proxies in favour of the Board of Directors' nominees will be voted on such matter in accordance with the best judgment of the proxy nominee.

Meeting Resolutions

Approval of any of the Meeting resolutions relating to items referred to under "Business of the Meeting" requires a majority of the votes cast at the Meeting on the particular matter.

Voting of Common Shares – Advice to Beneficial Common Shareholders

The information set forth in this section is of significant importance to holders of Common Shares, as none of such persons hold Common Shares in their own name. Beneficial Common Shareholders should note that only proxies deposited by Common Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. All of the Common Shares are registered under the name of CDS & CO. (the registration name for CDS Clearing and Depository Services Inc.). CDS maintains books showing through which of its participants, such as investment dealers or brokers, the Common Shares are owned. Investment dealers and brokers maintain their own records showing the beneficial ownership of such Common Shares by the Beneficial Common Shareholders. Common Shares held by CDS can be voted only upon the instructions of the Beneficial Common Shareholder. Without specific instructions, CDS and its participants are prohibited from voting the Common Shares for the Beneficial Common Shareholders. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS are held. Therefore, Beneficial Common Shareholders cannot be recognized at the Meeting for purposes of voting their Common Shares in person or by proxy unless they comply with the procedure described below.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Common Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Common Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions. Broadridge typically prepares the Voting Form which it mails to the Beneficial Common Shareholders and asks Beneficial Common Shareholders to return the Voting Form directly to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Common Shareholder receiving a Voting Form cannot use that Voting Form to vote their Common Shares directly at the Meeting; the Voting Form must be returned to Broadridge well in advance of the Meeting in order for a Beneficial Common Shareholder to have its Common Shares 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 Computershare in order to obtain further instructions on how to vote.

Voting Securities

As of the close of business on April 10, 2012, the Corporation had outstanding 84,045,243 Common Shares, 29,851,868 Class A Shares and 4,289,808 Class C Convertible Shares each of which carries the right to one vote at meetings of the Voting Shareholders. The outstanding Class B Convertible Shares and the Series 1 Preferred Shares do not carry the right to vote at meetings of Voting Shareholders and the holders thereof are not entitled to notice of the Meeting. The Board of Directors has fixed a record date of April 19, 2012 for the purpose of determining Voting Shareholders entitled to receive notice of the Meeting. Only persons registered as holders of Common Shares, Class A Shares or Class C Convertible Shares on the books of the Corporation or Beneficial Common Shareholders as of the close of business on April 19, 2012 are entitled to receive notice of and to vote at the Meeting. The failure of any Voting Shareholder to receive notice of the Meeting does not deprive the Voting Shareholder of the right to vote at the Meeting.

Principal Holders of Voting Securities

As of the close of business on April 10, 2012, all of the Common Shares were registered in the name of CDS, which holds such Common Shares on behalf of the Beneficial Common Shareholders, and all of the Class A Shares and Class C Convertible Shares were registered in the name of NPHI. To the knowledge of the Directors, no person or company beneficially owns, directly or indirectly, or controls or directs 10% or more of the voting securities of the Corporation, except for James C. Temerty, C.M., the Chair of the Corporation, who indirectly beneficially owns, or has control or direction of, 5,245,745 Common Shares, 29,851,868 Class A Shares and 4,289,808 Class C Convertible Shares, representing approximately 33% of the outstanding Voting Shares.

Quorum for the Meeting

At the Meeting, a quorum shall consist of two or more individuals present in person either holding personally or representing as proxies not less than 10% of the issued and outstanding Voting Shares. If a quorum is not present at the Meeting within one half hour after the time fixed for the holding of the Meeting, it shall stand adjourned to such day being not less than fourteen days later and to such place and time as may be appointed by the Chairman of the Meeting. At such meeting, the Voting Shareholders present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original Meeting in accordance with the accompanying Notice of Meeting.

BUSINESS OF THE MEETING

Financial Statements

The financial statements of the Corporation for the fiscal year ended December 31, 2011, together with the report of the auditors thereon will be submitted to the Meeting. The financial statements are included in the annual report of the Corporation for the fiscal year ended December 31, 2011, which accompanies this Management Information Circular. These documents are filed on SEDAR and can be reviewed and obtained from the website *www.sedar.com* under Northland's profile. Upon request, the Corporation will promptly provide a copy of the annual report free of charge to a Voting Shareholder.

Election of Directors

The articles of the Corporation provide that the Corporation shall have between three and nine Directors. The Voting Shareholders have empowered the Directors to determine the number of Directors (within the range of three and nine Directors) by resolution of the Directors. The Directors have determined that the number of Directors of the Corporation to be elected at the Meeting is seven.

Based on the recommendation of the Governance and Nominating Committee, the Directors have nominated the individuals set out in the table below to be elected to the Board of Directors. Although NPHI has the right to appoint three of the Directors, it does not intend to exercise this right at the Meeting. It is proposed that each of the persons mentioned below to be elected as a Director will serve until the close of the next annual meeting of the Corporation or until his or her successor is elected or appointed. Voting Shares represented by proxies in favour of the individuals named in the enclosed form of proxy will be voted in favour of the election of these nominees as Directors, unless a Voting Shareholder has specified in his or her proxy that his or her Voting Shares are to be withheld from voting in the election of Directors. The Corporation does not contemplate that any of the said nominees for election as Director will be unable to serve if elected, but should that occur prior to the Meeting, the persons named in the enclosed form of proxy may vote for another person nominated by the Directors at their discretion.

The following table shows the names and province of residence of all persons nominated for election as Directors at the Meeting, the number of each class of shares 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 the Corporation as well as information concerning committee membership.

Directors when elected are required to acquire, over time, a number of Common Shares equivalent to their annual retainer.

Name and Province of Residence	Positions and Offices held with the Corporation	Principal Occupation	Year Became Director(1)	Number of Shares Beneficially Owned Directly or Indirectly(2)
James C. Temerty, C.M.(10) Ontario, Canada	Chair and Director	Chair of NPI	1997	5,245,745 Common Shares(3) 29,851,868 Class A Shares(4) 8,067,723 Class B Convertible Shares(4) 4,289,808 Class C Convertible Shares(4)
Pierre R. Gloutney(7)(8) Québec, Canada	Director	Corporate Director	1997	42,944 Common Shares(5)
The Right Honourable John N. Turner, Q.C.(6)(9) Ontario, Canada	Lead Director	Partner, Miller Thomson LLP (law firm)	1997	1,029 Common Shares
Dr. Marie Bountrogianni(10) Ontario, Canada	Director	Corporate Director and Visiting Scholar at Ryerson University	2009	3,794 Common Shares
V. Peter Harder(6)(11) Ontario, Canada	Director	Senior Policy Advisor, Fraser Milner Casgrain LLP (law firm)	2010	4,000 Common Shares
Linda L. Bertoldi(8) Ontario, Canada	Director and Secretary	Partner, Borden Ladner Gervais LLP (law firm)	2011	10,000 Common Shares
Sean Durfy(10) Alberta, Canada	Director	Corporate Director	2011	nil

(1) The date shown reflects the date when the nominees first became a member of the governing body of a public predecessor of the Corporation: from July 16, 2009 to December 31, 2010, a trustee of the Fund, from July 1, 2003 to July 16, 2009, a trustee of NPIF Commercial Trust and from 1997 to June 30, 2003, a director of Iroquois Falls Corp.

(2) This information, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually, as of April 10, 2012.

(3) Of these 5,245,745 Common Shares, 4,381,950 Common Shares are held directly or indirectly by Mr. Temerty, 224,543 Common Shares are held by Mr. Temerty's wife, 105,037 Common Shares are held by Mr. Temerty's daughters and son-in-law and 534,215 Common Shares are held by The Temerty Family Foundation which Mr. Temerty directs.

(4) These Class A Shares, Class B Convertible Shares and Class C Convertible Shares are held indirectly by Mr. Temerty through NPHI.

(5) Of these 42,944 Common Shares, 24,972 are held directly and indirectly by Mr. Gloutney and 17,972 are held by Mr. Gloutney's wife.

(6) Member of the Audit Committee.

(7) Chair of the Audit Committee.

(8) Member of the Governance and Nominating Committee.

(9) Chair of the Governance and Nominating Committee.

(10) Member of the Compensation Committee.

(11) Chair of the Compensation Committee.

The following table summarizes, for each of the Directors, the number of board and committee meetings attended in the financial year ended December 31, 2011:

NUMBER OF MEETINGS ATTENDED BY THE DIRECTORS

	Board	Audit Committee	Governance and Nominating Committee	Compen-sation Committee	Independent Directors	Special Committee[1]
Pierre R. Gloutney	10/11	6/6	3/3	n/a	7/7	6/9
James C. Temerty, C.M.	11/11	n/a	n/a	6/7	n/a	n/a
The Right Honourable John N. Turner, Q.C.	11/11	6/6	3/3	n/a	7/7	n/a
Dr. Marie Bountrogianni	11/11	n/a	n/a	6/7	7/7	n/a
V. Peter Harder	11/11	6/6	n/a	7/7	7/7	9/9
Linda L. Bertoldi	11/11	n/a	3/3	n/a	n/a	n/a
Sean Durfy[2]	5/6	n/a	n/a	3/3	5/6	9/9

(1) A Special Committee of independent directors was formed as part of the process to determine the number of Class C Convertible Shares that were eligible to be converted into Class A Shares and the number of Contingent Replacement Rights that were eligible to be converted into Common Shares as of January 16, 2012.

(2) Mr. Durfy was elected as a Director on May 26, 2011.

Messrs. Harder and Durfy are directors of the following other reporting issuers:

Name	Name of Reporting Issuer	Name of Exchange/Market
V. Peter Harder	Pinetree Capital Limited	TSX
	IGM Financial Inc.	TSX
	Energizer Resources Inc.	TSX Venture Exchange
	Power Financial Corporation	TSX
Sean Durfy	Touchstone Exploration Inc.	TSX Venture Exchange

No other nominee for election as Director is a director of another reporting issuer.

Compensation of Directors

Other than Mr. Temerty, in 2011, the Directors as a group (including Mr. Sean Durfy who served as a Director for only part of 2011) received fees of $451,000. Prior to July 1, 2011, Mr. Temerty did not directly receive any fees for serving as a Director, however, a corporation wholly-owned by Mr. Temerty received fees for services Mr. Temerty provided to Northland in the amount of $250,000 on an annual basis ($125,000 received in 2011). This fee arrangement was discontinued on June 30, 2011. Commencing July 1, 2011, Mr. Temerty receives $250,000 directly from Northland on an annual basis ($119,290 received in 2011) for his contributions to Northland including serving as Chair. Each of the other Directors received an annual fee of $30,000 per Director in 2011. In addition to the annual fee, each Director received an additional $1,500 in respect of each Directors' meeting attended in person or $1,000 by telephone. Each Director who served on the Board of Directors as an Independent Director was paid an additional $1,500 per Director in respect of each meeting of the Independent Directors attended in person or $1,000 by telephone where the meetings required lengthy procedures. Where such meetings were associated with a board meeting and were relatively short, no compensation was paid. The Directors who served on the Audit Committee, Governance and Nominating Committee and Compensation Committee of the Corporation received an annual fee of $5,000 per Director plus $1,500 in respect of each Committee meeting attended in person or $1,000 for each Committee meeting attended by telephone. The Directors who served on the Special Committee received an annual fee of $1,250 per Director plus $1,500 in respect of each Committee meeting attended in person or $1,000 for each Committee meeting attended by telephone. The Directors who served as Chair of the Audit Committee and as Lead Director, respectively, received $15,000 each, for serving in those capacities. The Director who served as Chair of the Governance and Nominating Committee received $5,000 for acting in that capacity. The Directors who served as Chair of the Compensation Committee and Chair of the Special Committee, respectively, received $7,500 each for acting in those capacities. All Directors were reimbursed for their respective out-of-pocket expenses in relation to their attendance at Directors' and committee meetings. Director compensation matters are dealt with by the Compensation Committee.

The following table sets out all amounts of compensation provided to the Directors for 2011 in their capacity as Directors:

Name	**Total Fees Earned ($)**
Linda L. Bertoldi	54,500
Dr. Marie Bountrogianni	62,500
Sean Durfy	67,500
Pierre R. Gloutney	89,250
V. Peter Harder	89,750
James C. Temerty, C.M.[1]	–
The Right Honourable John N. Turner, Q.C.	87,500

(1) Mr. Temerty received $244,290 directly and indirectly representing fees for his contributions to Northland, including serving as Chair.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation and other than as described below, none of the persons nominated for election as Directors at the Meeting: (a) is, as at the date of this Management Information Circular, or has been, within the 10 years before the date of this Management Information Circular, a director, chief executive officer or chief financial officer of any company that: (i) was subject to an Order that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (b) is, as at the date of this Management Information Circular, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person.

Mr. Harder resigned from the board of directors of Arise Technologies Corporation in June 2011. In December 2011, Arise Technologies Corporation filed a Notice of Intention to make a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada) and PricewaterhouseCoopers Inc. was named as the trustee under the Notice of Intention. On February 21, 2012 the company announced that it had successfully completed a restructuring process.

To the knowledge of the Corporation, none of the persons nominated for election as Directors at the Meeting, nor any personal holding company thereof owned or controlled by them: (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Interest of Management and Others in Material Transactions

No proposed director of the Corporation or any associate or affiliate of a proposed director of the Corporation has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its Subsidiaries.

Appointment of Auditors

It is intended that the Voting Shares represented by proxies in favour of the persons shown in the enclosed form of proxy will be voted in favour of the appointment of Ernst & Young LLP, Chartered Accountants, Licensed Public Accountants, of Toronto, Ontario, as auditors of the Corporation, unless a Voting Shareholder has specified in his or her proxy that his or her Voting Shares are to be withheld from voting in the appointment of auditors for the Corporation. Ernst & Young LLP is currently the auditor of the Corporation and served as the auditor of the Corporation's predecessor, the Fund, since April 3, 1997.

Statement of Executive Compensation

Compensation Discussion and Analysis

The guiding principles of Northland's compensation arrangements for executives and other senior employees are the alignment of the interests of executives and employees with those of shareholders and the need to attract and retain highly qualified personnel with the requisite skills and industry knowledge. In 2011, compensation for the Named Executive Officers as determined by the Compensation Committee primarily consisted of salary, annual cash bonuses and Deferred Rights.

Salaries

Base salaries are meant to provide compensation reasonably competitive with comparable companies. Compensation comparisons were made to Capital Power Corporation, Algonquin Power & Utilities Corp., Innergex Renewable Energy Inc., Boralex Inc., Canadian Utilities Limited, Capstone Infrastructure Corporation, TransAlta Corp. and Veresen Inc.

Bonuses

Annual cash bonuses are based on performance of the Corporation against specific short-term financial, development and operations targets. Annual bonuses were based on performance over the year and the determination of the amount of any bonus was undertaken through an evaluation by the Compensation Committee based upon the results of certain specific financial and operational factors and on discretionary evaluation of personal effort and contribution. The Compensation Committee can also take into account external and uncontrollable events, although there were no such events that were considered relevant in 2011. For Messrs. Brace, Bradley, Anderson and Mantenuto, target bonus levels are 50% of annual salary, one-half of which is assessed on specific financial and operational factors and one-half of which is discretionary. The specific financial and operational factors are allocated as to meeting the following targets: the annual EBITDA target, the annual payout ratio target, the annual dividend target for total annual shareholder return as compared to a peer group of companies, annual project development targets through the signing of new power purchase agreements, environmental targets for facilities under construction and in operation and health and safety targets for facilities under construction and in operation. Messrs. Brace, Bradley, Anderson and Mantenuto each received a bonus of 30% for 2011. The 2011 performance metrics, bonus target and bonus earned for this group of Named Executive Officers is shown in the following table:

Performance Measure	Performance Target	2011 Bonus Target	2011 Bonus Earned
EBITDA(1)	$148.2 million	2.5%	2.67%
Payout Ratio	150%	2.5%	2.7%
Dividend	$1.08 per share	2.5%	2.5%
Total Shareholder Return	Ranking at 50th percentile vs. comparator group	2.5%	3.07%
Development	274 MW new PPAs	10%	0%
Environment	Specified low number of incidences	2.5%	2.81%
Health and Safety	Specified low number of incidences	2.5%	2.77%
Discretionary		25%	13.48%
Total		**50%**	**30%**

(1) Earnings before interest, taxes, depreciation and amortization.

For Messrs. Dougall and Gliosca the bonus target is 30% of annual salary. For 2011, Mr. Dougall received the full targeted bonus of 30%, while Mr. Gliosca, whose work is more closely associated with project development, received a bonus of 18% instead of the aforementioned 30%, which is consistent with the bonus for senior management based on development activity.

Deferred Rights

Long term compensation through the award of Deferred Rights to the Named Executive Officers and other qualifying employees under the Northland LTIP is intended to reward the creation of long term shareholder value by assessing the profit created through the development, financing, construction and operation of electricity generation facilities which, when operational, will deliver the long-term stable cash flows necessary to support both further development activities and Northland's annual dividend, which is currently maintained at $1.08 per share for the Common and Class A Shares and to closely align management and shareholder interests. Prior to the Merger, the senior executives were provided long-term incentives through the NPI LTIP. Upon the Merger, the rights under the NPI LTIP were exchanged for Replacement Rights. Some of the Replacement Rights were Contingent Replacement Rights which become exercisable based on the first $100 million of Development Profit attributable to Qualifying Projects (as those terms are defined in Northland's Articles). Approximately $49.5 million of Development Profit was attributed to certain Qualifying Projects by the end of 2011. The Compensation Committee considered it appropriate post-Merger to continue providing senior executives with long-term incentives by rewarding them for Development Profit attributable to Qualifying Projects beyond the first $100 million. The Deferred Rights issued in 2011 were designed accordingly.

Deferred Rights granted to Named Executive Officers in 2011 will vest based upon the expected value created for shareholders from Qualifying Projects. The measure of value creation is Development Profit, which is essentially the fair market value of a project less the actual capital costs incurred to develop and construct that project and certain non-recoverable development costs. The projects for which the Deferred Rights may vest are those that were defined as Qualifying Projects at the time of the Merger. Each Named Executive Officer's Deferred Rights vest in proportion to the attribution of an additional $350 million of Development Profit in respect of Qualifying Projects in excess of the first $100 million of Development Profit.

The Deferred Rights associated with each Qualifying Project vest 75% at the time commercial operations commence and 25% up to one year later when the operational performance of the project has been demonstrated. At each of these milestones for each project, the Development Profit is assessed and the number of Deferred Rights that vest is approved by the Compensation Committee. If it is determined to be appropriate by the Compensation Committee in light of corporate or market conditions, the vesting dates may be delayed by up to one year. No Deferred Rights may vest for Qualifying Projects that have not achieved financial close by October 2016.

Recommendations for grants under the Northland LTIP (and other executive compensation) are developed by the President and Chief Executive Officer for senior management, discussed with the Chair of the Board of Directors and presented to the Compensation Committee for its consideration and possible recommendation to the Board of Directors. Compensation for the President and Chief Executive Officer is determined by the Compensation Committee and recommended to the Board of Directors for its consideration. Three of the four members of the Compensation Committee are independent Directors, the fourth is the Chair of the Board of Directors.

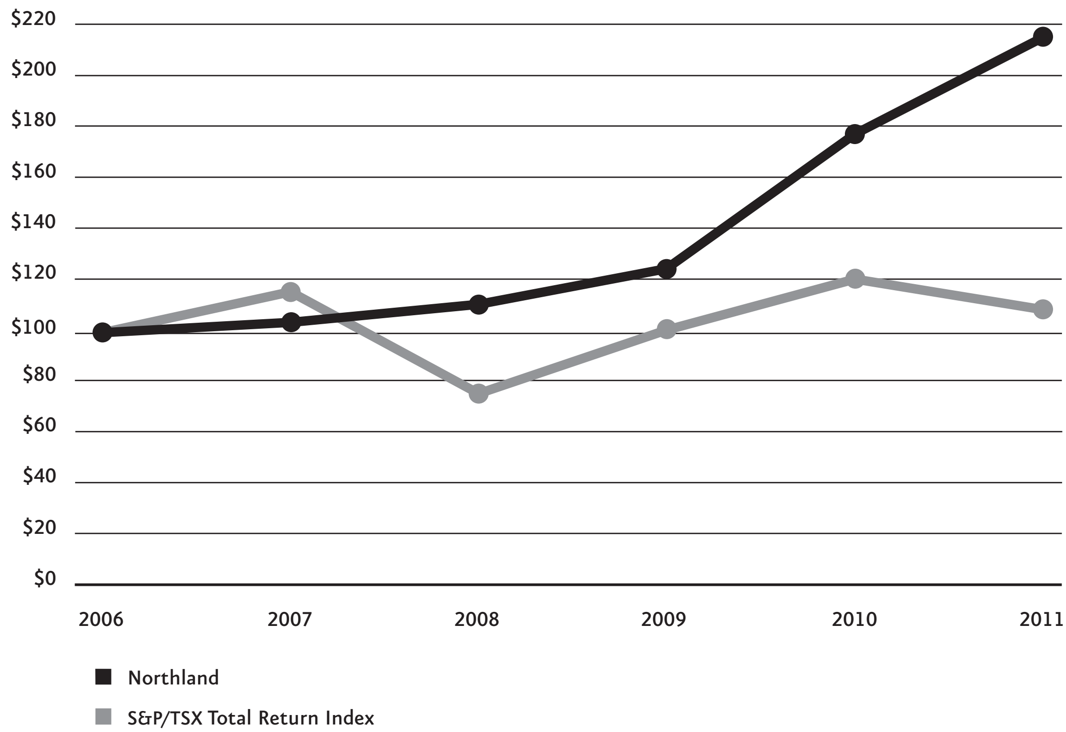
The Compensation Committee and the Board of Directors have implicitly considered the risk that unprofitable projects might be pursued and have sought to mitigate such risk through the Board of Director's oversight and approval of projects under development once expenditures and commitments are expected to exceed pre-determined levels and on the basis that Deferred Rights only vest once approved projects firstly achieve commercial operations and secondly, satisfactory operational performance. The number of Deferred Rights that vest is based on the specific and actual Development Profit attributable to each project once actual project costs and performance are known. 75% of Deferred Rights vest once commercial operation of a facility has been achieved and profitability based on actual capital costs and operating characteristics has been assessed and the remaining 25% of Deferred Rights only vest after up to one year of facility operations, thereby permitting a further recalibration of expected profits upon which vesting will be contingent, based on actual operating results.

It is expected that many of the Deferred Rights will be eligible for vesting at the same time as Class B Convertible Shares become eligible for conversion to Class A Shares. For the conversion of Class B Convertible Shares, the Compensation Committee will be engaging the services of an independent third party to assess the Development Profit attributed to applicable Qualifying Projects. The Compensation Committee will be able to use the same Development Profit assessment for the vesting of the Deferred Rights. For situations where there is no concurrent conversion of Class B Convertible Shares, the Compensation Committee has discretion to determine the method it wishes to use for the assessment of Development Profit and the subsequent vesting of the Deferred Rights.

For 2012, the Compensation Committee will review Northland's current compensation policies and practices and will determine whether any changes are warranted.

Performance Graph

The following graph compares the cumulative total return over the five years ended December 31, 2011 of the Trust Units of the Fund and the Common Shares against the cumulative total return of the S&P/TSX Total Return Index (assuming a $100 investment was made on December 31, 2006 and the reinvestment of any distributions).



The Compensation Committee believes that the positive performance of Northland as compared to the TSX Total Return Index is reflected in Executive Compensation. The Compensation Committee notes that the most significant component of Executive Compensation that is reported for 2011, being the Northland LTIP, is based on the expected Development Profit attributable to certain Qualifying Projects that are under development and/or construction. Deferred Rights associated with those projects will vest only once Development Profit attributable to each of those projects is assessed to meet certain levels at the beginning of commercial operations (as to 75%) and reaffirmed after up to one year of performance (as to 25%). If the Development Profit attributable to those projects is determined to be different from the amount assumed for the purposes of this Management Information Circular, then the number of Deferred Rights that vest will be adjusted accordingly.

Summary Compensation Table

The following table sets forth the annual and long-term compensation for each of Northland's three most recently completed financial years of the Chief Executive Officer, the Chief Financial Officer and each of the three other most highly compensated executive officers of Northland.

SUMMARY COMPENSATION TABLE

Name and principal position	Year	Salary ($)	Share based awards[5] ($)	Non-equity incentive plan compensation ($) Annual incentive plans	All other compen-sation[1] ($)	Total compensation ($)
John W. Brace President and Chief Executive Officer	**2011**	**388,935**	**2,158,620**	**116,680**	**8,297**	**2,672,532**
	2010	334,615	–	171,250	8,125	513,990
	2009[2]	200,769	–	–	4,821	205,590
Paul Bradley[3] Chief Financial Officer	**2011**	**220,385**	**516,945**	**66,115**	**339**	**803,784**
Anthony F. Anderson[4] Chief Investment Officer	**2011**	**338,808**	**1,726,896**	**101,642**	**10,821**	**2,178,167**
	2010	328,708	–	98,612	10,649	437,969
	2009	193,750	–	–	6,599	200,349
Sam Mantenuto Chief Operating Officer and Chief Development Officer	**2011**	**338,808**	**1,726,896**	**101,642**	**10,821**	**2,178,167**
	2010	328,708	–	98,612	10,649	437,969
	2009	193,750	–	–	6,599	200,349
Dino Gliosca Vice President, Engineering	**2011**	**231,795**	**863,448**	**41,723**	**10,821**	**1,147,787**
	2010	227,084	–	165,865	10,637	403,586
	2009	113,593	–	–	5,533	119,126
David Dougall Vice President, Operations	**2011**	**213,820**	**431,724**	**64,146**	**8,297**	**717,987**
	2010	207,553	–	67,972	8,125	283,650
	2009	136,018	–	44,293	2,812	183,123

(1) Includes parking, RRSP contributions and life insurance premiums.

(2) For 2009 until the date of the Merger, the table shows Northland's Portion of the compensation paid by NPI to the Named Executive Officers, and following the date of the Merger, the full compensation paid by Northland to the Named Executive Officers. For this purpose "Northland's Portion" means the portion of the compensation paid by NPI to an executive officer of Northland that was attributable to services rendered to Northland directly or indirectly, based upon an estimate of the time that such executive officer spent during the year on behalf of Northland Power Income Fund Management Inc. on Northland matters compared to the total time spent on NPI matters unrelated to Northland.

(3) Mr. Bradley was appointed Chief Financial Officer on April 1, 2011.

(4) On April 1, 2011, Mr. Anderson ceased to be Chief Financial Officer and was appointed Chief Investment Officer.

(5) In 2011, the NEOs were granted Deferred Rights under the Northland LTIP. The value of the Deferred Rights granted was determined for accounting purposes in accordance with IFRS 2. The values included in the above chart represent the gross value of the Deferred Rights granted which differs from the amount expressed in the financial statements of Northland for 2011, which instead uses values amortized over the term of the Deferred Rights.

Outstanding Share-Based Awards

The following table shows for each Named Executive Officer all share-based awards outstanding as at the end of the financial year ended December 31, 2011.

	SHARE-BASED AWARDS		
	Number of shares or units of shares that have not vested		
Name	Replacement Rights(1)	Deferred Rights(2)	Market or payout value of share-based awards that have not vested(3) ($)
John W. Brace	1,587,432	375,815	24,853,849
Paul Bradley	–	90,000	–
Anthony F. Anderson	1,269,957	300,652	19,883,294
Sam Mantenuto	1,269,957	300,652	19,883,294
Dino Gliosca	634,949	150,326	9,941,181
David Dougall	317,474	75,163	4,970,590

(1) These represent the maximum number of Common Shares which as of December 31, 2011 may have been issued pursuant to the Rights Exchange Agreements with the applicable NEO.

(2) These represent the maximum number of Common Shares which as of December 31, 2011 may be issued pursuant to the Deferred Rights issued under the Northland LTIP.

(3) This represents the value, based upon the closing price of the Common Shares on the TSX on December 30, 2011, of Regular Replacement Rights and those Contingent Replacement Rights that became exercisable by reason of the Development Profit attributable to Qualifying Projects prior to December 31, 2011. It does not include any value for the Contingent Replacement Rights which had not yet been earned as at December 31, 2011 or the Deferred Rights, because the minimum payment for these awards is nil.

In January 2012, the NEOs exercised an aggregate of 4,435,706 Replacement Rights thereby acquiring Common Shares on a one-for-one basis, pursuant to the terms of these securities.

Officers and Directors are permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the officer or director.

Termination and Change of Control Benefits

No Named Executive Officer, other than Mr. Bradley, is entitled to any form of compensation as a result of termination or change of control of the Corporation. Under his employment agreement, Mr. Bradley is entitled to a lump sum payment equal to twelve months base salary, plus bonus payments to the date of termination in the absence of just cause and any entitlement under the Northland LTIP which has accrued up to the date of termination. If Mr. Bradley had been terminated in the absence of just cause on the last day of 2011, it is estimated that he would have been entitled to receive $460,000. Such payments are subject to reduction based upon the commencement date of alternative employment.

Indebtedness of Directors and Executive Officers

None of the Directors or executive officers of the Corporation is indebted to the Corporation.

Governance Disclosure

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

Role of the Board of Directors

The Board of Directors are the central governing body of the Corporation with full, absolute and exclusive power, control and authority over, and management of, the property, assets, affairs and undertakings of the Corporation.

The articles of the Corporation provide that the Corporation shall have a minimum of three and a maximum of nine directors.

Director Independence

The CSA Guidelines recommend that boards be made up of a majority of independent directors. Each member of the Board of Directors, except Mr. Temerty and Ms. Bertoldi, is independent for purposes of the Disclosure Rule. Mr. Temerty is not independent as he acts as Chair of the Board of Directors on more than a part-time basis. Ms. Bertoldi is not independent as she is a partner in a law firm which receives fees from Northland.

The Independent Directors, each of whom is independent of management, hold regularly scheduled meetings following each Board of Directors' meeting and other meetings as required at which Mr. Temerty, Ms. Bertoldi and management of the Corporation are not in attendance. The Independent Directors held seven such meetings in 2011.

Chair and Lead Director

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

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

(a) ensuring that the board functions independently of the Corporation's management, and that Independent Directors have adequate opportunities to meet to discuss issues without representatives of management present;

(b) chairing separate meetings of the Independent Directors and chairing meetings of the Board of Directors in the absence of the Chair;

(c) being available to Directors who have concerns that cannot be addressed through the Chair or meetings of the Board of Directors;

(d) as requested, acting as a liaison between the Board and the Corporation's management;

(e) in consultation with the Chair and management, setting the agenda for Board of Directors meetings;

(f) ensuring that the Board of Directors 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 of Directors, its committees and individual Directors.

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 Board of Directors adopted the Board Mandate based on the recommendation of the Governance and Nominating Committee. In the Board Mandate, the Directors explicitly acknowledge their responsibility for the stewardship of the affairs of the Corporation and all of the entities which are owned and controlled by the Corporation. The Board Mandate sets out the responsibilities of the Board of Directors with respect to key operational and administrative issues of relevance to the Corporation including the organization of the Board of Directors, strategic planning, acquisitions and investments of the Corporation, monitoring of the Corporation's financial performance and financial statements, risk management, the development of all significant policies and procedures of the Corporation, and overseeing the Corporation's communications and reporting activities. The Board of Directors' primary role is to oversee the performance of management in order to meet the Corporation's strategic objectives to enhance and preserve the business of the Corporation.

Position Descriptions

The CSA Guidelines recommend that boards develop position descriptions for the Chair of the Board of Directors, chairs of each committee and the Chief Executive Officer as well as to approve corporate goals and objectives that the Chief Executive Officer is responsible for meeting. The Directors' duties are outlined in the Board Mandate.

John W. Brace acts as the President and Chief Executive Officer of the Corporation. There is no written position description for the President and Chief Executive Officer. However, the Board of Directors expects the President and Chief Executive Officer to create a culture of integrity, performance and alignment with shareholder interests throughout the Corporation and its Subsidiaries.

James C. Temerty, the Chair of the Board of Directors, provides advice and counsel to management of the Corporation on issues of importance to the President or the Board of Directors.

The Board of Directors adopted position descriptions for the Chair of the Board of Directors and the Chair of the Audit Committee, the Chair of the Governance and Nominating Committee and the Chair of the Compensation Committee which are incorporated into the Board Mandate and the Audit Committee Charter, the Governance and Nominating Committee Charter and the Compensation Committee Charter, respectively.

Orientation and Continuing Education

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

When new Directors are appointed, management of the Corporation will provide them with an orientation and educational program about the duties and responsibilities of Directors and the business and operations of the Corporation. Mr. Durfy, who became a Director on May 26, 2011, undertook an orientation and education program concerning the Corporation and his responsibilities as a Director.

The Corporation's management regularly provides information and copies of published reports concerning relevant industry and regulatory developments to the Directors as continuing education for the Directors and presentations are made at each meeting on key aspects of the Corporation's businesses and operations.

Code of Business Conduct and Ethics

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

The Board of Directors has adopted the Code which applies to all representatives, officers and Directors of each of the Corporation and all other entities established by the Corporation.

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

The Board of Directors appointed Mr. Gloutney, an Independent Director and Chair of the Audit Committee, as its representative with respect to the reporting of contraventions of the Code. Individuals who contravene, or deviate from, the Code, or who are aware of contraventions of or deviations from the Code, are required to report the matter to management of the Corporation or Mr. Gloutney. 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 Corporation has also established a Financial Integrity Policy with respect to the reporting of questionable auditing or accounting practices.

The Code requires individuals, including Directors, to advise management of the Corporation or Mr. Gloutney if they believe that they might have a personal interest that may put them in a position of conflict. A Director who has a material interest in a matter before the Board of Directors is required to abstain from voting on the matter and may be required to absent himself from the meeting while discussion of the issue takes place. In situations where a Director has a material interest in a matter to be considered by the Board of Directors, such Director may be required to absent himself or herself from the meeting while discussions, and voting, with respect to the matter taking place.

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.

Messrs. Gloutney and Turner and Ms. Bertoldi are the current members of the Governance and Nominating Committee with Mr. Turner, Lead Director, serving as Chair of that Committee. Each member of the Governance and Nominating Committee, except Ms. Bertoldi, is an Independent Director. The Governance and Nominating Committee is responsible for identifying all proposed candidates for nomination as Directors having regard to the skills, competencies and experience that it considers appropriate for the Board of Directors to possess in order to effectively guide the long term strategy and ongoing business of the Corporation. Final recommendations on prospective nominees will made by the Independent Directors to ensure an objective nomination process. Based on the foregoing criteria, the Governance and Nominating Committee will recommend new candidates to serve as Directors as the need arises.

Compensation Committee

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.

The Board of Directors adopted the Compensation Committee Charter based on the recommendation of the Compensation Committee. The Charter sets out procedures, responsibilities, composition and authority of the Compensation Committee. Messrs. Durfy, Harder and Temerty and Dr. Bountrogianni are the current members of the Compensation Committee with Mr. Harder serving as Chair of that Committee. Each member of the Compensation Committee, except Mr. Temerty, is an Independent Director. Meetings of the Compensation Committee are held at such times as it deems necessary to fulfill its responsibilities. The Compensation Committee is responsible for reviewing and approving Northland's compensation strategy, evaluating the activities of the Chief Executive Officer and determining his or her compensation, monitoring the compensation of Directors and senior officers of the Corporation, the approval of grants of awards under the Northland LTIP, reviewing and approving employment agreements, severance agreements and retirement agreements and other compensation arrangements.

As secretary of the Treasury Board of Canada, Mr. Harder was responsible for executive compensation and collective bargaining for members of the public service. Mr. Harder also serves as the chair of the compensation committees for two other non-public entities and is a member of the compensation committee for two other public entities.

Mr Durfy has held various roles that required oversight of executive compensation matters, including as President and CEO of WestJet Airlines and President of ENMAX Energy Corporation. Currently, Mr. Durfy is Chairman of the compensation committee for Touchstone Exploration Inc., a company that trades on the TSX Venture Exchange.

In her roles as a former cabinet minister and the former President and Executive Director of the Royal Ontario Museum's Board of Governors, Dr. Bountrogianni has extensive managerial experience and executive experience with an emphasis on public accountability.

Mr. Temerty founded Northland Power Inc. in 1987 as the chief executive officer and subsequently became the Chair of Northland Power with direct responsibility for determining compensation of senior management and other employees. Mr. Temerty has an in-depth knowledge of the company, its personnel and the electricity industry. Prior to forming Northland Power, Mr. Temerty had extensive business and managerial experience through owning and operating a chain of ComputerLand Stores and holding management positions at IBM. Mr. Temerty also served in leadership roles at Softchoice Corporation.

As Mr. Temerty is not independent, the Independent Directors who are members of the Compensation Committee, make final recommendations concerning Mr. Temerty's compensation in order to ensure an objective process for determining compensation.

Regular Board Assessments

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

The Governance and Nominating Committee, under the direction of Mr. Turner, the Lead Director and Chair of the Governance and Nominating Committee, is responsible for assessing the performance of the Board of Directors, its committees and individual Directors.

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

Other Board Committees

A Special Committee consisting of Messrs. Durfy (Chair), Gloutney and Harder was established in September 2011 to undertake the selection of the independent financial advisor and to oversee the process for the determination of Development Profit attributable to certain Qualifying Projects in respect of the conversion of Class C Convertible Shares to Class A Shares. The Special Committee completed its work in January 2012.

The Board of Directors currently has no standing committees other than the Audit Committee, the Governance and Nominating Committee and the Compensation Committee.

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

Audit Committee

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

LONG TERM INCENTIVE PLAN

Pursuant to the Northland LTIP, employees, officers and consultants are eligible for awards of contingent Deferred Rights, at the discretion of the Compensation Committee. Awards of Deferred Rights may vest, as determined by the Compensation Committee, over a period of time contingent on the achievement of pre-established performance criteria for vesting and the participant's continued employment. Upon vesting, each vested Deferred Right represents the right to receive one Common Share.

Performance criteria for vesting may include return to Common Shareholders, successful project development activities, financial performance or results of the Corporation or a business unit, operations results, market price of the Common Shares, or other criteria as determined by the Compensation Committee from time to time. The conditions for vesting may relate to all or a portion of the Deferred Rights in a grant and may be graduated such that different percentages of the Deferred Rights will become vested depending on the extent of satisfaction of one or more such conditions.

Deferred Rights granted under the Northland LTIP are evidenced by a grant agreement, specifying the number of Deferred Rights, vesting terms, any applicable performance periods and expiration of such Deferred Rights, which terms are determined for each participant by the Compensation Committee. The grant agreements will also specify any other terms and conditions which the Compensation Committee may in its discretion determine.

The LTIP provides that up to 3,100,000 Common Shares will be issuable under the LTIP. The maximum number of 3,100,000 issuable to insiders under the Northland LTIP (and any other security based compensation arrangements of the Corporation) represents 3% of the total number of outstanding Common Shares and Class A Shares as of April 10, 2012. Subject to the foregoing limits, the Compensation Committee will have the discretion to impose limitations on grants to any particular individual in any given year and on aggregate grants to insiders in any given year.

The Northland LTIP provides that, in the event of the participant's termination of employment or service for reasons other than cause, all unvested Deferred Rights are forfeited, unless the Compensation Committee determines otherwise in its discretion, and all vested Deferred Rights will be settled as at the time of resignation, termination, retirement, death or permanent disability. The Compensation Committee will have the discretion to determine if, in the event of termination of employment or service for reasons other than cause, any or all of the participant's unvested Deferred Rights will not be forfeited and instead will become automatically vested or will vest pursuant to a vesting schedule determined by the Compensation Committee, or as the Compensation Committee may otherwise determine. In the event of termination for cause, all outstanding Deferred Rights will be forfeited.

The Compensation Committee will have the discretion to determine, on the occurrence of certain specified change of control events, if any or all unvested Deferred Rights will become immediately vested and, if applicable, if any unvested Deferred Rights will be converted into an acquiror's securities offered on terms substantially equivalent to those then applicable to such unvested Deferred Rights.

The Northland LTIP provides that the Compensation Committee will have the discretion to grant additional Deferred Rights to participants to reflect cash dividends paid by the Corporation on its Common Shares. In the event of a subdivision or consolidation of Common Shares or the declaration of a dividend payable in Common Shares or other change to the Common Shares, the number of Deferred Rights will be adjusted to reflect such subdivision, consolidation, dividend or change.

Deferred Rights granted under the Northland LTIP are not transferable or assignable, other than by operation of law.

The LTIP provides that the prior approval of Common Shareholders is required for any amendment to the Northland LTIP that: (i) increases the maximum number of Common Shares issuable pursuant to the Northland LTIP; (ii) extends the last date on which Common Shares may be issued to insiders under the Northland LTIP; (iii) adds additional categories of participants to the Northland LTIP; (iv) extends the term of Deferred Rights beyond their original expiry date; (v) permits Deferred Rights to be assignable or transferable (other than by operation of law); and (vi) amends the amending provisions.

As at April 10, 2012, 1,423,357 Deferred Rights had been granted pursuant to the Northland LTIP, representing 1% of the total number of outstanding Common Shares and Class A Shares as at April 10, 2012.

ADDITIONAL INFORMATION

Current financial information for the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for the most recently completed financial year. This information and additional information relating to the Corporation can be found on the SEDAR website at *www.sedar.com* and on the Corporation's website at *www.northlandpower.ca*.

Copies of Northland's AIF, annual report, Annual MD&A, financial statements and this Management Information Circular may be obtained upon request to the Corporation's Investor Relations group. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder.

DIRECTORS' APPROVAL

The contents and the distribution of this Management Information Circular have been approved by the Board of Directors.

DATED at Toronto, Ontario, on April 20, 2012.

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

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Management Information Circular:

"$" means Canadian dollars, unless otherwise specified.

"AIF" means the annual information form of Northland dated March 30, 2012.

"Annual MD&A" means the management discussion and analysis of results of operations and financial condition of Northland for the year ended December 31, 2011.

"Arrangement" means the arrangement under the provisions of section 182 of the *Business Corporations Act* (Ontario) pursuant to which the Fund converted from an income trust to a corporation called Northland Power Inc., which owns all of the assets and is subject to all of the liabilities (other than intercompany assets and liabilities) of the Fund, and continues the business of the Fund and its Subsidiaries.

"Beneficial Common Shareholders" means persons who hold their Common Shares through their investment dealer, broker or other intermediary.

"Board of Directors" or **"Directors"** means, at any time, the individuals who are the directors of the Corporation at such time.

"Board Mandate" means the written mandate of the Board of Directors.

"Broadridge" means Broadridge Investor Communications Solutions.

"CDS" means CDS Clearing and Depository Services Inc.

"Class A Shares" means the Class A shares in the capital of the Corporation.

"Class B Convertible Shares" means the Class B convertible shares in the capital of the Corporation.

"Class C Convertible Shares" means the Class C convertible shares in the capital of the Corporation.

"Code" means the written code of business conduct and ethics of the Board of Directors.

"Common Shares" means the common shares in the capital of the Corporation.

"Common Shareholders" means the holders of the Common Shares.

"Computershare" means Computershare Trust Company of Canada.

"Contingent Replacement Rights" means those Replacement Rights for which convertibility is based upon development success.

"CSA Guidelines" means National Policy 58-201 – *Corporate Governance Guidelines*.

"Deferred Rights" means the deferred rights issued under the Northland LTIP.

"Development Profit" has the meaning given to it in Northland's articles.

"Disclosure Rule" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"Form of Proxy" means the form of proxy distributed by the Corporation in connection with the Meeting.

"Fund" means Northland Power Income Fund, an unincorporated trust created under the laws of the Province of Ontario.

"Management Information Circular" means this management information circular of the Corporation to be distributed to Voting Shareholders in respect of the Meeting.

"Meeting" means the Annual Meeting of Shareholders of the Corporation to be held on May 24, 2012, and any adjournment(s) thereof.

"Merger" means the indirect acquisition by the Fund, on July 16, 2009, of all of the issued and outstanding shares of NPI from NPHI and the completion of related transactions, on the terms and conditions set forth in the share purchase agreement dated April 23, 2009, as amended.

"Named Executive Officers" or **"NEOs"** means the Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers of the Corporation (or its Subsidiaries) as specified in Form 51-102F6 – *Statement of Executive Compensation*.

"Northland" means, prior to January 1, 2011, the Fund, and after January 1, 2011, the corporation resulting from the amalgamation of the Fund and certain subsidiaries of the Fund pursuant to the terms of the Arrangement, called Northland Power Inc.

"Northland LTIP" means the long term incentive plan for officers, consultants and employees of Northland and its Subsidiaries, as amended or revised.

"Notice of Meeting" means the notice of the Meeting that accompanies this Management Information Circular.

"NPHI" means Northland Power Holdings Inc., a corporation incorporated under the laws of the Province of Ontario.

"NPI" means Northland Power Inc., a corporation amalgamated under the laws of the Province of Ontario.

"NPI LTIP" means the long-term incentive plan for senior management of NPI, which was in effect prior to the Merger, under which participants had the right to acquire shares of NPI in certain circumstances.

"NPI LTIP Participants" means John W. Brace, Anthony F. Anderson, Salvatore Mantenuto, Dino Gliosca, Frederick G. Brown, David Dougall and Jim Cipolla.

"Order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

"PPA" means a power purchase agreement.

"Qualifying Project" has the meaning given to it in Northland's articles.

"Replacement Rights" means the rights of NPI LTIP Participants to acquire Common Shares for no additional payment, on or after January 16, 2012.

"Rights Exchange Agreements" means the rights exchange agreements entered into by the Fund, NPI and NPI LTIP Participants as of April 23, 2009, as amended, pursuant to which the NPI LTIP Participants were granted Replacement Rights.

"Series 1 Preferred Shares" means the cumulative rate reset preferred shares, series 1 of the Corporation.

"Subsidiary" has the meaning specified in Section 1.1 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as it exists on the date hereof.

"Trust Units" means the units of beneficial interest of the Fund designated as "Trust Units" under the trust indenture of the Fund dated as of July 16, 2009.

"TSX" means the Toronto Stock Exchange.

"Voting Form" means a voting instruction form.

"Voting Shareholders" means the holders of Common Shares, Class A Shares and Class C Convertible Shares.

"Voting Shares" means Common Shares, Class A Shares and Class C Convertible Shares.

Words importing the singular include the plural and vice versa and words importing any gender include all genders.

NORTHLAND POWER

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