

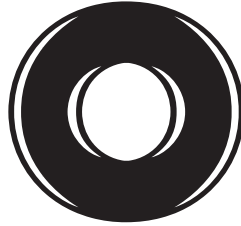
MACQUARIE

**MACQUARIE POWER & INFRASTRUCTURE INCOME FUND**

**NOTICE OF  
ANNUAL MEETING OF UNITHOLDERS  
TO BE HELD ON  
MAY 7, 2009**

**AND**

**INFORMATION CIRCULAR**



MACQUARIE

**MACQUARIE POWER & INFRASTRUCTURE INCOME FUND**

**Notice of Annual Meeting of Unitholders  
to be held on May 7, 2009**

Notice is hereby given that the annual meeting (the “Meeting”) of the holders (“Unitholders”) of trust units (“Units”) of Macquarie Power & Infrastructure Income Fund (the “Fund”) will be held at the Toronto Board of Trade, First Canadian Place, 100 King Street West, Suite 350, Room ABC, Toronto, Ontario on May 7, 2009 at 10:00 a.m. (Toronto time) for the following purposes:

- (a) to receive the Fund’s audited consolidated financial statements as at and for the financial year ended December 31, 2008 and the auditors’ report thereon;
- (b) to elect the independent trustees of the Fund;
- (c) to appoint the auditors of the Fund and to authorize the trustees of the Fund to fix such auditors’ remuneration; and
- (d) to transact such other business as may properly come before the Meeting or any adjournment thereof.

A copy of the Fund’s Information Circular dated March 24, 2009, which includes specific details of the foregoing matters, together with either a form of proxy or a voting instruction form, depending upon the particular securities dealer or broker, bank, trust company or other intermediary through which Units are held, accompany this notice.

Unitholders are invited to attend the Meeting. Unitholders of record at 5 p.m. (Toronto time) on March 25, 2009 will be entitled to vote at the Meeting.

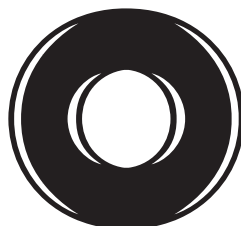
Unitholders are requested to complete and return either the accompanying (a) form of proxy or other proper form of proxy to Computershare Investor Services Inc., 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, at any time up to 48 hours prior to the Meeting or any adjournment thereof (or otherwise in accordance with the instructions printed on the accompanying form of proxy) or (b) voting instruction form in accordance with the instructions printed on the voting instruction form.

DATED the 24<sup>th</sup> day of March, 2009.

By Order of the Trustees of  
Macquarie Power & Infrastructure Income Fund

---

Stuart M. Miller  
Vice President and General Counsel



MACQUARIE

**MACQUARIE POWER & INFRASTRUCTURE INCOME FUND**

**INFORMATION CIRCULAR FOR THE ANNUAL MEETING OF UNITHOLDERS**

**TO BE HELD ON MAY 7, 2009**

**This Information Circular is furnished in connection with the solicitation of proxies by or on behalf of the trustees (the “Trustees”) of Macquarie Power & Infrastructure Income Fund (the “Fund”) to be used at the annual meeting (the “Meeting”) of holders of trust units of the Fund (“Units”) to be held at the Toronto Board of Trade, First Canadian Place, 100 King Street West, Suite 350, Room ABC, Toronto, Ontario on May 7, 2009 at 10:00 a.m. (Toronto time), and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual Meeting.** The information contained herein is given as of March 24, 2009 and dollar amounts are in Canadian dollars, unless otherwise indicated.

The solicitation of proxies will be made primarily by mail, but proxies may also be solicited by personal interview, telephone or by other means of communication on behalf of the Trustees by the directors, officers, employees or agents of Macquarie Power Management Ltd. (the “Manager”), an indirect subsidiary of Macquarie Group Limited (collectively with its subsidiaries, the “Macquarie group”), which provides certain administrative services to the Fund pursuant to the Administration Agreement (as defined below), without special compensation, or by the Fund’s transfer agent, Computershare Investor Services Inc., at nominal cost. The total cost of solicitation will be borne by the Fund. As well, the Fund will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for any reasonable expenses incurred in sending proxy material to beneficial and registered holders of Units (each a “Unitholder” and collectively, the “Unitholders”) and requesting authority to execute proxies.

**VOTING BY BENEFICIAL UNITHOLDERS**

The information set forth in this section is of particular importance to beneficial holders of Units (“Beneficial Unitholders”). Under the electronic book-based registration system through which the Units are held, the only registered Unitholder is CDS Clearing and Depository Services Inc. or its affiliate (collectively, “CDS”). CDS acts as a clearing agent for its participants (each a “CDS Participant”), which include banks, trust companies, securities dealers or brokers and trustees of or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered educational savings plans and similar plans. Units registered in the name of CDS and held by a Beneficial Unitholder through a CDS Participant can only be voted (for or against or withheld from voting on resolutions, as applicable) upon instructions of the Beneficial Unitholder. Without specific instructions from a Beneficial Unitholder, CDS is prohibited from voting in respect of such Beneficial Unitholder’s Units. Therefore, Beneficial Unitholders should ensure that their instructions respecting the voting in respect of their Units are communicated in accordance with the procedures described below.

In addition to the Notice of Annual Meeting accompanying this Information Circular, each Beneficial Unitholder will also receive, depending on the particular CDS Participant through which such Beneficial Unitholder’s Units are held, either:

- (a) a voting instruction form which must be completed and returned by the Beneficial Unitholder in accordance with the directions printed on the form (in some cases, the completion of the voting instruction form by telephone, facsimile or over the Internet is permitted); or
- (b) a form of proxy which has already been signed or stamped with a facsimile signature of the CDS Participant and which is restricted as to the number of Units beneficially owned by the Beneficial

Unitholder. A Beneficial Unitholder who receives and wishes to submit such a form of proxy should properly complete the form of proxy and return it in accordance with the instructions therein provided.

**Beneficial Unitholders who receive voting instruction forms, forms of proxy or other voting material from a CDS Participant (or its agent) should complete and return such material in accordance with the instructions accompanying the material in order to properly vote their Units at the Meeting.**

A Beneficial Unitholder receiving a voting instruction form or a form of proxy cannot use such form to vote Units directly at the Meeting, as each type of form must be returned as directed in advance of the Meeting in order to have the Units voted. Although Beneficial Unitholders may not be recognized directly at the Meeting for the purposes of voting Units registered in the name of CDS, a Beneficial Unitholder may attend the Meeting as proxyholder for CDS and vote such Beneficial Unitholder's Units in that capacity. A Beneficial Unitholder who wishes to attend the Meeting and vote such Beneficial Unitholder's Units as proxyholder for CDS should enter the Beneficial Unitholder's own name in the appropriate space on the voting instruction form or the form of proxy and return the same in advance of the Meeting in accordance with the instructions therein provided.

#### **APPOINTMENT OF PROXIES**

**The person named in the form of proxy or voting instruction form accompanying this Information Circular is a Trustee and will represent Unitholders who properly complete and return a form of proxy or voting information form and who do not appoint another proxyholder to represent them at the Meeting or at any adjournment thereof. A Unitholder may appoint another person (who need not be a Unitholder) to represent such Unitholder at the Meeting or at any adjournment thereof by inserting the name of the person to be appointed in the blank space provided in such form of proxy or voting instruction form or by completing another proper form of proxy. In either case, in order to be effective: (a) the completed form of proxy or other proper form of proxy must be received by Computershare Investor Services Inc., 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, at any time up to 48 hours prior to the Meeting or any adjournment thereof (or otherwise in accordance with the instructions printed on the form of proxy), or (b) the completed voting instruction form must be returned in accordance with the instructions printed on the form.**

#### **REVOCAION OF PROXIES**

In addition to revocation in any other manner permitted by law, a proxy given by a registered Unitholder may be revoked 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 under its corporate seal or by a duly authorized officer or attorney of the corporation, and returned to Computershare Investor Services Inc., 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof.

Beneficial Unitholders should contact the CDS Participants through which such Beneficial Unitholders' Units are held for information on how to revoke such persons' voting instructions.

#### **VOTING AND EXERCISE OF DISCRETION BY PROXIES**

On any ballot that may be called for, the Units represented by properly executed proxies given in favour of the person named in the accompanying form of proxy or voting instruction form will be voted for or withheld from voting as specified by the Unitholder.

**If no choice is specified by a Unitholder with respect to the appointment of a proxyholder and to any matter to be acted upon at the Meeting, the Units represented by such Unitholder's proxy or voting instruction form will be voted (i) FOR the election of the nominees for Independent Trustees (as defined below) named below and (ii) FOR the reappointment of PricewaterhouseCoopers LLP as auditors of the Fund and authorizing the Trustees to fix such auditors' remuneration.**

The accompanying form of proxy or voting instruction form confers discretionary authority upon the person named therein with respect to amendments or variations to matters identified in the accompanying Notice of Annual Meeting and with respect to other matters which may properly come before the Meeting or any

adjournment thereof. As of the date of this Information Circular, neither the Trustees nor the Manager are aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Annual Meeting or any other matters which are not now known to the Trustees or the Manager should properly come before the Meeting or any adjournment thereof, the Units represented by properly executed proxies given in favour of the person named in the enclosed form of proxy or voting instruction form will be voted on such matters pursuant to such discretionary authority.

## **VOTING OF UNITS AND PRINCIPAL HOLDERS THEREOF**

The Fund is an unincorporated, open-ended, limited purpose trust governed by the laws of the Province of Ontario and established by a declaration of trust dated March 15, 2004, as amended and restated as of April 16, 2004 and as further amended effective February 21, 2006 (the “Fund Declaration of Trust”). The Fund Declaration of Trust provides for the issuance of an unlimited number of Units. All Units are of the same class with equal rights and privileges. As at March 24, 2009, the Fund had 46,671,394 Units outstanding.

Each Unit confers the right to one vote at any meeting of Unitholders. All Unitholders of record at 5:00 p.m. (Toronto time) on March 25, 2009, the record date established for determining Unitholders entitled to receive notice of and to vote at the Meeting or any adjournment thereof, will be entitled to vote at the Meeting either in person or by proxy.

The only registered Unitholder is CDS. To the knowledge of the Trustees and the Manager, as at March 24, 2009, no person beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the voting rights attached to the outstanding Units.

As at March 24, 2009, 3,249,390 Class B exchangeable limited partnership units (the “Class B Exchangeable Units”) of MPT LTC Holding LP, an indirect subsidiary of the Fund, were outstanding. The Class B Exchangeable Units have economic rights equivalent in all material respects to those of the Units and, subject to certain conditions, are exchangeable on a one-for-one basis for Units. Holders of the Class B Exchangeable Units are not entitled to vote at the Meeting.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **Financial Statements**

The Fund’s audited consolidated financial statements as at and for the financial year ended December 31, 2008, together with the auditors’ report thereon, are contained in the Fund’s 2008 Annual Report mailed to Unitholders together with this Information Circular and will be presented to Unitholders at the Meeting.

### **Election of Trustees**

The Fund Declaration of Trust provides that the Fund must have a minimum of four and a maximum of 10 Trustees, as determined from time to time by the Trustees. Presently, the number of Trustees is set at four. The Fund and Macquarie Power & Infrastructure Income Trust (“MPIIT”), a wholly-owned subsidiary of the Fund, are each administered by the Manager under an administration agreement, dated as of April 30, 2004, as amended (the “Administration Agreement”). During the term of the Administration Agreement, the Manager is entitled to appoint one Trustee (the “Non-Independent Trustee”). Currently, the Manager’s appointee as Non-Independent Trustee is Mr. Stephen Mentzines. Each of the remaining Trustees (the “Independent Trustees”) must be “independent” (as such term is defined under section 1.4 of the Canadian Securities Administrators’ National Instrument 52-110 — *Audit Committees* (“NI 52-110”)) and the Independent Trustees are to be elected at each annual meeting of Unitholders. Each Trustee will serve as a trustee of the Fund until the next annual meeting of Unitholders, or until his or her successor is elected or appointed, in accordance with the Fund Declaration of Trust and, in the case of the Non-Independent Trustee, the Administration Agreement.

The Independent Trustees are nominated by the Governance Committee of the Board of Trustees of the Fund (the “Board”) and only individuals who have been recommended unanimously by the Governance Committee may be candidates for election as Independent Trustees. If any of the nominees is not available to act as a Trustee, a substitute may be nominated. The individuals proposed by the Governance Committee for

election as Independent Trustees are all currently Trustees and are listed in the following table. These nominees, in the opinion of the Governance Committee, are well-qualified to direct the Fund's activities for the ensuing year. Each nominee listed below has demonstrated the eligibility and willingness to serve as a Trustee. If, prior to the Meeting, any of the listed nominees becomes unable or unwilling to serve, the person named in the form of proxy or voting instruction form will have the right to use his discretion in voting for a properly qualified substitute.

The following table provides the name and background information for each nominee for Independent Trustee, including present principal occupation and principal occupations during the past five years, the date each such person was first elected as an Independent Trustee and the number of Units beneficially owned, directly or indirectly, or over which control or direction is exercised, by such person (as furnished by the respective nominee) and the other public entities of which each currently serves as a director (or in a similar capacity):

<u>Name and Jurisdiction of Residence; Date elected Trustee; Ownership of Units</u>	<u>Principal Occupation and Employment</u>
<p><b>Derek Brown</b><sup>(1)(2)</sup> . . . . .  Ontario, Canada  Trustee since March 15, 2004  Units beneficially owned or over which control or direction is exercised: 46,234</p>	<p><b>Derek Brown</b> is a corporate director and currently sits on the boards of SNP Split Corp., Sixty Split Corp. and DALSA Corporation. Mr. Brown is also a member of the finance committee of the Canadian Opera Foundation. From 1996 to 2005, Mr. Brown was a Professor of Finance (adjunct) at the University of Toronto, prior to which he was a Vice President and Director of RBC Dominion Securities Inc. From 1997 to 2003, Mr. Brown was a Commissioner of the Ontario Securities Commission. Mr. Brown earned a Bachelor of Commerce and Bachelor of Laws degree from Dalhousie University as well as a Doctor of Laws. He is also a Chartered Business Valuator and was a Governor of the Canadian Institute of Chartered Business Valuators from 1998 to 2003.</p>
<p><b>Patrick J. Lavelle</b><sup>(1)(2)</sup> . . . . .  Ontario, Canada  Trustee since April 15, 2004  Units beneficially owned or over which control or direction is exercised: 3,493</p>	<p><b>Patrick J. Lavelle</b> is the Chairman and Chief Executive Officer of Patrick J. Lavelle and Associates, a strategic management consulting firm which he established in 1991. Mr. Lavelle is also the Chairman of Specialty Foods Group Income Fund and a director of the Ontario Financing Authority and a trustee of Retrocom Mid-Market Real Estate Investment Trust. Until March 2002, Mr. Lavelle was the Chairman and Chief Executive Officer of Unique Broadband Systems Inc. He previously held the position of Chairman of Export Development Canada from 1998 to 2001 and he served a three-year term as Chairman of the Board of the Business Development Bank of Canada commencing in 1994.</p>
<p><b>François R. Roy</b><sup>(1)(2)</sup> . . . . .  Québec, Canada  Trustee since March 15, 2004  Units beneficially owned or over which control or direction is exercised: NIL</p>	<p><b>François R. Roy</b> is Vice-Principal (Administration and Finance) of McGill University. Mr. Roy is also a director or trustee (as applicable) and a member of the audit committees of Pixman Nomadic Media Inc., SFK Pulp Fund and Transcontinental Inc. Mr. Roy was the Chief Financial Officer of Telemedia Corporation between March 2000 and May 2003.</p>

Notes:

(1) Member of the Audit Committee of the Board.

(2) Member of the Governance Committee of the Board.

The individual to be appointed by the Manager at the close of the Meeting as the Non-Independent Trustee, together with the same information as furnished in respect of the proposed nominees for election as Independent Trustees, is as follows:

**Stephen Mentzines** . . . . .  
New York, USA  
Trustee since November 1,  
2007  
Units beneficially owned or  
over which control or  
direction is exercised: NIL

**Stephen Mentzines** is a senior managing director of the Macquarie group and head of Macquarie Capital Funds — North America. He is a key member of the senior management team of Macquarie Capital Funds which, as of December 31, 2008, managed \$45 billion of equity under management globally. Mr. Mentzines has previously worked within the Macquarie group as the global Chief Operating Officer of Macquarie Capital Funds, joint Chief Financial Officer/Chief Operating Officer of Macquarie Capital Funds’ largest listed fund, Macquarie Infrastructure Group, and had primary responsibility for the launch and early development of Macquarie Capital Funds’ activities in the Middle East. Prior to joining the Macquarie group in 1998, Mr. Mentzines worked at Westpac Banking Corporation for eight years as Chief Financial Officer of several operating divisions, including the international and institutional banking group, and worked for KPMG LLP both in Sydney and London in the 1980s. He graduated with a bachelor’s degree in economics from the University of Sydney and is a member of the Institute of Chartered Accountants in Australia. Mr. Mentzines is also the Alternate Chairman of Macquarie Infrastructure Company, which is listed on the New York Stock Exchange.

To the knowledge of the Fund, no Trustee (or a personal holding company of a Trustee) (A) is or 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; (B) is or 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 securityholder in deciding whether to vote for a proposed director or trustee; (C) is or has been in the last 10 years, a director, trustee, chief executive officer or chief financial officer of an issuer that (a) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation (each an “order”) that was issued while that person was acting in the capacity of director, trustee, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the person ceased to be a director, trustee, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer; (D) is or has been in the last 10 years, a director, trustee, or executive officer of an issuer that, while the person was acting in the 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 (E) has in the last 10 years 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 such person’s assets, except for the following:

Mr. Lavelle ceased to be a director of Proprietary Industries Inc. (“Proprietary”) on February 17, 2005. Prior to Mr. Lavelle being appointed a director of Proprietary, the Alberta Securities Commission (the “ASC”) and certain other securities regulatory authorities issued cease trade orders in connection with allegations that certain of Proprietary’s financial statements were not prepared and/or filed in accordance with applicable requirements. The ASC has since approved a settlement agreement with Proprietary and the relevant securities authorities approved the lifting of the cease trade orders previously applicable to Proprietary’s shares. Mr. Lavelle was also a director of Slater Steel Inc. when it filed for protection on June 2, 2003 under the *Companies’ Creditors’ Arrangement Act* (Canada) (the “CCAA”) in Canada and under Chapter 11 of the U.S. Bankruptcy Code in the United States and Mr. Lavelle was also a director of SR Telecom Inc., when it filed for protection under the CCAA on November 19, 2007, and Tahera Diamond Corporation, which filed for protection under the CCAA on January 16, 2008.

*Number of Board and Committee Meetings held during 2008*

<u>Board or Committee</u>	<u>Number of Meetings</u>
Board . . . . .	8
Audit Committee . . . . .	5
Governance Committee . . . . .	5
Total number of meetings held . . . . .	<u>18</u>

*Summary of Attendance of Trustees for Board and Committee Meetings held during 2008*

<u>Trustee</u>	<u>Board Meetings Attended<sup>(1)</sup></u>	<u>Committee Meetings Attended</u>
Derek Brown . . . . .	8 of 8	10 of 10
Patrick J. Lavelle . . . . .	8 of 8	10 of 10
François R. Roy . . . . .	8 of 8	10 of 10
Stephen Mentzines . . . . .	5 of 8	— <sup>(2)</sup>

Notes:

- (1) The Independent Trustees meet separately from management and the Non-Independent Trustee at each meeting of the Board.
- (2) The Non-Independent Trustee is not a member of any committees of the Board.

**Appointment of Auditors**

The Trustees recommend that PricewaterhouseCoopers LLP, Chartered Accountants, be re-appointed as the Fund’s auditors to hold office until the close of the next annual meeting of Unitholders or until a successor is appointed and that the Trustees be authorized to fix PricewaterhouseCoopers LLP’s remuneration. PricewaterhouseCoopers LLP are the current auditors of the Fund and were first appointed as the auditors of the Fund on March 15, 2004.

**MANAGEMENT OF THE FUND**

The Fund’s principal and registered office is at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3.

**Administration Agreement and Management Agreements**

The Manager, the Fund and MPIIT have entered into the Administration Agreement pursuant to which the Manager has been appointed as administrator of the Fund and MPIIT. Under the Administration Agreement, the Manager provides or arranges for administrative services to be provided to the Fund and MPIIT, as applicable, including legal, investor relations and financial accounting and administration, and the Manager assists in and supervises the analysis of potential acquisitions and dispositions and carries out or supervises the making of acquisitions, dispositions or investments, as agreed by the Manager and subject to the control and direction of the Trustees and the trustees of MPIIT, respectively. In connection with the Administration Agreement, the Manager has supplied the services of persons to serve as the President and Chief Executive Officer and the Vice President, Chief Financial Officer and Secretary of each of the Fund and MPIIT. These individuals provide services on an “as needed basis” and these offices are not full time positions.

The Manager, the Fund, MPIIT and Cardinal Power of Canada, L.P. (“Cardinal LP”), a subsidiary of MPIIT, have entered into a management agreement dated as of April 30, 2004 (the “Cardinal LP Management Agreement”), pursuant to which the Manager provides or arranges for certain management services to be provided to Cardinal LP and in respect of its 156 MW combined cogeneration facility. Also, the Manager, the Fund, MPIIT and MPT Holding LTC LP (“LTC Holding LP”), a subsidiary of MPIIT, have entered into a management agreement dated as of October 18, 2005 (the “LTC Holding LP Management Agreement”), pursuant to which the Manager provides or arranges for certain management services to be provided to LTC Holding LP and in respect of its approximately 45% indirect ownership interest in the long-term care, retirement



home and related businesses operated by Leisureworld Senior Care LP. In addition, the Manager, the Fund, Clean Power Operating Trust (“CPOT”) and Clean Power Income Fund (“CPIF”) have entered into a management agreement dated as of June 26, 2007 (the “Clean Power Management Agreement”, and together with the Cardinal LP Management Agreement and the LTC Holding LP Management Agreement, the “Management Agreements”), pursuant to which the Manager provides or arranges for certain management services to be provided to each of CPOT and CPIF and in respect of CPOT’s hydro, wind and biomass power generation facilities. Under the Management Agreements, the services provided for or arranged by the Manager include overseeing operations, human resources, legal and financial accounting and administration, and the Manager assists in and supervises the analysis of potential acquisitions and dispositions and carries out or supervises the making of acquisitions, dispositions or investments, as agreed by the Manager and subject to the control and direction of the applicable board of directors or trustees. In connection with the Management Agreements, the Manager has supplied the services of persons to serve as the President and Chief Executive Officer and the Vice President, Chief Financial Officer and Secretary of each of Cardinal Power Inc., the general partner of Cardinal LP, MPT LTC Holding Ltd., the general partner of LTC Holding LP, and CPOT. These individuals provide services on an “as needed basis” and these offices are not full-time positions.

The Manager earned aggregate administration and management fees of \$1,873,806, comprised of \$108,344, \$622,979, \$478,223 and \$664,260, under the Administration Agreement, the Cardinal LP Management Agreement, the LTC Holding LP Management Agreement and the Clean Power Management Agreement, respectively, for the year ended December 31, 2008. In addition, the Manager earned an aggregate incentive fee of \$1,601,529 and was reimbursed an aggregate of \$3,266,798 in costs incurred during the same period pursuant to the Administration Agreement and the Management Agreements. The amount received by the Manager for cost reimbursement did not include an amount in respect of compensation paid or payable to the persons supplied by the Manager to serve as the President and Chief Executive Officer and the Vice President, Chief Financial Officer and Secretary of each of the Fund, MPIIT, Cardinal Power Inc., MPT LTC Holding Ltd. and CPOT. All cost recovery was on an “as incurred” basis without any margin or profit component.

**The Manager**

The Manager’s principal and registered office is at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3.

As at March 24, 2009, the following individuals are the directors and executive officers of the Manager:

<u>Name and Jurisdiction of Residence</u>	<u>Office with the Manager</u>	<u>Principal Occupation</u>
<b>Harry Atterton</b> . . . . . Ontario, Canada	Director, Vice President, Chief Financial Officer and Secretary	Managing Director of the Macquarie group’s Macquarie Capital Funds division in North America
<b>Sarah Borg-Olivier</b> . . . . . Ontario, Canada	Vice President	Senior Manager of the Macquarie group’s Macquarie Capital Funds division in North America
<b>Stephen Mentzines</b> . . . . . New York, USA	Director	Senior Managing Director of the Macquarie group and head of the Macquarie group’s Macquarie Capital Funds division in North America

<u>Name and Jurisdiction of Residence</u>	<u>Office with the Manager</u>	<u>Principal Occupation</u>
<b>Stuart M. Miller</b> . . . . . Ontario, Canada	Vice President and General Counsel	Senior Vice President and General Counsel of the Macquarie group's Macquarie Capital Funds division in North America
<b>Gregory J. Smith</b> . . . . . Ontario, Canada	Director, President and Chief Executive Officer	Managing Director of the Macquarie group's Macquarie Capital Funds division in North America

Neither the Manager nor any director or executive officer of the Manager, nor any of their respective affiliates or associates, is, or has at any time since the establishment of the Fund, been indebted to the Fund or its subsidiaries or been engaged in any transaction or arrangement with the Fund except as described in this Information Circular.

## **REMUNERATION OF MANAGEMENT AND OTHERS**

### **Compensation Discussion and Analysis**

The compensation of the Manager is calculated in accordance with the Administration Agreement and the Management Agreements and is not subject to the general discretion of the Independent Trustees, although any expense reimbursement for services of affiliates of the Manager are subject to the approval of the Independent Trustees (or their equivalent, in the case of a subsidiary entity of the Fund). Accordingly, no compensation is paid by the Fund to any officers of the Fund, its subsidiaries or the Manager and the compensation that such officers receive from the Manager is not within or subject to the discretion of the Independent Trustees. Accordingly, the Governance Committee of the Board does not have a mandate to review any compensation other than Trustee compensation.

### **Compensation of Executive Officers**

In connection with the services provided to the Fund by the Manager under the Administration Agreement, the Manager has supplied the services of persons to serve as the President and Chief Executive Officer and the Vice President, Chief Financial Officer and Secretary of the Fund. None of the executive officers of the Fund listed below are employed by the Fund or any of its subsidiaries and neither the Fund nor any of its subsidiaries provides any remuneration to the executive officers of the Fund (or any other officers of the Manager) or any of their respective associates. The individuals who have been appointed to serve as the executive officers of the Fund have been recommended by the Manager and have been appointed to serve as the executive officers of the Fund by the Trustees. Such executive officers serve in such capacity on an "as needed basis".

The persons serving as the executive officers of the Fund are employed by Macquarie Capital Funds Canada Ltd. ("MCFC"), an indirect subsidiary of Macquarie Group Limited and the indirect parent company of the Manager, and act in a variety of capacities on behalf of MCFC and other Macquarie group-managed funds with infrastructure investments in North America. Because the executive officers of the Fund have additional roles and responsibilities in the Macquarie group other than the services they provide to the Fund on behalf of the Manager, the compensation that such individuals receive from MCFC is not solely related to the services provided by these individuals in managing the Fund.

The information in the following table was prepared by the Manager solely for the purpose of inclusion in this Information Circular. The following table reflects the Manager's estimate of the portion of the total compensation paid by MCFC to the persons serving as the executive officers of the Fund and its subsidiaries for the fiscal years ended December 31, 2006, 2007 and 2008 that can be attributed to the services they provided to the Fund and its subsidiaries on behalf of the Manager during such periods. Such allocation was determined by

the Manager solely for the purposes of the following table, based on the role, responsibility and time spent by the respective officers to fulfil the requirements of their office.

<u>Name</u>	<u>Fund Office</u>	<u>Year</u>	<u>Portion of Total Compensation Attributable to Services Provided to the Fund (\$)<sup>(4)</sup></u>
Gregory Smith . . . . .	President and Chief Executive Officer	2008	\$506,972
		2007	471,000
		2006	413,899
Harry Atterton <sup>(1)</sup> . . . . .	Vice President, Chief Financial Officer and Secretary	2008	\$330,325
		2007	385,279
		2006	344,669
Stuart M. Miller <sup>(2)</sup> . . . . .	Vice President and General Counsel	2008	\$305,581
		2007	249,750
		2006	—
Sarah Borg-Olivier <sup>(3)</sup> . . . . .	Vice President, Investor Relations	2008	\$153,286
		2007	—
		2006	—

Notes:

- (1) Mr. Atterton was appointed as the Vice President and Chief Financial Officer of the Fund effective March 1, 2005 and was appointed as the Secretary of the Fund effective May 10, 2006.
- (2) Mr. Miller was appointed as the Vice President and General Counsel of the Fund effective February 20, 2007.
- (3) Ms. Borg-Olivier was appointed as the Vice President, Investor Relations of the Fund effective May 6, 2008.
- (4) This amount is intended to reflect the portion of the total compensation paid by MCFC to the listed officers, including salary, bonus and all other compensation including perquisites, and other personal benefits that can be attributed to such persons in respect of the services each provided to the Fund and its subsidiaries on behalf of the Manager during the periods noted. Such allocation was determined by the Manager solely for the purposes of this table, based on the role, responsibility and time spent by the respective officers to fulfil the requirements of their office.

The Fund does not have an option plan or any other similar form of unit-related or long-term incentive compensation plan or arrangement. The Fund does not have any defined benefit or actuarial plan pursuant to which retirement or similar benefits are paid to executive officers of the Fund (or any other officers of the Manager) or any of their respective associates.

### Compensation of Trustees

The Fund Declaration of Trust requires that the Board appoint a Governance Committee comprised of a minimum of three Independent Trustees. The members of the Governance Committee are Messrs. Lavelle (Chair), Brown and Roy, each of whom is an Independent Trustee. The Governance Committee is responsible for reviewing and recommending changes to the compensation of the Trustees. The Board determines the compensation of the Trustees based on the recommendation of the Governance Committee. The policies of the Governance Committee for determining such compensation are set out under the heading “Statement of Corporate Governance Practices — Governance Committee”.

Each Independent Trustee is entitled to an annual retainer equal to \$35,000 per year and \$1,500 per board or committee meeting attended in person or by teleconference. The Chair of the Board, the Chair of the Audit Committee and the Chair of the Governance Committee are each entitled to additional retainers equal to \$15,000, \$10,000 and \$5,000 per year, respectively. The Independent Trustees are also reimbursed for expenses incurred in attending board and committee meetings. During 2008, the Fund paid the Trustees a total of \$216,000 on account of retainer and meeting attendance fees and \$12,475 on account of reimbursement for

out-of-pocket expenses incurred in connection with their attendance at meetings. The following table outlines all amounts of compensation provided to the Independent Trustees for Fund’s fiscal year ended December 31, 2008.

<u>Name</u>	<u>Board Retainer (\$)</u>	<u>Board Meeting Fees (\$)</u>	<u>Board/Committee Chairperson Retainer (\$)</u>	<u>Committee Meeting Fees (\$)</u>	<u>All other compensation (\$)</u>	<u>Total<sup>(1)</sup> (\$)</u>
Derek Brown . . . . .	35,000	12,000	15,000	15,000	—	77,000 <sup>(2)</sup>
Patrick J. Lavelle . . . . .	35,000	12,000	5,000	15,000	—	67,000
Stephen Mentzines <sup>(3)</sup> . . . . .	—	—	—	—	—	42,500
François R. Roy . . . . .	35,000	12,000	10,000	15,000	—	72,000

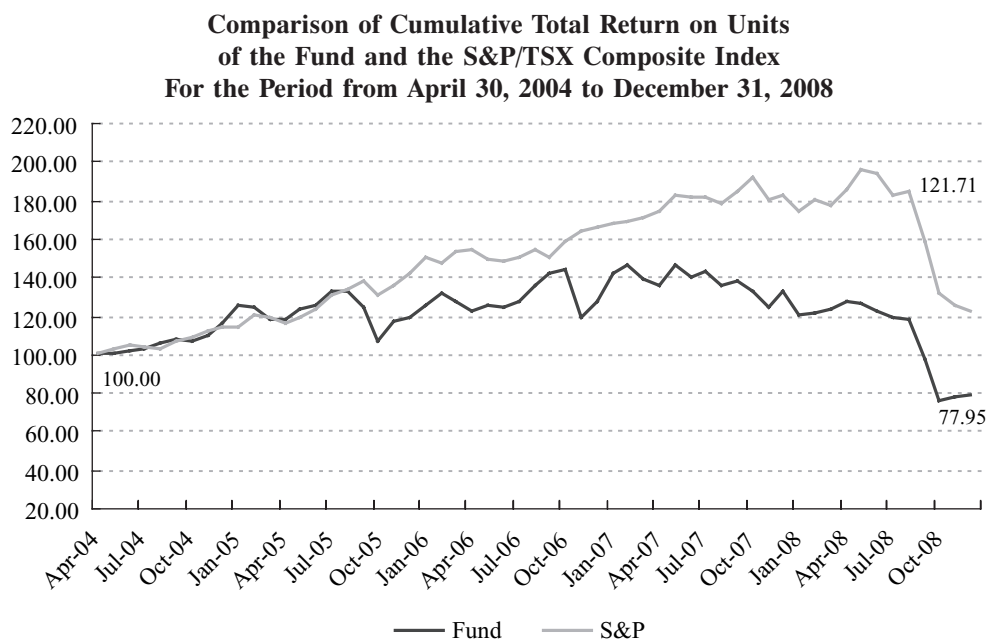
Notes:

- (1) Table does not include any amounts paid as reimbursement for expenses. The Independent Trustees may elect to receive all or part of their annual retainer and meeting attendance fees in Units, which are purchased through the facilities of the Toronto Stock Exchange (the “TSX”) on their behalf.
- (2) Of the total disclosed, Derek Brown elected to receive an amount of \$42,303 in the form of Units purchased through the facilities of the TSX in accordance with the Board’s policy of permitting the Independent Trustees to elect to receive all or a portion of their retainer and meeting attendance fees in the form of Units.
- (3) Stephen Mentzines is the Non-Independent Trustee and is appointed by the Manager. Mr. Mentzines is not entitled to receive an annual retainer or any meeting attendance fees from the Fund. Mr. Mentzines is employed by Macquarie Holdings (U.S.A.) Inc. (“MUSA”), an affiliate of the Manager, and acts in a variety of capacities on behalf of MUSA, its affiliates and other Macquarie group-managed funds with infrastructure investments in Canada and the United States. Because Mr. Mentzines has additional roles and responsibilities in the Macquarie group other than the services he provides to the Fund on behalf of the Manager, the compensation that he receives from the Macquarie group is not solely related to the services he provides in his role as Non-Independent Trustee. The information in the above table reflects the Manager’s estimate of the portion of the total compensation paid by MUSA to Mr. Mentzines to serve as the Non-Independent Trustee that can be attributed to the services that he provided to the Fund and its subsidiaries on behalf of the Manager. Such allocation was determined by the Manager solely for the purposes of the above table, based on the role, responsibility and time spent by Mr. Mentzines to fulfil the requirements of his office.

The Board has adopted a voluntary Unit ownership policy under which each Independent Trustee will endeavour to own Units with a value equal to such Trustee’s annual retainer.

## Performance Graph

The Units commenced trading on the TSX on April 30, 2004. The following graph compares the cumulative total return on a \$100 investment in Units with the cumulative total return on a \$100 investment in the S&P/TSX Composite Total Return Index over the period from April 30, 2004 to December 31, 2008. It is assumed that distributions are reinvested for the purpose of the calculation of the cumulative return on the Units. The Unit performance as set out in this section does not necessarily indicate future price performance.



## INDEBTEDNESS OF TRUSTEES AND OTHERS

Neither the Manager nor any of its directors or executive officers, nor any current or former executive officer, employee, trustee, director or nominee Trustee of the Fund or any of its subsidiaries, nor any of any such person's respective associates is, or has at any time since the establishment of the Fund, been indebted to the Fund or its subsidiaries or had indebtedness be the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Fund or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS AND OTHERS IN MATERIAL TRANSACTIONS

To the best of the knowledge of the Trustees, other than as disclosed herein, none of the Manager, any of its directors or executive officers, any informed person (as such term is defined under the Canadian Securities Administrators' National Instrument 51-102 — *Continuous Disclosure Obligations*) of the Fund, any Trustee or proposed nominee for election or appointment as a Trustee, or any associate or affiliate of any such persons, had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction with the Fund since the commencement of 2008 or in any proposed transaction which has materially affected or would materially affect the Fund or any of its subsidiaries.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Fund is subject to the rules and policies of the Canadian Securities Administrators regarding audit committees and the certification of certain annual and interim filings. In addition, the Fund is subject to the Canadian Securities Administrators' National Policy 58-201 — *Corporate Governance Guidelines* and National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (collectively, the "Governance Rules").

The following outlines the various procedures, policies and practices that the Fund and the Board have implemented to address the requirements of the Governance Rules and, where appropriate, to reflect best practices.

### Corporate Governance Guidelines

To enhance the Fund's commitment to maintaining a high standard of corporate governance, the Board has adopted a comprehensive set of corporate governance guidelines (the "Guidelines"). The Guidelines assist the Board with respect to meeting its corporate governance responsibilities. Among other things, the Guidelines address the following matters:

- **Board Organization and Membership** — including a requirement for a majority of the Trustees to be independent.
- **Board Committees** — including a requirement that each of the Board's Audit Committee and Governance Committee be composed entirely of Independent Trustees.
- **Board's Relationship with Management** — including a requirement for the Governance Committee to oversee and evaluate the compliance of the Manager with respect to its goals, objectives and responsibilities under the Fund's annual management plan and the Administration Agreement and to report such findings to the Board for its review.
- **Trustee Responsibilities and Performance** — including the assessment of the overall performance and effectiveness of the Board, each committee thereof, the Chair of the Board, the Chairs of the Board's committees and each Trustee on an annual basis.
- **Ethics and Conflicts of Interest** — including the requirement that any waiver of the Fund's Code of Ethics (as defined below) with respect to any trustee, director or executive officer of the Macquarie Power & Infrastructure Income Group be granted by the Governance Committee. As used herein, "Macquarie Power & Infrastructure Income Group" means, collectively, the Fund, MPIIT, CPOT, the Manager and the general partner and limited partnership of each Fund asset and investment.

### Code of Business Conduct and Ethics

To encourage and promote a culture of ethical business conduct, the Board has adopted a written Code of Business Conduct and Ethics (the "Code of Ethics"). The Code of Ethics is applicable to all trustees, directors, officers, employees, contractors and agents of the Macquarie Power & Infrastructure Income Group (collectively referred to in the Code of Ethics as "Employees"). The Code of Ethics generally outlines standards of conduct that must be met in the carrying out of an Employee's duties with the Fund, including: (i) guidelines on the acceptance or offering of gifts, entertainment or other advantages in the conduct of business; (ii) guidelines relating to dealings with public officials; and (iii) prohibitions on the inappropriate gathering of competitive information. The Code of Ethics also provides detailed guidelines with respect to the identification and declaration of conflicts of interest, the protection of confidential information and the appropriate use of computer and communications systems.

To ensure that Trustees exercise independent judgment in considering transactions and agreements in respect of which Employees may have a material interest, the Code of Ethics requires such Employees to avoid all situations in which their personal interests conflict or might conflict with their duties to the Macquarie

Power & Infrastructure Income Group by avoiding acquiring any interests or participating in any activities that could:

- deprive Macquarie Power & Infrastructure Income Group of the time or attention required to perform their duties properly; or
- create an obligation or distraction which would affect their judgment or ability to act solely in the Fund's best interest.

In addition, trustees, directors and officers of the Macquarie Power & Infrastructure Income Group are required to follow the procedures contained in the Guidelines and the Code of Ethics in respect of material contracts or transactions to which they are a party or in which they have a material interest, including the requirement to: (i) disclose in writing all business, commercial or financial interests or activities that might reasonably be regarded as creating an actual or potential conflict of interest; and (ii) for the individuals in question to abstain from voting on such matters, as applicable.

The Board has delegated its responsibility for monitoring compliance with the Code of Ethics to the Governance Committee which, among other things, reviews the Code of Ethics annually, is responsible for granting any waivers from the Code of Ethics and which oversees the Manager's implementation and monitoring of the Code of Ethics. To date, no waivers of the Code of Ethics have been granted. A copy of the Code of Ethics is available on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

### **Board of Trustees**

As at March 24, 2009, the Board was composed of four Trustees. The Board has concluded that a majority of those Trustees, specifically three out of four (or 75%) of the Trustees, are "independent". The Board's determination as to each Trustee's independence is made with reference to definitions under applicable securities legislation. Each of Messrs. Brown (Chair of the Board), Lavelle and Roy meet the definitions of independence under applicable securities legislation and are considered by the Board to be independent. Mr. Mentzines is not considered to be independent as he is appointed to the Board by the Manager.

Certain Trustees are also directors of (or serve in similar capacities on behalf of) other public entities in Canada and in other jurisdictions. Please see "Matters to be acted upon at the Meeting — Election of Trustees" for the names of those Trustees who serve as directors of (or serve in similar capacities on behalf of) other public entities and for the name of those entities. The biography of each Trustee set forth under such heading also outlines such Trustee's relevant experience and expertise. No Trustee sits on the board of a public entity (other than the Fund) on which another Trustee also sits. For information regarding the compensation of Trustees, please see "Remuneration of Management and Others — Compensation of Trustees".

### **Board and Committee Meetings**

The Board meets regularly to review the business operations and financial results of the Fund. Meetings of the Board include regular meetings with the Manager to review and discuss specific aspects of the operations of the Fund. Mr. Brown is the Chair of the Board and is an Independent Trustee. The Independent Trustees hold in-camera sessions with only the Independent Trustees present at all scheduled quarterly Board meetings and at other times throughout the year as required.

### **Mandate for the Board**

The Board has a written mandate (the "Mandate of the Board") which specifies the Board's ongoing responsibility for stewardship of the Fund. The Board annually assesses the Mandate of the Board. A copy of the Mandate of the Board is attached to this Information Circular as Schedule "A". The Board is ultimately responsible for supervising the activities and managing the investments and affairs of the Fund and, in doing so, is required to act in the best interests of Unitholders. The Board generally discharges its responsibilities either

directly or through the Audit Committee or the Governance Committee. Responsibilities of the Board set out in the Mandate of the Board include:

- oversight of the Fund's corporate governance;
- monitoring of the Fund's financial performance and other financial reporting matters;
- approving the Fund's policies and procedures; and
- oversight of the Fund's communications and reporting.

### **Board Committees**

Each of the Audit Committee and the Governance Committee are composed entirely of the Independent Trustees, all of whom are considered to be "independent" as determined under applicable securities laws. The Fund does not have a Nominating Committee or a Compensation Committee, as the functions that would otherwise be performed by such committees are performed by the Governance Committee.

### **Audit Committee**

The members of the Audit Committee are Messrs. Roy (Chair), Brown and Lavelle. In accordance with applicable securities laws, each of the members of the Audit Committee is "independent" and "financially literate." The Audit Committee corresponds directly with the Fund's finance and accounting service providers to review issues as appropriate and meets directly with PricewaterhouseCoopers LLP, the Fund's external auditors, on a regular basis. The Audit Committee charter (the "Audit Committee Charter") is attached as a schedule to the Fund's Annual Information Form for the financial year ended December 31, 2008 that will be filed and publicly available on SEDAR at [www.sedar.com](http://www.sedar.com). The Audit Committee Charter is assessed annually and updated as required. The Audit Committee Charter outlines, among other things, the mandate of the Audit Committee to:

- oversee the integrity of the Fund's financial statements and financial reporting process;
- oversee the qualifications and independence of the Fund's external auditors;
- oversee the work of the Fund's financial management and external auditors; and
- provide an open avenue of communication between the external auditors, the Board and Macquarie Power & Infrastructure Income Group, including the board of trustees of MPIIT and management of the Manager.

Further disclosure relating to the Audit Committee and its members, as required by NI 52-110, can be found in the Fund's Annual Information Form for the financial year ended December 31, 2008 that will be filed and publicly available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Governance Committee**

The Board has a Governance Committee that is composed of the three Independent Trustees, Messrs. Lavelle (Chair), Brown and Roy. The Governance Committee oversees and assesses the functioning of the Board and its committees, establishes the Fund's corporate governance principles and guidelines and, subject to the Fund Declaration of Trust, identifies and recommends qualified candidates for election to the Board. The charter for the Governance Committee (the "Governance Committee Charter") outlines, among other things, the responsibilities of the Governance Committee with respect to:

- identifying and recommending to the Board qualified Trustee nominees;
- annually reviewing and revising (as applicable) the Fund's approach to governance issues;
- overseeing compliance with the Code of Ethics;
- recommending terms for the compensation of Trustees, the Chair of the Board, the Chairs of the Board's committees; and



- annually evaluating the Manager’s compliance with the Administration Agreement and the Fund’s annual management plan.

The Governance Committee also periodically assesses the appropriateness of the size of the Board with a view to facilitating effective decision making and annually assesses the Governance Committee Charter and the competencies, skills and personal qualities required of the Board as a whole and each Trustee to add value to the Fund. Based on these assessments, the Governance Committee will consider whether to recommend any changes to the Governance Committee Charter or the composition of the Board. The Board has delegated the identification of nominees for Trustees to the Governance Committee which, as noted above, is made up entirely of the Independent Trustees, to help ensure an objective nomination process. When required, the Governance Committee will recruit and consider potential nominees for Trustees having regard to the background, employment and qualifications of possible candidates and will consider whether the candidate’s competencies, skills and personal qualities are aligned with the Fund’s needs. In accordance with the Governance Committee Charter and the Guidelines, the Trustees and the Board as a whole may engage outside advisors at the expense of the Fund with the approval of the Chair of the Board.

The Board determines the compensation of the Trustees based on the recommendation of the Governance Committee. The Governance Committee is responsible for reviewing and recommending the compensation of the Trustees. The Governance Committee has determined that the Trustees should be compensated in a form and amount which is appropriate and which is customary for comparative organizations, having regard for such matters as time commitment, responsibility and trends in director and trustee compensation. The Governance Committee is mandated to review the compensation of the Trustees on this basis annually. This review includes consideration of all forms of compensation that a Trustee receives, directly or indirectly, including any consulting contracts or charitable contributions to organizations in which a Trustee is affiliated. Please see “Remuneration of Management and Others — Compensation of Trustees” for a description of the Trustee’s current remuneration. The Fund has no full-time officers or employees. The Fund’s officers do not receive any remuneration from the Fund or its subsidiaries for acting in their capacity as officers of the Fund and they serve in such capacity on an “as needed basis”. Instead, the Fund is managed by the Manager pursuant to the Administration Agreement. Please see “Management of the Fund — Administration Agreement and Management Agreements”.

### **Position Descriptions**

The Board has approved position descriptions for the Chair of the Board, the Chairs of the Board’s committees and the President and Chief Executive Officer of the Fund (the “CEO”). In accordance with the Governance Committee Charter, the Governance Committee is responsible for annually reviewing and making recommendations to the Board regarding the position descriptions for the Chair of the Board, the Chairs of the Board’s committees and the CEO.

The Chair of the Board is responsible for, among other things, overseeing the Board’s discharge of its duties, governing the conduct of the Board, assisting the Board’s committees and acting as a liaison between the Board and the Manager. The Chairs of the Board’s committees are responsible for, among other things, providing leadership to their respective committees to enhance their effectiveness. The CEO is responsible for managing the underlying business within the structure of the Fund. The CEO’s specific responsibilities include developing a long-term corporate strategy in accordance with the Administration Agreement and the Management Agreements, reporting to the Board on succession planning and consulting with the Chair of the Board.

### **Board Assessment**

The Governance Committee is responsible for annually assessing the effectiveness of the Board as a whole and each committee of the Board and making recommendations to the Board thereon. The Governance Committee is also responsible for evaluating the performance of the Chair of the Board and the Chairs of the Board’s committees and the performance and contribution of individual Trustees. In 2008, the Governance Committee retained Blake, Cassels & Graydon LLP, the Fund’s external legal counsel, to assist in conducting an annual survey of the Trustees with respect to their views on the effectiveness of the Board, the Chair of the

Board, the Board's committees, the Chairs of the Board's committees and individual Trustees. Blake, Cassels & Graydon LLP then presented the results of the annual survey to the Governance Committee, which then reported to the Board on the overall results of its assessment of the Board, its committees and the Trustees.

### **Orientation and Continuing Education**

Pursuant to the Governance Committee Charter, the Governance Committee is mandated to oversee an orientation and education program for new Trustees and to provide ongoing educational opportunities for all Trustees. To assist in familiarizing new Trustees with the role of the Board and its committees and Trustees, new Trustees are provided with the Guidelines and a presentation on the duties and responsibilities of directors and trustees. New Trustees also have the opportunity to meet with the Manager and other members of the Board to familiarize themselves with the business of the Fund and their responsibilities as members of the Board.

To ensure that the Trustees maintain the knowledge and skill necessary to meet their obligations as trustees, the Governance Committee from time to time arranges for presentations by key personnel or qualified outside consultants concerning topics related to the Fund's business, changes to the Fund's legal and regulatory framework and corporate and board governance matters. Trustees are encouraged to attend external continuing education programs at the expense of the Fund.

### **ADDITIONAL INFORMATION**

Financial information is provided in the Fund's audited annual consolidated financial statements and management's discussion and analysis for its most recent financial year. Copies of these documents and additional information relating to the Fund are available on SEDAR at [www.sedar.com](http://www.sedar.com). Additional information regarding the Fund's Audit Committee, including a copy of the Audit Committee Charter and descriptions of its members and their applicable education and experience, can be found under the heading "Management of the Fund — Audit Committee Information" in the Fund's Annual Information Form for the financial year ended December 31, 2008, which will be available on SEDAR.

Upon written request, a copy of the Fund's audited annual consolidated financial statements for the period ended December 31, 2008 contained in the Fund's 2008 Annual Report, together with the auditors' report thereon and the related management's discussion and analysis, and one copy of any interim consolidated financial statements of the Fund, together with the related management's discussion and analysis, subsequent thereto, in each case as filed with the applicable securities regulatory authorities, will be provided to any person. Any request for any such documents should be made to the Manager at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3 (telephone: (416) 848-3500). The Fund may require the payment of a reasonable charge when a request is made by someone who is not a Unitholder.


\* \* \* \* \*

### **TRUSTEES' APPROVAL**

The contents of this Information Circular and the sending, communication or delivery thereof to Unitholders have been approved and authorized by the Trustees.

DATED the 24<sup>th</sup> day of March, 2009.

By Order of the Trustees of  
Macquarie Power & Infrastructure Income Fund



---

Derek Brown  
Chairman of the Board of Trustees

## SCHEDULE “A”

### MACQUARIE POWER & INFRASTRUCTURE INCOME FUND MANDATE FOR THE BOARD OF TRUSTEES

The term “Fund” herein shall refer to Macquarie Power & Infrastructure Income Fund and the term “Board” shall refer to the Board of Trustees of the Fund. “Macquarie Power & Infrastructure Income Group” means, collectively, the Fund, Macquarie Power & Infrastructure Income Trust (the “Trust”), the general partner of any Fund asset or investment (“General Partner”), the limited partnership of any Fund asset or investment (“Limited Partnership”) and Macquarie Power Management Ltd. (Canada) (the “Manager”). The term “Management” herein shall refer to senior management of the General Partner and the Manager.

The Board is elected by the unitholders and is responsible for the stewardship of the affairs of the Fund. The trustees shall act honestly and in good faith with a view to the best interests of the Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Board seeks to discharge such responsibility by supervising and reviewing the Fund’s investments, conducting the affairs of the Fund and monitoring the stewardship of the General Partner by the Board of Directors of the General Partner.

The Board is responsible for establishing and maintaining a culture of integrity in the conduct of the Fund’s affairs. The Board seeks to discharge this responsibility by satisfying itself as to the integrity of Management and by overseeing Management to ensure a culture of integrity is maintained.

Although trustees may be elected by the unitholders or appointed by the Manager to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Fund must be paramount at all times.

The Fund is a mutual fund trust under the *Income Tax Act* (Canada) and is required to not undertake any action that would cause it to lose such status. As a mutual fund trust, the Fund’s activities are limited by the *Income Tax Act* (Canada) to investments and activities ancillary to that function. It may have controlling investments in entities that carry on business and carry on activities in relation to such entities which are activities that are typical of a controlling investor, such as appointing directors of such entities, receiving reports therefrom and approving material activities of such entities. The Fund is a publicly listed vehicle which must comply with the applicable securities laws and the Board is responsible for overseeing such compliance by the Fund.

#### INDEPENDENCE OF TRUSTEES

As set out in the Declaration of Trust, each of the trustees, other than the Manager’s appointee, must be independent of the Fund and the business of Macquarie Power & Infrastructure Income Group. In order to be independent, the trustee must qualify as “independent” as defined in Multilateral Instrument 52-110, Audit Committees, as of that Instrument’s effective date, and as set out in the Fund’s Corporate Governance Guidelines. However, the fact that a trustee is also a director of the General Partner and/or a trustee of the Trust shall not disqualify the trustee from being considered to be an “independent trustee” of the Fund if the trustee would otherwise meet the foregoing tests.

#### DUTIES OF TRUSTEES

The Board discharges its responsibilities both directly and through its committees, the Audit Committee and the Governance Committee. In addition to these regular Committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature, as permitted under the Declaration of Trust of the Fund. In addition to the Board’s primary roles of supervising the activities and

managing the investments and affairs of the Fund, principal duties include, but are not limited to the following categories:

#### **Oversight of the Fund's Corporate Governance**

1. The Board is responsible for acting for, voting on behalf of and representing the Fund as a holder of Units, Notes and other securities of the Trust.
2. The Board is responsible for exercising the Fund's powers as a unitholder of the Trust and voting in favour of the Fund's nominees to serve as trustees of the Trust.
3. The Board is responsible for reviewing the performance of the trustees of the Fund and at least annually conducts an effective evaluation of the trustees of the Fund. As part of the annual performance evaluation, the trustees of the Fund will collectively review and, if appropriate, update this mandate.
4. The Board is responsible for ensuring the trustees of the Trust provide annual reviews of operational matters pertaining to the Fund's investments to the Board and reports on performance matters pertaining to the management of the Fund's investments.
5. The Board is responsible for reviewing the compliance of the Manager with respect to its goals, objectives and responsibilities under the Fund's Annual Management Plan and Administration Agreement and is advised of the results of such similar reviews of Management that have been conducted by the Board of Directors of the General Partner in relation to the Limited Partnership's Annual Management Plan and the Management Agreement.
6. The Board is responsible for conducting an annual review of the performance of the Fund against the goals and objectives as set out in the Annual Management Plan of the Fund.
7. The Board may delegate to Board committees matters it is responsible for, but the Board retains its oversight function and ultimate responsibility for all delegated responsibilities.

#### **Monitoring of Financial Performance and Other Financial Reporting Matters**

8. Pursuant to the Administration Agreement, the Board will review and may question the Annual Management Plan.
9. The Board is responsible for considering appropriate measures it may take on behalf of the Fund as a party to the Administration Agreement and Management Agreement if the performance of Macquarie Power & Infrastructure Income Group and the assets under Management's authority to manage, supervise and/or operate do not meet the Fund's goals or other special circumstances warrant.
10. The Board shall be responsible for approving the audited financial statements and the notes and Management's Discussion and Analysis accompanying such financial statements, the annual report, management proxy circular and annual securities law filings.
11. The Board is responsible for reviewing and approving material transactions involving the Fund and those matters which the Board is required to approve under the Declaration of Trust including the payment of distributions, the purchase and issuance of units, acquisitions and dispositions of material assets by the Fund and material expenditures by the Fund.

#### **Policies and Procedures**

12. The Board is responsible for:
  - (a) maintaining records on the Fund's affairs and investments;
  - (b) approving and monitoring compliance with all significant policies and procedures by which the Fund is operated;
  - (c) approving policies and procedures designed to ensure that the Fund operates at all times within applicable laws and regulations and to the highest ethical and moral standards; and

- (d) enforcing obligations of the trustees respecting confidential treatment of the Fund's proprietary information and Board deliberations.
13. The Board is responsible for approving an External Communications Policy respecting communications to the public and an Insider Trading Policy respecting insider trading and reporting matters.

**Communications and Reporting**

14. The Board is responsible for:
- (a) overseeing the accurate reporting of the financial performance of the Fund to unitholders, other security holders and regulators on a timely and regular basis;
  - (b) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
  - (c) taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Fund;
  - (d) reporting annually to unitholders on its stewardship for the preceding year;
  - (e) overseeing the provision to unitholders of all such information as is required by applicable law, prior to each meeting of unitholders;
  - (f) overseeing the investor relations and communications strategy of the Fund;
  - (g) overseeing the Fund's ability to accommodate feedback from unitholders;
  - (h) overseeing the Manager's role in assisting the Fund with its continuous disclosure obligations; and
  - (i) receiving reports from time to time from the Manager on foreign ownership of the Fund's securities in connection with maintaining its mutual fund status.