

MACQUARIE

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND

**NOTICE OF
SPECIAL MEETING OF UNITHOLDERS**

TO BE HELD ON

NOVEMBER 15, 2010

AND

INFORMATION CIRCULAR

WITH RESPECT TO

A PLAN OF ARRANGEMENT

INVOLVING

**MACQUARIE POWER & INFRASTRUCTURE INCOME FUND,
MACQUARIE POWER AND INFRASTRUCTURE CORPORATION**

AND

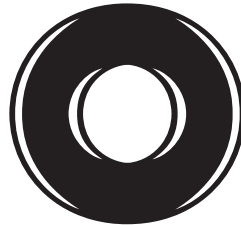
**THE UNITHOLDERS OF
MACQUARIE POWER & INFRASTRUCTURE INCOME FUND**

OCTOBER 15, 2010

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MACQUARIE

October 15, 2010

Dear Unitholders:

You are cordially invited to attend the special meeting of the holders (“Unitholders”) of trust units (“Units”) of Macquarie Power & Infrastructure Income Fund (the “Fund”). The meeting will be held on November 15, 2010 at One King West Hotel, 1 King Street West, The Chairman’s Boardroom, Toronto, Ontario at 9:00 a.m. (Toronto time).

At the meeting, you will be asked to consider and vote upon a resolution to approve the proposed conversion of the Fund from an income trust to a corporation pursuant to a plan of arrangement under the *Business Corporations Act* (British Columbia).

As you may know, the imposition of new tax rules on income trusts and other specified investment flow-through entities, announced in October 2006, is scheduled to come into effect on January 1, 2011. These new tax rules will effectively eliminate the benefits to the Fund and its Unitholders of the Fund’s income trust structure. As a result, the trustees of the Fund have determined that it is in the best interests of the Fund to convert from an income trust to a corporation on or before January 1, 2011. We believe that some of the benefits of a conversion will include:

- elimination of risks and uncertainty that the Fund would face if it were to remain a trust and be taxed under the new tax rules that will apply starting on January 1, 2011;
- enhanced access to cost-effective capital;
- more flexibility regarding the growth and retention of capital;
- a simpler structure by eliminating some of the Fund’s subsidiaries, thus reducing cost and complexity;
- greater comparability of the Fund’s successor corporation to similar publicly-held businesses making it easier for the Fund’s successor corporation to be assessed relative to its peers;
- ability for Unitholders to take advantage of tax rules applicable to income trusts and other specified investment flow-through entities that generally enable Unitholders to exchange their Units for shares of the successor corporation to the Fund without triggering a taxable disposition of their Units for Canadian tax purposes;
- enhanced liquidity; and
- attraction of a broader base of investors.

If the conversion is approved and implemented, each Unit will be exchanged for one common share of the successor corporation to the Fund. The successor corporation of the Fund will be named Macquarie Power and Infrastructure Corporation (“Parentco”) and its common shares will be listed on the Toronto Stock Exchange and trade under the symbol “MPT”.

We expect that the directors of Parentco will implement a dividend policy whereby Parentco will initially pay a monthly dividend of \$0.055 per common share (\$0.66 per common share per year). The first monthly dividend is anticipated to be declared in respect of the month ending January 31, 2011, assuming that the conversion is effective on or about January 1, 2011.

In order for the conversion to be completed, it must be approved by not less than two-thirds of the votes cast by Unitholders, in person or by proxy, at the meeting. The conversion must also be approved by the Supreme Court of British Columbia and certain other approvals must be obtained.

The trustees of the Fund, based upon our own investigations (including advice from our legal, tax and financial advisors), have concluded that the conversion is fair to Unitholders and is in the best interests of the Fund, and recommend that Unitholders vote in favour of the conversion. The trustees of the Fund and the directors and officers of Macquarie Power Management Ltd., the administrator of the Fund, and their associates have indicated that they intend to vote in favour of the conversion.

The accompanying information circular provides a detailed description of the conversion. If you require assistance, consult your financial, tax or other professional advisors. You may also contact our proxy solicitation agent Georgeson Shareholder Communications Canada Inc. or the Fund's Vice President, Investor Relations for further information:

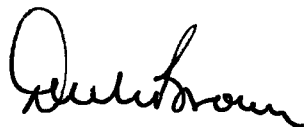
Georgeson Shareholder Communications Canada Inc.
Toll free in Canada and the United States: 1 (888) 605-7632
Email: askus@georgeson.com

Sarah Borg-Olivier, Vice President, Investor Relations
Toll free in Canada and the United States: 1 (877) 607-5009
Email: mpt@macquarie.com

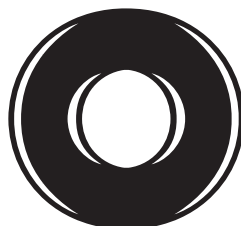
As a Unitholder it is important that you read this material carefully and then vote your Units using the enclosed form of proxy or voting instruction form. Instructions on how to complete these forms can be found in the accompanying Management Information Circular. In some cases, completion of these forms by telephone, facsimile or the internet is permitted.

On behalf of the trustees and the management of the Fund, I would like to thank you for your continued support.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Derek Brown', written in a cursive style.

Derek Brown
Chairman of the Board of Trustees



MACQUARIE

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND

Notice of Special Meeting of Unitholders to be held on November 15, 2010

Notice is hereby given that the special meeting (the “Meeting”) of the holders (“Unitholders”) of trust units (“Units”) of Macquarie Power & Infrastructure Income Fund (the “Fund”) will be held at One King West Hotel, 1 King Street West, The Chairman’s Boardroom, Toronto, Ontario on November 15, 2010 at 9:00 a.m. (Toronto time) for the following purposes:

- (a) to consider, pursuant to an order (the “Interim Order”) of the Supreme Court of British Columbia dated October 15, 2010, and, if thought advisable, to pass, with or without variation, a special resolution (the “Arrangement Resolution”), the full text of which is set forth in Appendix “A” to the accompanying management information circular of the Fund dated October 15, 2010 (the “Information Circular”), approving a plan of arrangement (the “Arrangement”) under Sections 288 to 299 of the *Business Corporations Act* (British Columbia) involving Macquarie Power and Infrastructure Corporation (“Parentco”), the Fund and Unitholders, providing for, among other things, the conversion of the Fund from an income trust to a corporation, as more particularly described in the accompanying Information Circular; and
- (b) to transact such other business as may properly come before the Meeting or any adjournment thereof.

A copy of the Information Circular, which includes specific details of the Arrangement, 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 on October 8, 2010 will be entitled to vote at the Meeting.

Registered Unitholders have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement becomes effective, to have their Units transferred to the Fund and cancelled in exchange for a cash payment from the Fund equal to the fair value of their Units as at the date of the Meeting in accordance with the provisions of the Interim Order. A registered Unitholder’s right to dissent is more particularly described in the Information Circular. A non-registered Unitholder who wishes to exercise the dissent rights must arrange for the registered Unitholder holding its Units to deliver the written notice of dissent to the Arrangement Resolution to the Fund, at its principal office at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3, Attention: Stuart M. Miller, Vice President and General Counsel, at any time up to 48 hours prior to the Meeting or any adjournment thereof. **Failure to strictly comply with the requirements set forth in the Interim Order may result in the loss of any right of dissent.**

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, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, by 9:00 a.m. (Toronto time) on November 11, 2010 or, if the Meeting is adjourned, 48 hours before 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.

If you are a non-registered Unitholder and received these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form, as the case may be,

provided to you in accordance with the instructions provided by your broker or intermediary. In some cases, completion of the form of proxy or the voting instruction form by telephone, facsimile or the internet is permitted.

DATED the 15th day of October, 2010.

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

A handwritten signature in black ink, appearing to read "Stuart M. Miller", written over a horizontal line.

Stuart M. Miller
Vice President and General Counsel



MACQUARIE

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND
INFORMATION CIRCULAR FOR THE SPECIAL MEETING OF UNITHOLDERS
TO BE HELD ON NOVEMBER 15, 2010

This management information circular (the “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 special meeting (the “Meeting”) of holders of trust units (“Units”) of the Fund to be held at One King West Hotel, 1 King Street West, The Chairman’s Boardroom, Toronto, Ontario on November 15, 2010 at 9:00 a.m. (Toronto time), and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting. The information contained herein is stated as at October 15, 2010 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 herein), without special compensation, by the Fund’s transfer agent, Computershare Investor Services Inc., at nominal cost, or by Georgeson Shareholder Communications Canada Inc. (“Georgeson”). The Fund has agreed to pay Georgeson a fee of \$30,000, plus reasonable expenses, for proxy solicitation services. 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 materials to beneficial and registered holders of Units (each a “Unitholder” and collectively, the “Unitholders”) and requesting authority to execute proxies.

FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this Information Circular, and the documents incorporated herein by reference, are forward-looking and reflect management of the Fund’s expectations regarding the future growth, results of operations, performance and business of the Fund and Macquarie Power and Infrastructure Corporation (“Parentco”) based on information currently available to the Fund. Forward-looking statements are provided for the purpose of presenting information about management of the Fund’s current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements use forward-looking words, such as “anticipate”, “continue”, “could”, “expect”, “may”, “will”, “estimate”, “believe” or other similar words and include, among other things, statements relating to: the conversion of the Fund into Parentco; the Fund’s distributions and distribution policy; the anticipated effects of the Arrangement; the anticipated benefits of the Arrangement; the timing of the Final Order; the occurrence of the Effective Date; and the anticipated dividend policy of Parentco if the Arrangement is implemented. These statements are subject to significant known and unknown risks and uncertainties that may cause actual results or events to differ materially from those expressed or implied by such statements and, accordingly, should not be read as guarantees of future performance or results.

The forward-looking statements in this Information Circular, and the documents incorporated herein by reference, are based on information currently available and what the Fund currently believes are reasonable assumptions, including the material assumptions for each of the Fund’s assets set out in the Fund’s 2009 Annual Report under the heading “Outlook” on page 42, as updated in the Interim MD&A. Other material factors or

assumptions that were applied in formulating the forward-looking statements contained herein, or incorporated herein by reference, include the assumption that the business and economic conditions affecting the Fund's operations will continue substantially in their current state, including, with respect to industry conditions, general levels of economic activity, regulations, weather, taxes and interest rates and that there will be no unplanned material changes to the Fund's facilities, equipment and contractual arrangements. Although the Fund believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons, including risks related to: power infrastructure (operational performance; purchase power agreements; fuel costs and supply; contract performance; development risk; technology risk; default under credit agreements; land tenure and related rights; regulatory regime and permits; environmental, health and safety; climate change and the environment; and force majeure), the Fund (changes in federal tax rules for flow-through entities; other tax related risks; variability of distributions; geographic concentration and non-diversification; dependence on the Manager and potential conflicts of interest; insurance; environmental, health and safety regime; availability of financing; Unitholder dilution; volatile market price for Units; international financial reporting standards; nature of Units; and Unitholder liability), the Arrangement and Parentco (see "Risk Factors" in this Information Circular and in Appendix "E" — Information Concerning Parentco). The assumptions, risks and uncertainties described above are not exhaustive and other events and risk factors could cause actual results to differ materially from the results and events discussed in the forward-looking statements. These forward-looking statements reflect current expectations of the Fund as at the date of this Information Circular and speak only as at the date of this Information Circular. Except as may be required by applicable law, the Fund does not undertake any obligation to publicly update or revise any forward-looking statements.

INFORMATION FOR UNITED STATES UNITHOLDERS

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Parentco Common Shares to be issued under the Arrangement have not been registered under the 1933 Act, and are being issued in reliance on the exemption from registration set forth in Section 3(a)(10) thereof on the basis of the approval of the Court, which will consider, among other things, the fairness of the Arrangement to holders of Units. See "The Arrangement — Securities Law Matters — United States".

Holders of Units should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Tax consequences in the United States for investors who are resident in, or citizens of, the United States are not described herein. **U.S. Unitholders should consult their own tax advisors with respect to their own particular circumstances.**

The solicitation of proxies hereby is not subject to the proxy requirements of Section 14(a) of the 1934 Act, by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 under the 1934 Act. Accordingly, this Information Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Unitholders in the United States should be aware that such requirements are different than those of the United States.

Financial statements and information included or incorporated by reference herein have been prepared in accordance with generally accepted accounting principles in Canada, and are subject to auditing and auditor independence standards in Canada, and thus may not be comparable to financial statements of United States companies.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that Parentco and the Fund are incorporated or organized outside the United States, that some or all of their officers, directors and trustees and the experts named herein are residents of a foreign country, and that all or a substantial portion of the assets of Parentco and the Fund and said persons are located outside the United States. As a result, it may be difficult or impossible for Unitholders

to effect service of process within the United States upon Parentco and the Fund, their officers, directors and trustees or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. In addition, Unitholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with the applicable securities commissions or similar securities regulatory authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Information Circular:

- (a) the annual information form of the Fund dated March 25, 2010 for the year ended December 31, 2009 (the “Fund AIF”);
- (b) the audited comparative consolidated annual financial statements of the Fund and the notes thereto as at and for the year ended December 31, 2009, together with the report of the auditors thereon;
- (c) management’s discussion and analysis of the results of operations and the financial condition of the Fund for the year ended December 31, 2009 (the “Annual MD&A”);
- (d) unaudited comparative consolidated interim financial statements of the Fund and the notes thereto as at and for the three and six month periods ended June 30, 2010;
- (e) management’s discussion and analysis of the results of operations and the financial condition of the Fund for the three and six month periods ended June 30, 2010 (the “Interim MD&A”);
- (f) the management information circular of the Fund dated May 11, 2010 in connection with the annual meeting of Unitholders held on June 29, 2010 (the “Annual Meeting Circular”);
- (g) the material change report of the Fund dated March 22, 2010 with respect to the filing of the final prospectus relating to the initial public offering of common shares of Leisureworld Senior Care Corporation (“Leisureworld”); and
- (h) the material change report of the Fund dated July 2, 2010 with respect to the Fund entering into an agreement with SunPower Corp. to acquire a 20-megawatt solar photovoltaic power project in Amherstburg, Ontario.

Any document of the type referred to in the preceding paragraph (excluding confidential material change reports), and any press release filed by the Fund with a securities commission or similar authority in Canada after the date of this Information Circular and prior to the Meeting that specifically states that it is intended to be incorporated by reference into this Information Circular, will be deemed to be incorporated by reference into this Information Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Information Circular, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded thereafter shall not constitute a part of this Information Circular, except as so modified or superseded.

SUMMARY

The following is a summary of certain information contained elsewhere in this Information Circular. It is not, and is not intended to be, complete in itself. This is a summary only and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Information Circular and incorporated by reference herein. Unitholders are urged to review carefully this Information Circular, including the Appendices, and the documents incorporated by reference in their entirety. Certain capitalized terms used in this Information Circular have the meanings set forth in the “Glossary of Terms”.

The Meeting

The Meeting will be held at One King West Hotel, 1 King Street West, The Chairman’s Boardroom, Toronto, Ontario on November 15, 2010 at 9:00 a.m. (Toronto time) for the purposes set forth in the accompanying Notice of Meeting. The business of the Meeting will be:

- (a) to consider, pursuant to an order (the “Interim Order”) of the Supreme Court of British Columbia dated October 15, 2010, and, if thought advisable, to pass, with or without variation, a special resolution (the “Arrangement Resolution”), the full text of which is set forth in Appendix “A” to the accompanying management information circular of the Fund dated October 15, 2010 (the “Information Circular”), approving a plan of arrangement (the “Arrangement”) under Sections 288 to 299 of the *Business Corporations Act* (British Columbia) (the “BCBCA”) involving Macquarie Power and Infrastructure Corporation, the Fund and Unitholders, providing for, among other things, the conversion of the Fund from an income trust to a corporation, as more particularly described in this Information Circular; and
- (b) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The Arrangement

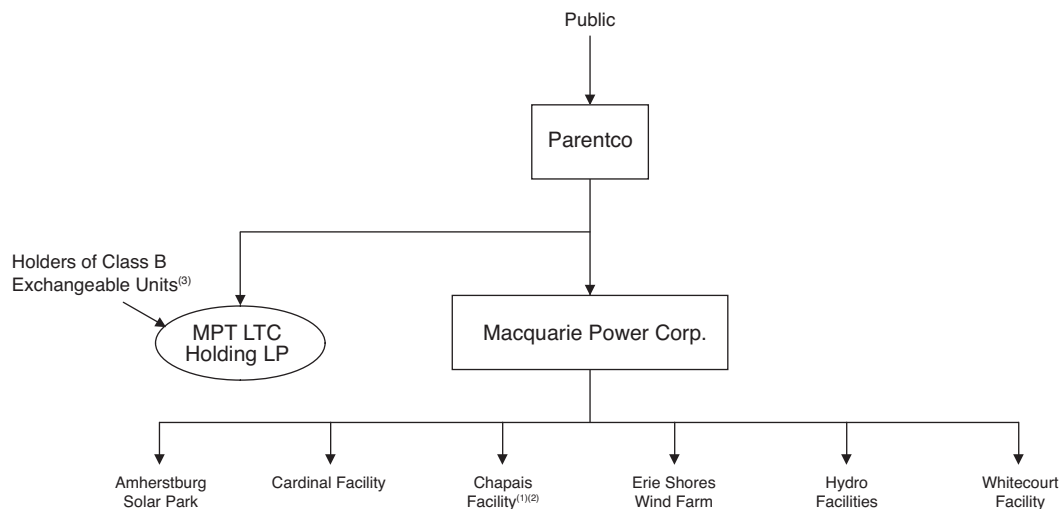
The Arrangement will result in the conversion of the Fund to a corporation. Under the Arrangement, Unitholders will exchange their Units for common shares of a new public corporation named Macquarie Power and Infrastructure Corporation (“Parentco”). Parentco will become the owner, directly or indirectly, of the businesses currently owned by the Fund and will continue to actively manage a high quality portfolio of long-life infrastructure businesses in Canada and internationally with the objective of generating sustainable long-term dividends and an attractive total return for investors.

Pre-Arrangement Transactions and Post-Arrangement Structure

To facilitate the implementation of the Arrangement, the Fund intends, prior to giving effect to the Arrangement, to undertake certain internal reorganization transactions.

Following the Arrangement, it is intended that the corporate structure of Parentco will be simplified as certain of its Subsidiaries will be reorganized, amalgamated and/or wound up, including each of CPIF, CPOT and MPIIT, which will be wound up into the Fund, and the Fund will be wound up into Parentco (the “Post-Arrangement Structure”). As a result of these transactions, certain of the Fund’s Subsidiaries, including CPIF, CPOT, MPIIT, and the Fund will cease to exist.

The following diagram illustrates the Post-Arrangement Structure of Parentco and its Subsidiaries, as currently contemplated, including the wind up of CPIF, CPOT, MPIIT and the Fund. For simplification purposes, this diagram omits various wholly-owned Subsidiaries of Parentco.



Notes:

- (1) Macquarie Power Corp. will own, indirectly, a 31.3% interest in one of the two classes of preferred shares of CHEL. See “Narrative Description of Business — Power Infrastructure — Chapais Facility” in the Fund AIF.
- (2) The Chapais Facility is owned by the Chapais Énergie, Société en Commandite, the sole general partner of which is CHEL and the limited partners of which are CHEL and a wholly-owned Subsidiary of CHEL. See “Narrative Description of the Business — Power Infrastructure — Chapais Facility” in the Fund AIF.
- (3) The Class B Exchangeable Units will have economic rights equivalent to those of the Parentco Common Shares (and, subject to certain conditions, will be exchangeable on a one-for-one basis for Parentco Common Shares). See “Description of the Fund — Class B Exchangeable Units and Exchange Agreement” in the Fund AIF and “The Arrangement — Effect of the Arrangement — Effect on Holders of Class B Exchangeable Units”.

In connection with the Arrangement, the Fund Declaration of Trust and other constating documents of entities in the Fund Group, as well as the Administration Agreement and the Management Agreements will be amended if and to the extent necessary to facilitate the Arrangement and the reorganization, amalgamation and wind up of certain of the Fund’s Subsidiaries pursuant to the Post-Arrangement Structure. The Administration Agreement will also be amended to replace the Manager’s right to appoint one Trustee of the Fund with a right of the Manager to nominate for election one individual as a director of Parentco at each annual meeting of Parentco and, failing the election of such individual, to provide the Manager with the right to have an observer present at all meetings of directors of Parentco.

See “The Arrangement — Effect of the Arrangement”, “The Arrangement — Post-Arrangement Structure”, “The Arrangement — Consequential Changes to Existing Agreements — Constating Documents, the Administration Agreement and the Management Agreements” and “Appendix “E” — Information Concerning Parentco”.

Background to and Reasons for the Arrangement

The Fund’s income trust structure currently allows it to continue to execute its business strategy while providing Unitholders with regular monthly cash distributions on a tax-efficient basis. However, the changes to the Tax Act that will become applicable to the Fund on January 1, 2011, described below, will effectively remove the benefit of the income trust structure. As a result, it is proposed to convert the Fund from an income trust to a corporation.

On October 31, 2006, the Minister announced the federal government’s intention to apply a tax at the trust level on distributions of certain income from, among other entities, certain publicly traded trusts at a rate of tax comparable to the combined federal and provincial corporate tax rate and to treat such distributions as dividends to unitholders. The Minister announced that existing trusts would have a four-year transition period and generally would not be subject to the new rules until 2011, provided such trusts experienced only “normal growth” and no “undue expansion” before then. The announcement had an immediate impact on the Canadian

capital markets and resulted in a significant decline in trading prices for income trusts, including the Fund, royalty trusts and numerous other Canadian securities.

On December 15, 2006, the Minister released further guidance concerning the proposed tax changes including, without limitation, guidance respecting “normal growth” for the purposes of this proposal, as well as the Finance Department’s confirmation that it would not recommend any extension of the four year transition period. Bill C-52, the *Budget Implementation Act, 2007*, which received Royal Assent on June 22, 2007, contained rules (the “SIFT Rules”) relating to the tax treatment of specified investment flow-through entities (“SIFTs”), which are designed, among other things, to implement the announced tax changes. In December 2008, the Minister revised the normal growth guidelines to accelerate the safe harbour growth amounts for 2009 and 2010 to make them available on or after December 4, 2008. This change did not alter the maximum available growth room of a SIFT trust, but would generally allow a SIFT trust, like the Fund, to use its remaining growth room in a single year, rather than incrementally over 2009 and 2010.

Since its inception, the Fund has not been liable for any amounts of income tax under the Tax Act as it generally is entitled to deduct (and has fully deducted) distributions to Unitholders in computing its income and it has not exceeded the Minister’s normal growth guidelines. Commencing in 2011 (or earlier if the Fund exceeds the growth permitted under the Minister’s normal growth guidelines), the Fund will be liable, under the SIFT Rules, to pay income tax under the Tax Act at a rate comparable to the combined federal and provincial corporate tax rate on a notional amount of pre-tax income required to fund income distributed to Unitholders.

Following the October 31, 2006 announcement, management of the Fund and the Trustees considered the potential impact and significance of the proposed tax changes to the Fund, and that there was to be no impact until 2011, the Trustees determined that it was appropriate for the Fund to remain in a trust form until closer to the 2011 implementation of the SIFT Rules.

In 2009, management of the Fund began detailed work on considerations relating to the conversion of the Fund to a corporation. Management of the Fund briefed the Trustees about the potential conversion of the Fund from an income trust to a corporation at meetings held on June 29, 2009, August 5, 2009 and September 4, 2009.

Management of the Fund provided a further update to the Trustees on September 29, 2009. At that meeting, the Trustees approved in principle a transaction whereby the Fund would convert from an income trust to a corporation, subject to Unitholder approval. The Fund announced this approval in principle by the Trustees on September 29, 2009.

Between October 2009 and October 2010, management regularly advised the Trustees of the status of the analysis and planning for the proposed conversion.

The Trustees met on October 12, 2010 to review the proposal to convert the Fund from an income trust to a corporation. After due consideration of all available information and advice, and after considering their duties and responsibilities to the Unitholders, the Trustees concluded that the proposed Arrangement is in the best interests of the Fund and is fair to Unitholders, and unanimously resolved to recommend that Unitholders vote in favour of the Arrangement.

See “Background to and Reasons for the Arrangement”.

Anticipated Benefits of the Arrangement

The Trustees, in recommending the Arrangement to Unitholders, believe the Arrangement will provide a number of strategic benefits to the Fund and its Unitholders, including, without limitation, the following:

- elimination of risks and uncertainty that the Fund would face if it were to remain a trust and be taxed under the SIFT Rules that will apply starting on January 1, 2011;
- enhanced access to cost-effective capital;
- more flexibility regarding the growth and retention of capital;
- a simpler structure by eliminating some of the Fund’s Subsidiaries, thus reducing cost and complexity;

- greater comparability of value of Parentco to similar publicly-held businesses making it easier for Parentco to be assessed relative to its peers;
- availability of a tax-deferred rollover on the exchange of Units for Parentco Common Shares;
- enhanced liquidity; and
- attraction of a broader base of investors.

See “Background to and Reasons for the Arrangement — Anticipated Benefits of the Arrangement”.

Recommendation of the Trustees

The Trustees have reviewed the terms of the Arrangement and have determined that the Arrangement is in the best interests of the Fund and is fair to Unitholders, and recommend that Unitholders vote in favour of the Arrangement Resolution.

In making their determinations and recommendations, the Trustees relied upon legal, financial, tax and other advice and information received during the course of their deliberations. They considered numerous factors. See “Background to and Reasons for the Arrangement — Board Process” and “Background to and Reasons for the Arrangement — Recommendation of the Trustees”.

In reaching the determination to recommend for approval the Arrangement Resolution, the Trustees did not assign any relative or specific weight to the factors that were considered, and individual Trustees may have given different weight to each factor. There are risks associated with the Arrangement, including that some of the potential benefits set forth in this Information Circular may not be realized or that there may be significant costs associated with realizing such benefits. See “Risk Factors”.

Effect on Unitholders

Under the Arrangement, the Units held by Unitholders will be transferred to Parentco in consideration for Parentco Common Shares on the basis of one Parentco Common Share for each Unit so transferred.

Effect on Holders of 2016 Debentures

Pursuant to the terms of the Debenture Indenture, the 2016 Debentures will become obligations of Parentco following the Arrangement having substantially the same terms as the 2016 Debentures. This will occur on a tax-deferred basis for holders of the 2016 Debentures who hold the debentures as capital property. The conversion feature of the 2016 Debentures will be adjusted in accordance with their terms so that holders of 2016 Debentures will, following the Effective Time, upon due conversion of 2016 Debentures, be entitled to receive one Parentco Common Share in lieu of each Unit they would have otherwise been entitled to receive upon such conversion prior to the Effective Time. A conversion of 2016 Debentures into Parentco Common Shares will also occur on a tax-deferred basis.

Effect on Holders of Class B Exchangeable Units

Pursuant to the terms of the agreements governing the Class B Exchangeable Units, the Class B Exchangeable Units will remain outstanding following the Arrangement. Holders of Class B Exchangeable Units will, following the Effective Time, upon due exchange of Class B Exchangeable Units, be entitled to receive one Parentco Common Share in lieu of each Unit they would have otherwise been entitled to receive upon such exchange prior to the Effective Time.

Effect on Distributions

Pending completion of the Arrangement, the Fund currently intends to continue to pay a monthly distribution of \$0.055 per Unit for the remainder of 2010, subject to declaration by the Trustees.

If the Arrangement is approved at the Meeting and the Effective Date occurs on or about January 1, 2011, as currently anticipated, it is anticipated that the dividend policy of Parentco will initially be set at \$0.055 per Parentco Common Share per month, with the first post-Arrangement dividend to be declared in respect of the

month ending January 31, 2011. See “Appendix “E” — Information Concerning Parentco — Dividend Record and Policy”. If the Arrangement is not approved at the Meeting, the Trustees will assess matters at that time to determine the Fund’s course of action regarding any future distributions on the Units.

Parentco’s dividend policy will be subject to the discretion of the board of directors of Parentco and may vary depending on, among other things, Parentco’s cash flows, earnings, financial requirements, the satisfaction of solvency tests imposed by the BCBCA for the declaration of dividends and other relevant factors. See “Risk Factors”.

Effect on the Fund’s Distribution Reinvestment Plan

Under the Fund’s Distribution Reinvestment Plan (the “DRIP”), Unitholders may elect to re-invest cash distributions paid by the Fund to purchase additional Units and make additional cash contributions (subject to specified limits) to purchase additional Units. It is expected that, subject to its terms, the DRIP will continue to operate for distributions that are declared and paid by the Fund for the remainder of calendar 2010.

Following the Arrangement, the current DRIP and any associated agreements will be transferred to Parentco which will then amend and restate them so that, among other things, all existing participants in the DRIP will be deemed to be participants in the amended and restated DRIP of Parentco without any further action on their part and holders of Parentco Common Shares may participate in the amended and restated DRIP with respect to any cash dividends declared and paid by Parentco on the Parentco Common Shares, as well as make optional cash contributions to purchase additional Parentco Common Shares on substantially the same basis as is the case currently.

Effect on Holders of CVRs

The contingency value receipts (“CVRs”) formed part of the consideration paid to unitholders of CPIF, which was acquired by the Fund in 2007. The CVRs relate to CPIF’s sale of its investment in GRS in 2006 to Fortistar Renewables Group. Certain proceeds from this sale were deposited into an escrow account, which amounted to US\$7.59 million at the time that CPIF was acquired by the Fund. The funds in escrow relate to an ongoing dispute over the methodology used by ComEd, a customer of GRS, to historically calculate the amount paid to GRS under its power purchase agreement with GRS. The Fund has no control over the outcome of the dispute related to the escrow account, which involves several parties, legal and contractual considerations, and regulatory constraints. The Fund’s view is that all of the funds in the escrow account will be required to be released to ComEd and that the CVRs will not have any value for holders. If the dispute is not resolved, the CVRs will expire on December 31, 2010. As a result, the Arrangement will have no effect on the CVRs.

Approvals of the Arrangement

Approval of Unitholders

Pursuant to the Interim Order and the Fund Declaration of Trust, the number of votes required to pass the Arrangement Resolution shall be not less than two-thirds (66 $\frac{2}{3}$ %) of the votes cast by Unitholders, either in person or by proxy, voting at the Meeting. See “The Arrangement — Approvals — Unitholder Approval”.

If you return a form of proxy or voting instruction form but do not specify how you want your Units voted, the person named as the proxyholder on such form will cast the votes represented by such proxy at the Meeting FOR the approval of the Arrangement Resolution.

Court Approval and Conditions Precedent to the Arrangement

Implementation of the Arrangement requires the satisfaction of several conditions and the approval of the Court. See “The Arrangement — Approvals — Court Approval” and “The Arrangement — Approvals — Conditions Precedent to the Arrangement”.

Stock Exchange Listing

The TSX has conditionally approved the substitutional listing of the Parentco Common Shares, subject to Parentco fulfilling the requirements of the TSX. The Parentco Common Shares will be listed on the TSX under the symbol “MPT”. See “The Arrangement — Stock Exchange Listing”.

Procedure for Exchange of Units

The Units are represented in “book-entry only” form and no certificates have been issued to Beneficial Unitholders. Following completion of the Arrangement, Parentco Common Shares will also be represented in “book-entry only” form and no certificates representing Parentco Common Shares will be issued to beneficial holders of Parentco Common Shares. Beneficial Unitholders will not need to take any action to exchange their Units for Parentco Common Shares.

On or about the Effective Date, Parentco will deliver to CDS a global certificate evidencing the aggregate number of Parentco Common Shares issued to Unitholders in connection with the Arrangement. Beneficial holders of Parentco Common Shares will not be entitled to receive physical certificates evidencing their ownership of Parentco Common Shares. See “The Arrangement — Procedure for Exchange of Units”.

Right to Dissent

The Interim Order provides that each registered Unitholder will have the right to dissent and, if the Arrangement becomes effective, to have its Units cancelled in exchange for a cash payment from the Fund equal to the fair value of the Units as at the date of the Meeting in accordance with the provisions of the Interim Order. In order to validly dissent, any such registered Unitholder must not vote any Dissent Units in favour of the Arrangement Resolution, must provide the Fund with written objection to the Arrangement at any time up to 48 hours prior to the Meeting or any adjournment thereof, and must otherwise comply with the Dissent Procedures provided in the Interim Order.

All Units are registered in the name of CDS and are held on behalf of Beneficial Unitholders by CDS participants (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 saving plans and similar plans). Beneficial Unitholders who wish to dissent should be aware that they may only do so through the registered Unitholder, CDS, which must exercise Dissent Rights on behalf of such Beneficial Unitholders with respect to the Units held for such Beneficial Unitholders. In such case, the Dissent Notice must set forth all of the information specified in the Interim Order. See “The Arrangement — Right to Dissent”.

If a Dissenting Unitholder fails to strictly comply with the requirements of the Dissent Rights set out in the Interim Order, it will lose its Dissent Rights. The Dissent Rights are set out in their entirety in the Interim Order, a copy of which is set out in Appendix “B” to this Information Circular.

At the option of the Fund, the Arrangement Agreement may be terminated if, as at the Effective Date, Unitholders holding more than 2% of the outstanding Units have exercised rights of dissent in relation to the Arrangement. See “The Arrangement — Approvals — Conditions Precedent to the Arrangement”.

Certain Canadian Federal Income Tax Considerations

The following is only a brief summary of the Canadian federal income tax consequences of the Arrangement. Be sure to carefully read the section entitled “Certain Canadian Federal Income Tax Considerations” which qualifies this summary. It is important that you consult your own tax advisor to determine the tax consequences of the Arrangement to you.

Resident Holders who dispose of their Units to Parentco in exchange for Parentco Common Shares pursuant to the Arrangement will be deemed to have disposed of such Units for proceeds of disposition equal to their “adjusted cost base” (as defined in the Tax Act) of such Units immediately before the disposition and to have acquired such Parentco Common Shares at a cost equal to the same amount. As a consequence, Resident Holders will not realize a gain or loss on such exchange.

Non-Resident Holders who dispose of their Units to Parentco in exchange for Parentco Common Shares pursuant to the Arrangement will be deemed to have disposed of such Units for proceeds of disposition equal to their “adjusted cost base” (as defined in the Tax Act) of such Units immediately before the disposition and to have acquired such Parentco Common Shares at a cost equal to the same amount. As a consequence, Non-Resident Holders will not realize a gain or loss on such exchange.

A Non-Resident Holder will generally not be liable to Canadian income tax on a disposition of Parentco Common Shares received under the Arrangement in exchange for Units, unless the Parentco Common Shares are “taxable Canadian property” to the Non-Resident Holder.

Other Tax Considerations

This Information Circular does not address any tax considerations of the Arrangement other than Canadian federal income tax considerations nor does it address the particular circumstances of any Unitholder. Unitholders who are resident in jurisdictions other than Canada should consult their tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions and with respect to the tax implications in such jurisdictions of owning Parentco Common Shares after the Arrangement. Unitholders should also consult their own tax advisors regarding Canadian federal, provincial or territorial, and United States federal, state and local tax considerations of the Arrangement or of holding Parentco Common Shares.

Information Concerning Parentco

Parentco was incorporated on May 20, 2010 as 0881592 B.C. Ltd. pursuant to the provisions of the BCBCA for purposes of participating in the Arrangement. Parentco’s articles were amended on October 12, 2010 to change its name to “Macquarie Power and Infrastructure Corporation”. The principal office of Parentco is located at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3. The registered office of Parentco is located at 595 Burrard Street, Suite 2600, Three Bentall Centre, Vancouver, British Columbia, V7X 1L3.

On the Effective Date, Parentco will become a reporting issuer in all Canadian provinces and territories and will become subject to the informational reporting requirements under the securities laws of such jurisdictions as a result of the Arrangement. See “Appendix “E” — Information Concerning Parentco”.

Risk Factors Relating to Parentco

Risk factors related to the business of the Fund and its Subsidiaries will continue to apply to Parentco and its Subsidiaries after the completion of the Arrangement. Certain risk factors relating to the business and nature of the Fund are contained in the Fund AIF, the Annual MD&A and the Interim MD&A, each of which is incorporated by reference in this Information Circular. Unitholders should carefully consider the risk factors set out therein and in “Appendix “E” — Information Concerning Parentco — Risk Factors”.

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. 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 resolutions) 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 voting instructions in respect of their Units are communicated in accordance with the procedures described below.

In addition to the Notice of 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 on 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, 9th Floor, Toronto, Ontario, M5J 2Y1 Attention: Proxy Department, by 9:00 a.m. (Toronto time) on November 11, 2010 or, if the Meeting is adjourned, 48 hours before 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.

REVOCATION 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 registered 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, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, at any time up to and including the last Business Day preceding the date of the Meeting or any adjournment thereof or with the Chairman 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 against as specified by the Unitholder.

If no choice is specified by a Unitholder with respect to the appointment of a proxyholder and to the Arrangement Resolution, the Units represented by such Unitholder's properly completed and delivered proxy or voting instruction form will be voted FOR the Arrangement Resolution.

The accompanying form of proxy or voting instruction form confers discretionary authority upon the person named therein with respect to amendments or variations to the matter identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As at 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 the matter identified in the accompanying Notice of 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 completed and delivered proxies and voting instruction forms 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 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 October 8, 2010, the Fund had 46,661,957 Units outstanding.

Each Unit confers the right to one vote at any meeting of Unitholders. All Unitholders of record on October 8, 2010, 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 October 8, 2010, 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 October 8, 2010, 3,249,390 Class B Exchangeable Units 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.

BUSINESS OF THE MEETING

Approval of the Arrangement Resolution

At the Meeting, Unitholders will be asked to consider and, if thought advisable, approve the Arrangement Resolution approving the Arrangement and other related transactions. To be effective, the Arrangement Resolution must be approved by not less than two-thirds (66 $\frac{2}{3}$ %) of the votes cast by the Unitholders voting, in person or by proxy, at the Meeting. A copy of the Arrangement Resolution is set out in Appendix “A” of this Information Circular.

SUMMARY OF THE ARRANGEMENT

The Arrangement will result in the conversion of the Fund to a corporation. Under the Arrangement, Unitholders will exchange their Units for common shares of a new public corporation named Macquarie Power and Infrastructure Corporation (“Parentco”). Parentco will become the owner, directly or indirectly, of the businesses currently owned by the Fund and will continue to actively manage a high quality portfolio of long-life infrastructure businesses in Canada and internationally with the objective of generating sustainable long-term dividends and an attractive total return for investors.

BACKGROUND TO AND REASONS FOR THE ARRANGEMENT

Overview

The Fund’s income trust structure currently allows it to execute its business strategy while providing Unitholders with regular monthly cash distributions on a tax-efficient basis. However, the changes to the Tax Act that will become applicable to the Fund on January 1, 2011, described below, will effectively remove the benefit of the income trust structure. As a result, it is proposed to convert the Fund from an income trust to a corporation.

Enactment of the SIFT Rules

On October 31, 2006, the Minister announced the federal government’s intention to apply a tax at the trust level on distributions of certain income from, among other entities, certain publicly traded trusts at a rate of tax comparable to the combined federal and provincial corporate tax rate and to treat such distributions as dividends to unitholders. The Minister announced that existing trusts would have a four-year transition period and generally would not be subject to the new rules until 2011, provided such trusts experienced only “normal growth” and no “undue expansion” before then. The announcement had an immediate impact on the Canadian capital markets and resulted in a significant decline in trading prices for income trusts, including the Fund, royalty trusts and numerous other Canadian securities.

On December 15, 2006, the Minister released further guidance concerning the proposed tax changes including, without limitation, guidance respecting “normal growth” for the purposes of this proposal, as well as the Finance Department’s confirmation that it would not recommend any extension of the four-year transition period. Bill C-52, the *Budget Implementation Act, 2007*, which received Royal Assent on June 22, 2007, contained rules (the “SIFT Rules”) relating to the tax treatment of specified investment flow-through entities (“SIFTs”), which are designed, among other things, to implement the announced tax changes. In December 2008, the Minister revised the normal growth guidelines to accelerate the safe harbour growth amounts for 2009 and 2010 to make them available on or after December 4, 2008. This change did not alter the maximum available growth room of a SIFT trust, but would generally allow a SIFT trust, like the Fund, to use its remaining growth room in a single year, rather than incrementally over 2009 and 2010.

Since its inception, the Fund has not been liable for any amounts of income tax under the Tax Act as it generally is entitled to deduct (and has fully deducted) distributions to Unitholders in computing its income and it has not exceeded the Minister’s normal growth guidelines. Commencing in 2011 (or earlier if the Fund exceeds the growth permitted under the Minister’s normal growth guidelines), the Fund will be liable, under the SIFT Rules, to pay income tax under the Tax Act at a rate comparable to the combined federal and provincial corporate tax rate on a notional amount of pre-tax income required to fund income distributed to Unitholders.

Board Process

Following the October 31, 2006 announcement, management of the Fund and the Trustees considered the potential impact and significance of the proposed tax changes to the Fund, and that since there was to be no impact until 2011, the Trustees determined that it was appropriate for the Fund to remain in a trust form until closer to the 2011 implementation of the SIFT Rules.

In 2009, management of the Fund began detailed work on considerations relating to the conversion of the Fund to a corporation. Management of the Fund briefed the Trustees about the potential conversion of the Fund from an income trust to a corporation at meetings held on June 29, 2009, August 5, 2009 and September 4, 2009.

Management of the Fund provided a further update to the Trustees on September 29, 2009. At that meeting, the Trustees approved in principle a transaction whereby the Fund would convert from an income trust to a corporation, subject to Unitholder approval. The Fund announced this approval in principle by the Trustees on September 29, 2009.

Between October 2009 and October 2010, management regularly advised the Trustees of the status of the analysis and planning for the proposed conversion.

The Trustees met on October 12, 2010 to review the proposal to convert the Fund from an income trust to a corporation. After due consideration of all available information and advice, and after considering their duties and responsibilities to the Unitholders, the Trustees concluded that the proposed Arrangement is in the best interests of the Fund and is fair to Unitholders, and unanimously resolved to recommend that Unitholders vote in favour of the Arrangement.

Anticipated Benefits of the Arrangement

The Trustees, in recommending the Arrangement to Unitholders, believe the Arrangement will provide a number of strategic benefits to the Fund and its Unitholders, including, without limitation, the following:

- ***Avoidance of uncertain tax regime.*** Completion of the Arrangement will eliminate the risks and uncertainty that the Fund would face if it were to remain a trust and be taxed under the SIFT Rules that will apply starting on January 1, 2011. The SIFT Rules, while currently designed to tax SIFTs (like the Fund) at a rate comparable to the combined federal and provincial corporate tax rate, are different taxation rules than those that apply to corporations and there is risk and uncertainty involved in their future application to entities like the Fund;
- ***Enhanced access to cost-effective capital.*** Since October 31, 2006, as the introduction of taxation approaches and as many other trusts have converted to corporate structures, the market for publicly-traded trust units has diminished. The Trustees believe Parentco, as a publicly-traded corporation, will benefit from the public market's generally stronger appetite for common shares as opposed to income trust units and Parentco should consequently enjoy enhanced access to cost-effective capital;
- ***More flexibility regarding growth.*** It is expected that the conversion to a corporation will provide Parentco with more flexibility regarding the growth and retention of its capital;
- ***Simplified Structure.*** Parentco's simpler structure, resulting from the elimination of some of the Fund's Subsidiaries, is expected to reduce cost and complexity;
- ***Comparability.*** The conversion would allow investors to more easily compare the value of Parentco to similar publicly-held businesses;
- ***Availability of a tax-deferred rollover.*** The SIFT Rules generally enable holders of Units to exchange their Units for Parentco Common Shares without triggering a taxable disposition of their Units for Canadian tax purposes. See "Certain Canadian Federal Income Tax Considerations" for more information;
- ***Enhanced liquidity.*** With greater comparability to other publicly-traded corporations and potentially broadened investor interest, the Trustees believe that trading volumes of Parentco Common Shares may be greater than trading volumes of Units and enhance the liquidity of the shares in the public market; and

- *Attraction of a broader base of investors.* The limitations upon non-resident ownership of units of a mutual fund trust would not be applicable to shares of a corporation, thereby possibly providing Parentco with the ability to attract a broader base of investors.

Recommendation of the Trustees

The Trustees have reviewed the terms of the Arrangement. **The Trustees have determined that the Arrangement is in the best interests of the Fund and is fair to Unitholders, and recommend that Unitholders vote in favour of the Arrangement Resolution.**

In making their determinations and recommendations, the Trustees relied upon legal, financial, tax and other advice and information received during the course of their deliberations, as described above under “— Board Process”. The following is a summary of the factors, among others, that the Trustees considered in making their respective determinations and recommendations:

- the anticipated benefits of the Arrangement as described above under “— Anticipated Benefits of the Arrangement”;
- commencing in 2011, when the SIFT Rules become applicable to the Fund, the tax payable by the Fund will remove the primary benefit of the Fund’s trust structure;
- the significant decline in the value of securities of income trusts after the announcement of the SIFT Rules and limited access to capital markets for SIFTs as 2011 approaches;
- completion of the Arrangement will eliminate the risks and uncertainty about the taxation rules that would apply to the Fund as a result of the SIFT Rules;
- the Arrangement Resolution must receive the appropriate approval by Unitholders in order to be adopted;
- the Plan of Arrangement must be sanctioned by the Court;
- completion of the Arrangement will not affect the Fund’s business strategy or management team; and
- the availability of rights of Unitholders to dissent from the Arrangement Resolution in a manner consistent with the Interim Order.

The foregoing discussion of the information and factors considered and given weight by the Trustees is not intended to be exhaustive. In reaching the determination to recommend for approval the Arrangement Resolution, the Trustees did not assign any relative or specific weight to the factors that were considered, and individual Trustees may have given different weight to each factor. There are risks associated with the Arrangement, including that some of the potential benefits set forth in this Information Circular may not be realized or that there may be significant costs associated with realizing such benefits. See “Risk Factors”.

Each of the Trustees and each director and officer of the Manager who owns or controls Units has indicated his or her intention to vote all of his or her Units in favour of the Arrangement Resolution. As at October 8, 2010, the Trustees and the directors and officers of the Manager and their associates beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 115,203 Units, representing approximately 0.247% of the outstanding Units.

THE ARRANGEMENT

Effect of the Arrangement

General

If approved, the Arrangement will result in the conversion of the Fund into a corporation named Macquarie Power and Infrastructure Corporation (“Parentco”). Parentco was incorporated under the BCBCA on May 20, 2010 as 0881592 B.C. Ltd. and has not carried on any business since incorporation. Parentco’s articles were amended on October 12, 2010 to change its name to “Macquarie Power and Infrastructure Corporation”. Pursuant to the Arrangement, the Unitholders will become the sole holders of Parentco Common Shares immediately following completion of the Arrangement and Parentco will acquire, directly or indirectly, all of the Units. Parentco’s mandate will be to invest in core infrastructure businesses in Canada and internationally. Parentco will aim to acquire and actively manage a high quality portfolio of long-life infrastructure businesses with the objective of generating sustainable long-term dividends and an attractive total return for investors.

It is anticipated that the board of directors of Parentco will initially be composed of the individuals who are the Trustees at the time the Arrangement becomes effective. The Manager will continue to provide management and administrative services to Parentco under the Administrative Agreement, as amended, and Management Agreements, as amended. See “— Consequential Changes to Existing Agreements — Constatting Documents, the Administration Agreement and the Management Agreements”. The senior management of Parentco will be composed of the current members of senior management of the Manager.

Effect on Unitholders

Under the Arrangement, the Units held by Unitholders will be transferred to Parentco in consideration for Parentco Common Shares on the basis of one Parentco Common Share for each Unit so transferred.

Effect on Holders of 2016 Debentures

Pursuant to the terms of the Debenture Indenture, the 2016 Debentures will become obligations of Parentco following the Arrangement having substantially the same terms as the 2016 Debentures. This will occur on a tax-deferred basis for holders of the 2016 Debentures who hold the debentures as capital property. The conversion feature of the 2016 Debentures will be adjusted in accordance with their terms so that holders of 2016 Debentures will, following the Effective Time, upon due conversion of 2016 Debentures, be entitled to receive one Parentco Common Share in lieu of each Unit they would have otherwise been entitled to receive upon such conversion prior to the Effective Time. A conversion of 2016 Debentures into Parentco Common Shares will also occur on a tax-deferred basis.

Effect on Holders of Class B Exchangeable Units

Pursuant to the terms of the agreements governing the Class B Exchangeable Units, the Class B Exchangeable Units will remain outstanding following the Arrangement. Holders of Class B Exchangeable Units will, following the Effective Time, upon due exchange of Class B Exchangeable Units, be entitled to receive one Parentco Common Share in lieu of each Unit they would have otherwise been entitled to receive upon such exchange prior to the Effective Time.

Effect on Distributions

Pending completion of the Arrangement, the Fund currently intends to continue to pay a monthly distribution of \$0.055 per Unit for the remainder of 2010, subject to declaration by the Trustees.

If the Arrangement is approved at the Meeting and the Effective Date occurs on or about January 1, 2011, as currently anticipated, it is anticipated that the dividend policy of Parentco will initially be set at \$0.055 per Parentco Common Share per month, with the first post-Arrangement dividend to be declared in respect of the month ending January 31, 2011. See “Appendix “E” — Information Concerning Parentco — Dividend Record and Policy”. If the Arrangement is not approved at the Meeting, the Trustees will assess matters at that time to determine the Fund’s course of action regarding any future distributions on the Units.

Parentco’s dividend policy will be subject to the discretion of the board of directors of Parentco and may vary depending on, among other things, Parentco’s cash flows, earnings, financial requirements, the satisfaction

of solvency tests imposed by the BCBCA for the declaration of dividends and other relevant factors. See “Risk Factors”.

Effect on the Fund’s Distribution Reinvestment Plan

Under the Fund’s Distribution Reinvestment Plan (the “DRIP”), Unitholders may elect to re-invest cash distributions paid by the Fund to purchase additional Units and make additional cash contributions (subject to specified limits) to purchase additional Units. It is expected that, subject to its terms, the DRIP will continue to operate for distributions that are declared and paid by the Fund for the remainder of calendar 2010.

Following the Arrangement, the current DRIP and any associated agreements will be transferred to Parentco which will then amend and restate them so that, among other things, all existing participants in the DRIP will be deemed to be participants in the amended and restated DRIP of Parentco without any further action on their part and holders of Parentco Common Shares may participate in the amended and restated DRIP with respect to any cash dividends declared and paid by Parentco on the Parentco Common Shares, as well as make optional cash contributions to purchase additional Parentco Common Shares on substantially the same basis as is the case currently.

Effect on Holders of CVRs

The contingency value receipts (“CVRs”) formed part of the consideration paid to unitholders of CPIF, which was acquired by the Fund in 2007. The CVRs relate to CPIF’s sale of its investment in GRS in 2006 to Fortistar Renewables Group. Certain proceeds from this sale were deposited into an escrow account, which amounted to US\$7.59 million at the time that CPIF was acquired by the Fund. The funds in escrow relate to an ongoing dispute over the methodology used by ComEd, a customer of GRS, to historically calculate the amount paid to GRS under its power purchase agreement with GRS. The Fund has no control over the outcome of the dispute related to the escrow account, which involves several parties, legal and contractual considerations, and regulatory constraints. The Fund’s view is that all of the funds in the escrow account will be required to be released to ComEd and that the CVRs will not have any value for holders. If the dispute is not resolved, the CVRs will expire on December 31, 2010. As a result, the Arrangement will have no effect on the CVRs.

Pre-Arrangement Transactions

To facilitate the implementation of the Arrangement, the Fund intends, prior to giving effect to the Arrangement, to undertake certain internal reorganization transactions involving the Fund and certain of its Subsidiaries pursuant to which it is expected that certain new Subsidiaries will be formed and certain existing Subsidiaries will be reorganized, wound up and/or continued from their current jurisdiction to the BCBCA.

Arrangement Steps

Pursuant to the Arrangement, commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order, each occurring five minutes apart, without any further act or formality except as otherwise provided in the Plan of Arrangement:

Dissent Units

1. the Dissent Units will be deemed to be transferred by the Dissenting Unitholders to the Fund, free and clear of any claims, and cancelled. Such Dissenting Unitholders will cease to have any rights as Unitholders in respect of the Dissent Units other than the right to be paid the fair value of their Dissent Units in accordance with Article 5 of the Plan of Arrangement;

Exchange of Units for Parentco Common Shares

2. the Units held by Unitholders (excluding the Dissent Units transferred to the Fund and cancelled in accordance with paragraph 1 above) will be transferred to Parentco, free and clear of any claims, solely in consideration for Parentco Common Shares on the basis of one Parentco Common Share for each Unit so transferred;

3. upon the exchange of Units for Parentco Common Shares pursuant to paragraph 2 above:
 - (a) each former holder of Units will cease to be the holder of the Units so exchanged and the name of each such former holder of Units will be removed from the register of Units and Parentco will become the sole holder of the Units and will be added to the register of Units as the sole owner of the Units; and
 - (b) each former holder of Units will become the holder of the Parentco Common Shares exchanged for Units by such holder and will be added to the register of holders of Parentco Common Shares in respect thereof;

Capital of Parentco

4. there will be added to the capital account maintained for the Parentco Common Shares an amount determined by the Board of Directors of Parentco in accordance with section 72 of the BCBCA in respect of the Parentco Common Shares issued under the Arrangement; and

Cancellation of Initial Parentco Common Shares

5. the 100 Parentco Common Shares issued to the Fund in connection with the organization of Parentco will be purchased for cancellation by Parentco for consideration of \$100, and will be cancelled.

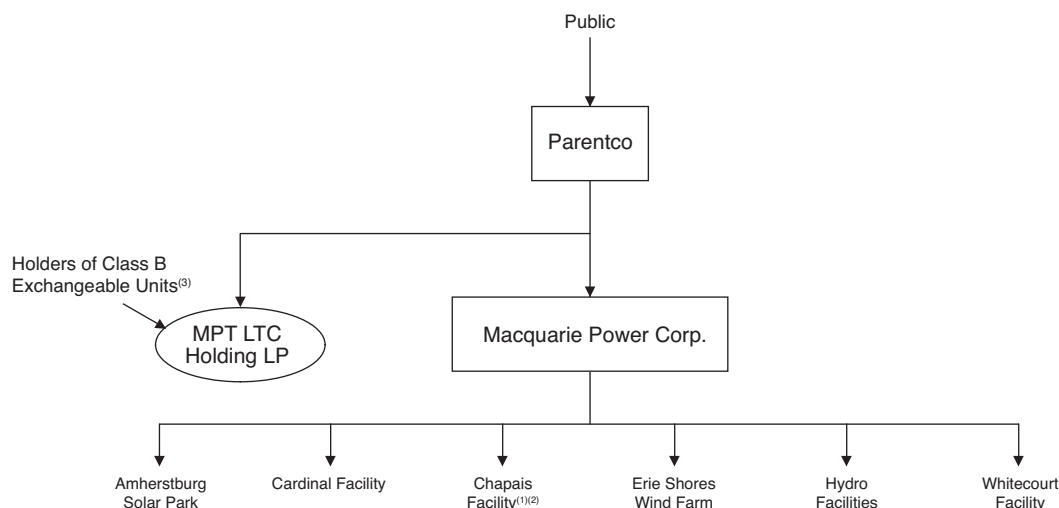
As at the date hereof, the Fund intends to implement the Arrangement as currently structured. However, the Plan of Arrangement provides that any amendment, modification or supplement to the Plan of Arrangement may be made prior to the Effective Time by the Fund and Parentco without the approval of the Court or the Unitholders, provided that it concerns a matter which, in the reasonable opinion of the Fund and Parentco, is of an administrative nature required to better give effect to the implementation of the Plan of Arrangement or is not adverse to the financial or economic interests of any Unitholder.

The Fund continues to seek and obtain certain necessary consents and approvals required to implement the Arrangement and certain pre-Arrangement and post-Arrangement transactions (see “— Pre-Arrangement Transactions” and “— Post-Arrangement Structure”) as currently structured. If certain approvals and consents are not received prior to the Effective Date, the Fund and Parentco may, pursuant to the Plan of Arrangement, without any additional approval from the Court or the Unitholders, decide to proceed nonetheless by amending, modifying or supplementing the Arrangement to add, revise or remove one or more steps thereof. In addition, in the event the Fund incorporates, establishes or acquires additional Subsidiaries between the date of the Arrangement Agreement and the Effective Date, the Fund and Parentco may, pursuant to the Plan of Arrangement, without any additional approval from the Court or the Unitholders, amend, modify or supplement the Arrangement to add, revise or remove one or more steps of the Arrangement in order to reflect such changes.

Post-Arrangement Structure

Following the Arrangement, it is intended that the corporate structure of Parentco will be simplified as certain of its Subsidiaries will be reorganized, amalgamated and/or wound up, including each of CPIF, CPOT and MPIIT, which will be wound up into the Fund, and the Fund will be wound up into Parentco (the “Post-Arrangement Structure”). As a result of these transactions, certain of the Fund’s Subsidiaries, including CPIF, CPOT, MPIIT, and the Fund will cease to exist.

The following diagram illustrates the Post-Arrangement Structure of Parentco and its Subsidiaries, as currently contemplated, including the wind up of CPIF, CPOT, MPIIT and the Fund. For simplification purposes, this diagram omits various wholly-owned Subsidiaries of Parentco.



Notes:

- (1) Macquarie Power Corp. will own, indirectly, a 31.3% interest in one of the two classes of preferred shares of CHEL. See “Narrative Description of Business — Power Infrastructure — Chapais Facility” in the Fund AIF.
- (2) The Chapais Facility is owned by the Chapais Énergie, Société en Commandite, the sole general partner of which is CHEL and the limited partners of which are CHEL and a wholly-owned Subsidiary of CHEL. See “Narrative Description of the Business — Power Infrastructure — Chapais Facility” in the Fund AIF.
- (3) The Class B Exchangeable Units will have economic rights equivalent to those of the Parentco Common Shares (and, subject to certain conditions, will be exchangeable on a one-for-one basis for Parentco Common Shares). See “Description of the Fund — Class B Exchangeable Units and Exchange Agreement” in the Fund AIF and “The Arrangement — Effect of the Arrangement — Effect on Holders of Class B Exchangeable Units”.

Arrangement Agreement

The Arrangement is being effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants, representations and warranties of and from each of the Fund and Parentco and various conditions precedent, both mutual and with respect to Parentco and the Fund. The Arrangement Agreement is attached as Appendix “C” to this Information Circular and reference is made thereto for the full text thereof.

Consequential Changes to Existing Agreements

It is anticipated that, in connection with and as a consequence of the Arrangement, certain existing agreements to which the Fund and its Subsidiaries are a party will need to be amended, amended and restated, assigned, assumed or terminated in order to give effect to the Arrangement and to properly reflect the conversion of the Fund to a corporation.

Fund Declaration of Trust

The Fund Declaration of Trust will be amended to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions described in the Plan of Arrangement. Following the Arrangement, it is contemplated that the Fund will be wound up and terminated.

Constituting Documents, the Administration Agreement and the Management Agreements

In addition to the Fund Declaration of Trust, it is anticipated that the constituting documents of various Subsidiaries of the Fund, including MPIIT and CPOT, will be amended to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions described in the Plan of Arrangement and the related reorganization of certain of the Fund’s Subsidiaries, and in some cases to provide for the termination and winding up of those entities. It is also anticipated that certain provisions of the Administration Agreement

and certain of the Management Agreements will be amended if and to the extent necessary to reflect the reorganization, amalgamation and wind up of certain of the Fund's Subsidiaries pursuant to the Post-Arrangement Structure. The Administration Agreement will also be amended to replace the Manager's right to appoint one Trustee of the Fund with a right of the Manager to nominate for election one individual as a director of Parentco at each annual meeting of Parentco and, failing the election of such individual, to provide the Manager with the right to have an observer present at all meetings of directors of Parentco.

On December 22, 2009, the Trustees established a special committee (the "Special Committee") comprised of Messrs. Brown, Lavelle (Chair), Roy and Sardo to, among other things, engage in discussions with the Manager regarding potential new management arrangements for Parentco following the implementation of the Post-Arrangement Structure, including the possibility of the termination of the Administration Agreement and the Management Agreements and Parentco and the Manager entering into a new management agreement. The Special Committee formally engaged a financial advisor and legal counsel to assist in these discussions with the Manager and to provide the Special Committee with analysis and advice as to the financial and legal implications to Parentco of any such arrangements with the Manager. Between February 2010 and the date of this Information Circular, the Special Committee and representatives of the Manager met on numerous occasions to discuss preliminary proposals regarding such arrangements for Parentco. As at the date of this Information Circular, discussions between the Special Committee and the Manager regarding potential new management arrangements for Parentco are continuing. In the event that a new management agreement is not entered into between Parentco and the Manager prior to the implementation of the Post-Arrangement Structure, certain provisions of the Administration Agreement and certain provisions of the Management Agreements will be amended as described in the preceding paragraph.

Procedure for the Arrangement Becoming Effective

The Arrangement is proposed to be carried out pursuant to Sections 288 to 299 of the BCBCA. The following procedural steps must be taken for the Arrangement to become effective, as more particularly described below:

- (a) the Arrangement Resolution must be approved by the Unitholders at the Meeting;
- (b) the Arrangement must be approved by the Court pursuant to the Final Order;
- (c) all conditions precedent to the Arrangement, including those set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate parties; and
- (d) the Final Order and related Arrangement Records, in the form prescribed by the BCBCA, must be filed with the Registrar and the Certificate must be issued by the Registrar.

Approvals

Unitholder Approval

Pursuant to the Interim Order and the Fund Declaration of Trust, the number of votes required to approve the Arrangement Resolution is not less than two-thirds (66 $\frac{2}{3}$ %) of the votes cast by Unitholders, either in person or by proxy, at the Meeting.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Trustees, without further notice to or approval of Unitholders, subject to the terms of the Plan of Arrangement, to amend or terminate the Arrangement Agreement or Plan of Arrangement, or to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA. The full text of the Arrangement Resolution is attached as Appendix "A" to this Information Circular.

If you return a form of proxy or voting instruction form but do not specify how you want your Units voted, the persons named as proxyholders will cast the votes represented by such proxy at the Meeting FOR the Arrangement Resolution.

Court Approvals

Interim Order

On October 15, 2010, the Court granted the Interim Order facilitating the calling of the Meeting and prescribing the conduct of the Meeting and other matters. The Interim Order is attached as Appendix “B” to this Information Circular.

Final Order

The BCBCA provides that an arrangement requires Court approval. Subject to the terms and conditions of the Arrangement Agreement, and if the Arrangement Resolution is approved by Unitholders at the Meeting in the manner required by the Interim Order, the Fund and Parentco will make an application to the Court for the Final Order.

The Court hearing in respect of the Final Order is expected to take place at 9:45 a.m. (Vancouver time) on November 18, 2010, or as soon thereafter as counsel for the Fund and Parentco may be heard, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, subject to the approval of the Arrangement Resolution at the Meeting. At the hearing, the Court will consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Under the terms of the Interim Order, any Unitholder and any other interested person will have the right to appear and make submissions at the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order is required to indicate his, her or its intention to appear by filing with the Court and serving the Fund and Parentco at the address set out below, on or before 4:00 p.m. (Vancouver time) on November 16, 2010, a Response to Petition (“Response”), including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application. The Response and supporting materials must be delivered, within the time specified, to the Fund and Parentco at the following address:

Blake, Cassels & Graydon LLP
Suite 2600, Three Bentall Centre
595 Burrard Street, P.O. Box 49314
Vancouver, British Columbia V7X 1L3
Attention: Sean K. Boyle

Unitholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.

Prior to the hearing on the Final Order, the Court will be informed that the Final Order will constitute the basis for an exemption from registration under the 1933 Act for the Parentco Common Shares to be issued to holders of Units in the Arrangement pursuant to Section 3(a)(10) of the 1933 Act.

The Fund has been advised by its counsel that the Court has broad discretion under the BCBCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, the Fund and Parentco may determine not to proceed with the Arrangement.

Conditions Precedent to the Arrangement

The respective obligations of the Fund and Parentco to consummate the transactions contemplated by the Arrangement Agreement are subject to the satisfaction, on or before the Effective Date, of a number of conditions, any of which may be waived by the mutual consent of such parties without prejudice to their right to rely on any other of such conditions. These conditions include, without limitation:

- (a) the Interim Order shall have been granted in form and substance satisfactory to the Fund and Parentco, each acting reasonably, not later than November 10, 2010 or such later date as the parties to

- the Arrangement Agreement may agree, and shall not have been set aside or modified in a manner unacceptable to such parties on appeal or otherwise;
- (b) the Arrangement Resolution shall have been approved by the requisite number of votes cast by the Unitholders at the Meeting in accordance with the provisions of the Interim Order and any applicable regulatory requirements;
 - (c) the Final Order shall have been granted in form and substance satisfactory to the Fund and Parentco, each acting reasonably, not later than December 31, 2010 or such later date as the parties to the Arrangement Agreement may agree;
 - (d) any additional conditions which may be imposed by the Interim Order or the Final Order shall have been satisfied;
 - (e) the Arrangement Records and all necessary related documents, in form and substance satisfactory to the Fund and Parentco, each acting reasonably, shall have been accepted for filing by the Registrar in accordance with Section 292 of the BCBCA;
 - (f) no material action or proceeding shall be pending or threatened by any person, company, firm, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated in the Arrangement Agreement; or
 - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated in the Arrangement Agreement;
 - (g) all material third-party and regulatory consents, exemptions and approvals considered necessary or desirable by the parties with respect to the transactions contemplated under the Arrangement shall have been completed or obtained including, without limitation, consents, exemptions and approvals from applicable securities regulatory authorities and the TSX;
 - (h) there shall not, as of the Effective Date, be Unitholders that hold, in aggregate, in excess of 2% of all of the outstanding Units that have validly exercised and not withdrawn their Dissent Rights; and
 - (i) the TSX shall have conditionally approved the listing or the substitutional listing of the Parentco Common Shares to be issued pursuant to the Arrangement, subject only to the filing of required documents which cannot be filed prior to the Effective Date.

Assuming the conditions are satisfied or waived, the Fund and Parentco intend to file a copy of the Final Order and the Arrangement Records with the Registrar under the BCBCA, together with such other materials as may be required by the Registrar, in order to give effect to the Arrangement on or about January 1, 2011.

Timing of Completion of the Arrangement

If the Meeting is held as scheduled and is not adjourned and Unitholder approval is obtained, the Fund and Parentco intend to apply for the Final Order approving the Arrangement on November 18, 2010, or at any other date after November 18, 2010. If the Final Order is obtained in form and substance satisfactory to the Fund and Parentco, acting reasonably, and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Fund expects the Effective Date to be on or about January 1, 2011. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be delayed for a number of reasons, including a failure to obtain the Final Order on November 18, 2010.

Procedure for Exchange of Units

The Units are represented in “book-entry only” form and no certificates have been issued to Beneficial Unitholders. Following completion of the Arrangement, Parentco Common Shares will also be represented in “book-entry only” form and no certificates representing Parentco Common Shares will be issued to beneficial holders of Parentco Common Shares. Beneficial Unitholders will not need to take any action to exchange their Units for Parentco Common Shares.

On or about the Effective Date, Parentco will deliver to CDS a global certificate evidencing the aggregate number of Parentco Common Shares issued to Unitholders in connection with the Arrangement. Beneficial holders of Parentco Common Shares will not be entitled to receive physical certificates evidencing their ownership of Parentco Common Shares.

Right to Dissent

There is no mandatory statutory right of dissent and appraisal in respect of plans of arrangement under the BCBCA. However, as contemplated in the Plan of Arrangement, the Fund has granted to Unitholders who object to the Arrangement Resolution the Dissent Rights which are set out in their entirety in the Interim Order, a copy of which is in Appendix “B” to this Information Circular. The following summary of the Dissent Rights is qualified in its entirety by the Interim Order.

A registered Unitholder who intends to exercise the Dissent Rights must deliver a Dissent Notice to the Fund at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3, Attention: Stuart M. Miller, Vice President and General Counsel, at any time up to 48 hours prior to the Meeting or any adjournment thereof and must not vote any Dissent Units in favour of the Arrangement. All Units are registered in the name of CDS and are held on behalf of Beneficial Unitholders’ by CDS’s participants (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 saving plans and similar plans). Beneficial Unitholders who wish to dissent should be aware that they may only do so through the registered Unitholder, CDS, which must exercise Dissent Rights on behalf of such Beneficial Unitholders with respect to the Units held for such Beneficial Unitholders. In such case, the Dissent Notice must set forth all of the information specified in the Interim Order. **A vote against the Arrangement Resolution does not constitute a Dissent Notice and a Unitholder who only votes against the Arrangement Resolution will not be considered a Dissenting Unitholder.**

If the Arrangement Resolution is passed at the Meeting, the Fund must send by registered mail to every Dissenting Unitholder, prior to the date set for the hearing of the Final Order, a notice (the “Notice of Intention”) stating that, subject to receipt of the Final Order and satisfaction of the other conditions set out in the Arrangement Agreement, the Fund intends to complete the Arrangement, and advising the Dissenting Unitholder that if the Dissenting Unitholder intends to proceed with its exercise of its Dissent Rights, it must deliver to the Fund, within 14 days after the mailing of the Notice of Intention, a written statement containing the information specified by the Interim Order, together with the certificate(s), if any, representing the Dissent Units.

A Dissenting Unitholder delivering such a written statement may not withdraw from its dissent and, at the Effective Time, will be deemed to have transferred to the Fund all of its Dissent Units, free of any claims, for cancellation. Such Dissenting Unitholder shall cease to have any rights as Unitholder in respect of its Dissent Units other than the right to be paid the fair value of its Dissent Units. The Fund will pay to each Dissenting Unitholder for the Dissent Units the amount agreed on by the Fund and the Dissenting Unitholder. Either the Fund or a Dissenting Unitholder may apply to Court if no agreement on the amount to be paid for the Dissent Units has been reached, and the Court may:

- (a) determine the fair value that the Dissent Units had immediately before the passing of the Arrangement Resolution, excluding any appreciation or depreciation in anticipation of the Arrangement unless such exclusion would be inequitable, or order that such fair value be established by arbitration or by reference to the registrar or a referee of the Court;
- (b) join in the application each other Dissenting Unitholder who has not reached an agreement with the Fund as to the amount to be paid for the Dissent Units; or
- (c) make consequential orders and give directions it considers appropriate.

Dissenting Unitholders who are ultimately entitled to be paid fair value for their Units will be entitled to be paid such fair value and will not be entitled to any other payment or consideration, including any payment or consideration that would be payable under the Plan of Arrangement had they not exercised their Dissent Rights.

If a Dissenting Unitholder fails to strictly comply with the requirements of the Dissent Rights set out in the Interim Order, it will lose its Dissent Rights, and, if the Arrangement is completed, that Dissenting Unitholder

shall be deemed to have participated in the Arrangement on the same terms as all other Unitholders who are not Dissenting Unitholders. In no case will the Fund, Parentco or any other person be required to recognize such Dissenting Unitholders as holding Units at or after the Effective Time.

The Interim Order outlines certain events when Dissent Rights will cease to apply where such events occur before payment is made to the Dissenting Unitholders of their fair value of the Units surrendered (including if the Arrangement Resolution does not pass or is otherwise not proceeded with). In such events, rights as a Unitholder of the Fund in respect of the applicable Units will be regained.

For a general summary of certain Canadian federal income tax implications applicable to a Dissenting Unitholder, see “Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Resident Dissenting Unitholders” and “Certain Canadian Federal Income Tax Considerations — Holders Not Resident in Canada — Non-Resident Dissenting Unitholders”.

At the option of the Fund, the Arrangement Agreement can be terminated if, as at the Effective Date, Unitholders holding more than 2% of all of the outstanding Units have exercised Dissent Rights in relation to the Arrangement.

Expenses of the Arrangement

The estimated costs to be incurred by the Fund with respect to the Arrangement including accounting and legal fees, and the preparation, printing and mailing of this Information Circular and other related documents and agreements, are expected to be approximately \$850,000 in aggregate.

Stock Exchange Listing

It is a condition to completion of the Arrangement that the TSX shall have conditionally approved the substitutional listing of the Parentco Common Shares. The TSX has conditionally approved the substitutional listing of the Parentco Common Shares, subject to Parentco fulfilling the requirements of the TSX. The Parentco Common Shares will be listed on the TSX under the symbol “MPT”.

Securities Law Matters

Canada

All securities to be issued under the Arrangement, including, without limitation, the Parentco Common Shares, will be issued in reliance on exemptions from prospectus and registration requirements of applicable Canadian securities laws and, following completion of the Arrangement, the Parentco Common Shares will generally be “freely tradable” (other than as a result of any “control block” restrictions which may arise by virtue of the ownership thereof) under applicable Canadian securities laws of the provinces and territories of Canada.

United States

Status under U.S. securities laws

Each of Parentco and the Fund is a “foreign private issuer” as defined in Rule 3b-4 under the 1934 Act. It is the Fund’s intention that the Parentco Common Shares will be listed for trading on the TSX following completion of the Arrangement. Parentco does not intend to seek a listing for the Parentco Common Shares on a stock exchange in the United States.

Issuance and resale of Parentco Common Shares under U.S. securities laws

The following discussion is a general overview of certain requirements of United States federal securities laws that may be applicable to holders of Units in the United States (“U.S. Securityholders”). All U.S. Securityholders are urged to consult with their own legal counsel to ensure that any subsequent resale of Parentco Common Shares issued to them under the Arrangement complies with applicable securities legislation. See “Information for United States Unitholders”.

The following discussion does not address the Canadian securities laws that will apply to the issue of the Parentco Common Shares or the resale of Parentco Common Shares by U.S. Securityholders within Canada. U.S. Securityholders reselling their Parentco Common Shares in Canada must comply with Canadian securities laws, as outlined above under “— Canada”.

Exemption from the registration requirements of the 1933 Act

The Parentco Common Shares to be issued pursuant to the Arrangement will not be registered under the 1933 Act or the securities laws of any state of the United States and will be issued in reliance upon the exemption from registration set forth in Section 3(a)(10) of the 1933 Act and exemptions provided under the securities laws of each state of the United States in which U.S. Securityholders reside. Section 3(a)(10) of the 1933 Act exempts from registration the distribution of a security that is issued in exchange for outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. Accordingly, the Final Order will, if granted, constitute a basis for the exemption from the registration requirements of the 1933 Act with respect to the Parentco Common Shares issued in connection with the Arrangement.

Resales of Parentco Common Shares within the United States after the completion of the Arrangement

Parentco Common Shares received by a holder who will be an “affiliate” of Parentco after the Arrangement will be subject to certain restrictions on resale imposed by the 1933 Act. As defined in Rule 144 under the 1933 Act, an “affiliate” of an issuer is a person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the issuer and may include certain officers and directors of such issuer as well as principal shareholders of such issuer. Persons who are not “affiliates” of Parentco after the Arrangement may resell the Parentco Common Shares that they receive in connection with the Arrangement in the United States without restriction under the 1933 Act.

Persons who are “affiliates” of Parentco after the Arrangement may not sell their Parentco Common Shares that they receive in connection with the Arrangement in the absence of registration under the 1933 Act, unless an exemption from registration is available, such as the exemptions contained in Rule 144 or Rule 904 of Regulation S under the 1933 Act.

Affiliates — Rule 144. In general, under Rule 144, persons who are “affiliates” of Parentco after the Arrangement will be entitled to sell in the United States, during any three-month period, a portion of the Parentco Common Shares that they receive in connection with the Arrangement, provided that the number of such securities sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange, the average weekly trading volume of such securities during the four-week period preceding the date of sale, subject to specified restrictions on manner of sale, notice requirements, aggregation rules and the availability of current public information about Parentco. Persons who are affiliates of Parentco after the Arrangement will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be affiliates of Parentco.

Affiliates — Regulation S. In general, under Regulation S, persons who are “affiliates” of Parentco solely by virtue of their status as an officer or director of Parentco may sell their Parentco Common Shares outside the United States in an “offshore transaction” (which would include a sale through the TSX, if applicable) if neither the seller nor any person acting on its behalf engages in “directed selling efforts” in the United States. In the case of a sale of Parentco Common Shares by an officer or director who is an affiliate of Parentco solely by virtue of holding such position, there would be an additional requirement that no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker’s commission. For purposes of Regulation S, “directed selling efforts” means “any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered” in the sale transaction. Certain additional restrictions are applicable to a holder of Parentco Common Shares who is an “affiliate” of Parentco after the Arrangement other than by virtue of his or her status as an officer or director of Parentco.

U.S. Securityholders are urged to contact their legal advisors to determine the extent of all applicable resale provisions.

LEGAL MATTERS

Certain Canadian legal matters relating to the Arrangement are to be passed upon by Blake, Cassels & Graydon LLP on behalf of the Fund. As at October 15, 2010, the partners and associates of Blake, Cassels & Graydon LLP beneficially owned, directly or indirectly, less than 1% of the outstanding Units.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

As at October 8, 2010, the Trustees and the directors and officers of the Manager and their associates, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of approximately 115,203 Units representing approximately 0.247% of the outstanding Units.

The Arrangement will not result in any change of control, termination or other payments being made to any Trustees, officers or employees of the Fund pursuant to employment, change of control or similar agreements.

None of the principal holders of Units or any Trustee or any director or officer of the Manager, as the case may be, or any associate or affiliate of any of the foregoing persons, has or had any material interest in any transaction in the last three years or any proposed transaction that materially affected, or will materially affect, the Fund or any of its affiliates, except as disclosed above or elsewhere in this Information Circular or in documents incorporated herein by reference.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Fund and Parentco, the following is, as at the date of this Information Circular, a fair and adequate summary of the principal Canadian federal income tax consequences under the Tax Act of the transactions described in the Arrangement generally applicable to a Unitholder owning Units, who, for the purposes of the Tax Act and at all relevant times, (i) holds and will hold its Units as capital property, and (ii) deals at arm's length and is not affiliated with the Fund or Parentco (a "Holder"). The Units will generally constitute capital property to a Holder provided that the Holder does not hold or use such securities in the course of carrying on business in which the Holder buys or sells securities, and the Holder did not acquire such securities in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who are Resident Holders, as defined below, and who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have such securities and any other "Canadian security" (as defined in the Tax Act), treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Holders contemplating making such an election should consult with their own tax advisors.

This summary is not applicable to: (i) a holder that is a "specified financial institution" or a "financial institution" for the purpose of the "mark-to-market" rules under the Tax Act, (ii) a holder of an interest in what would be a "tax shelter investment" (as defined in the Tax Act) or (iii) a holder that has elected to have the "functional currency" reporting rules under the Tax Act apply.

This summary is based upon the facts set out in this Information Circular, the provisions of the Tax Act in force as of the date hereof, and the current administrative policies and assessing practices of the CRA published prior to the date hereof. This summary takes into account the specific proposals (the "Tax Proposals") to amend the Tax Act publicly announced by or on behalf of the Minister prior to the date hereof. No assurance can be given that the Tax Proposals will be enacted as currently proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account, or anticipate any change in law, whether by legislative, administrative, or judicial action or decision and does not take into account any provincial, territorial, or foreign tax consequences which may differ significantly from those discussed herein.

Counsel has assumed, for the purposes of the tax considerations that follow, that at all relevant times for the purposes of the Tax Act, the Fund meets all of the factual conditions to be considered a "mutual fund trust" and, subject to the relief during the transition period, would be a "SIFT trust", and that Parentco and the Holder will

not file a joint election under section 85 of the Tax Act with respect to the disposition of the Holder's Units under the Arrangement.

This summary is of a general nature only and should not be construed as, nor is it intended to be, legal or tax advice or representations to any particular Unitholder. Accordingly, Unitholders should consult with their own tax advisors with respect to the income tax consequences of the Arrangement having regard to their own particular circumstances.

Holders Resident in Canada

The following portion of the summary is generally applicable to a Holder that is or is deemed to be, at all relevant times and for the purposes of the Tax Act and any applicable income tax treaty, a resident of Canada ("Resident Holder").

Exchange for Parentco Common Shares

Resident Holders who dispose of their Units to Parentco in exchange for Parentco Common Shares pursuant to the Arrangement will be deemed to have disposed of such Units for proceeds of disposition equal to their "adjusted cost base" (as defined in the Tax Act) of such Units immediately before the disposition and to have acquired such Parentco Common Shares at a cost equal to the same amount. As a consequence, Resident Holders will not realize a gain or loss on such exchange.

If either (a) the fair market value of a Parentco Common Share immediately after the disposition exceeds the fair market value of a Unit at the time of the disposition ("Excess Share Value"), or (b) the fair market value of a Unit at the time of the disposition exceeds the fair market value of a Parentco Common Share immediately after the disposition and it is reasonable to regard any portion of such excess as a benefit that the Resident Holder desired to have conferred on a person or partnership with whom the Resident Holder does not deal at arm's length ("Excess Unit Value"), the Excess Share Value or Excess Unit Value, as the case may be, is included in the Resident Holder's income for the taxation year in which the disposition occurs. While management of the Fund has advised that it expects that the fair market value of a Unit at the time of the disposition will be equal to the fair market value of a Parentco Common Share immediately after the disposition, in which case there would be no Excess Share Value or Excess Unit Value, no assurance can be given that the CRA will accept this conclusion.

Resident Dissenting Unitholders

Pursuant to the Arrangement, a Resident Holder that is a Dissenting Unitholder will be deemed to have transferred the holder's Units to the Fund and will cease to have any rights as a Unitholder other than the right to receive the cash equivalent to the fair value of the Units owned by such Dissenting Unitholder. This transfer may result in the realization of a capital gain (or loss) to the Dissenting Unitholder. **A Resident Holder that is a Dissenting Unitholder is advised to consult its tax advisor in this regard.**

Dividends on Parentco Common Shares

In the case of a Resident Holder who is an individual (other than certain trusts), a dividend received or deemed to be received on a Parentco Common Share will be included in computing the Resident Holder's income, and will be subject to the normal gross-up and dividend tax credit rules applicable to dividends paid by taxable Canadian corporations under the Tax Act, including the enhanced gross-up and dividend tax credit applicable to any dividend designated as an "eligible dividend" in accordance with the provisions of the Tax Act.

A dividend received or deemed to be received on a Parentco Common Share by a Resident Holder that is a corporation will generally be included in the Resident Holder corporation's income for the taxation year in which such dividend is received and will generally be deductible in computing the Resident Holder corporation's taxable income. A Resident Holder that is a "private corporation" (as defined in the Tax Act) or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable to

pay a refundable tax of 33 $\frac{1}{3}$ % under Part IV of the Tax Act on a dividend received (or deemed to be received) in the taxation year on a Parentco Common Share to the extent such dividend is deductible in computing such Resident Holder's taxable income for the year.

Disposing of Parentco Common Shares

A disposition or a deemed disposition of a Parentco Common Share by a Resident Holder (except to Parentco or in a tax-deferred transaction) will generally result in the Resident Holder realizing a capital gain (or a capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition of the Parentco Common Share are greater (or less) than the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. The cost of a Parentco Common Share to a Resident Holder will generally be the average of the cost of all Parentco Common Shares held by such Resident Holder as capital property.

Generally, one-half of any capital gain (a "taxable capital gain") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year, and one-half of any capital loss (an "allowable capital loss") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year may, generally, be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Parentco Common Share may be reduced by the amount of dividends received or deemed to be received by the Resident Holder on such shares (or on shares for which the shares have been substituted) to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Parentco Common Shares, directly or indirectly, through a partnership or a trust. A Resident Holder to whom these rules may be relevant should consult his, her or its own tax advisor.

Refundable Tax

A Resident Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay, in addition to tax otherwise payable under the Tax Act, a refundable tax of 6 $\frac{2}{3}$ % on certain investment income, including taxable capital gains.

Alternative Minimum Tax

A taxable dividend received, or a capital gain realized, by a Resident Holder who is an individual (other than certain trusts) may result in such Parentco Common Shareholder being liable for minimum tax under the Tax Act. A Resident Holder who is an individual should contact his or her tax advisor in this regard.

Eligibility for Investment

Provided that the Parentco Common Shares are listed on the TSX (or other "designated stock exchange" as defined in the Tax Act) at the particular time or that Parentco is otherwise a public corporation (within the meaning of the Tax Act), the Parentco Common Shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts ("TFSA").

The Parentco Common Shares will not be a prohibited investment for a trust governed by a TFSA provided that the holder of the TFSA deals at arm's length with Parentco for the purposes of the Tax Act and does not have a significant interest (within the meaning of the Tax Act) in Parentco, or a corporation, partnership or trust with which Parentco does not deal at arm's length for the purposes of the Tax Act.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder that is or is deemed to be, at all relevant times and for the purposes of the Tax Act and any applicable tax treaty or convention, a non-resident of Canada (“Non-Resident Holder”).

Exchange for Parentco Common Shares

Non-Resident Holders who dispose of their Units to Parentco in exchange for Parentco Common Shares pursuant to the Arrangement will be deemed to have disposed of such Units for proceeds of disposition equal to their “adjusted cost base” (as defined in the Tax Act) of such Units immediately before the disposition and to have acquired such Parentco Common Shares at a cost equal to the same amount. As a consequence, Non-Resident Holders will not realize a gain or loss on such exchange.

Any Excess Share Value or Excess Unit Value in respect of a Non-Resident Holder is deemed to be a dividend received by the Non-Resident Holder from a corporation resident in Canada for the purposes of the Tax Act which, subject to any relief under an applicable income tax treaty or convention between Canada and the Non-Resident Holder’s jurisdiction of residence, will be subject to a 25 per cent Canadian withholding tax. While management of the Fund has advised that it expects that the fair market value of a Unit at the time of the disposition will be equal to the fair market value of a Parentco Common Share immediately after the disposition, in which case there would be no Excess Share Value or Excess Unit Value, no assurance can be given that the CRA will accept this conclusion.

Non-Resident Dissenting Unitholders

Pursuant to the Arrangement, a Non-Resident Holder that is a Dissenting Unitholder will be deemed to have transferred the holder’s Units to the Fund and will cease to have any rights as a Unitholder other than the right to receive the cash equivalent to the fair value of the Units owned by such Dissenting Unitholder. This transfer may result in the realization of a capital gain (or loss) subject to Canadian tax if the Units were taxable Canadian property of the Dissenting Unitholder. **A Non-Resident Holder that is a Dissenting Unitholder is advised to consult its tax advisor in this regard.**

Dividends on Parentco Common Shares

A dividend paid or deemed to be paid to a Non-Resident Holder on a Parentco Common Share will be subject to Canadian withholding tax at the rate of 25% unless such rate is reduced under the provisions of an applicable tax treaty. Where the Non-Resident Holder is a U.S. resident entitled to the benefits under the *Canada-United States Income Tax Convention* (1980) and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

Disposition of Parentco Common Shares

A Non-Resident Holder will generally not be liable to Canadian income tax on a disposition of Parentco Common Shares received under the Arrangement in exchange for Units, unless the Parentco Common Shares are “taxable Canadian property” to the Non-Resident Holder.

Parentco Common Shares (and Units) will generally not be considered to be taxable Canadian property to a Non-Resident Holder unless: (a) the Non-Resident Holder holds or uses, or is deemed to hold or use the Parentco Common Shares (or Units) in the course of carrying on business in Canada; (b) the Parentco Common Shares (or Units) are “designated insurance property” (as defined in the Tax Act) of the Non-Resident Holder for the purposes of the Tax Act; (c) at any time during the 60-month period immediately preceding the disposition of the Parentco Common Shares (or Units), (i) 25 per cent or more of the issued Parentco Common Shares (or Units) belonged to any combination of the Non-Resident Holder and persons with whom the Non-Resident Holder did not deal at arm’s length, and (ii) more than 50% of the fair market value of the Parentco Common Shares (or Units) was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties, timber resource properties, and options

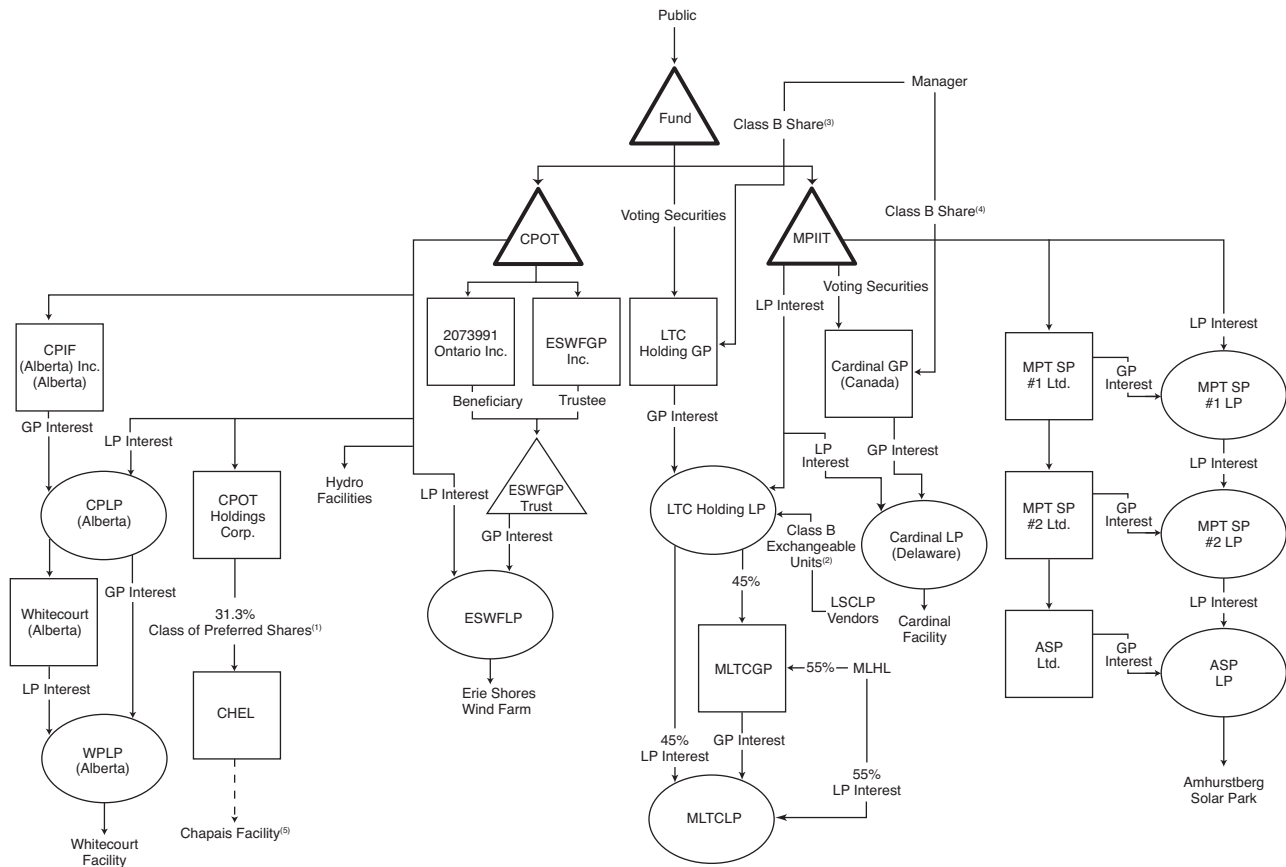
in respect of, or interests in, or civil law rights in such property; or (d) the Non-Resident Holder's Parentco Common Shares (or Units) are deemed to be taxable Canadian property under a deeming provision in the Tax Act. If Units are taxable Canadian property to a Non-Resident Holder at the time they are disposed of for Parentco Common Shares under the Arrangement, such Parentco Common Shares will be deemed to be taxable Canadian property for a period of 60 months after the disposition.

INFORMATION CONCERNING THE FUND

The Fund is an unincorporated, open-ended, limited purpose trust governed by the laws of the Province of Ontario pursuant to and established by the Fund Declaration of Trust. The Fund's principal and registered office is located at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3.

Intercorporate Relationships

The chart below presents a simplified summary of the ownership and organizational structure of the Fund and its material Subsidiaries as at October 15, 2010. In the chart below, "GP Interest" denotes a general partnership interest, "LP Interest" denotes a limited partnership interest and, unless otherwise specified, all ownership interests denoted are 100% and all entities were incorporated or organized in Ontario.



Legend:

ASP LP = Helios Solar Star A-1, L.P.
ASP Ltd. = Helios Solar Star A-1 Ltd.
Cardinal GP = Cardinal Power Inc.
Cardinal LP = Cardinal Power of Canada, L.P.
CHEL = Chapais Électrique Limitée
CPIIF (Alberta) Inc. = Clean Power Income Fund (Alberta) Inc.
CPLP = Clean Power Limited Partnership
CPOT = Clean Power Operating Trust
ESWFGP Inc. = Erie ShoresWind Farm General Partner Inc.
ESWFGP Trust = Erie Shores Wind Farm General Partner Trust
ESWFLP = Erie Shores Wind Farm Limited Partnership
Fund = Macquarie Power & Infrastructure Income Fund
LSCLP Vendors = Markham Suites Hotel Limited, LECR Inc., and OLTCP Inc., being vendors of the Leisureworld senior care business indirectly acquired by the Fund and MIIFL in 2005
LTC Holding GP = MPT LTC Holding Ltd.
LTC Holding LP = MPT LTC Holding LP
Manager = Macquarie Power Management Ltd.
MLHL = Macquarie Leisureworld Holdings Ltd., an indirect, wholly-owned subsidiary of Macquarie Group Limited
MLTCGP = Macquarie Long Term Care GP Inc.
MLTCLP = Macquarie Long Term Care LP
MPIIT = Macquarie Power & Infrastructure Income Trust
MPT SP #1 LP = MPT Solar Power #1 Limited Partnership
MPT SP #1 Ltd. = MPT Solar Power #1 Ltd.
MPT SP #2 LP = MPT Solar Power #2 Limited Partnership
MPT SP #2 Ltd. = MPT Solar Power #2 Ltd.
Waterpower Facilities = The Sechelt Facility, the Wawatay Facility, the Dryden Facility and the Hluey Lakes Facility
Whitecourt = Whitecourt Power Corp.
WPLP = Whitecourt Power Limited Partnership

Notes:

- (1) CPOT Holdings Corp. owns a 31.3% interest in one of the two classes of preferred shares of CHEL. See “Narrative Description of Business — Power Infrastructure — Chapais Facility” in the Fund AIF.
- (2) The Class B Exchangeable Units have economic rights equivalent to those of the Units and, subject to certain conditions, are exchangeable on a one-for-one basis for Units. See “Description of the Fund — Class B Exchangeable Units and Exchange Agreement” in the Fund AIF.
- (3) The holder of the one outstanding class B share in the capital of LTC Holding GP has the right to elect two members of the board of directors of LTC Holding GP and is not entitled to receive any dividends on the class B share. The class B share may be redeemed upon the payment of \$25 at any time on or after termination of the LTC Holding LP Management Agreement.
- (4) The holder of the one outstanding class B share in the capital of Cardinal GP has the right to elect two members of the board of directors of Cardinal GP and is not entitled to receive any dividends on the class B share. The class B share may be redeemed upon the payment of \$25 at any time on or after the termination of the Cardinal LP Management Agreement.
- (5) The Chapais Facility is owned by the Chapais Énergie, Société en Commandite, the sole general partner of which is CHEL and the limited partners of which are CHEL and a wholly-owned subsidiary of CHEL. See “Narrative Description of the Business — Power Infrastructure — Chapais Facility” in the Fund AIF.

The Business of the Fund Group

The Fund's objective is to produce a sustainable and growing level of cash for distributions to Unitholders on a monthly basis. To do so, the Fund's strategy is to (a) pursue additional investments and other direct and indirect rights in infrastructure projects with an emphasis on power infrastructure and such other businesses or activities as may be approved from time to time by a majority of the Trustees independent of the Manager, including investments and other direct and indirect rights in other forms of energy-related projects and utility projects and (b) improve the profitability of the existing investments of the Fund. While the Fund focuses on making additional investments in and acquisitions of operating power generation facilities, the Trustees are aware that potentially attractive investment and acquisition opportunities may emerge in the broader core infrastructure sector and intend to pursue such opportunities as they arise.

The Fund Declaration of Trust provides that additional investments or acquisitions by the Fund, other than in connection with an internal reorganization, must comply with the Fund's acquisition and investment guidelines. Such investments or acquisitions may be financed by the issuance of Units, the issuance of other securities of the Fund, from the Fund's cash on hand or through indebtedness. It is expected that any future acquisition or investment will be made by the Fund through one or more of its direct or indirect subsidiaries.

As at October 15, 2010, the Fund's power infrastructure portfolio included investments in gas cogeneration, wind, waterpower and biomass power generation assets, representing in aggregate approximately 350 megawatts of installed capacity.

For further information regarding the Fund and the business activities of the Fund Group, see "Description of the Fund" and "Narrative Description of the Business" in the Fund AIF, which is incorporated in this Information Circular by reference.

Recent Developments

The following significant developments in the operations and affairs of the Fund have occurred since January 1, 2010:

- ***Sale of Leisureworld Senior Care Business.*** On March 23, 2010, the Fund and MIIFL, which indirectly owned 45% and 55%, respectively, of the Leisureworld senior care business, sold their interest in the Leisureworld senior care business to Leisureworld Senior Care Corporation ("LSCC") for consideration equal to approximately \$122 million (the Fund's share of the aggregate consideration being equal to approximately \$55 million). At the time, the "Leisureworld senior care business" included the ownership and operation of 26 long-term care homes, one retirement home, one independent living home and certain ancillary businesses. The sale of the Leisureworld senior care business coincided with the initial public offering of LSCC, which used the net proceeds of the offering to repay a portion of the debt of the Leisureworld senior care business and fund the acquisition of the Leisureworld senior care business. Pursuant to the acquisition agreement relating to the acquisition of the Leisureworld senior care business, approximately \$12 million (representing 10% of the consideration received from the sale of the Leisureworld senior care business), in the form of cash, liquid securities (including LSCC common shares) and/or letters of credit is required to be maintained by the Fund and MIIFL to fund any indemnification obligations under the agreement (the "Holdback") until March 31, 2011. As at October 15, 2010, the Holdback was comprised of approximately \$3 million in cash and 958,649 LSCC common shares.
- ***Acquisition of 20 Megawatt Solar Project in Ontario from SunPower Corp.*** On June 23, 2010, the Fund and SunPower Corp. announced an agreement for the Fund to acquire the Amherstburg Solar Park, a 20-megawatt solar photovoltaic power project in Amherstburg, Ontario, to be designed, built and operated on behalf of the Fund by SunPower Corp. The approximate \$130 million project is being primarily funded by a syndicate of international lenders with approximately \$33 million of equity to be contributed by the Fund upon the start of commercial operations, which is anticipated to be in June 2011. When completed, the Amherstburg Solar Park will be one of the largest solar power facilities in Canada and is expected to produce approximately 37,600 megawatt hours of electricity annually, which is enough to power approximately 4,000 homes.

Significant Acquisitions

There are no acquisitions that the Fund has completed within 75 days prior to the date of this Information Circular that are significant acquisitions for the purposes of Part 8 of NI 51-102. In addition, there are no proposed acquisitions by the Fund that have progressed to a state where a reasonable person would believe that the likelihood of the acquisition being completed is high and that would be significant acquisitions for the purposes of Part 8 of NI 51-102 if completed as of the date of this Information Circular.

Distributions

Effective January 2010, the Fund has paid monthly distributions of \$0.055 per Unit, or \$0.66 per Unit on an annualized basis, compared with the Fund's prior monthly distribution of \$0.0875 per Unit, or \$1.05 per Unit annually. Based on the Fund's current portfolio and outlook, the new distribution level is expected to be sustainable through 2014. This distribution level is expected to result in an average payout ratio of approximately 70% to 75% of the Fund's distributable cash over a five-year period based on the Fund's current portfolio. The average payout ratio could exceed the 70% to 75% range in future years as the Fund executes its growth strategy, which could include development opportunities or the acquisition of operating assets with lower annual yields but higher growth prospects. As a result of the divestment of the Leisureworld senior care business, the Fund currently anticipates that the 2010 payout ratio will be above 80%.

Cash distributions are payable to Unitholders of record on the last business day of each month for which a distribution is declared and are paid on the 15th day or the next following business day of the following month. The Fund may also make additional distributions in excess of monthly distributions during the year, as the Trustees may determine.

For each of the months from January 2008 through to and including December 2009, the Fund distributed \$0.0875 per Unit. For each month from January to September, 2010, the Fund distributed \$0.055 per Unit.

Market for Securities

Units

The outstanding Units are listed on the TSX under the symbol "MPTUN". The following table sets forth the high and low sales prices per outstanding Unit and trading volumes for the outstanding Units on the TSX for the periods indicated:

| | Price Per Unit (\$) | | Trading Volume |
|-----------------------------------|---------------------|------|----------------|
| | High | Low | |
| 2009 | | | |
| October | 6.60 | 5.75 | 3,003,127 |
| November | 6.14 | 5.62 | 2,278,949 |
| December | 6.20 | 5.70 | 2,342,158 |
| 2010 | | | |
| January | 6.94 | 6.09 | 2,032,573 |
| February | 7.26 | 6.12 | 2,181,045 |
| March | 7.34 | 6.76 | 2,026,569 |
| April | 7.30 | 7.01 | 1,097,735 |
| May | 7.17 | 4.50 | 1,832,924 |
| June | 7.12 | 6.46 | 1,067,658 |
| July | 7.12 | 6.73 | 803,813 |
| August | 7.30 | 6.81 | 1,228,257 |
| September | 7.35 | 6.98 | 1,303,385 |
| October (to October 14) | 7.50 | 7.14 | 748,130 |

On October 14, 2010, the last trading day prior to the date of this Information Circular, the closing price of the Units on the TSX was \$7.46.

Debentures

The outstanding 2016 Debentures are listed on the TSX and commenced trading under the symbol "MPTDB.A" on December 22, 2009. The following table sets forth the high and low sales prices per outstanding 2016 Debenture and trading volumes for the outstanding 2016 Debentures on the TSX for the periods indicated:

| | Price Per Debenture (\$) | | Trading Volume |
|-----------------------------------|--------------------------|--------|----------------|
| | High | Low | |
| 2009 | | | |
| December (22-31) | 101.45 | 100.00 | 78,620 |
| 2010 | | | |
| January | 104.00 | 100.80 | 50,980 |
| February | 105.10 | 103.00 | 31,410 |
| March | 105.50 | 104.00 | 24,670 |
| April | 106.50 | 103.25 | 20,150 |
| May | 104.50 | 100.00 | 17,420 |
| June | 104.25 | 102.50 | 26,230 |
| July | 106.45 | 103.26 | 15,480 |
| August | 106.50 | 104.50 | 8,130 |
| September | 111.59 | 104.25 | 16,210 |
| October (to October 14) | 107.64 | 105.00 | 7,210 |

On October 14, 2010, the last trading day prior to the date of this Information Circular, the closing price of the 2016 Debentures on the TSX was \$107.50.

Previous Purchases and Sales

On December 22, 2009, the Fund issued the 2016 Debentures. On January 11, 2010, the Fund redeemed in full the outstanding aggregate principal amount of \$38.9 million 6.75% convertible unsecured subordinated debentures of the Fund due December 31, 2010. Other than the redemption of Units tendered by holders in accordance with the Fund Declaration of Trust set forth below, no other securities of the Fund were purchased or sold by the Fund during the 12 months preceding the date of this Information Circular.

| Redemption Date | Number of Units Redeemed | Amount Paid ⁽¹⁾ |
|-----------------------------|--------------------------|----------------------------|
| February 28, 2010 | 558 | \$ 3,332 |
| April 30, 2010 | 3,000 | \$19,472 |
| August 31, 2010 | 22 | \$ 138 |

Note:

(1) Units do not have conversion, retraction or pre-emptive rights, and are redeemable at any time on demand by Unitholders at an amount equal to the lesser of: (i) 90% of the daily weighted average price per unit during the 10 business days prior to and including the redemption date; and (ii) 100% of the closing price of the units on the redemption date. The total amount payable in cash by the Fund in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000 (provided that such limitation may be waived at the discretion of the Trustees).

Previous Distributions

No Units have been distributed during the five years preceding the date of this Information Circular, other than as follows:

- (a) the Fund issued 5,630,000 Units on October 18, 2005 in connection with the acquisition of the Leisureworld senior care business; and
- (b) the Fund issued 20,006,674 Units on June 26, 2007 in connection with the acquisition of CPIF.

Legal Proceedings and Regulatory Actions

Other than as disclosed under “Legal Proceedings” in the Fund AIF, to the knowledge of the Fund Group, there are no legal proceedings material to the Fund or its Subsidiaries to which any of these Persons is or was a party or of which any of their respective properties are the subject matter, nor are there any such proceedings known to the Fund Group to be contemplated.

To the knowledge of the Fund Group, there are no (i) penalties or sanctions imposed against the Fund or its Subsidiaries by a court relating to securities legislation or by a securities regulatory authority during the Fund’s last financial year, (ii) penalties or sanctions imposed by a court or regulatory body against the Fund or its Subsidiaries that would likely be considered important to a reasonable investor in making an investment decision, or (iii) settlement agreements the Fund or its Subsidiaries entered into with a court relating to securities legislation or with a securities regulatory authority during the last financial year.

Auditors, Transfer Agent and Registrar

The auditors of the Fund are PricewaterhouseCoopers LLP, Chartered Accountants, Toronto, Ontario.

The transfer agent and registrar for the Units is Computershare Investor Services Inc. at its principal offices in Montréal, Québec.

INFORMATION CONCERNING PARENTCO

Parentco was incorporated on May 20, 2010 as 0881592 B.C. Ltd. pursuant to the provisions of the BCBCA for the purpose of participating in the Arrangement as described in this Information Circular. Parentco’s articles were amended on October 12, 2010 to change its name to “Macquarie Power and Infrastructure Corporation”. Immediately following the completion of the Arrangement, the shareholders of Parentco will be the former holders of Units. The principal office of Parentco is located at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3. The registered office of Parentco is located at 595 Burrard Street, Suite 2600, Three Bentall Centre, Vancouver, British Columbia, V7X 1L3.

Upon completion of the Arrangement, Parentco will become a reporting issuer in all of the provinces and territories of Canada and will become subject to the informational reporting requirements under the securities laws of such jurisdictions.

See Appendix “E” to this Information Circular for a detailed description of Parentco.

RISK FACTORS

Risk factors related to the business of the Fund and its Subsidiaries will continue to apply to Parentco and its Subsidiaries after the completion of the Arrangement. Certain risk factors relating to the business and nature of the Fund are contained in the Fund AIF, Annual MD&A and Interim MD&A of the Fund which are incorporated by reference in this Information Circular. Unitholders should carefully consider the risk factors set out therein and in Appendix “E” — Information Concerning Parentco — Risk Factors.

MANAGEMENT OF THE FUND

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 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 megawatt combined cogeneration facility. Also, the Manager, the Fund, MPIIT and MPT Holding LTC LP (“LTC Holding LP”), a subsidiary of MPIIT, entered into a management agreement dated as of October 18, 2005 (the “LTC Holding LP Management Agreement”), pursuant to which the Manager provided or arranged for certain management services to be provided to LTC Holding LP and in respect of its approximately 45% indirect ownership interest in the Leisureworld senior care business. The LTC Holding LP Management Agreement was terminated effective March 31, 2010 following the indirect sale by LTC Holding LP of the Leisureworld senior care business in March 2010. In addition, the Manager, the Fund, CPOT and CPIF have entered into a management agreement dated as of June 26, 2007 (the “Clean Power Management Agreement”), 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. Further, the Manager, the Fund, MPIIT and ASP LP have entered into a management agreement dated as of June 23, 2010 (the “ASP Management Agreement”, together with the Cardinal LP Management Agreement and Clean Power Management Agreement, the “Management Agreements”), pursuant to which the Manager provides or arranges for certain management services to be provided to ASP LP in respect of the development and operation of ASP LP’s Amherstburg Solar Park solar power generation facility. 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. and the general partners of Cardinal LP, CPOT and ASP LP. These individuals provide services on an “as needed basis” and these offices are not full-time positions.

In connection with Arrangement, certain terms of the Administration Agreement and the Management Agreements may be amended to conform to the Post-Arrangement Structure to reflect the reorganization, amalgamation and/or wind up of certain of the Fund’s Subsidiaries, unless Parentco and the Manager enter into a new management arrangement. See “The Arrangement — Consequential Change to Existing Agreements — Constatng Documents, the Administration Agreement and the Management Agreements”.

The Manager

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

As at October 15, 2010, 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> |
|---|---|--|
| Michael Bernstein Ontario, Canada | Director, President and Chief Executive Officer | Senior Managing Director of the Macquarie group and President of Macquarie Infrastructure and Real Assets Canada Ltd. |
| Stephen Mentzines New York, USA | Director | Senior Managing Director of the Macquarie group and head of the Macquarie group's Macquarie Infrastructure and Real Assets division in North America |
| Stuart M. Miller Ontario, Canada | Vice President and General Counsel | Associate Director of the Macquarie group and Senior Vice President and General Counsel of Macquarie Infrastructure and Real Assets Canada Ltd. |
| Michael Smerdon Ontario, Canada | Director, Vice President, Chief Financial Officer and Secretary | Managing Director of the Macquarie group and Macquarie Infrastructure and Real Assets Canada Ltd. |

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.

During the term of the Administration Agreement, the Manager is entitled to appoint one Trustee. In connection with the Arrangement, the Administration Agreement will be amended to replace the Manager's right to appoint one Trustee of the Fund with a right of the Manager to nominate for election one individual as a director of Parentco at each annual meeting of Parentco and, failing the election of such individual, to provide the Manager with the right to have an observer present at all meetings of directors of Parentco. See "The Arrangement — Consequential Changes to Existing Agreements — Constating Documents, the Administration Agreement and the Management Agreements" and "Corporate Structure — Administration of Parentco" in Appendix "E".

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 NI 51-102) of the Fund, any 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 2009 or in any proposed transaction which has materially affected or would materially affect the Fund or any of its Subsidiaries.

ADDITIONAL INFORMATION

Additional information, including trustees' and officers' remuneration, fees paid to the Manager under the Administration Agreement and the Management Agreements, principal holders of the Fund's securities, options to purchase securities and interests of insiders in material transactions and audit committee information, where applicable, is contained in the Annual Meeting Circular. Also, additional financial information is provided in the Fund's audited comparative consolidated annual 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. 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 AIF, which is available on SEDAR at www.sedar.com.

Upon written request, a copy of the Fund's audited comparative consolidated annual financial statements for the period ended December 31, 2009 contained in the Fund's 2009 Annual Report, together with the auditors' report thereon and the related management's discussion and analysis, and one copy of any unaudited comparative consolidated interim 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.

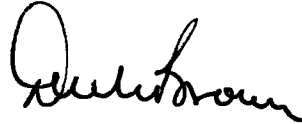
* * * * *

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 15th day of October, 2010.

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

A handwritten signature in black ink, appearing to read "Derek Brown", written over a horizontal line.

Derek Brown
Chairman of the Board of Trustees

AUDITORS' CONSENT

We consent to the use of our audit report dated March 2, 2010 to the unitholders of Macquarie Power & Infrastructure Income Fund (the Fund) on the consolidated financial statements of the Fund comprising the consolidated statements of financial position of the Fund as at December 31, 2009 and 2008 and the consolidated statements of operations, comprehensive income, unitholders' equity and cash flows for the years then ended to be incorporated by reference in the notice of Special Meeting of Unitholders and Information Circular with respect to a Plan of Arrangement (the circular) dated October 15, 2010.

We consent to the use in the above-mentioned circular of our report to the directors of 0881592 B.C. Ltd. (now Macquarie Power and Infrastructure Corporation) on the balance sheet of 0881592 B.C. Ltd. (now Macquarie Power and Infrastructure Corporation) as of May 20, 2010.

We have performed only limited procedures, including enquiries of the Fund's management with respect to events occurring between the date of our audit reports and the date of this consent. We have not performed any procedures subsequent to the date of this consent.

This consent is provided to the Board of Trustees of the Fund for use solely in connection with the above filing of the circular pursuant to the continuous disclosure provisions of the provincial securities legislation; accordingly, we do not consent to the use of our audit reports for any other purpose.

(signed) "PricewaterhouseCoopers LLP"

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
October 15, 2010

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular, including the Summary hereof:

“**1933 Act**” means the United States *Securities Act of 1933*, as amended;

“**1934 Act**” means the United States *Securities Exchange Act of 1934*, as amended;

“**2016 Debentures**” means the outstanding \$57.5 million aggregate principal amount of 6.50% convertible unsecured subordinated debentures of the Fund, due December 31, 2016;

“**Administration Agreement**” means the administration agreement dated as of April 30, 2004, as amended, pursuant to which the Fund and MPIIT are each administered by the Manager;

“**Annual MD&A**” has the meaning ascribed thereto under “Documents Incorporated by Reference”;

“**Annual Meeting Circular**” has the meaning ascribed thereto under “Documents Incorporated by Reference”;

“**Arrangement**” means the proposed arrangement under the provisions of Sections 288 to 299 of the BCBCA, on the terms and conditions set forth in the Plan of Arrangement as amended, modified or supplemented, providing for, among other things, the conversion of the Fund from an income trust to a corporation;

“**Arrangement Agreement**” means the arrangement agreement dated as of October 12, 2010, between Parentco and the Fund pursuant to which, among other things, Parentco and the Fund have proposed to implement the Arrangement, a copy of which agreement is attached as Appendix “C” to this Information Circular, as it may be amended, modified or supplemented from time to time;

“**Arrangement Records**” means the records in respect of the Arrangement required under Division 5 of Part 9 of the BCBCA to be filed with the Registrar after the Final Order has been granted giving effect to the Arrangement, including, as applicable, one or more notices of alternation of notices of articles and a copy of the Final Order;

“**Arrangement Resolution**” means the special resolution in respect of the Arrangement and related matters, in substantially the form attached as Appendix “A” to this Information Circular, to be voted upon by Unitholders at the Meeting;

“**ASP LP**” means Helios Solar Star A-1, L.P.;

“**ASP Management Agreement**” has the meaning ascribed thereto under “Management of the Fund — Administration Agreement and Management Agreements”;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), S.B.C 2002, c. 57, as amended, including the regulations promulgated thereunder;

“**Beneficial Unitholders**” has the meaning ascribed thereto under “Voting by Beneficial Unitholders”;

“**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Toronto, in the Province of Ontario, and the City of Vancouver, in the Province of British Columbia, for the transaction of banking business;

“**Cardinal LP**” means Cardinal Power of Canada, L.P.;

“**Cardinal LP Management Agreement**” has the meaning ascribed thereto under “Management of the Fund — Administration Agreement and Management Agreements”;

“**CDS**” means CDS Clearing and Depository Services Inc. or its affiliate;

“**CDS Participant**” has the meaning ascribed thereto under “Voting by Beneficial Unitholders”;

“**Certificate**” means the certificate to be issued by the Registrar pursuant to the BCBCA giving effect to the Arrangement;

“**CHEL**” means Chapais Électrique Limitée;

“**Class B Exchangeable Units**” means Class B Exchangeable LP Units of MPT LTC Holding LP, an indirect Subsidiary of the Fund;

“**Clean Power Management Agreement**” has the meaning ascribed thereto under “Management of the Fund — Administration Agreement and Management Agreements”;

“**ComEd**” means Commonwealth Edison Co.;

“**Court**” means the Supreme Court of British Columbia;

“**CPIF**” means Clean Power Income Fund;

“**CPOT**” means Clean Power Operating Trust;

“**CRA**” means the Canada Revenue Agency;

“**CVRs**” has the meaning ascribed thereto under “The Arrangement — Effect of the Arrangement — Effect on Holders of CVRs”;

“**Debenture Indenture**” means the indenture dated as of December 22, 2009 between the Fund and Computershare Trust Company of Canada, which indenture governs the 2016 Debentures;

“**Dissent Notice**” means a written objection to the Arrangement Resolution by a registered Unitholder in accordance with the Dissent Procedures;

“**Dissent Procedures**” means the dissent procedures described under “The Arrangement — Right to Dissent”;

“**Dissent Rights**” means the rights of registered Unitholders to dissent in respect of the Arrangement provided for in the Interim Order and described in Article 5 of the Plan of Arrangement;

“**Dissent Units**” means Units held by a Dissenting Unitholder and in respect of which the Dissenting Unitholder has validly exercised the Dissent Rights;

“**Dissenting Unitholders**” means registered Unitholders who validly exercise Dissent Rights provided to them under the Plan of Arrangement and the Interim Order and whose Dissent Rights remain valid immediately before the Effective Time;

“**DRIP**” has the meaning ascribed thereto under “The Arrangement — Effect of the Arrangement — Effect on the Fund’s Distribution Reinvestment Plan”;

“**Effective Date**” means the date the Arrangement is effective under the BCBCA;

“**Effective Time**” means 8:00 a.m. (Vancouver time) on the Effective Date or such other time on the Effective Date as may be specified in writing by Parentco;

“**Excess Share Value**” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Exchange for Parentco Common Shares”;

“**Excess Unit Value**” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Exchange for Parentco Common Shares”;

“**Final Order**” means the final order of the Court approving the Arrangement pursuant to Section 291 of the BCBCA, as such order may be affirmed, amended, modified or supplemented at any time prior to the Effective Time, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

“**Fund**” means Macquarie Power & Infrastructure Income Fund, an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario by the Fund Declaration of Trust and, where the context requires, includes its Subsidiaries;

“**Fund AIF**” has the meaning ascribed thereto under “Documents Incorporated by Reference”;

“**Fund Declaration of Trust**” means the declaration of trust dated as of March 15, 2004, as amended and restated as of April 16, 2004 and as further amended effective February 21, 2006, pursuant to which the Fund was established, as it may be amended, modified or supplemented from time to time;

“**Fund Group**” means, collectively, the Fund and its Subsidiaries;

“**GRS**” means Gas Recovery Systems LLC;

“**Holdback**” has the meaning ascribed thereto under “Information concerning the Fund — The Business of the Fund Group — Recent Developments”;

“**Holder**” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations”;

“**Information Circular**” means this management information circular of the Fund dated October 15, 2010, together with all appendices hereto, distributed to Unitholders in connection with the Meeting;

“**Interim MD&A**” has the meaning ascribed thereto under “Documents Incorporated by Reference”;

“**Interim Order**” means the interim order of the Court dated October 15, 2010 containing declaration and directions with respect to the Arrangement and the Meeting and issued pursuant to the petition of Parentco and the Fund therefor, a copy of which order is attached as Appendix “B” to this Information Circular, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;

“**Leisureworld**” means Leisureworld Senior Care Corporation;

“**Leisureworld senior care business**” has the meaning ascribed thereto under “Information Concerning the Fund — Business of the Fund Group — Recent Developments”;

“**LTC Holding LP Management Agreement**” has the meaning ascribed thereto under “Management of the Fund — Administration Agreement and Management Agreements”;

“**Macquarie group**” means Macquarie Group Limited, together with its subsidiaries;

“**Management Agreements**” has the meaning ascribed thereto under “Management of the Fund — Administration Agreement and Management Agreements”;

“**Manager**” means Macquarie Power Management Ltd.;

“**Meeting**” means the special meeting of Unitholders to be held on November 15, 2010 and any adjournment(s) thereof, to, among other things, consider and vote on the Arrangement Resolution;

“**MIIFL**” means Macquarie International Infrastructure Fund Limited;

“**Minister**” means the Minister of Finance (Canada);

“**MPIIT**” means Macquarie Power & Infrastructure Income Trust;

“**NI 51-102**” means National Instrument 51-102 — *Continuous Disclosure Obligations*;

“**Non-Resident Holder**” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations — Holders Not Resident in Canada”;

“**Notice of Intention**” has the meaning ascribed thereto under “The Arrangement — Right to Dissent”;

“**Notice of Meeting**” means the Notice of Special Meeting of Unitholders which accompanies this Information Circular;

“**Parentco**” means Macquarie Power and Infrastructure Corporation, a corporation incorporated under the BCBCA;

“**Parentco Common Shares**” means the common shares in the capital of Parentco;

“**Parentco Group**” means, collectively, Parentco and its Subsidiaries following completion of the Arrangement;

“**Parentco Shareholders**” means the holders of Parentco Common Shares immediately after the Effective Time;

“**person**” means and includes individuals, corporations, partnerships, limited partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, business trusts or other organizations, whether or not legal entities, and governments, agencies and political subdivisions thereof;

“**Plan of Arrangement**” means the plan of arrangement attached as Exhibit “A” to the Arrangement Agreement, which agreement is attached as Appendix “C” to this Information Circular, as amended, modified or supplemented from time to time in accordance with the terms thereof;

“**Post-Arrangement Structure**” has the meaning ascribed thereto under “The Arrangement — Post-Arrangement Structure”;

“**Registrar**” means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA;

“**Regulation S**” means Regulation S under the 1933 Act;

“**Resident Holder**” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada”;

“**SIFT**” means a specified investment flow-through trust or partnership, as defined in the Tax Act;

“**SIFT Rules**” has the meaning ascribed thereto under “Background to and Reasons for the Arrangement — Enactment of the SIFT Rules”;

“**Special Committee**” has the meaning ascribed thereto under “The Arrangement — Consequential Changes to Existing Agreements — Constating Documents, the Administration Agreement and the Management Agreements”;

“**Subsidiary**” has the meaning ascribed thereto in Section 1.1 of National Instrument 45-106 — *Prospectus and Registration Exemptions*, as it exists on the date hereof and, in respect of the Fund and Parentco, also includes Macquarie Long Term Care LP, Macquarie Long Term Care GP Inc. and their respective subsidiaries;

“**Tax Act**” means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, in each case as amended;

“**Tax Proposals**” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations”;

“**TFSA**” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Eligibility for Investment”;

“**Trustees**” or “**Trustee**” means the trustees of the Fund or any one of such trustees;

“**TSX**” means the Toronto Stock Exchange;

“**Unitholders**” means the holders of Units from time to time;

“**Units**” means the units of beneficial interest in the Fund designated as “Units” under the Fund Declaration of Trust;

“**U.S.**” or “**United States**” means the United States, as defined in Rule 902(1) under Regulation S; and

“**U.S. Securityholders**” has the meaning ascribed thereto under “The Arrangement — Securities Law Matters — United States”.

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

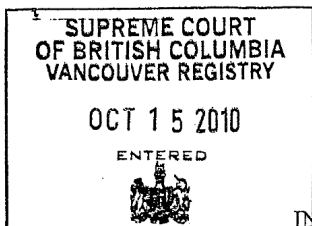
APPENDIX “A” — ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE UNITHOLDERS THAT:

1. the arrangement under Sections 288 to 299 of the *Business Corporations Act* (British Columbia) (the “Arrangement”) substantially as set forth in the Plan of Arrangement (the “Plan of Arrangement”) attached as Exhibit A to Appendix “C” to the management information circular of Macquarie Power & Infrastructure Income Fund (the “Fund”) dated October 15, 2010 (the “Information Circular”) and all transactions contemplated thereby, be and are hereby authorized and approved;
2. the arrangement agreement (“Arrangement Agreement”) dated October 12, 2010 between the Fund and Macquarie Power and Infrastructure Corporation (“Parentco”), a copy of which is attached as Appendix “C” to the Information Circular, together with such amendments or variations thereto made in accordance with the terms of the Arrangement Agreement as may be approved by the persons referred to in paragraph 6 hereof, such approval to be evidenced conclusively by the execution and delivery of any such amendments or variations, is hereby confirmed, ratified and approved;
3. any amendments to the Fund Declaration of Trust (as defined in the Plan of Arrangement) and the declaration of trust of Macquarie Power & Infrastructure Income Trust as necessary to facilitate the Arrangement be and are hereby authorized and approved;
4. the trustees of the Fund are hereby authorized to vote or permit or cause to be voted any securities of a member of the Fund Group (as defined in the Information Circular) that are directly or indirectly owned or controlled by the Fund, to authorize the Arrangement and any amendment to the constating documents of any member of the Fund Group necessary to facilitate the Arrangement;
5. notwithstanding that this resolution has been duly passed and/or has received the approval of the Supreme Court of British Columbia, the trustees of the Fund or the directors of Parentco may, without further notice to or approval of the holders of Units, subject to the terms of the Arrangement, amend or terminate the Arrangement Agreement or the Plan of Arrangement or revoke this resolution at any time prior to the filing of the Final Order and related Arrangement Records, in the form prescribed by the BCBCA, with the Registrar of Companies; and
6. any two individuals, provided each such individual is a trustee or an officer of the Fund, an officer of Macquarie Power Management Ltd., the administrator of the Fund, on behalf of the Fund, or a director or an officer of Parentco, on behalf of Parentco, are hereby authorized, for and on behalf of the Fund and Parentco, as applicable, to execute and deliver all such documents and instruments and do all other things as in the opinion of such individuals may be necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

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APPENDIX "B" — INTERIM ORDER



NO. S= 106847
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT,
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
MACQUARIE POWER AND INFRASTRUCTURE CORPORATION AND MACQUARIE
POWER & INFRASTRUCTURE INCOME FUND

MACQUARIE POWER AND INFRASTRUCTURE CORPORATION AND
MACQUARIE POWER & INFRASTRUCTURE INCOME FUND

PETITIONERS

INTERIM ORDER MADE AFTER APPLICATION

BEFORE MASTER TOKAREK)
) FRIDAY THE 15th DAY
)
) OF OCTOBER, 2010

ON THE APPLICATION of the Petitioners, Macquarie Power and Infrastructure Corporation ("MPIC") and Macquarie Power & Infrastructure Income Fund (the "Fund") for an Interim Order pursuant to its Petition filed on October 15, 2010

[x] without notice coming on for hearing at Vancouver on October 15, 2010 and on hearing Sean K. Boyle, counsel for the Petitioners and upon reading the Petition herein and the Affidavit of Stuart M. Miller sworn on October 12, 2010 and filed herein;

THIS COURT ORDERS THAT:

DEFINITIONS

1. As used in this Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the Notice of Special Meeting of Unitholders and Information Circular of the Fund (the "Circular") attached as Exhibit "A" to the Affidavit of Stuart M. Miller sworn on October 12, 2010 (the "Miller Affidavit").

MEETING

2. Pursuant to Sections 288, 289 and 291 of the *Business Corporations Act*, S.B.C., 2002, c. 57, as amended (the "BCBCA"), the Fund is authorized and directed to call, hold and conduct a special meeting (the "Meeting") of the Unitholders of the Fund to be held at 9:00 a.m. (Toronto time) on November 15, 2010 at One King West Hotel, 1 King Street West, The Chairman's Boardroom, Toronto Ontario to:

- (a) consider and, if thought fit, pass, with or without variation, a special resolution adopting and approving, with or without variation, a proposed Plan of Arrangement (the "Arrangement Resolution") substantially in the form set out at Appendix "A" to the Circular, which is attached as Exhibit "A" to the Miller Affidavit; and
- (b) transact such other business as may properly come before the Meeting or any adjournment thereof.

3. The Meeting shall be called, held and conducted in accordance with the BCBCA and the Circular subject to the terms of this Interim Order, and any further Order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order.

ADJOURNMENT

4. The Fund, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Unitholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by press release, news release, newspaper advertisement, or by notice sent to Unitholders by one of the methods specified in paragraph 9 of this Interim Order.

5. The Record Date (as defined in paragraph 7 below) shall not change in respect of adjournments or postponements of the Meeting.

AMENDMENTS

6. Prior to the Meeting, the Fund is authorized to make such amendments, revisions or supplements to the proposed Plan of Arrangement (the "Arrangement") in accordance with the Arrangement Agreement without any additional notice to the Unitholders, and the Arrangement as so amended, revised and supplemented shall be the Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

RECORD DATE

7. The record date for determining the Unitholders entitled to receive notice of, attend and vote at the Meeting shall be October 8, 2010 (the "Record Date").

NOTICE OF MEETING

8. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and the Fund shall not be required to send to the Unitholders any other or additional statement pursuant to Section 290(1)(a) of the BCBCA.

9. The Circular, form of proxy and Notice of Hearing of Petition (collectively referred to as the "Meeting Materials") in substantially the same form as contained in Exhibits "A", "B" and "C" to the Miller Affidavit, with such deletions, amendments or additions thereto as counsel for the Petitioners may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be sent to:

- (a) the Unitholders as they appear in the records of the Fund as at the Record Date, such Meeting Materials to be sent at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmittal and the date of the Meeting, by one or more of the following methods:
 - (i) by prepaid ordinary or air mail addressed to the Unitholder at his, her or its address as it appears in the applicable records of the Fund as at the Record Date;

- (ii) by delivery in person or by delivery to the addresses specified in paragraph 9 (a)(i) above; or
 - (iii) by email or facsimile transmission to any Unitholder who identifies himself, herself or itself to the satisfaction of the Fund, acting through its representatives, who requests such email or facsimile transmission;
- (b) the directors and auditors of the Fund by mailing the Meeting Materials by prepaid ordinary mail, or by email or facsimile transmission, to such persons at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or transmittal and the date of the Meeting; and
 - (c) in the case of non-registered Unitholders, by providing copies of the Meeting Materials to intermediaries and registered nominees for sending to beneficial owners;

and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting.

10. The Circular, including the Notice of Hearing of Petition (the "Notice Materials") in substantially the same form as contained in Exhibits "A" and "C" to the Miller Affidavit, with such deletions, amendments or additions thereto as counsel for the Petitioners may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be sent to the holders of 2016 Debentures and the holders of Class B Exchangeable Units (collectively with Unitholders, the "Securityholders") in accordance with the methods of delivery set out at paragraph 9 of this Interim Order, not later than twenty-one (21) days prior to the date of the Meeting and that such mailing, delivery and distribution shall constitute good and sufficient notice of the Fund's application for the Final Order.

11. Accidental failure of or omission by the Fund to give notice to any one or more Securityholders, or the non-receipt of such notice by one or more Securityholders, or any failure or omission to give such notice as a result of events beyond the reasonable control of the Fund (including, without limitation, any inability to use postal services), shall not constitute a breach of this Interim Order or, in relation to notice to Unitholders, a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if

any such failure or omission is brought to the attention of the Fund then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

DEEMED RECEIPT OF NOTICE

12. The Meeting Materials and Notice Materials shall be deemed, for the purposes of this Order, to have been received:

- (a) in the case of mailing, the day, Saturdays and holidays excepted, following the date of mailing;
- (b) in the case of delivery in person, the day following personal delivery or the day following delivery to the person's address in paragraph 9 above; and
- (c) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch.

UPDATING MEETING MATERIALS

13. Notice of any amendments, updates or supplement to any of the information provided in the Meeting Materials and Notice Materials may be communicated to the Securityholders by press release, news release, newspaper advertisement or by notice sent to the Securityholders by any of the means set forth in paragraph 9 herein, as determined to be the most appropriate method of communication by the Board of Directors of the Fund.

QUORUM AND VOTING

14. The quorum required at the Meeting shall be two individuals present in person either holding personally or representing as proxies not less in aggregate than 10% of the votes attached to all Units, each being a Unitholder entitled to vote thereat or being a duly appointed proxy for an absent Unitholder so entitled.

15. The votes taken at the Meeting shall be taken on the basis of one vote per Unit and the vote required to pass the Arrangement Resolution shall be the affirmative vote of at least 66 $\frac{2}{3}$ % of the aggregate votes cast by the Unitholders, voting as a single class, present in person or represented by proxy at the Meeting.

16. In all other respects, the terms, restrictions and conditions of the declaration of trust of the Fund will apply in respect of the Meeting.

PERMITTED ATTENDEES

17. The only persons entitled to attend the Meeting shall be the Unitholders or their respective proxyholders as of the Record Date, the Fund's Trustees, directors, officers, auditors, advisors and any other person admitted on the invitation of the Chair or with the consent of the Meeting, and the only persons entitled to be represented and to vote at the Meeting shall be the Unitholders as at the close of business on the Record Date, or their respective proxyholders.

SCRUTINEERS

18. A representative of the Fund's registrar and transfer agent (or any agent thereof) is authorized to act as scrutineer for the Meeting.

SOLICITATION OF PROXIES

19. The Fund is authorized to use the form of proxy in connection with the Meeting, in substantially the same form as attached as Exhibit "B" to the Miller Affidavit and the Fund may in its discretion waive generally the time limits for deposit of proxies by Unitholders if the Fund deems it reasonable to do so. The Fund is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

20. The procedure for the use of proxies at the Meeting shall be as set out in the Meeting Materials.

DISSENT RIGHTS

21. Each registered Unitholder shall have the right to dissent in respect of the Arrangement Resolution in accordance with the provisions of sections 237-247 of the BCBCA, as modified by the terms of this Order. A beneficial holder of Units registered in the name of a broker, custodian, nominee or other intermediary who wishes to dissent must make arrangements for the registered Unitholder to dissent on behalf of the beneficial holder of Units.

22. In order for an Unitholder to exercise such right of dissent under section 237-247 of the BCBCA:

- (a) a dissenting Unitholder shall deliver a written objection must be received by the Fund at Brookfield Place, 181 Bay Street, Suite 3100, Toronto Ontario, M5J 2T3, Attention Stuart Miller, Vice President and General Counsel, at any time up to 48 hours prior to the Meeting or any adjournment or postponement thereof;
- (b) a dissenting Unitholder shall not have voted his, her or its Units at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
- (c) a vote against the Arrangement Resolution or an abstention shall not constitute the written objection required under subparagraph (a);
- (d) a dissenting Unitholder may not exercise rights of dissent in respect of only a portion of such dissenting Unitholder's Units but may dissent only with respect to all of the Units held by such person; and
- (e) the exercise of such right of dissent must otherwise comply with the requirements of section 237-247 of the BCBCA, as modified by this Order.

23. Subject to further order of this Court, the rights available to the Unitholders under the BCBCA and the Arrangement to dissent from the Arrangement shall constitute full and sufficient rights of dissent for the Unitholders with respect to the Arrangement.

24. Notice to the Unitholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the BCBCA and the Arrangement, the fair value of their Units shall be given by including information with respect to this right in the Circular to be sent to Unitholders in accordance with this Order.

APPLICATION FOR FINAL ORDER

25. Upon the approval, with or without variation by the Unitholders of the Arrangement, in the manner set forth in this Interim Order, the Fund may apply to this Court for, *inter alia*, an Order:

- (a) pursuant to BCBCA Section 291(4)(a) approving the Arrangement; and

- (b) pursuant to BCBCA Section 291(4)(c) declaring that the terms and conditions of the Arrangement are fair and reasonable

(collectively, the "Final Order")

and that the hearing of the Final Order will be held on November 18, 2010 at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia or as soon thereafter as the hearing of the Final Order can be heard or at such other date and time as this Court may direct.

26. The form of Notice of Hearing of Petition is hereby approved as the form of Notice of Proceedings for such approval. Any Securityholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order.

27. Any Securityholder or creditor of the Petitioners seeking to appear at the hearing of the application for the Final Order shall:

- (a) file and deliver a Response in the form prescribed by the *Rules of Court*, and a copy of all materials upon which they intend to rely, to the Petitioners' solicitors at:

BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard Street, P.O. Box 49314
Vancouver, B.C. V7X 1L3

Attention: Sean K. Boyle

by or before 4:00 p.m. (Vancouver time) on November 16, 2010, or as the Court may otherwise direct.

28. Sending the Notice of Hearing of Petition and this Interim Order in accordance with paragraphs 9 and 10 of this Order shall constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings. In particular, service of the Petition herein and the accompanying Affidavit and additional Affidavits as may be filed, is dispensed with.

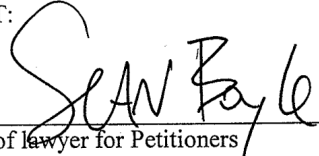
29. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered a Response in accordance with this Interim Order need be provided with notice of the adjourned hearing date and any filed materials.

VARIANCE

30. The Petitioners shall be entitled, at any time, to apply to vary this Interim Order or for such further order or orders as may be appropriate.

31. Rules 8-1 and 16-1(8)-(12) of the *Supreme Court Civil Rules* will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

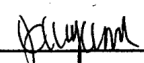


Signature of lawyer for Petitioners
Sean K. Boyle

LA
FORM



BY THE COURT.



REGISTRAR

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APPENDIX “C” — ARRANGEMENT AGREEMENT
ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is made as of the 12th day of October, 2010

AMONG:

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND, a trust established under the laws of the Province of Ontario (the “**Fund**”)

— and —

MACQUARIE POWER AND INFRASTRUCTURE CORPORATION, a corporation incorporated under the laws of the Province of British Columbia (“**Parentco**”)

WHEREAS:

- (a) The Fund and Parentco wish to propose an arrangement involving the holders of the units of the Fund (the “**Units**”);
- (b) the parties hereto intend to carry out the transactions contemplated herein by way of an arrangement under the *Business Corporations Act* (British Columbia); and
- (c) the parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for the other matters relating to such arrangement.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

“**Agreement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

“**Arrangement**” means the proposed arrangement under the provisions of Division 5 of Part 9 of the BCBCA, on the terms and conditions set forth in the Plan of Arrangement as amended, modified or supplemented;

“**Arrangement Resolution**” means the special resolution in respect of the Arrangement, in substantially the form attached as Appendix “A” to the Information Circular, to be voted upon by Unitholders at the Meeting;

“**Arrangement Records**” means the records in respect of the Arrangement required to be filed with the Registrar under Division 5 of Part 9 of the BCBCA after the Final Order has been granted and which give effect to the Arrangement including, as applicable, one or more notices of alteration of notices of articles and a copy of the Final Order;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, including the regulations promulgated thereunder, in either case as amended;

“**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in Toronto, Ontario and Vancouver, British Columbia for the transaction of banking business;

“**Court**” means the Supreme Court of British Columbia;

“**Debentures**” means the 6.50% convertible unsecured subordinated debentures of the Fund due December 31, 2016;

“**Debenture Indenture**” means the trust indenture between the Fund and Computershare Trust Company of Canada dated as of December 22, 2009 relating to the issuance of the Debentures;

“**Dissent Rights**” means the right of a registered Unitholder to dissent to the Arrangement Resolution and to be paid the fair value of the Units in respect of which the holder dissents, all in accordance with the terms of the Interim Order;

“**Dissenting Unitholders**” means registered Unitholders who validly exercise Dissent Rights and whose Dissent Rights remain valid immediately before the Effective Time;

“**Dissent Units**” means Units held by a Dissenting Unitholder and in respect of which the Dissenting Unitholder has validly exercised Dissent Rights;

“**Effective Date**” means the date the Arrangement is effective under the BCBCA;

“**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date or such other time on the Effective Date as may be specified in writing by Parentco;

“**Exchange Agreement**” means the agreement made as of October 18, 2005 between MPT LTC Holding LP, the Fund, Macquarie Power & Infrastructure Income Trust, Markham Suites Hotel Limited, Leisureworld Creemore Inc. and Ontario Long Term Care Providers Inc., which provides for the exchange of Exchangeable LP Units for Units;

“**Exchangeable LP Units**” means the Class B exchangeable limited partnership units of MPT LTC Holding LP;

“**Final Order**” means the final order of the Court approving the Arrangement pursuant to Section 291 of the BCBCA, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;

“**Fund Declaration of Trust**” means the declaration of trust dated as of March 15, 2004, as amended and restated as of April 16, 2004 and as further amended effective February 21, 2006, pursuant to which the Fund is established, as it may be amended, modified or supplemented from time to time;

“**Information Circular**” means the management information circular of the Fund to be dated on or about October 15, 2010, together with all appendices thereto, to be distributed to Unitholders in respect of the Meeting;

“**Interim Order**” means an interim order of the Court under Section 291 of the BCBCA containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;

“**Meeting**” means the special meeting of the Unitholders to be held on November 15, 2010, and any adjournment(s) thereof, to, among other things, consider and vote on the Arrangement Resolution;

“**Parentco Common Shares**” means the common shares in the capital of Parentco;

“**Plan of Arrangement**” means the plan of arrangement attached hereto as Exhibit A, as amended, modified or supplemented from time to time in accordance with the terms thereof;

“**Registrar**” means the Registrar of Companies appointed under Section 400 of the BCBCA;

“**Subsidiary**” has the meaning ascribed thereto in Section 1.1 of National Instrument 45-106 — *Prospectus and Registration Exemptions*, as it exists on the date hereof;

“**TSX**” means the Toronto Stock Exchange;

“**Units**” means the units of beneficial interest of the Fund designated as “Trust Units” under the Fund Declaration of Trust.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

1.3 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Article References

Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and schedules are to articles, sections and schedules of this Agreement.

1.5 Extended Meanings

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, bodies corporate, trusts, unincorporated organizations, governments, regulatory authorities, and other entities.

1.6 Date for Any Action

In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.7 Entire Agreement

This Agreement, together with the exhibit attached hereto, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties with respect to the subject matter hereof.

1.8 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

1.9 Statutory References

References in this Agreement to any statute or sections thereof shall include such statute as amended, supplemented or substituted and any regulations promulgated thereunder from time to time in effect.

1.10 Exhibit

Exhibit A annexed to this Agreement, being the Plan of Arrangement, is incorporated by reference into this Agreement and forms a part hereof.

ARTICLE 2

THE ARRANGEMENT

2.1 Arrangement

As soon as reasonably practicable, the Fund and Parentco shall apply to the Court pursuant to Section 291 of the BCBCA for an order approving the Arrangement and in connection with such application shall:

- (a) forthwith file, proceed with and prosecute an application for an Interim Order under Section 291 of the BCBCA providing for, among other things, the calling and holding of the Meeting for the purpose of considering and, if thought advisable, approving the Arrangement Resolution; and

- (b) subject to obtaining all necessary approvals as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take steps necessary to submit the Arrangement to the Court and apply for the Final Order.

Subject to satisfaction or waiver of the conditions set forth herein, Parentco shall deliver the applicable Arrangement Records to the Registrar and such other documents as may be required to give effect to the Arrangement, and the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any act or formality.

2.2 Effective Time

The Arrangement shall become effective at the Effective Time.

ARTICLE 3 COVENANTS

3.1 Covenants of the Fund

The Fund covenants and agrees that it will:

- (a) take, and cause its Subsidiaries to take, all reasonable actions necessary to give effect to the transactions contemplated by this Agreement and the Arrangement;
- (b) use all reasonable efforts to obtain all consents, exemptions, approvals, assignments, waivers and amendments to or terminations of any instruments considered necessary or desirable by the parties and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
- (c) solicit proxies to be voted at the Meeting in favour of the Arrangement Resolution and prepare the Information Circular and proxy solicitation materials and any amendments, modifications or supplements thereto as required by, and in compliance with, the Interim Order, applicable corporate and securities laws, and/or the Fund Declaration of Trust, and file and distribute the same to the Unitholders in a timely and expeditious manner in all jurisdictions where the same are required to be filed and distributed;
- (d) convene the Meeting as contemplated by the Interim Order and conduct such Meeting in accordance with the Interim Order and as otherwise required by law;
- (e) use all reasonable efforts to cause each of the conditions precedent set forth in Article 5 which are within its control to be satisfied on or before the Effective Date;
- (f) subject to the approval of the Arrangement Resolution by the Unitholders as required by the Interim Order, submit the Arrangement to the Court and apply, in conjunction with Parentco, for the Final Order;
- (g) to the extent applicable to it, carry out the terms of the Final Order;
- (h) to the extent applicable to it, upon issuance of the Final Order and subject to the conditions precedent in Article 5, proceed to file the Arrangement Records and all related documents with the Registrar pursuant to Section 292 of the BCBCA;
- (i) subject to Section 7.3, not perform any act or enter into any transaction or negotiation which might interfere or be inconsistent with the consummation of the transactions contemplated by this Agreement; and
- (j) prior to the Effective Date, make application for approval of the listing of the Parentco Common Shares issuable pursuant to the Arrangement on the TSX.

3.2 Covenants of Parentco

Parentco covenants and agrees that it will:

- (a) take all reasonable actions necessary to give effect to the transactions contemplated by this Agreement and the Arrangement;
- (b) use all reasonable efforts to obtain all consents, exemptions, approvals, assignments, waivers and amendments to or terminations of any instruments considered necessary or desirable by the parties and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
- (c) until the Effective Date, other than as contemplated herein, in the Plan of Arrangement or in the Information Circular, not carry on any business or enter into any transaction without the prior written consent of the Fund;
- (d) until the Effective Date, not issue any securities or enter into any agreements to issue or grant options, warrants or rights to purchase any of its securities, except to the Fund;
- (e) use all reasonable efforts to cause each of the conditions precedent set forth in Article 5 which are within its control to be satisfied on or before the Effective Date;
- (f) subject to approval of the Arrangement Resolution by Unitholders, as required by the Interim Order, submit the Arrangement to the Court and apply, in conjunction with the Fund, for the Final Order;
- (g) to the extent applicable to it, carry out the terms of the Final Order;
- (h) upon issuance of the Final Order and subject to the conditions precedent in Article 5, proceed to file the Arrangement Records and all related documents with the Registrar pursuant to Section 292 of the BCBCA;
- (i) reserve and authorize for issuance the Parentco Common Shares issuable pursuant to the Arrangement; and
- (j) prior to the Effective Date, cooperate with the Fund in making the application for approval of the listing of the Parentco Common Shares on the TSX.

3.3 Amendment of Fund Declaration of Trust

The parties agree that the Fund Declaration of Trust will be amended in a manner satisfactory to the Fund and Parentco, in each case acting reasonably, if and as necessary to facilitate and implement the Arrangement.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Fund

The Fund represents and warrants to and in favour of Parentco, and acknowledges that Parentco is relying upon such representations and warranties:

- (a) the Fund is a trust duly settled and validly existing under the laws of the Province of Ontario and has the power and capacity to enter into this Agreement, and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto and, subject to the approval of the Arrangement Resolution, the completion of the transactions contemplated hereby and thereby do not and will not result in the breach of, or violate any term or provision of, the Fund Declaration of Trust;
- (c) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the trustees of the Fund and this Agreement constitutes a valid and binding obligation of the Fund enforceable against it in accordance with its terms;

- (d) except as may be set out in the Information Circular, there are no actions, suits, proceedings, claims or investigations commenced or, to the knowledge of the Fund, contemplated or threatened against or affecting the Fund or its Subsidiaries in law or in equity before or by any domestic or foreign government department, commission, board, bureau, court, agency, arbitrator, or instrumentality of any kind, nor, to the knowledge of the Fund, are there any facts which may reasonably be expected to be a proper basis for any actions, suits, proceedings, claims or investigations which in any case would prevent or hinder the completion of the transactions contemplated by this Agreement or which can reasonably be expected to have a material adverse effect on the business, operations, properties, assets or affairs, financial or otherwise, of the Fund and its Subsidiaries taken as a whole; and
- (e) as at October 8, 2010, there were 46,661,957 Units and 3,249,390 Exchangeable LP Units issued and outstanding and, except as may be contemplated by this Agreement and the Plan of Arrangement, the only obligations, contractual or otherwise, of the Fund to issue any Units or other securities are (i) under the Exchange Agreement in connection with the exchange of Exchangeable LP Units for Units; and (ii) under the Debenture Indenture in connection with the conversion of the Debentures for Units.

4.2 Representations and Warranties of Parentco

Parentco represents and warrants to and in favour of the Fund as follows, and acknowledges that the Fund is relying upon such representations and warranties:

- (a) Parentco is a corporation incorporated under the laws of the Province of British Columbia and has the power and capacity to enter into this Agreement, and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto and the completion of the transactions contemplated hereby and thereby do not and will not result in the breach of, or violate any term or provision of, the articles or other constating documents of Parentco;
- (c) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the directors of Parentco and this Agreement constitutes a valid and binding obligation of Parentco enforceable against it in accordance with its terms;
- (d) except as may be set out in the Information Circular, there are no actions, suits, proceedings, claims or investigations commenced or, to the knowledge of Parentco, contemplated or threatened against or affecting Parentco or its Subsidiaries in law or in equity before or by any domestic or foreign government department, commission, board, bureau, court, agency, arbitrator, or instrumentality of any kind, nor, to the knowledge of Parentco, are there any facts which may reasonably be expected to be a proper basis for any actions, suits, proceedings, claims or investigations which in any case would prevent or hinder the completion of the transactions contemplated by this Agreement or which can reasonably be expected to have a material adverse effect on the business, operations, properties, assets or affairs, financial or otherwise, of Parentco and its Subsidiaries taken as a whole; and
- (e) on the date hereof, there are 100 Parentco Common Shares issued and outstanding which are held by the Fund and, except as may be contemplated by this Agreement and the Plan of Arrangement, there is no obligation, contractual or otherwise, of Parentco to issue any Parentco Common Shares or other securities.

ARTICLE 5

CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

The respective obligations of the Fund and Parentco to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, on or before the Effective Date, of each of the following

conditions, any of which may be waived by the mutual consent of such parties without prejudice to their right to rely on any other condition:

- (a) the Interim Order shall have been granted in form and substance satisfactory to the Fund and Parentco, each acting reasonably, not later than November 10, 2010, or such later date as the parties hereto may agree, and shall not have been set aside or modified in a manner unacceptable to such parties on appeal or otherwise;
- (b) the Arrangement Resolution shall have been approved by the requisite number of votes cast by the Unitholders at the Meeting in accordance with the provisions of the Interim Order and any applicable regulatory requirements;
- (c) the Final Order shall have been granted in form and substance satisfactory to the Fund and Parentco, each acting reasonably, not later than December 31, 2010, or such later date as the parties hereto may agree;
- (d) any conditions in addition to those set out in this Article 5 which may be imposed by the Interim Order or the Final Order shall have been satisfied;
- (e) the Arrangement Records and all necessary related documents, in form and substance satisfactory to the Fund and Parentco, each acting reasonably, shall have been accepted for filing by the Registrar in accordance with Section 292 of the BCBCA;
- (f) no material action or proceeding shall be pending or threatened by any person, company, firm, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated herein; or
 - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein;
- (g) all material third-party and regulatory consents, exemptions and approvals considered necessary or desirable by the parties with respect to the transactions contemplated under the Arrangement shall have been completed or obtained including, without limitation, consents, exemptions and approvals from applicable securities regulatory authorities and the TSX;
- (h) there shall not, as of the Effective Date, be Unitholders that hold, in aggregate, in excess of 2% of all of the outstanding Units that have validly exercised and not withdrawn their Dissent Rights; and
- (i) the TSX shall have conditionally approved the listing or the substitutional listing of the Parentco Common Shares to be issued pursuant to the Arrangement, subject only to the filing of required documents which cannot be filed prior to the Effective Date.

5.2 Additional Conditions to Obligations of the Fund

In addition to the conditions contained in Section 5.1, the obligation of the Fund to complete the transactions contemplated by this Agreement is subject to the fulfillment or satisfaction, on or before the Effective Date, of each of the following conditions, either of which may be waived by the Fund without prejudice to its right to rely on any other condition:

- (a) each of the covenants, acts and undertakings of Parentco to be performed or complied with on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed or complied with; and
- (b) the board of trustees of the Fund shall not have determined, in its sole and absolute discretion, that to proceed with the Arrangement would not be in the best interests of the Unitholders.

5.3 Additional Conditions to Obligations of Parentco

In addition to the conditions contained in Section 5.1, the obligation of Parentco to complete the transactions contemplated by this Agreement is subject to the fulfillment or satisfaction, on or before the Effective Date, of the following conditions, either of which may be waived by Parentco without prejudice to its right to rely on any other condition:

- (a) each of the covenants, acts and undertakings of the Fund to be performed or complied with on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed or complied with; and
- (b) prior to the Effective Date, there shall have been no material adverse change in the affairs, operations, financial condition or business of the Fund or its Subsidiaries from that reflected in the Information Circular.

5.4 Notice and Effect of Failure to Comply with Conditions

If any of the conditions precedent set forth in Sections 5.1, 5.2 or 5.3 hereof shall not be satisfied or waived by the party or parties for whose benefit such conditions are provided on or before the date required for the satisfaction thereof, then a party for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at law or equity, rescind and terminate this Agreement; provided that, prior to the filing of the Arrangement Records for the purpose of giving effect to the Arrangement, the party intending to rely thereon has delivered a written notice to the other party, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the non satisfaction of the applicable conditions precedent and the party in breach shall have failed to cure such breach within ten Business Days of receipt of such written notice thereof (except that no cure period shall be provided for a breach which by its nature cannot be cured). More than one such notice may be delivered by a party.

5.5 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the parties, the Arrangement Records are filed under the BCBCA to give effect to the Arrangement.

ARTICLE 6

AMENDMENT AND TERMINATION

6.1 Amendments

This Agreement may, at any time and from time to time before or after the Meeting, be amended in any respect whatsoever by written agreement of the parties hereto without further notice to or authorization on the part of their respective securityholders; provided that any such amendment that changes the consideration to be received by the holders of Units pursuant to the Arrangement is brought to the attention of the Court and is subject to such requirements as may be ordered by the Court.

6.2 Termination

This Agreement shall be terminated in each of the following circumstances:

- (a) the mutual agreement of the parties hereto;
- (b) the Arrangement shall not have become effective on or before January 1, 2011 or such later date as may be agreed to by the parties hereto; and
- (c) termination of this Agreement under Article 5 hereof.

ARTICLE 7

GENERAL

7.1 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

7.2 No Assignment

No party may assign its rights or obligations under this Agreement.

7.3 Exclusivity

None of the covenants of the Fund contained herein shall prevent the board of trustees of the Fund from responding as required by law to any unsolicited submission or proposal regarding any acquisition or disposition of assets or any unsolicited proposal to amalgamate, merge or effect an arrangement, reorganization or similar transaction or any unsolicited acquisition proposal generally or make any disclosure to its securityholders with respect thereto which in the judgment of the board of trustees of the Fund, acting upon the advice of counsel, is required under applicable law.

7.4 Equitable Remedies

All representations, warranties and covenants herein or to be given hereunder as to enforceability in accordance with the terms of any covenant, agreement or document shall be qualified as to applicable bankruptcy and other laws affecting the enforcement of creditors' rights generally and to the effect that specific performance, being an equitable remedy, may only be ordered at the discretion of the court.

7.5 Survival of Representations and Warranties

The representations and warranties contained herein shall survive the performance by the parties of their respective obligations hereunder for a period of one year.

7.6 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

7.7 Further Assurances

Each party hereto shall, from time to time and at all times hereafter, at the request of another party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

7.8 Time of Essence

Time shall be of the essence.

7.9 Liability of the Fund

Each of the parties acknowledges that the obligations of the Fund under this Agreement will not be personally binding upon any of the trustees of the Fund, the manager of the Fund, any registered or beneficial holder of Units or any beneficiary under a plan of which a holder of such Units acts as a trustee or carrier, and that resort will not be had to, nor will recourse be sought from, any of the foregoing or the private property of any of the foregoing in respect of any indebtedness, obligation or liability of the Fund arising hereunder, and recourse for such indebtedness, obligations or liabilities of the Fund will be limited to, and satisfied only out of, the assets of the Fund.

7.10 Counterparts

This Agreement may be executed in counterparts, in original, facsimile or electronic form, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF this Agreement has been executed and delivered by the parties hereto effective as of the date first above written.

MACQUARIE POWER MANAGEMENT LTD.,
as agent for and on behalf of the trustees of
MACQUARIE POWER & INFRASTRUCTURE
INCOME FUND

Per: /s/ STUART MILLER

Name: Stuart Miller

Title: Vice President and General Counsel

Per: /s/ MICHAEL BERNSTEIN

Name: Michael Bernstein

Title: Director, President and Chief Executive
Officer

MACQUARIE POWER AND INFRASTRUCTURE
CORPORATION

Per: /s/ STUART MILLER

Name: Stuart Miller

Title: Director

Per: /s/ MICHAEL BERNSTEIN

Name: Michael Bernstein

Title: Director

EXHIBIT A
PLAN OF ARRANGEMENT
UNDER DIVISION 5 OF PART 9 OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

ARTICLE 1

INTERPRETATION

1.1 In this Plan of Arrangement, the following terms have the following meanings:

- (a) “**Arrangement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to the arrangement pursuant to Division 5 of Part 9 of the BCBCA set forth in this Plan of Arrangement as amended, modified or supplemented, and not to any particular article, section or other portion hereof;
- (b) “**Arrangement Agreement**” means the agreement dated as of October 12, 2010, between the Fund and Parentco with respect to the Arrangement and all amendments thereto;
- (c) “**Arrangement Records**” means the records in respect of the Arrangement required to be filed with the Registrar under Division 5 of Part 9 of the BCBCA after the Final Order has been granted and which give effect to the Arrangement including, as applicable, one or more notices of alteration of notices of articles and a copy of the Final Order;
- (d) “**Arrangement Resolution**” means the special resolution in respect of the Arrangement, in substantially the form attached as Appendix “A” to the Information Circular, to be voted upon by Unitholders at the Meeting;
- (e) “**BCBCA**” means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;
- (f) “**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in Toronto, Ontario and Vancouver, British Columbia for the transaction of banking business;
- (g) “**CDS**” means CDS Clearing and Depositary Services Inc.
- (h) “**Court**” means the Supreme Court of British Columbia;
- (i) “**Dissent Rights**” means the right of a registered Unitholder to dissent to the Arrangement Resolution and to be paid the fair value of the Units in respect of which the holder dissents, all in accordance with the terms of the Interim Order;
- (j) “**Dissenting Unitholders**” means registered Unitholders who validly exercise Dissent Rights and whose Dissent Rights remain valid immediately before the Effective Time;
- (k) “**Dissent Units**” means Units held by a Dissenting Unitholder and in respect of which the Dissenting Unitholder has validly exercised Dissent Rights;
- (l) “**Effective Date**” means the date the Arrangement is effective under the BCBCA;
- (m) “**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date or such other time on the Effective Date as may be specified in writing by Parentco;
- (n) “**Final Order**” means the final order of the Court approving the Arrangement pursuant to Section 291 of the BCBCA, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;
- (o) “**Fund**” means Macquarie Power & Infrastructure Income Fund, an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario by the Fund Declaration of Trust and, where the context requires, includes its Subsidiaries;

- (p) “**Fund Declaration of Trust**” means the declaration of trust dated as of March 15, 2004, as amended and restated as of April 16, 2004 and as further amended effective February 21, 2006, pursuant to which the Fund is established, as it may be amended, modified or supplemented from time to time;
- (q) “**Information Circular**” means the management information circular of the Fund to be dated on or about October 15, 2010, together with all appendices thereto, distributed to Unitholders in respect of the Meeting;
- (r) “**Interim Order**” means the interim order of the Court under Section 291 of the BCBCA containing declarations and directions with respect to this Arrangement, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;
- (s) “**Meeting**” means the annual and special meeting of the Unitholders to be held on November 15, 2010, and any adjournment(s) thereof, to, among other things, consider and vote on the Arrangement and related matters;
- (t) “**Parentco**” means Macquarie Power and Infrastructure Corporation, a corporation incorporated under the BCBCA;
- (u) “**Parentco Common Shares**” means the common shares in the capital of Parentco;
- (v) “**Registrar**” means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA;
- (w) “**TSX**” means the Toronto Stock Exchange;
- (x) “**Unitholders**” means the holders of Units from time to time; and
- (y) “**Units**” means the units of beneficial interest of the Fund designated as “Trust Units” under the Fund Declaration of Trust.

1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, trusts, governments, regulatory authorities and other entities.

1.5 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended, supplemented or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2

ARRANGEMENT AGREEMENT

2.1 This Plan of Arrangement is made pursuant to, and is subject to the provisions of, and forms part of, the Arrangement Agreement.

2.2 This Plan of Arrangement, upon the issuance of the Final Order and the filing of the Arrangement Records, shall become effective on, and be binding on and after, the Effective Time on: (i) Unitholders; (ii) the Fund; and (iii) Parentco.

2.3 The Final Order and the Arrangement Records shall be issued and filed, respectively, with respect to this Arrangement in its entirety. The filed Arrangement Records shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

2.4 Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any party or person until the Effective Time. Furthermore, each of the events listed in Article 3 shall be, without affecting the timing set out in Article 3, mutually conditional, such that no event described in said Article 3 may occur without all steps occurring, and those events shall effect the integrated transaction which constitutes the Arrangement.

ARTICLE 3

ARRANGEMENT

3.1 Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order, each occurring five minutes apart (unless otherwise noted), without any further act or formality except as otherwise provided herein:

Dissent Units

- (a) the Dissent Units shall be deemed to be transferred by the Dissenting Unitholders to the Fund, free and clear of any claims, and cancelled. Such Dissenting Unitholders shall cease to have any rights as Unitholders in respect of the Dissent Units other than the right to be paid the fair value of their Dissent Units in accordance with Article 5 of this Plan of Arrangement;

Exchange of Units for Parentco Common Shares

- (b) the Units held by Unitholders (excluding the Dissent Units transferred to the Fund and cancelled in accordance with paragraph (a) above) shall be transferred to Parentco, free and clear of any claims, solely in consideration for Parentco Common Shares on the basis of one Parentco Common Share for each Unit so transferred;
- (c) upon the exchange of Units for Parentco Common Shares pursuant to paragraph (b) above:
 - (i) each former holder of Units shall cease to be the holder of the Units so exchanged and the name of each such former holder of Units shall be removed from the register of Units and Parentco will become the sole holder of the Units and will be added to the register of Units as the sole owner of the Units; and
 - (ii) each former holder of Units will become the holder of the Parentco Common Shares exchanged for Units by such holder and will be added to the register of holders of Parentco Common Shares in respect thereof;

Capital of Parentco

- (d) there will be added to the capital account maintained for the Parentco Common Shares an amount determined by the Board of Directors of Parentco in accordance with section 72 of the BCBCA in respect of the Parentco Common Shares issued under the Arrangement;

Cancellation of Initial Parentco Common Shares

- (e) the 100 Parentco Common Shares issued to the Fund in connection with the organization of Parentco shall be purchased for cancellation by Parentco for consideration of \$100, and shall be cancelled;

ARTICLE 4

OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES

4.1 From and after the Effective Time, any certificates formerly representing Units shall represent only the right to receive Parentco Common Shares in respect thereof as provided in this Plan of Arrangement.

4.2 If any certificate which immediately prior to the Effective Time represented an interest in outstanding Units that were transferred pursuant to Section 3.1 hereof has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the former

registered holder thereof in the register of Units shall, as a condition precedent to the receipt of any Parentco Common Shares to be issued to such person, provide to Parentco and the Fund a bond, in form and substance satisfactory to Parentco, or otherwise indemnify Parentco and the Fund to their satisfaction, in their sole and absolute discretion, against any claim that may be made against them with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Registration of interests in and transfers of the Parentco Common Shares will be made through a book-based system (the “**Book Entry System**”) administered by CDS. On or about the Effective Date, Parentco will deliver to CDS one or more certificates evidencing the aggregate number of Parentco Common Shares issued in connection with the Arrangement. Thereafter, Parentco Common Shares may be purchased, transferred or surrendered for redemption through a participant in the CDS depository service (a “**CDS Participant**”). All rights of holders of Parentco Common Shares may be exercised through, and all payments or other property to which such holder is entitled may be made or delivered by, CDS or the CDS Participant through which the holder holds such Parentco Common Shares. Upon purchase of such Parentco Common Shares, the holders will receive only a customer confirmation from the registered dealer, a CDS Participant, from or through which the Parentco Common Shares are purchased. Parentco may issue certificates representing Parentco Common Shares to one or more shareholders where such issuance is warranted in the opinion of Parentco. Parentco also has the option to terminate registration of the Parentco Common Shares through the Book Entry System, in which case certificates for the Parentco Common Shares in fully registered form would be issued to beneficial owners of such Parentco Common Shares or their nominees.

4.4 No fractional Parentco Common Shares, and no certificates representing fractional Parentco Common Shares, shall be issued pursuant to the Plan of Arrangement.

ARTICLE 5

DISSENTING UNITHOLDERS

5.1 Registered holders of Units shall have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement Resolution becomes effective, to be paid the fair value of their Units in accordance with the terms of the Interim Order. A Dissenting Unitholder who is a holder of Units shall have the right to be paid the fair value of such Dissenting Unitholder’s Units.

5.2 Failure to strictly comply with the requirements for exercising Dissent Rights, as set forth in the Interim Order, may result in the loss of such Dissent Right. Only the registered holder of Units shall be entitled to dissent. A beneficial owner of Units registered in the name of a broker, custodian, nominee or other intermediary who wishes to dissent must make arrangements for the registered holder of such Units to dissent on behalf of the holder.

ARTICLE 6

AMENDMENTS

6.1 The Fund and Parentco may amend this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) approved by the Fund and Parentco; and (iii) filed with the Court.

6.2 Any amendment to this Plan of Arrangement may be proposed by the Fund or Parentco at any time prior to or at the Meeting (provided that the other party to the Arrangement Agreement shall have consented thereto) with or without any prior notice or communication to Unitholders, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.3 The Fund and Parentco may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Meeting and prior to the Effective Time with the approval of the Court and, if and as required by the Court, after communication to Unitholders.

6.4 Notwithstanding Section 6.3, any amendment, modification or supplement to this Plan of Arrangement may be made after the Meeting and prior to the Effective Time by the Fund and Parentco (or, following the Effective

Time, by Parentco) without the approval of the Court or the Unitholders, provided that it concerns a matter which, in the reasonable opinion of the Fund and Parentco (or, following the Effective Time, Parentco), is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any holder of Units as of the Effective Time.

ARTICLE 7

GENERAL

7.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

7.2 If, prior to the Effective Date, any term or provision of this Plan of Arrangement is held by the Court to be invalid, void or unenforceable, the Court, at the request of any parties, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan of Arrangement shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

7.3 This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan of Arrangement and all proceedings taken in connection with this Plan of Arrangement and its provisions shall be subject to the exclusive jurisdiction of the Court.

APPENDIX "D" — NOTICE OF HEARING OF PETITION

NO. S- 106847
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT,
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
MACQUARIE POWER AND INFRASTRUCTURE CORPORATION AND MACQUARIE
POWER & INFRASTRUCTURE INCOME FUND

MACQUARIE POWER AND INFRASTRUCTURE CORPORATION AND
MACQUARIE POWER & INFRASTRUCTURE INCOME FUND

PETITIONERS

NOTICE OF HEARING OF PETITION

To: The Securityholders of Macquarie Power & Infrastructure Income Fund

NOTICE IS HEREBY GIVEN that a Petition has been filed by the Petitioners, Macquarie Power and Infrastructure Corporation ("MPIC") and Macquarie Power & Infrastructure Income Fund (the "Fund ") in the Supreme Court of British Columbia for approval of a plan of arrangement (the "Plan of Arrangement"), pursuant to the *Business Corporations Act*, S.B.C., 2002, c. 57, as amended (the "BCBCA");

AND NOTICE IS FURTHER GIVEN that by an Interim Order of the Supreme Court of British Columbia, pronounced October 14, 2010, the Court has given directions as to the calling of a special meeting of the holders of units of the Fund ("Unitholders"), for the purpose of considering, voting upon and approving the Plan of Arrangement;

AND NOTICE IS FURTHER GIVEN that an application for a Final Order approving the Arrangement shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on November 18, 2010, at 9:45 am (Vancouver time), or so soon thereafter as counsel may be heard (the "Final Application").

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Final Application if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition ("Response") in the form prescribed by the Rules of Court of the Supreme Court of British Columbia and delivered a copy of the filed Response, together with

all material on which such person intends to rely at the hearing of the Final Application, including an outline of such person's proposed submissions, to the Petitioners at its address for delivery set out below by or before 4:00 p.m. (Vancouver time) on November 16, 2010.

The Petitioner's address for delivery is:

BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard Street, P.O. Box 49314
Vancouver, B.C. V7X 1L3

Attention: Sean K. Boyle

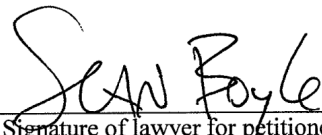
IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing and delivering the form of "Response" as aforesaid. You may obtain a form of "Response" at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION the Court may approve the Plan of Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE and attend either in person or by counsel at the time of such hearing, the Court may approve the Plan of Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Plan of Arrangement is approved, it will significantly affect the rights of the Unitholders.

A copy of the said Petition and other documents in the proceeding will be furnished to any Unitholder of the Fund upon request in writing addressed to the solicitors of the Petitioners at its address for delivery set out above.

Date: October 15, 2010



Signature of lawyer for petitioners
Sean K. Boyle

APPENDIX “E” — INFORMATION CONCERNING PARENTCO

NOTICE TO READER

As at the date hereof, Parentco has not carried on any active business other than executing the Arrangement Agreement. Unless otherwise noted, the disclosure in this Appendix has been prepared assuming that the Arrangement has been completed. Parentco will be the publicly-listed corporation resulting from the reorganization of the Fund’s trust structure into a corporation pursuant to the Arrangement. Unless otherwise defined herein, all capitalized words and phrases used in this Appendix have the meaning given to such words and phrases in the “Glossary of Terms” or elsewhere in this Information Circular.

CORPORATE STRUCTURE

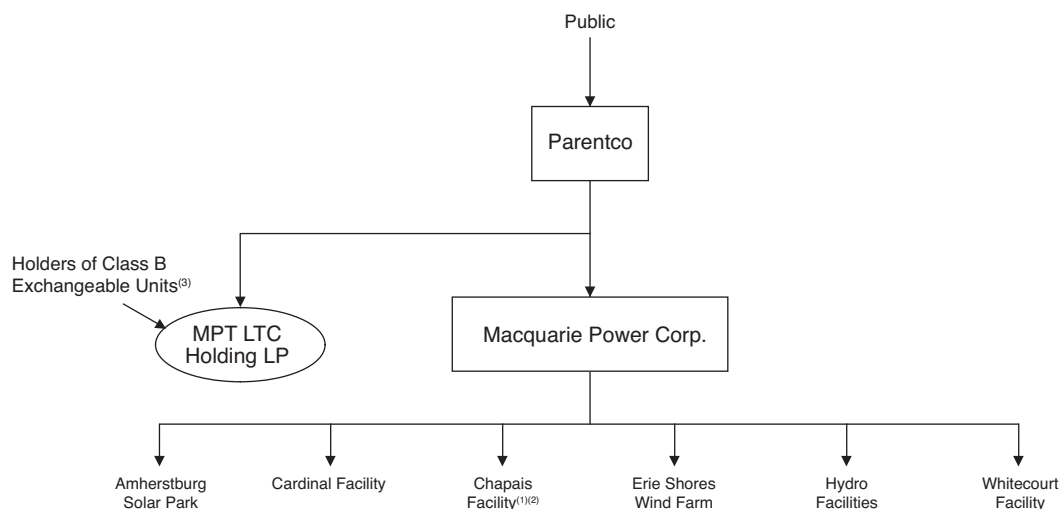
Name, Address and Incorporation

Parentco was incorporated on May 20, 2010 as 0881592 B.C. Ltd. pursuant to the provisions of the BCBCA for the sole purpose of participating in the Arrangement. Parentco’s articles were amended on October 12, 2010 to change its name to “Macquarie Power and Infrastructure Corporation”. On the Effective Date, once the Arrangement has been completed, Parentco will be the successor of Macquarie Power & Infrastructure Income Fund, will become a reporting issuer in all the provinces and territories of Canada and will become subject to the informational reporting requirements under the securities laws of such jurisdictions as a result of the Arrangement.

The principal office of Parentco is located at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3. The registered office of Parentco is located at 595 Burrard Street, Suite 2600, Three Bentall Centre, Vancouver, British Columbia, V7X 1L3.

Organizational Structure of Parentco

The following diagram sets forth the Post-Arrangement Structure of Parentco and its Subsidiaries, as currently contemplated, and the subsequent reorganization of certain of the Fund’s Subsidiaries including the wind up of CPIF, CPOT, MPIIT and the Fund. For simplification purposes, this diagram omits various wholly-owned Subsidiaries of Parentco.



Notes:

- (1) Macquarie Power Corp. will own, indirectly, a 31.3% interest in one of the two classes of preferred shares of CHEL. See “Narrative Description of Business — Power Infrastructure — Chapais Facility” in the Fund AIF.
- (2) The Chapais Facility is owned by the Chapais Énergie, Société en Commandite, the sole general partner of which is CHEL and the limited partners of which are CHEL and a wholly-owned Subsidiary of CHEL. See “Narrative Description of the Business — Power Infrastructure — Chapais Facility” in the Fund AIF.

- (3) The Class B Exchangeable Units will have economic rights equivalent to those of the Parentco Common Shares (and, subject to certain conditions, will be exchangeable on a one-for-one basis for Parentco Common Shares). See “Description of the Fund — Class B Exchangeable Units and Exchange Agreement” in the Fund AIF and “The Arrangement — Effect of the Arrangement — Effect on Holders of Class B Exchangeable Units”.

Administration of Parentco

In connection with the Arrangement, certain terms of the Administration Agreement and the Management Agreements may be amended to conform to the Post-Arrangement Structure to reflect the reorganization, amalgamation and/or wind up of certain of the Fund’s Subsidiaries or to address certain other matters which, in the opinion of the Trustees of the Fund (and directors of Parentco), should be amended to reflect the Post-Arrangement Structure. It is anticipated that in connection with the Arrangement (a) Parentco will be the successor to each of the Fund and MPIIT under the Administration Agreement, (b) Macquarie Power Corp. (a wholly-owned subsidiary of Parentco) will be the successor to CPOT and CPIF and Parentco will be the successor to the Fund under the Clean Power Management Agreement, and (c) Parentco will be the successor to each of the Fund and MPIIT under the Cardinal LP Management Agreement and the ASP Management Agreement. Notwithstanding the above, Parentco and the Manager may enter into a new management arrangement. The Administration Agreement will also be amended to replace the Manager’s right to appoint one Trustee of the Fund with a right of the Manager to nominate for election one individual as a director of Parentco at each annual meeting of Parentco and, failing the election of such individual, to provide the Manager with the right to have an observer present at all meetings of directors of Parentco. See “The Arrangement — Consequential Changes to Existing Agreements — Constatng Documents, the Administration Agreement and the Management Agreements” and “Management of the Fund — Administration Agreement and Management Agreements” in this Information Circular.

GENERAL DEVELOPMENT OF THE BUSINESS

Parentco has not carried on any active business since its incorporation other than executing the Arrangement Agreement. If approved and implemented, the Arrangement will result in the conversion of the Fund into a corporation, Parentco, that will acquire all of the Units as part of the Arrangement. Upon completion of the Arrangement, the former Unitholders will become shareholders of Parentco.

For a detailed description of the historical development of the business of the Fund, see “General Development of the Business” in the Fund AIF, which is incorporated by reference in this Information Circular. For a description of the business to be carried on by Parentco following completion of the Arrangement, see “Description of the Business” in this Appendix. Parentco will become a reporting issuer in all the provinces and territories of Canada and will become subject to the informational reporting requirements under the securities laws of such jurisdictions as a result of the Arrangement.

The TSX has conditionally approved the substitutional listing of the Parentco Common Shares to be issued in connection with the Arrangement, subject to Parentco fulfilling the requirements of the TSX. The Parentco Common Shares will be listed on the TSX under the symbol MPT.

DESCRIPTION OF THE BUSINESS

If approved and implemented, the Arrangement will result in the reorganization of the Fund’s income trust structure into a public corporation named Macquarie Power and Infrastructure Corporation. Pursuant to the Arrangement, the Unitholders, will become the sole shareholders of Parentco immediately following completion of the Arrangement and Parentco will acquire all of the Units. For a detailed description of the Fund’s business, which will continue to be carried on by Parentco if the Arrangement is completed, see the section entitled “Narrative Description of the Business” in the Fund AIF, which is incorporated by reference in this Information Circular.

It is anticipated that the board of directors of Parentco will be composed of the individuals who are currently the trustees of Macquarie Power & Infrastructure Income Fund, namely Derek Brown, Patrick J. Lavelle, François R. Roy, V. James Sardo and Stephen Mentzines. The senior management of Parentco will be composed of the current members of senior management of the Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at the date of this Information Circular, Parentco has not conducted any business or operations, other than to execute the Arrangement Agreement, and has issued 100 common shares in connection with its organization. If the Arrangement is completed, Parentco will acquire all of the Units and the business of Parentco will be, in effect, the same as the business of the Fund which will continue to be carried on as before the Effective Date. Parentco's financial position, risks and outlook after the Arrangement is completed will be substantially the same as those outlined in the Fund AIF, the Annual MD&A and the Interim MD&A, each of which is incorporated by reference in this Information Circular.

It is anticipated that Parentco will account for the Arrangement transaction as a continuity of interests. Since the Arrangement does not contemplate a change of control for accounting purposes, the consolidated financial statements of Parentco will reflect the assets and liabilities of the Fund at the respective carrying amounts, however, any change to the interpretation of a change of control for tax purposes could result in a change to the carrying amount of future income tax assets. Changes to the carrying amount of future income tax assets will be charged to future income tax expense and will result in a reduction to shareholders' equity and these changes may be material. Parentco will adopt International Financial Reporting Standards effective January 1, 2011.

Parentco has agreed to indemnify its directors and officers, to the extent permitted under corporate law, against costs and damages incurred by the directors and officers as a result of lawsuits or any other judicial, administrative or investigative proceedings in which the directors and officers are sued as a result of their services. Parentco's directors and officers are covered by directors' and officers' liability insurance. No amount has been recorded with respect to the indemnification agreements in Parentco's audited balance sheet. See "Audited Balance Sheet of Parentco" attached as Schedule "A" to this Appendix.

Readers are encouraged to review the Annual MD&A and Interim MD&A which have been filed on SEDAR at www.sedar.com and which are incorporated by reference in this Information Circular.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of Parentco will consist of an unlimited number of Parentco Common Shares and a limited number of preferred shares issuable in series. The aggregate number of preferred shares that may be issued will be limited to 50% of the number of Parentco Common Shares outstanding at the relevant time. The following is a summary of the rights, privileges, restrictions and conditions attaching to the securities of Parentco which will, upon completion of the Arrangement, comprise the share capital of Parentco.

Common Shares

Holders of Parentco Common Shares will be entitled to one vote per share at meetings of shareholders of Parentco, to receive dividends if, as and when declared by the board of directors of Parentco (subject to the rights of shares, if any, having priority over the Parentco Common Shares) and to receive *pro rata* the remaining property and assets of Parentco upon its dissolution or winding up, subject to the rights of shares, if any, having priority over the Parentco Common Shares.

Preferred Shares

Each series of preferred shares will consist of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by the board of directors of Parentco prior to the issuance thereof. Holders of preferred shares, except as required by law, will not be entitled to vote at meetings of shareholders of Parentco except as specified in the applicable rights, privileges, restrictions and conditions thereof. The aggregate number of preferred shares that may be issued will be limited to 50% of the number of Parentco Common Shares outstanding at the relevant time. Parentco has no intention of utilizing such preferred shares for an improper purpose in the context of any potential future unsolicited take-over bid for the Parentco Common Shares.

With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or wind up of Parentco, whether voluntary or involuntary, the preferred shares are entitled to preference over the

Parentco Common Shares and any other shares ranking junior to the preferred shares from time to time and may also be given such other preferences over the Parentco Common Shares and any other shares ranking junior to the preferred shares as maybe determined at the time of creation of such series.

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the unaudited *pro forma* consolidated capitalization of Parentco as at June 30, 2010, both before and after giving effect to the completion of the Arrangement. See also the balance sheet of Parentco attached as Schedule “A” to this Appendix and the *pro forma* consolidated financial statements attached as Appendix “F” to this Information Circular.

| <u>Designation (Authorized)</u> | <u>As at June 30, 2010 (before giving effect to the Arrangement)</u> | <u>As at June 30, 2010 (after giving effect to the Arrangement)⁽¹⁾</u> |
|---|--|---|
| | | (\$000s except for common shares) |
| Long term debt | — | 262,141 |
| Shareholders’ equity | — | 289,745 |
| Total capitalization | — | 551,886 |
| Common shares (Unlimited) | 100 shares | 46,661,979 shares |
| Preferred shares (limited) ⁽²⁾ | Nil | Nil |

Notes:

- (1) Assumes that no Units (other than Units held by the Fund or its Subsidiaries) are redeemed or cancelled prior to the Effective Date.
- (2) The aggregate number of preferred shares that may be issued will be limited to 50% of the number of Parentco Common Shares outstanding at the relevant time.

DIVIDEND RECORD AND POLICY

Parentco has not declared or paid any dividends since its incorporation and is not expected to declare any dividends prior to completion of the Arrangement.

If the Arrangement is approved at the Meeting and the Effective Date occurs on or about January 1, 2011, as currently anticipated, it is expected that the dividend policy of Parentco will initially be set at \$0.055 per Parentco Common Share per month, with the first post-Arrangement dividend to be declared in respect of the month ending January 31, 2011.

Parentco’s dividend policy will be subject to the discretion of the board of directors of Parentco and may vary depending on, among other things, Parentco’s earnings, financial requirements, the satisfaction of solvency tests imposed by the BCBCA for the declaration of dividends and other relevant factors. See “Risk Factors” in this Appendix.

PRIOR SALES

Prior to the Effective Date, Parentco is not expected to issue any securities from its share capital. Other than the 100 Parentco Common Shares currently held by the Fund issued at a price of \$1.00 per Parentco Common Share, there have been no prior sales of Parentco Common Shares or preferred shares prior to the date of this Information Circular.

PRINCIPAL SHAREHOLDERS

As at the date hereof, the Fund holds 100 Parentco Common Shares and is the sole shareholder of Parentco. To the knowledge of the Trustees, no person or company will, following the Arrangement, beneficially own, directly or indirectly, or exercise control and direction over, more than 10% of the voting rights attached to the outstanding Parentco Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Following the completion of the Arrangement, it is anticipated that the board of directors of Parentco will be composed of the individuals who are currently the trustees of the Fund namely Derek Brown, Patrick J. Lavelle, François R. Roy, V. James Sardo and Stephen Mentzines. The senior management of Parentco will be composed of the current members of senior management of the Fund.

The following table sets forth the name, municipality of residence, offices held and principal occupation for each of the proposed directors and executive officers of Parentco upon completion of the Arrangement. Additional information concerning the proposed directors is included in the Annual Meeting Circular which is incorporated by reference in this Information Circular. The directors of Parentco will hold office until the close of the next annual meeting of shareholders or until their resignation or removal or until their respective successors have been duly elected or appointed. The Manager will be entitled to nominate for election one individual as a director of Parentco at each annual meeting of Parentco and, failing the election of such individual, the Manager will be entitled to have an observer present at all meetings of directors of Parentco.

| <u>Name and Jurisdiction of Residence</u> | <u>Position</u> | <u>Principal Occupation and Employment</u> |
|---|---------------------------------------|--|
| Derek Brown ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada | Trustee | Derek Brown is a corporate director and currently sits on the boards of SNP Split Corp. and Sixty Split Corp. Mr. Brown is also a member of the finance committee of the Canadian Opera Foundation. |
| Patrick J. Lavelle ⁽¹⁾⁽²⁾⁽⁵⁾ Ontario, Canada | Trustee | Patrick J. Lavelle 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 a director of the Ontario Financing Authority and a trustee of Retrocom Mid-Market Real Estate Investment Trust. |
| François R. Roy ⁽¹⁾⁽²⁾⁽⁴⁾ Québec, Canada | Trustee | François R. Roy is a director or trustee (as applicable) and a member of the audit committees of Fibrek Inc., Transcontinental Inc., the Caisse de dépôt et placement du Québec and Noranda Operating Trust. He was the Vice-Principal (Administration and Finance) of McGill University from June 2007 to June 2010. |
| V. James Sardo ⁽¹⁾⁽²⁾ Ontario, Canada | Trustee | V. James Sardo is a corporate director with significant operational and corporate governance expertise. He is currently a director of New Flyer Industries Inc. (since 2005) and Consolidated Thompson Iron Mines Limited (since 2010). |
| Stephen Mentzines ⁽⁶⁾ New York, USA | Trustee | Stephen Mentzines is a Senior Managing Director of the Macquarie group and head of Macquarie Infrastructure and Real Assets — North America. He is a member of the senior management team of Macquarie Infrastructure and Real Assets which, as at December 31, 2009, managed approximately \$43 billion of equity under management globally. Mr. Mentzines is also the Alternate Chairman of Macquarie Infrastructure Company, which is listed on the New York Stock Exchange. |
| Michael Bernstein Ontario, Canada | President and Chief Executive Officer | Michael Bernstein is a Senior Managing Director of the Macquarie group and the President of Macquarie Infrastructure and Real Assets Canada Ltd. ⁽⁷⁾ |

| <u>Name and Jurisdiction of Residence</u> | <u>Position</u> | <u>Principal Occupation and Employment</u> |
|--|--|--|
| Michael Smerdon Ontario, Canada | Executive Vice President, Chief Financial Officer and Secretary | Michael Smerdon is a Managing Director of the Macquarie group and Macquarie Infrastructure and Real Assets Canada Ltd. ⁽⁸⁾ |
| Stuart M. Miller Ontario, Canada | Executive Vice President and General Counsel | Stuart M. Miller is an Associate Director of the Macquarie group and the Senior Vice President and General Counsel of Macquarie Infrastructure and Real Assets Canada Ltd. ⁽⁹⁾ |

Notes:

- (1) Member of the Audit Committee of the board of directors of Parentco.
- (2) Member of the Governance Committee of the board of directors of Parentco.
- (3) Chairman of the board of directors of Parentco.
- (4) Chairman of the Audit Committee of the board of directors of Parentco.
- (5) Chairman of the Governance Committee of the board of directors of Parentco.
- (6) Appointed by the Manager pursuant to the Administration Agreement.
- (7) Mr. Bernstein was also appointed President and Chief Executive Officer of the Fund effective July 6, 2009, after serving as the Fund's President and Chief Executive Officer on an interim basis since April 15, 2009. From 2005 to 2009, Mr. Bernstein served as head of the infrastructure and utilities advisory practice for Macquarie Capital Markets Canada Ltd. Previously, Mr. Bernstein was a senior member of the Power & Utilities Group at CIBC World Markets, where he worked for nine years.
- (8) Mr. Smerdon was also appointed Vice President and Chief Financial Officer of the Fund effective August 14, 2009. Mr. Smerdon joined MGL in 1998. From 1998 to 2002, he served with Macquarie's infrastructure advisory group. Most recently, Mr. Smerdon served as a key member of the senior management team of New York-based Macquarie Infrastructure Partners Inc.
- (9) Mr. Miller was also appointed Vice President and General Counsel of the Fund in February 2007. Previously, Mr. Miller was the Executive Director, Corporate Services and Compliance and Corporate Secretary of Fairmont Hotels & Resorts Inc. and Senior Legal Counsel and Secretary of Legacy Hotels Real Estate Investment Trust since June 2005. Prior to June 2005, Mr. Miller was a partner with McCarthy Tétrault LLP, a Canadian law firm.

Immediately after giving effect to the Arrangement, it is anticipated that the proposed directors and officers of Parentco and their associates, as a group, will beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 115,203 Parentco Common Shares, representing approximately 0.247% of the issued and outstanding Parentco Common Shares.

Employees

As at the date of this Information Circular, Parentco has no employees. As at October 15, 2010, the Fund Group had approximately 60 full-time employees.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

To date, Parentco has not carried on any active business and has not completed a fiscal year of operations. No compensation has been paid by Parentco to its directors or executive officers and none will be paid until after the Arrangement is completed. For a description of the compensation of the proposed directors and executive officers of Parentco, see the Annual Meeting Circular which is incorporated by reference in this Information Circular.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

See "Indebtedness of Trustees and Others" in this Information Circular.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

See the Annual Meeting Circular which is incorporated by reference in this Information Circular.

CORPORATE GOVERNANCE

The board of directors of Parentco are expected to adopt the corporate governance charters, codes and policies of the Fund. Each of the existing committees of the Trustees will become committees of the board of directors of Parentco. See “Directors and Executive Officers”. For a description of corporate governance matters of the Fund, see the Annual Meeting Circular which is incorporated by reference in this Information Circular. For a description of the audit committee, see “Management of the Fund — Audit Committee Information” in the Fund AIF which is incorporated by reference to this Information Circular.

CONFLICTS OF INTEREST

Except as disclosed in this Information Circular, no proposed director or executive officer of Parentco has any existing or potential material conflict of interest with Parentco or any of its Subsidiaries.

RISK FACTORS

Risk factors related to the business of the Fund and its Subsidiaries will continue to apply to Parentco and its Subsidiaries after the Effective Date. If the Arrangement is completed, the business and operations of, and an investment in, Parentco will be subject to various risk factors set forth in this Information Circular and below. The following information is a summary only of certain risk factors which will be applicable to Parentco if the Arrangement becomes effective, and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing in this Information Circular or in any other documents incorporated by reference herein.

Risks Related to the Business

A discussion of the risks affecting the Fund and its businesses appears in the Fund AIF, Annual MD&A and Interim MD&A, each of which is available on SEDAR at www.sedar.com and is incorporated by reference in this Information Circular.

Risk Factors Relating to Parentco and/or the Arrangement

Arrangement Structure

As at the date hereof, the Fund intends to implement the Arrangement as currently structured. However, the Plan of Arrangement provides that any amendment, modification or supplement to the Plan of Arrangement may be made prior to the Effective Time by the Fund and Parentco without the approval of the Court or the Unitholders, provided that it concerns a matter which, in the reasonable opinion of the Fund and Parentco, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any holder of Units.

The Fund continues to seek and obtain certain necessary consents and approvals required to implement the Arrangement and Post-Arrangement Structure as currently structured. If certain approvals and consents are not received prior to the Effective Date, the Fund and Parentco may, pursuant to the Plan of Arrangement, without any additional approval from the Court or the Unitholders, decide to proceed nonetheless by amending, modifying or supplementing the Arrangement to add, revise or remove one or more steps thereof. In addition, in the event the Fund incorporates, establishes or acquires additional Subsidiaries between the date hereof and the Effective Date, the Fund and Parentco may, pursuant to the Plan of Arrangement, without any additional approval from the Court or the Unitholders, amend, modify or supplement the Arrangement to add, revise or remove one or more steps of the Arrangement in order to reflect such changes.

Assessment of Fair Market Value of Units and Parentco Common Shares

While management of the Fund has advised that it expects that the fair market value of a Unit at the time of the disposition will be equal to the fair market value of a Parentco Common Share immediately after the disposition in which case there would be no Excess Share Value or Excess Unit Value, no assurance can be given that the CRA will accept this conclusion.

Conditions Precedent and Regulatory Approvals

The completion of the Arrangement in the form contemplated by the Arrangement Agreement is subject to a number of conditions precedent, some of which are outside the control of the Fund and Parentco, including, without limitation, receipt of Unitholder approval at the Meeting, consents of third parties, regulatory consents, exemptions and approvals, approval of the TSX for the listing of the Parentco Common Shares to be issued pursuant to the Arrangement and the granting of the Final Order by the Court. There can be no certainty, nor can the Fund provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. Failure to obtain the Final Order on terms acceptable to the Trustees would likely result in the decision being made not to proceed with the Arrangement. If any regulatory consents, exemptions or approvals cannot be obtained on terms satisfactory to the Trustees or at all, the Plan of Arrangement may have to be amended in order to mitigate against the negative consequence of the failure to obtain any such consent, exemption or approval, and accordingly, the benefits available to Unitholders resulting from the Arrangement may be reduced. Alternatively, in the event that the Plan of Arrangement cannot be amended so as to mitigate against the negative consequences of the failure to obtain a regulatory consent, exemption or approval, the Arrangement may not proceed at all. If the Arrangement is not completed, the market price of the Units may be adversely affected.

Realization of Anticipated Benefits

As described under “Background to and Reasons for the Arrangement” in this Information Circular, the Trustees believe that the Arrangement will result in a number of benefits. However, there is a risk that some or all of the anticipated benefits of the Arrangement may fail to materialize, or may not occur within the time or to the extent anticipated. The realization of such benefits may be affected by a number of factors, including the activities of corporate peers, perceptions of participants and analysts in Canadian capital markets and future trading activity in Parentco Common Shares, many of which are beyond the control of the Fund and Parentco.

Impact on Unit Prices and Future Business Operations

If the Arrangement is not completed, there may be a negative impact on the trading price of Units and future business and operations, to the extent that the current trading price of the Units reflects an assumption that the Arrangement will be completed. The price of the Units may decline if the Arrangement is not completed.

Risk Factors Relating to the Activities of Parentco and the Ownership of Parentco Common Shares

Dilution of Parentco Shareholders

Parentco will be authorized to issue an unlimited number of Parentco Common Shares and a limited number of preferred shares issuable in series for that consideration and on those terms and conditions as shall be established by the board of directors of Parentco without the approval of any Parentco Shareholders. The Parentco Shareholders will have no pre-emptive rights in connection with such further issues.

Dividends are Not Guaranteed

Although it is anticipated that Parentco will adopt a policy of paying a dividend to its shareholders after the Arrangement is completed, whether dividends are declared and at what level will be in the discretion of Parentco’s board of directors and the funds available for the payment of dividends from time to time will be dependent upon operating cash flows generated by Subsidiaries of Parentco, financial requirements for the Parentco Group’s operations and to execute its growth strategy and the satisfaction of solvency tests imposed by the BCBCA for the declaration and payment of dividends.

Unpredictability and Volatility of Share Price

A publicly-traded company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Parentco Common Shares will trade cannot be predicted. The market price of the Parentco Common Shares could be subject to significant fluctuations in response to

variations in quarterly operating results, dividends and other factors. The annual yield on the Parentco Common Shares as compared to the annual yield on other financial instruments may also influence the value of Parentco Common Shares in public trading markets. In addition, the securities markets have experienced significant price and volume fluctuations from time to time in recent years that often have been unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Parentco Common Shares.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than the proceedings relating to the approval of the Arrangement, and other than disclosed under “Legal Proceedings” in the Fund AIF, to the knowledge of the Parentco Group, there are no legal proceedings to which Parentco or the Fund Group is a party or in respect of which any of their assets are the subject matter, which is material to Parentco or the Fund Group, and Parentco is not aware of any such proceedings that are contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, none of the directors or executive officers of Parentco, or any person or company that will be the direct or indirect owner of, or will exercise control or direction of, more than 10% of any class or series of Parentco outstanding voting securities, or any associate or affiliate of any of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any past transaction or any proposed transaction that has materially affected or will material affect Parentco.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The auditor of Parentco is PricewaterhouseCoopers LLP, Chartered Accountants, Toronto, Ontario.

Transfer Agent and Registrar

The transfer agent and registrar for the Parentco Common Shares will be Computershare Investor Services Inc. at its principal offices in Montréal, Québec.

MATERIAL CONTRACTS

The only contract entered into by Parentco that materially affect Parentco, since incorporation or to which Parentco will become a party on or prior to the Effective Date, that can reasonably be regarded as material to a proposed investor in the Parentco Common Shares, other than contracts entered into in the ordinary course of business, is the Arrangement Agreement. A copy of the Arrangement Agreement is attached at Appendix “C” to this Information Circular.

For a description of material contracts of the Fund, see the section entitled “Material Contracts” in the Fund AIF, which is incorporated by reference in this Information Circular.

**SCHEDULE “A”
AUDITED BALANCE SHEET OF PARENTCO
AUDITORS’ REPORT**

October 15, 2010

**To the Directors of
0881592 B.C. Ltd.**
(now Macquarie Power and Infrastructure Corporation)

We have audited the balance sheet of **0881592 B.C. Ltd.** (now Macquarie Power and Infrastructure Corporation) (the Corporation) as at May 20, 2010. This financial statement is the responsibility of the Corporation’s management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, this financial statement presents fairly, in all material respects, the financial position of the Corporation as at May 20, 2010 in accordance with Canadian generally accepted accounting principles.

(signed) “PricewaterhouseCoopers LLP”

Chartered Accountants, Licensed Public Accountants
Toronto, Canada

0881592 B.C. LTD. (NOW MACQUARIE POWER AND INFRASTRUCTURE CORPORATION)

BALANCE SHEET

As at May 20, 2010

ASSETS

Cash \$100

SHAREHOLDER'S EQUITY

Shareholder's equity \$100

On behalf of the Board of Directors:

(Signed) "Michael Smerdon"
Director

See accompanying notes

0881592 B.C. LTD. (NOW MACQUARIE POWER AND INFRASTRUCTURE CORPORATION)
NOTES TO THE BALANCE SHEET
As at May 20, 2010

1. INCORPORATION AND BASIS OF PRESENTATION

0881592 B.C. Ltd. (now Macquarie Power and Infrastructure Corporation) (the “Corporation”) was incorporated in British Columbia on May 20, 2010 for the purpose of participating in the Plan of Arrangement described below. This balance sheet has been prepared in accordance with Canadian generally accepted accounting principles. The Corporation is authorized to issue an unlimited number of common shares. The Corporation issued 100 common shares on May 20, 2010 for cash proceeds of \$100.

2. SHARE CAPITAL

Authorized:

An unlimited number of common shares.

Issued:

100 common shares \$100

3. PROPOSED PLAN OF ARRANGEMENT AND SUBSEQUENT EVENTS

On October 12, 2010, the Board of Trustees of Macquarie Power & Infrastructure Income Fund (the “Fund”) approved a proposed transaction providing for the reorganization of the Fund’s income trust structure into a corporate structure through a Plan of Arrangement. If the reorganization is approved by holders (“Fund unitholders”) of trust units of the Fund (“Fund units”) and the Supreme Court of British Columbia, current Fund unitholders will transfer each of their Fund units to the Corporation in consideration for one common share of the Corporation.

In connection with the Plan of Arrangement, the Fund filed a notice of special meeting and management information circular dated October 15, 2010 with the Canadian securities regulatory authorities. The Plan of Arrangement is subject to regulatory, court and unitholder approval and is anticipated to be effective on or about January 1, 2011.

APPENDIX “F” — PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
0881592 B.C. LTD. (NOW MACQUARIE POWER AND INFRASTRUCTURE CORPORATION)
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2010
(Unaudited)

| (Amounts in \$000s) | Macquarie Power and Infrastructure Corporation Historical | Macquarie Power & Infrastructure Income Fund Historical | Pro Forma Adjustments | Notes | Macquarie Power and Infrastructure Corporation Pro Forma |
|--|---|---|--------------------------|-------|--|
| Current Assets | | | | | |
| Cash and cash equivalents | — | 65,764 | (850) | 2 (c) | 64,914 |
| Restricted cash | — | 10,501 | | | 10,501 |
| Accounts receivable | — | 12,637 | | | 12,637 |
| Other assets | — | 2,198 | | | 2,198 |
| Current portion of loans receivable | — | 838 | | | 838 |
| Current portion of derivative contract assets | — | 1,532 | | | 1,532 |
| | | <u>93,470</u> | <u>(850)</u> | | <u>92,620</u> |
| Long-term assets | | | | | |
| Loans receivable | — | 5,675 | | | 5,675 |
| Long term investments | — | 55,016 | | | 55,016 |
| Capital assets | — | 386,544 | | | 386,544 |
| Derivative contract assets | — | 12,087 | | | 12,087 |
| Future income tax asset | — | 11,057 | 1,015 | 2 (c) | 12,072 |
| Intangible assets | — | 141,419 | | | 141,419 |
| Total Assets | — | <u>705,268</u> | <u>165</u> | | <u>705,433</u> |
| Current Liabilities | | | | | |
| Accounts payable and accrued liabilities | — | 16,917 | | | 16,917 |
| Loan payable | — | 49,200 | | | 49,200 |
| Current portion of capital lease obligation | — | 116 | | | 116 |
| Current portion of derivative contract liabilities | — | 1,869 | | | 1,869 |
| Current portion of long-term debt | — | 43,208 | | | 43,208 |
| | | <u>111,310</u> | | | <u>111,310</u> |
| Long-term liabilities | | | | | |
| Liability for asset retirement | — | 3,075 | | | 3,075 |
| Electricity supply for gas purchase contracts | — | 7,345 | | | 7,345 |
| Derivative contract liabilities | — | 12,262 | | | 12,262 |
| Future income tax liability | — | 60,100 | 2,474 | 2 (c) | 62,574 |
| Capital lease obligations | — | 189 | | | 189 |
| Long-term debt | — | 218,933 | | | 218,933 |
| Total liabilities | — | <u>413,214</u> | <u>2,474</u> | | <u>415,688</u> |
| Shareholders'/Unitholders' equity | | | | | |
| Capital stock | — | — | 466,639 | 2 (a) | 466,639 |
| Unit capital | — | 466,639 | (466,639) | 2 (a) | — |
| Class B exchangeable units | — | 35,500 | | | 35,500 |
| Equity portion of convertible debentures | — | 5,463 | | | 5,463 |
| Deficit | — | (215,548) | (2,309) | 2 (c) | (217,857) |
| Total shareholders'/unitholders' equity | — | <u>292,054</u> | <u>(2,309)</u> | | <u>289,745</u> |
| Total liabilities and shareholders'/unitholders' equity | — | <u>705,268</u> | <u>165</u> | | <u>705,433</u> |

0881592 B.C. LTD. (NOW MACQUARIE POWER AND INFRASTRUCTURE CORPORATION)

PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

Six Months Ended June 30, 2010

(Unaudited)

| (\$000s except for per trust unit/common share amounts) | Macquarie Power and Infrastructure Corporation Historical | Macquarie Power & Infrastructure Income Fund Historical | <i>Pro Forma</i> Adjustments | Notes | Macquarie Power and Infrastructure Corporation <i>Pro Forma</i> |
|--|---|---|---------------------------------|-------|---|
| Revenue | — | 79,649 | | | 79,649 |
| Costs and Expenses | | | | | |
| Operating expenses | — | 47,462 | | | 47,462 |
| Administrative expenses | — | 5,245 | | | 5,245 |
| Depreciation on capital assets | — | 10,468 | | | 10,468 |
| Amortization on intangible assets | — | 3,882 | | | 3,882 |
| | — | <u>67,057</u> | — | | <u>67,057</u> |
| | | 12,592 | | | 12,592 |
| Other Income and Expenses | | | | | |
| Interest income | — | 382 | | | 382 |
| Interest expense | — | (9,418) | | | (9,418) |
| Equity accounted income from long-term investments | — | 3,151 | | | 3,151 |
| Unrealized loss on swap contracts | — | (2,757) | | | (2,757) |
| Unrealized loss on embedded derivative instruments | — | (6,804) | | | (6,804) |
| Foreign exchange loss | — | (4) | | | (4) |
| Loss before income taxes | — | <u>(2,858)</u> | — | | <u>(2,858)</u> |
| Income tax recovery (expense) | | | | | |
| Current | — | (8) | (3,723) | 2 (b) | (3,731) |
| Future | — | 17,862 | 72 | 2 (b) | 17,934 |
| Total income tax recovery | — | <u>17,854</u> | <u>(3,651)</u> | | <u>14,203</u> |
| Net income | — | <u>14,996</u> | <u>(3,651)</u> | | <u>11,345</u> |
| Basic and diluted net income per unit/share . . | | 0.300 | | | 0.227 |
| Basic and diluted weighted average number of trust units/common shares and Class B exchangeable units outstanding (000s) | | 49,914 | | | 49,914 |

0881592 B.C. LTD. (NOW MACQUARIE POWER AND INFRASTRUCTURE CORPORATION)

PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

Year ended December 31, 2009

(Unaudited)

| (\$000s except for per trust unit/common share amounts) | Macquarie Power and Infrastructure Corporation Historical | Macquarie Power & Infrastructure Income Fund Historical | Pro Forma Adjustments | Notes | Macquarie Power and Infrastructure Corporation Pro Forma |
|--|---|---|--------------------------|-------|--|
| Revenue | — | 148,384 | | | 148,384 |
| Costs and Expenses | | | | | |
| Operating expenses | — | 90,326 | | | 90,326 |
| Administrative expenses | — | 8,095 | | | 8,095 |
| Depreciation on capital assets | — | 20,886 | | | 20,886 |
| Amortization on intangible assets | — | 7,815 | | | 7,815 |
| | — | <u>127,122</u> | — | | <u>127,122</u> |
| | | 21,262 | | | 21,262 |
| Other Income and Expenses | | | | | |
| Interest income | — | 1,000 | | | 1,000 |
| Interest expense | — | (16,118) | | | (16,118) |
| Equity accounted income from long-term investments | — | 1,842 | | | 1,842 |
| Unrealized gain on swap contracts | — | 4,664 | | | 4,664 |
| Unrealized loss on embedded derivative instruments | — | (4,381) | | | (4,381) |
| Foreign exchange gain | — | 23 | | | 23 |
| Loss on debt extinguishment | — | (351) | | | (351) |
| Income before income taxes | — | <u>7,941</u> | — | | <u>7,941</u> |
| Income tax recovery (expense) | | | | | |
| Current | — | (32) | (8,037) | 2(b) | (8,069) |
| Future | — | 3,350 | (1,635) | 2(b) | 1,715 |
| Total income tax recovery (expense) | — | <u>3,318</u> | <u>(9,672)</u> | | <u>(6,354)</u> |
| Net income | — | <u>11,259</u> | <u>(9,672)</u> | | <u>1,587</u> |
| Basic and diluted net income per unit/share . . . | | 0.226 | | | 0.032 |
| Basic and diluted weighted average number of trust units/common shares and Class B exchangeable units outstanding (000s) | | 49,918 | | | 49,918 |

**0881592 B.C. LTD. (NOW MACQUARIE POWER AND INFRASTRUCTURE CORPORATION)
NOTES TO *PRO FORMA* CONSOLIDATED FINANCIAL STATEMENTS**

(in thousands of dollars)

Unaudited

1. BASIS OF PRESENTATION

Macquarie Power and Infrastructure Corporation (“Parentco”) was incorporated under the laws of the Province of British Columbia on May 20, 2010. Parentco was created to acquire all of the outstanding trust units of Macquarie Power & Infrastructure Income Fund (“MPT Fund”). Parentco will be authorized to issue an unlimited number of common shares and a number of preferred shares issuable in series, at all times limited to 50% of the number of common shares outstanding at the relevant time.

The accompanying unaudited *pro forma* consolidated statements of operations for the year ended December 31, 2009 and six months ended June 30, 2010 and unaudited *pro forma* consolidated statement of financial position as at June 30, 2010 have been prepared by the management of MPT Fund on behalf of Parentco in accordance with Canadian generally accepted accounting principles, using the significant accounting policies disclosed in the audited consolidated financial statements of MPT Fund incorporated by reference in the Notice of Special Meeting of Unitholders and Information Circular dated October 15, 2010 with respect to a plan of arrangement (the “Information Circular”). The accompanying unaudited *pro forma* consolidated financial statements give effect to the acquisition by Parentco of MPT Fund under a Plan of Arrangement (the “Arrangement”) as described in the Information Circular.

The unaudited *pro forma* consolidated financial statements should be read in conjunction with the description of the transaction in the Information Circular, the audited financial statement of Parentco included in the Information Circular and the audited consolidated financial statements of MPT Fund, including the notes to those consolidated financial statements, incorporated by reference in the Information Circular.

The unaudited *pro forma* consolidated statement of financial position of Parentco as at June 30, 2010 has been prepared using the audited statement of financial position of Parentco as at May 20, 2010 and the unaudited interim consolidated statement of financial position of MPT Fund as at June 30, 2010 and the assumptions and adjustments described in note 2.

The unaudited *pro forma* consolidated statements of operations for the year ended December 31, 2009 and the six months ended June 30, 2010 have been prepared using the audited consolidated statement of operations of MPT Fund for the year ended December 31, 2009 and the unaudited consolidated statement of operations of MPT Fund for the six months ended June 30, 2010, respectively, and the assumptions and adjustments described in note 2.

The unaudited *pro forma* consolidated financial statements reflect the acquisition of MPT Fund using the continuity-of-interest method of accounting as there has been no substantive change in the ultimate ownership interest of MPT Fund. Accordingly, the assets acquired and liabilities assumed will be measured at MPT Fund’s historical carrying amounts.

These *pro forma* adjustments are tentative and are based on available financial information and certain estimates and assumptions. The actual adjustments to the consolidated financial statements of Parentco will depend on a number of factors including, but not limited to, changes in net carrying amounts, and operating results of MPT Fund between June 30, 2010 and the date of the acquisition. Therefore, the actual adjustments may differ materially from the *pro forma* adjustments.

Management believes that the assumptions provide a reasonable basis for presenting all the significant effects of the transactions contemplated and that the *pro forma* adjustments give appropriate effect to those assumptions and are properly applied in the unaudited *pro forma* consolidated financial statements.

The unaudited *pro forma* consolidated financial statements are not intended to reflect the results of operations which would have actually resulted had the acquisition of MPT Fund and other *pro forma* transactions and adjustments been effected on the dates indicated below. Further, the unaudited *pro forma* consolidated statements of operations are not necessarily indicative of the results of operations that may be obtained by Parentco in the future.

2. *PRO FORMA* ASSUMPTIONS AND ADJUSTMENTS

The unaudited *pro forma* consolidated financial statements have been presented assuming that the following transactions had been completed and adjustments had been effected as of January 1, 2009 for the unaudited *pro forma* consolidated statements of operations and as of June 30, 2010 for the unaudited *pro forma* consolidated statement of financial position.

- a) An adjustment has been recorded to reflect the exchange of all outstanding trust units of MPT Fund for common shares of Parentco on the basis of one common share for each trust unit of MPT Fund.
- b) Adjustments to the provision for income taxes have been recorded to reflect the impact of the completion of the Arrangement. The adjustments reflect an increase in the current and effective tax resulting from the new corporate structure.
- c) Cash and related future income taxes have been adjusted in the *pro forma* consolidated statement of financial position to reflect \$850 of costs associated with the Arrangement.

