



CODE OF BUSINESS CONDUCT AND ETHICS
MACQUARIE POWER & INFRASTRUCTURE INCOME FUND
FEBRUARY 2006

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CODE OF BUSINESS CONDUCT AND ETHICS

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

Every trustee, director, officer and employee of Macquarie Power & Infrastructure Income Group occupies a position of trust. In varying measure, each trustee, director, officer and employee represents the Fund in his or her relations with others – whether with customers, suppliers, other employees, competitors, governments, investors or the general public. Whatever the area of activity and whatever the degree of responsibility, Macquarie Power & Infrastructure Income Group expects each individual to act in a manner that will enhance Macquarie Power & Infrastructure Income Group's reputation for honesty, integrity and the faithful performance of its undertakings and obligations.

Every employee, officer, trustee and director has the responsibility to obey the law and act ethically. To that end, this Code of Business Conduct and Ethics (this "Code") is a guide that is intended to sensitize employees, officers, trustees and directors to significant legal and ethical issues that arise frequently and to the mechanisms available to report illegal or unethical conduct. It is not, however, a comprehensive document that addresses every legal or ethical issue that an employee, officer, trustee or director may confront, nor is it a summary of all laws and policies that apply to our business. Ultimately, no code of business conduct and ethics can replace the thoughtful behaviour of an ethical employee, officer, trustee or director.

Macquarie Power & Infrastructure Income Group also maintains other policy statements, handbooks, principles and guidelines which discuss more fully many of the issues discussed in the Code. Copies of these materials may be obtained from the Corporate Secretary of the Manager (the "Corporate Secretary").

If you have any questions about this Code or are concerned about conduct you believe violates our policies or the law, you should consult the Corporate Secretary.

INTRODUCTION

This Code applies to all trustees, directors, officers, employees, contractors or agents (collectively referred to in this Code as the "employees") of Macquarie Power & Infrastructure Income Group. The provisions of this Code are mandatory and full compliance is expected under all circumstances. This Code affirms the Fund's commitment to uphold high moral and ethical standards and to specify the basic norms of behaviour for those who are involved in representing it.

Failure to comply with this Code can have severe consequences for both the employee and Macquarie Power & Infrastructure Income Group. The appropriate member of Macquarie Power & Infrastructure Income Group will impose appropriate discipline which may include termination for violations of this Code. Furthermore, conduct that violates this Code may also violate federal or provincial law and can subject both the Fund and/or a member of Macquarie Power & Infrastructure Income Group and the employee to prosecution and legal sanctions.

The Board is responsible for monitoring compliance with this Code. Any waivers from the Code that are granted for the benefit of directors, trustees or officers may only be granted by the Governance Committee of the Board.

1. Compliance with the Law

Macquarie Power & Infrastructure Income Group and its employees shall comply fully with all lawful requirements, both domestic and foreign, applicable to the Fund's business. Whenever an employee is in doubt about the application or interpretation of any legal requirement, the employee should refer the matter to his or her supervisor who, if necessary, should seek the advice of the Corporate Secretary. Many of Macquarie Power & Infrastructure Income Group's activities are subject to complex and changing laws in Canada and other countries, affecting both local and foreign trade and commerce. Ignorance of the law is not, in general, a defence should such laws be contravened. As well, agreements or arrangements need not necessarily be in writing to be contradictory to such laws since it is possible for a contravention to be inferred from the conduct of the parties. Accordingly, employees must diligently ensure that they are aware of, and that their conduct cannot be interpreted as being in contravention of, laws governing the affairs of Macquarie Power & Infrastructure Income Group in any jurisdiction where it carries on business.

2. Gifts and Entertainment

Employees shall not furnish, directly or indirectly on behalf of the Fund, expensive gifts or provide excessive entertainment or benefits to other persons. Employees also shall not accept or give anything that will compromise, or be seen to compromise their judgement or inappropriately influence others. It is useful to remember that appearances, as well as reality, are important considerations.

Those individuals whose duties permit them to do so may furnish modest gifts, favours and entertainment to persons, other than public officials, if all of the following tests are met:

- the gift or other benefit is not cash, a gift certificate or other negotiable instrument;
- the gift or other benefit cannot reasonably be interpreted as an improper payment or inducement and is of nominal value;
- the gift or other benefit does not contravene any law and, in addition, is made in accordance with generally-accepted local ethical practices;
- the entertainment occurs infrequently;
- the entertainment arises out of the ordinary course of business;
- the entertainment involves reasonable, not lavish expenditures. The amounts involved should be amounts employees are accustomed to spending on their own business and personal entertainment;
- the employee does not feel obligated to give the individual or company providing the entertainment any special consideration; and
- if subsequently disclosed to the public their provision would not in any way embarrass the Fund or the recipient.

All staff need to be aware of the procedures to be following when a gift is made or a benefit offered:

Where staff receive gifts (including Christmas gifts or liquor) up to a value of \$500, these may be retained but the Chief Executive Officer of the Manager ("CEO") must be informed.

All gifts in excess of \$500 in value must be reported to the CEO. Such gifts will accrue to the Fund except where the CEO uses his discretion to allow a staff member to accept the gift personally.

A staff member who is granted or given a priority allocation of options or other securities by reason of his/her employment with the Fund is required to arrange transfer of the benefit to the Fund. If such a transfer is not possible, or if the Fund does not want the securities offered, it will usually be necessary for the staff member to decline the offer anyway, in the interests of probity.

The above rules do not apply where the benefit comes solely from a personal relationship. A personal relationship is one where the benefit would have been given if the recipient was not an employee of the Fund.

For the purpose of the above, gifts include offers of travel for non-business purposes, and the general policy is that such offers should be declined unless acceptance is demonstrably in the interests of the Fund, and approved as such by the CEO.

Offers of meals or other reasonable entertainment do not have to be declared.

Staff are expected to inform the CEO immediately if any benefit, (or in the CEO's case, the Chair of the Governance Committee), is received or likely to be received. Where there is any doubt as to whether a benefit should accrue to a staff member or to the Fund, the matter will be referred to the Governance Committee. Failure to inform the CEO of a gift or benefit will be regarded extremely seriously.

The CEO is expected to inform the Chair of the Governance Committee immediately if any benefit is received or likely to be received. Any failure to do so will be regarded extremely seriously.

Any questions regarding the interpretation of this section and its requirements should be directed to the Corporate Secretary.

3. Dealings with Public Officials

All dealings between employees of Macquarie Power & Infrastructure Income Group and public officials are to be conducted in a manner that will not compromise the integrity or impugn the reputation of any public official, employee, the Fund or any member of Macquarie Power & Infrastructure Income Group. Non-routine and high profile contacts with public officials should be handled through or coordinated with the CEO.

Even the appearance of impropriety in dealing with public officials is improper and unacceptable. Any participation, whether directly or indirectly, in any bribes, kickbacks, improper profit-sharing arrangements, illegal gratuities, indirect contributions, improper inducements or similar payments to any public official is expressly forbidden, notwithstanding that they might further the business interests of the Fund. Maintenance of a high standard of integrity is of the utmost importance to all members of Macquarie Power & Infrastructure Income Group.

In situations where employees engage in regular and ongoing contact with public officials, the following standards apply:

- No employee shall give any gift or make any form of payment, direct or indirect, to any public official, or any recipient whom the employee knows will pass the gift or payments on to a public official, as inducement to having a law or regulation introduced, enacted, defeated, or violated.

- Since the furnishing of even an inexpensive gift or benefit to a public official may be open to the interpretation that it was furnished illegally to secure the use of his or her influence as a public official, no such gift or benefit may be furnished by an employee unless he or she complies with the following conditions:
 - an employee who is an officer at Macquarie Power & Infrastructure Income Group may from time to time and in appropriate circumstances furnish inexpensive gifts or benefits to a public official;
 - other employees of Macquarie Power & Infrastructure Income Group may furnish inexpensive gifts or benefits to a public official only if he or she has received authorization to do so from the CEO and he or she submits an expense account disclosing the expenditure for the approval of the person from whom authorization was first obtained.

Macquarie Power & Infrastructure Income Group and its representatives will not engage in or undertake lobbying activities as defined in the *Lobbyist Registration Act* (Canada) and the *Lobbyist Registration Act* (Ontario) without the prior express approval of the Corporate Secretary and after meeting all registration requirements under the applicable legislation, regulations and related laws which will be reviewed by the Corporate Secretary.

4. Dealings with the News Media

The Fund is committed to providing, as appropriate, full and prompt disclosure to the media of material developments and events. However, all media relations are to be co-ordinated through the Fund's Disclosure Committee and in accordance with its External Communications Policy (the "Communications Policy"). Macquarie Power & Infrastructure Income Group employees should not comment on any inquiry from the media, no matter how innocuous the inquiry may appear. Any employee who is asked for a statement by the media should explain this policy and refer the matter to the CEO and/or the Fund's Spokespersons under the Communications Policy.

5. Political and Charitable Contributions

The use of Macquarie Power & Infrastructure Income Group's funds, goods or services as contributions to political parties, candidates, campaigns or charities is forbidden, unless authorized by the CEO, and the contribution is in accordance with any approved political donations or charitable donations budget. Contributions include money or anything having value, such as loans, services, excessive entertainment, trips and the use of Macquarie Power & Infrastructure Income Group's facilities or assets.

No corporate action, direct or indirect, will be allowed that infringes on the right of any employee individually to decide whether, to whom, and in what amount, he or she will make personal political or charitable contributions. The same is true of volunteer political or charitable donations of personal service time, so long as it does not interfere with the working status of employees.

6. Personal Gain

Employees shall not use their employment status to obtain personal gain from those doing or seeking to do business with any member of Macquarie Power & Infrastructure Income Group. Except as hereinafter provided, employees should neither seek nor accept gifts, payments, services, fees, special valuable privileges, pleasure or vacation trips, or accommodations or loans from any person (except, in the case of loans, from persons in the business of lending and then only on conventional terms) or from any organization or group that does, or is seeking to do business with Macquarie Power & Infrastructure Income Group or from a competitor of Macquarie Power & Infrastructure Income Group. However, employees may accept modest gifts, favours or entertainment provided that in so doing, standards consistent with the tests relating to the furnishing of gifts as set forth in the Gifts and Entertainment section are met.

7. Conflicts of Interest

Employees must avoid all situations in which their personal interests conflict or might conflict with their duties to Macquarie Power & Infrastructure Income Group. Employees should seek to avoid acquiring any interests or participating in any activities that would tend to:

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

In certain instances, ownership or other participation in a competing or complementary business enterprise might create or appear to create such a conflict. Employees are required to disclose in writing to Macquarie Power & Infrastructure Income Group all business, commercial or financial interests or activities that might reasonably be regarded as creating an actual or potential conflict with their duties of employment. Every employee of Macquarie Power & Infrastructure Income Group who is charged with executive, managerial or supervisory responsibility is required to see that actions taken and decisions made within his or her jurisdiction are free from the influence of any interests that might reasonably be regarded as conflicting with those of Macquarie Power & Infrastructure Income Group.

Employees are prohibited from: (a) taking for themselves personally or for family relations, opportunities that properly belong to the Fund or are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; (c) favouring certain customers or suppliers for personal reasons; and (d) competing with the Fund. Employees owe a duty to the Fund to advance its legitimate interests when the opportunity to do so arises. Employees must also disclose the existence of any personal or family relations that could hinder their ability to act in the Fund's best interest, have the potential to do so or could be perceived as doing so.

The law provides that if personal financial benefit is improperly gained by an employee, directly or indirectly, through a spouse or child or a relative sharing the same residence as the employee, as a result of his employment or by the use or misuse of Macquarie Power & Infrastructure Income Group's property or of information that is confidential to the Fund's business, then the employee must account to the appropriate member of Macquarie Power & Infrastructure Income Group for any benefit received. Employees must do more than merely act within the law. They must act in such a manner that their conduct will bear the closest scrutiny should circumstances demand that it be examined. Not only actual conflicts of interest but the very appearance of conflict should be avoided.

8. Outside Employment and Other Activities (Not Applicable to Independent Directors or Trustees)

(a) Taking Up Management Positions

Governance Committee approval is required for an existing employee proposing to accept an external directorship, or a new employee wishing to retain an existing external directorship.

An employee may not accept or retain an external directorship with a company which is a competitor of the Fund. The Governance Committee will take into account any relationship that a supplier or client of Macquarie Power & Infrastructure Income Group has with the company in determining whether to object to the directorship.

An employee who sits on the board of a company (other than a company in Macquarie Power & Infrastructure Income Group) or other entity must abstain from voting on any matter directly or indirectly concerning the business of the Fund or likely to go against the interests of the Fund.

(b) Taking Up Outside Employment

Employees should not engage in any employment or activity outside of Macquarie Power & Infrastructure Income Group that could reasonably be expected to conflict with the interests of the Fund or interfere with the performance of their responsibilities as employees.

Employees must obtain CEO approval prior to accepting outside employment or engagement as an external consultant. The CEO should obtain the approval of the Governance Committee. This rule does not apply to voluntary engagement by charitable or religious organisations which could not reasonably be expected to give rise to a conflict of interest or interfere with work duties.

(c) Personal Relationships

An employee should not participate in acts and decisions on behalf of Macquarie Power & Infrastructure Income Group, or

have access to information, in relation to a corporate transaction in which Macquarie Power & Infrastructure Income Group is engaged where the employee has a close personal relationship with a person who has a role in relation to that transaction other than as a client or the client's professional adviser and the other person's role may give rise to a conflict of interest on the part of the employee, unless:

- i) for employees other than the CEO - the employee has disclosed full particulars of the relationship to the CEO, and the CEO has consented in writing to the employee doing certain acts or acting generally in relation to the business dealing
- ii) for the CEO - the CEO has disclosed that relationship to the Governance Committee, and the Governance Committee has consented in writing to the employee doing certain acts or acting generally in relation to the business dealing.

(d) Charitable Work

Membership of charitable or community boards does not require pre-approval but such activity must not interfere with duties and obligations to Macquarie Power & Infrastructure Income Group and must not reflect negatively on the Fund.

9. Disclosure Statement of Conflicts of Interest

The changes which take place in the Fund's activities and interests and those of individual employees may result in new or different conflicts of interest. A venture which may not be a conflict of interest under one set of circumstances at one point in time could become a conflict under changed circumstances, such as a transfer or promotion. Similarly, an outside activity which is of considerable consequence to the Fund's activities and operations could become of little consequence as circumstances change.

For these reasons, it is important to the performance of these standards for there to be a current and complete disclosure of each employee's transactions, ventures, partnerships, employment, or affiliations of the type referred to above. Such disclosures should be listed on the Acknowledgement and Disclosure Statement at the end of this policy. Full and immediate disclosure of borderline cases will always be taken as good-faith compliance with this Code. The Acknowledgement and Disclosure Statement should be updated or supplemented when and if an employee becomes involved in new situations which may be covered by this policy. You must then comply with any instructions received from the Corporate Secretary.

In addition, trustees, directors and officers must strictly follow the procedures prescribed under corporate legislation and the Fund's Corporate Governance Guidelines in respect of material contracts or transactions in which they are a party or have a material interest. The Corporate Secretary and the Chair of the Governance Committee must be contacted in advance to co-ordinate such approval.

10. Insider Trading and Tipping

Macquarie Power & Infrastructure Income Group encourages all of its employees to become securityholders of the Fund on a long-term investment basis. Employees of Macquarie Power & Infrastructure Income Group, however, are prohibited by Canadian securities laws from insider trading and tipping.

The purchase and sale of the Fund's securities may only be done in accordance with the Fund's Insider Trading and Tipping Policy (the "Insider Trading Policy").

A violation of the Insider Trading Policy is also a violation under this Code. Any insider trading, tipping, market manipulation, fraud or insider reporting laws by any employee may subject the employee to disciplinary action by Macquarie Power & Infrastructure Income Group, up to and including termination, and may be deemed to be cause for the termination of any contract between the appropriate member of Macquarie Power & Infrastructure Income Group and the employee. The employee may also be accountable to the Fund for any benefit or advantage received as a result of insider trading.

Engaging in prohibited insider trading, tipping, market manipulation or fraud, or violating insider reporting requirements, may also have severe consequences, including fines, imprisonment and civil liability.

A copy of the Insider Trading Policy is available from the Corporate Secretary, and questions concerning the Insider Trading Policy or the legal restrictions on insider trading should be directed to the Corporate Secretary or the Chair of the Governance Committee of the Board.

11. Disclosure Of Confidential Information Of The Fund

All Macquarie Power & Infrastructure Income Group employees must not disclose any confidential information about the Fund, except in accordance with the Fund's Communications Policy. Unauthorized disclosure of confidential information of the Fund, including information concerning the finances, employees, technology, processes, facilities, suppliers, customers and markets of the Fund, can severely damage the Fund. If in doubt about whether information is confidential, you should assume all information is confidential unless otherwise informed by your manager.

All employees must also adhere to the Fund's procedures and practices on timely disclosure, as set out in the Communications Policy.

Violation of the Communications Policy is also a violation under this Code. Any unauthorized disclosure of confidential information of Macquarie Power & Infrastructure Income Group by an employee may subject the employee to disciplinary action by Macquarie Power & Infrastructure Income Group, up to and including termination. A copy of the Communications Policy is available from the Corporate Secretary, and questions concerning the Statement may be directed to the CEO or the Corporate Secretary.

12. Employee Privacy And Personal Information

The collection of personal information is to be limited to that which is necessary for business, legal, security or contractual purposes and is to be conducted by fair and lawful means with the knowledge and consent of the individual from whom the information is being collected. Access to employee personnel and medical records and the information contained therein shall be limited to those with a need to know for a legitimate business purpose. All employees have the right to see their own personnel record. Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with the knowledge and consent of the individual or as required by law. Personal information shall be retained only as long as necessary for the fulfilment of those purposes and shall be kept sufficiently accurate, complete and up-to-date to minimize the possibility that inappropriate information may be used or disclosed.

Macquarie Power & Infrastructure Income Group and its employees will observe obligations of confidentiality and non-disclosure of personal information, including information of its employees and customers, with the same degree of diligence that employees are expected to use in protecting confidential information relating to the Fund. Macquarie Power & Infrastructure Income Group is responsible for all personal information in its possession or custody, including information that has been transferred to a third party for processing, and all employees shall adhere to all of Macquarie Power & Infrastructure Income Group's policies and procedures in place to protect personal information against loss or theft, as well as unauthorized access, disclosure, copying, use or modification. Macquarie Power & Infrastructure Income Group and all employees shall also comply with all applicable laws regulating the disclosure of personal information, including the *Personal Information Protection and Electronic Documents Act* (Canada) where applicable.

13. Recording Of Transactions And Reporting Of Financial Information

The Fund's books and records must fully and fairly disclose, in an accurate, timely and understandable manner, all transactions and dispositions of the assets of the Fund.

The integrity of the Fund's record-keeping and reporting systems shall be maintained at all times. Employees must document and record all transactions in accordance with the Fund's internal control procedures and in compliance with all

applicable accounting principles, laws, rules and regulations. Employees and managers are forbidden to use, authorize, or condone the use of "off-the-books" record-keeping or any other device that could be utilized to distort records or reports of the Fund's true operating results and financial conditions. Maintenance of falsified, inaccurate or incomplete records can subject the offending individual and the Fund to civil and criminal penalties.

All funds and assets are to be recorded and disclosed. The use of any member of Macquarie Power & Infrastructure Income Group's funds or assets for any unlawful or improper purpose is strictly prohibited, and those responsible for the accounting and record-keeping functions are expected to be vigilant in ensuring enforcement of this prohibition. Employees with responsibility for reporting financial information shall provide information that is accurate, complete, objective, timely and understandable and complies with all applicable laws relating to the recording and disclosure of financial information. Employees will not improperly influence, manipulate or mislead any auditor engaged in the performance of an audit of the Fund's financial information or financial statements.

14. Improper Influence On Conduct Of Audits

No employee shall fraudulently influence, coerce, manipulate or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements for the purpose of rendering such financial statements materially misleading.

The honesty and integrity of those who represent the Fund must underlie all of Macquarie Power & Infrastructure Income Group's relationships, including those with shareholders, customers, suppliers, governments, regulators, professional service providers and others. The integrity of the Fund's financial reporting is of particular importance as shareholders rely on the Fund to provide complete and accurate information. The dissemination of financial statements that contain materially misleading information can cause serious legal difficulties for both the Fund and the employee.

15. Records Retention

Certain records received or generated at Macquarie Power & Infrastructure Income Group must be retained for specified periods of time; other records should be purged on a regular basis. Legal and regulatory practice requires the retention of certain records for various periods of time, particularly in the tax, personnel, health and safety, food safety, environmental and financial areas. Failure to retain documents for such minimum periods may subject the Fund to penalties and fines or place a member of Macquarie Power & Infrastructure Income Group at a serious disadvantage in litigation. In addition, when litigation or a governmental investigation or audit is pending or imminent, relevant records must not be altered or destroyed until the matter is closed. Destruction of records to avoid disclosure in a legal or governmental proceeding may constitute a criminal offense.

16. Government Investigations

It is the policy of the Fund to fully cooperate with any appropriate governmental investigation. A condition of such cooperation, however, is that any member of Macquarie Power & Infrastructure Income Group be adequately represented in such investigations by its own legal counsel. Accordingly, any time an employee receives information about a new government investigation or inquiry, this information should be communicated immediately to the CEO or the Corporate Secretary. Some government dealings (for example, tax audits, audits or investigations from the Ministry of Labour) can be handled by the employee responsible for such matters. However, if an employee believes that a routine audit may evolve into a more formal government investigation, the CEO and the Corporate Secretary should be contacted.

Employees should never, under any circumstances:

- (a) destroy or alter any Macquarie Power & Infrastructure Income Group documents or records in anticipation of a request for those documents from any government agency or a court;

- (b) lie or make any misleading statements to any governmental investigator (including routine as well as non-routine investigations); or
- (c) attempt to cause any other Macquarie Power & Infrastructure Income Group employee, or any other person, to fail to provide information to any government investigator or to provide any false or misleading information.

Should any government inquiry be made through the issuance of a written request for information, such request should immediately, and before any action is taken or promised, be submitted to the CEO and/or the Corporate Secretary. Oral inquiries and requests for documents or information should also be directed to the CEO and/or the Corporate Secretary.

17. Protection Of The Environment

The Fund is committed to the protection of the environment and has adopted a specific **Environmental and Social (Including Occupational Health and Safety) Responsibility Policy** which all Macquarie Power & Infrastructure Income Group employees must adhere to.

18. Discrimination-Free Work Environment

Employees must adhere to the policy of the Fund which specifically provides for a work environment free of discrimination and harassment, and in which individuals are accorded equality of employment opportunity based upon merit and ability.

Discriminatory practices based on race, ancestry, place of origin, colour, national or ethnic origin, citizenship, creed, sex, sexual orientation, religion, marital status, family status, same-sex partnership status, age, record of offences, handicap or other prohibited grounds of discrimination under applicable law will not be tolerated.

Further, it is the responsibility of each employee to help Macquarie Power & Infrastructure Income Group provide a work atmosphere free of harassing, abusive, disrespectful, disorderly, disruptive or other non-professional conduct. Sexual harassment in any form, verbal or physical, by any employee, will not be tolerated. A violation of this policy will be treated with appropriate discipline, up to and including termination, and may be deemed to be cause for the termination of any contract between a member of Macquarie Power & Infrastructure Income Group and the employee.

19. Occupational Health And Safety Laws

The health and safety of employees is a matter of paramount concern for all members of Macquarie Power & Infrastructure Income Group. Macquarie Power & Infrastructure Income Group's policy is to provide a workplace free of preventable hazards and to comply with all laws and regulations governing workplace health and safety, including the Ontario *Occupational Health and Safety Act*. Most accidents and injuries are preventable, and to avoid needless injury, each employee must follow all of Macquarie Power & Infrastructure Income Group's safety and health rules. Managers and supervisors also must keep abreast of and understand the workplace safety laws and regulations that apply to their areas of responsibility and ensure compliance with them. Macquarie Power & Infrastructure Income Group wants its employees to report possible safety problems to appropriate management personnel, to make suggestions regarding appropriate safety controls and warnings, and to participate in Macquarie Power & Infrastructure Income Group safety programs on a continuing basis.

20. Competition And Trade Practice Standards

The Fund shall compete vigorously and creatively in its business activities, but its efforts in the marketplace shall be conducted in a fair and ethical manner in strict compliance with applicable competition and trade practice laws and regulations.

The Fund's policy is to comply with all applicable laws and regulations in Canada and elsewhere addressing competition and trade practices. Strict compliance with these laws is particularly important because of the extremely serious

consequences of violations for Macquarie Power & Infrastructure Income Group and its employees. Violations of these laws can subject the Fund or a member of Macquarie Power & Infrastructure Income Group to heavy fines and criminal and other sanctions. Employees who authorize or engage in acts in violation of such laws may also be personally subject to substantial fines and to imprisonment.

As competition laws are complex and the application of such laws is fact-specific, employees should refer matters about which they are in doubt to their supervisor who, if necessary, should seek the advice of the Corporate Secretary.

21. Gathering Competitive Information

Macquarie Power & Infrastructure Income Group employees will not use improper or illegal means of gathering information about competitors or other third parties. Theft or illegal entry and electronic eavesdropping are obviously unacceptable means of searching for competitive intelligence. In addition, employees must not represent themselves or their situation in order to convince others to release information to them (for example, by posing as a customer) or retaining a third party to do so. Employees must not offer a bribe or a gift in exchange for a competitor's information nor solicit information from a competitor's ex-employee now working for Macquarie Power & Infrastructure Income Group.

22. Transacting International Business

The *Corruption of Foreign Public Officials Act* (Canada) makes it an offence to make or offer a payment, gift or benefit to a foreign government official in order to induce favourable business treatment, such as obtaining or retaining business or some other advantage in the course of business. This principle applies to the Company's operations around the world, even where such practices may be considered to be a way of "doing business" or necessary in a particular country in question. Furthermore, this legislation applies to dealings with foreign public officials in Canada and in the official's own state.

In view of the substantial penalties and related consequences under this legislation, both to the Fund and the involved individuals, and in order to avoid any misunderstanding, it is the Fund's policy that no payments or offers to make payments whatsoever, regardless of amount or purpose, including facilitating payments permitted by the legislation, shall be made either directly or through third parties to officials or employees of government agencies or instrumentalities (including government monopolies) without the prior receipt of a written opinion from the Corporate Secretary or his or her designee that the payment does not violate the legislation, and an express authorization from the CEO. Moreover, all approved arrangements must be covered by written contracts and documented in accordance with the Fund's legal and accounting requirements and ethical business practices.

23. Crime And Money-Laundering Prevention

Macquarie Power & Infrastructure Income Group is committed to comply fully with all applicable laws, including anti-money laundering laws, both domestically and internationally. Macquarie Power & Infrastructure Income Group will conduct business only with reputable customers who are involved in legitimate business activities and whose funds are derived from legitimate sources. All employees are to take reasonable steps to ensure that Macquarie Power & Infrastructure Income Group does not aid or take part in any illegal activities or accept forms of payment that have been identified as means of laundering money.

24. Whistleblowing Policy

Macquarie Power & Infrastructure Income Group aims to provide a working environment that enables employees to voice genuine concerns in relation to: a breach of corporations legislation, a breach of Macquarie Power & Infrastructure Income Group's Goals and Values, financial malpractice or impropriety or fraud, failure to comply with a legal obligation or legislation, dangers to health and safety or the environment, criminal activity, or attempts to conceal any of these. The

Whistleblowing Policy protects potential whistleblowers from retaliation for reporting in good faith any concerns with respect to the above matters and outlines the procedure to follow if such a report were to be made.

25. Computing Technology

Employees with access to Macquarie Power & Infrastructure Income Group computing and communication devices must use them in a responsible manner for the benefit of Macquarie Power & Infrastructure Income Group and employees should ensure that they are used appropriately and with care. While incidental personal use may occasionally occur and is acceptable, these resources are intended for Macquarie Power & Infrastructure Income Group's benefit and use, and employees shall not create or transmit any unsolicited commercial, advertising or recreational material, or use any system resources for political activities, or to advance the interests of any party other than Macquarie Power & Infrastructure Income Group.

Information transmitted through Macquarie Power & Infrastructure Income Group resources implies affiliation with the Fund and should therefore reflect positively upon the Fund. Employees shall not create, access or transmit any material, data, text, audio or images, or material that is capable of being converted, which is offensive, obscene, indecent, libellous, slanderous, harassing, annoying or defamatory. Employees are expected to discourage others from transmitting such information to their internet address. Employees must also comply with all laws including those in respect to all forms of intellectual property rights, trademarks, copyrights and harassment.

Employees must use facilities efficiently, minimize unnecessary messages to others, and refrain from activities that will jeopardize the normal business operation of the system. Computer system passwords and/or user identifications must not be disclosed to anyone except in accordance with Macquarie Power & Infrastructure Income Group's policy. Normal standards of professionalism should govern when deciding whether to make information available on Macquarie Power & Infrastructure Income Group's computing and communication devices. All internet use by Macquarie Power & Infrastructure Income Group's employees is subject to periodic audit by authorized personnel.

26. Representatives To Act With Integrity

When it is necessary to engage the services of an individual or firm to consult for or otherwise represent the Fund, special consideration must be given to avoid any situation that may create, or appear to create, a conflict of interest between the Fund and the person or firm employed.

Macquarie Power & Infrastructure Income Group will enter into representation agreements only with companies believed to have a record of and commitment to integrity. Efforts will be taken by Macquarie Power & Infrastructure Income Group and its employees to ensure that agents, consultants, independent contractors and representatives are aware of this Code. The Corporate Secretary / CEO should be contacted prior to retaining any individual who is to act as an agent, consultant, independent contractor or representative, and such individual should be retained only pursuant to a written contract that has been approved by the Corporate Secretary.

Macquarie Power & Infrastructure Income Group will seek to inform its agents, consultants, independent contractors and representatives of their responsibility to act on behalf of Macquarie Power & Infrastructure Income Group consistent with the Code, other Fund statements and policies and any applicable law or regulation.

In cases where an agent, consultant, independent contractor, or a representative is engaged to provide services to the Macquarie Power & Infrastructure Income Group and that individual deals on behalf of the Fund with government officials or political parties or candidates, or has access to confidential information, such person will be provided with a copy of this Code and shall sign the prescribed Acknowledgement and Disclosure Statement.

27. Duty To Report – Employee Responsibilities And Sanctions

Every employee has a duty to adhere to this Code and all of Macquarie Power & Infrastructure Income Group's statements and policies, and to report any suspected violations. Macquarie Power & Infrastructure Income Group employees must follow all corporate by-laws, policies and other corporate requirements and directives of Macquarie Power & Infrastructure Income Group. Failure to comply with this Code may lead to disciplinary action being taken, including termination of

employment. Managers, officers, directors and trustees may also be subject to disciplinary action if they condone misconduct or do not demonstrate the appropriate leadership to ensure compliance with the Code.

An employee who becomes aware of a violation or possible violation of this Code or any of Macquarie Power & Infrastructure Income Group's statements and policies must report that information immediately to his or her supervisor or the CEO and any such report must also be immediately provided in writing to the Corporate Secretary and the Chair of the Governance Committee.

Where a concern arises over an officer, director or trustee's conduct in relation to this Code, the Governance Committee will serve as an independent authority for overseeing the review and disciplinary process of the involved individual.

An employee may report questionable accounting or auditing matters, on an anonymous basis, by addressing a written submission to the Chair of the Audit Committee.

Macquarie Power & Infrastructure Income Group will not permit any form of retaliation, (including discharge, demotion, suspension, threats, harassment or any other form of discrimination) against an employee who has truthfully and in good faith:

- reported violations of this Code;
- lawfully provided information or assistance in an investigation regarding any conduct which the employee reasonably believes constitutes a violation of applicable securities laws or applicable federal laws relating to fraud against shareholders;
- filed, caused to be filed, testified, participated in or otherwise assisted in a proceeding related to a violation of applicable securities laws or applicable federal laws relating to fraud against shareholders; or
- provided a law enforcement officer with truthful information regarding the commission or possible commission of a federal offence, unless the individual reporting is one of the violators.

Macquarie Power & Infrastructure Income Group will strictly enforce this policy, and will treat retaliatory action as a violation that is subject to the same disciplinary measures, up to and including termination, as the prohibited discriminatory or harassing conducts.

A material departure from the Code is likely to be considered a "material change" under the Securities Act (Ontario) and will require the filing of a material change report which should disclose, among other things, the date of the departure, parties involved, reason for either sanctioning or not sanctioning the departure and any measures taken by the Board to remedy the departure.

28. Distribution

Each employee of Macquarie Power & Infrastructure Income Group who has executive, managerial or supervisory responsibilities, or deals on behalf of Macquarie Power & Infrastructure Income Group with government officials or political parties or candidates, or who has access to confidential information, will be provided with a copy of this Code. To ensure a proper understanding of this Code, any questions pertaining to its application to the area of responsibility and jurisdiction of the employee, will be explained by the employee's supervisor.

At the commencement of employment and every year thereafter, each employee shall sign the Acknowledgement and Disclosure Statement, which will be retained by the Corporate Secretary, and which shall confirm to senior management that each such employee has completed the required form acknowledging having read or reread, as the case may be, the current version of this Code.

An employee who occupies a position as a CEO, Chief Financial Officer, and other senior financial officers performing similar functions as the Chief Financial Officer ("Financial Manager") shall be held to an elevated standard of ethical conduct. In addition to being bound by this Code, they shall be bound by the Code of Ethical Conduct for Financial Managers.

This Code does not supersede, change, alter or replace the existing policies and procedures already in place as stated in any Employee Manual used by a member of Macquarie Power & Infrastructure Income Group and communicated to our employees, officers, trustees and directors. Certain policies referred to herein are contained in their entirety in the policies of the Board, and employees are instructed to refer to the Corporate Secretary for A Copy Of Those Policies And Required Reporting Procedures.

29. Monitoring Compliance

The ultimate responsibility for monitoring compliance with the Code lies with the Board. The Board has delegated this responsibility to the Governance Committee to oversee governance matters from time to time (the "Committee"). The Committee will be responsible for:

- filing the Code with the securities regulators on an annual basis, as required by law;
- reviewing the Code on an annual basis and approving amendments to the Code, if necessary or desirable;
- subject to the Fund's Corporate Governance Guidelines, granting waivers to employees from the Code, if any;
- disclosing all waivers from the Code that have been granted in accordance with all Canadian, or other applicable legal requirements;
- overseeing the preparation of and approving public disclosure relating to the Code; and
- overseeing implementation and monitoring of the Code by the Corporate Secretary.

The Fund reserves the right to audit compliance with this Code. Accordingly, all employees shall afford any external or internal auditors full, free and unrestricted access to all Macquarie Power & Infrastructure Income Group operations, records, facilities and personnel, as related to the assets of the Fund, and will take appropriate measures to safeguard information obtained through the audit process.

CODE OF ETHICAL CONDUCT FOR FINANCIAL MANAGERS

In my role as _____ of Macquarie Power & Infrastructure Income Group,

I recognize that the Chief Executive Officer ("CEO"), Chief Financial Officer, and any other senior financial officers performing similar functions as the Chief Financial Officer (the "Financial Managers") hold an important and elevated role in corporate governance.

I recognize that Financial Managers are uniquely capable and empowered to ensure that securityholders' interests are appropriately balanced, protected and preserved. Accordingly, this Code of Ethical Conduct for Financial Managers ("Code for Financial Managers") provides principles to which Financial Managers are expected to adhere and advocate, supplementing the Code of Business Conduct applicable to all trustees, directors, officers and employees of Macquarie Power & Infrastructure Income Group.

The Code for Financial Managers embodies rules regarding individual and peer responsibilities, as well as responsibilities to Macquarie Power & Infrastructure Income Group, the public and other securityholders. The Board of Trustees of the Fund has also established a procedure under the Code of Business Conduct and Ethics for determining the appropriate actions to be taken in response to reports of violations of the Code of Business Conduct and Ethics. The procedures established in the Code of Business Conduct and Ethics shall also apply to reports of violations of this Code for Financial Managers. Waivers of this Code for Financial Managers shall not be permitted.

I certify to you that I adhere to and advocate the following principles and responsibilities governing my professional and ethical conduct.

To the best of my knowledge and ability:

1. I act with honesty and integrity, including the ethical handling and avoidance of actual or apparent conflicts of interest in personal and professional relationships. In particular, I will not use or attempt to use my positions at Macquarie Power & Infrastructure Income Group to obtain any improper benefit for myself, my family, or for any other person.
2. I provide securityholders of the Fund with accurate, complete, objective, relevant, timely and understandable information.
3. I encourage open communication with Financial Managers and accountants engaged in financial audits of the Fund to promote full disclosure of all relevant and material financial information, both favourable and unfavourable.
4. I administer financial accounting controls that are appropriate to ensure the integrity of the financial reporting process and the availability of timely and relevant information.
5. I comply with rules and regulations of federal, provincial and local governments, and other appropriate private and public regulatory agencies that affect the conduct of the Fund's business and financial reporting.
6. I promptly bring to the attention of the Chair of the Audit Committee and the CEO any information I may have concerning (a) significant deficiencies in the design or operation of internal controls which could adversely impact the Fund's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in Macquarie Power & Infrastructure Income Group's financial reporting, disclosures or internal controls.
7. I proactively promote ethical behavior as a responsible partner among peers in my work environment and promote the prompt internal reporting of violations of this Code for Financial Managers or the Code of Business Conduct.
8. I act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing my independent judgment to be subordinated.

- 9. I respect the confidentiality of information acquired in the course of my work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of my work is not used for personal advantage.
- 10. I achieve responsible use of and control over all assets and resources employed or entrusted to me.

SIGNATURE

NAME

[DATE]

CODE OF BUSINESS CONDUCT AND ETHICS

ACKNOWLEDGEMENT AND DISCLOSURE STATEMENT

I acknowledge that I have received and understand Macquarie Power & Infrastructure Income Group's Code of Business Conduct and Ethics and, if applicable, the Code of Ethical Conduct for Financial Managers, dated and that I have read or re-read such code(s) this year. I understand the provisions of the Code of Business Conduct and Ethics and, if applicable, the Code of Ethical Conduct for Financial Managers, and I acknowledge and accept that my continued employment or engagement may be dependent upon my compliance with Macquarie Power & Infrastructure Income Group's rules and policies as set forth therein. I agree that Macquarie Power & Infrastructure Income Group may, from time to time, require that I execute periodic renewals or alternative versions of this acknowledgement and disclosure statement. I also understand that I have an obligation to report any violation of these rules and policies in the manner set forth in the Code of Business Conduct and Ethics.

LIST OF TRANSACTIONS, AFFILIATIONS, VENTURES, PARTNERSHIPS, OUTSIDE EMPLOYMENT OR ACTIVITIES (If none, please check "I have nothing to disclose" below. If there are such disclosures or if you are not sure, list these below, using attachments if necessary.

I have nothing to disclose.

I disclose the following:

NAME OF EMPLOYEE

TITLE

LOCATION

EMPLOYEE SIGNATURE

DATE

I have reviewed the Code of Business Conduct and Ethics with the above-named employee, and have reviewed all disclosure items set forth above and/or on any attachment.

SUPERVISOR SIGNATURE

DATE

CODE OF BUSINESS CONDUCT AND ETHICS

CERTIFICATION FOR YEAR ENDED DECEMBER 31, 2005

I, _____ acknowledge that I have received and understand Macquarie Power & Infrastructure Income Group's Code of Business Conduct and Ethics (the "Code"). I understand that the provisions of the Code are mandatory and full compliance is expected under all circumstances. I also understand any violation of this Code may be cause for remedial action, which could include termination of employment.

I certify that I have complied with the code while performing all my duties and responsibilities during the previous calendar year.

I certify that I have reported any irregularities or violations of this Code, that I am aware of, in accordance with the Code.

Signature

Date