

FINANCE COMMITTEE CHARTER

Purpose

The Finance Committee is appointed by the Board of Directors of Principal Financial Group, Inc. ("PFG"). The primary purpose of the Committee is to assist the Board with respect to PFG's financial, investment and capital management policies.

Organization

The Finance Committee shall be comprised of not less than three members of the Board, a majority of which shall constitute a quorum. The members and the chairperson shall be appointed by the Board on the recommendation of the Nominating and Governance Committee. The majority of the Finance Committee members shall meet the independence requirements of the stock exchange on which the Company's common stock is listed.

The Finance Committee shall meet not less than three times per year and shall make regular reports to the Board. The Finance Committee shall have the resources and authority to discharge its responsibilities, including the authority to retain counsel or other experts or consultants.

Responsibilities

The Finance Committee's responsibilities relate to corporate financing, capital structure, cash management, liquidity, capital/cash management deployment, investments, financial and pricing risks, hedging activities and financial plans and projections. Specifically, the Finance Committee shall:

1. Review the capital structure of the organization and the organization's capital plan. The Committee shall review and provide guidance to the Board on significant financial transactions, financial policies and matters of corporate finance, including PFG's shareholder and preferred dividend policies, share repurchase program and the issuance and retirement of debt and other securities.
2. Annually review and provide guidance to the Board and the Human Resources Committee on the assumptions behind the financial projections for, and the appropriateness of, the Company's financial goals for the annual and long-term incentive plans.
3. Review and provide guidance to the Board about proposed mergers, acquisitions and divestitures.
4. Review of credit ratings and ratings strategy.
5. Review the adequacy of funding for PFG's and its subsidiaries' qualified pension plans.
6. Review the investment policies, strategies and programs of PFG and its subsidiaries. The Committee may recommend to the Board changes to the Board's resolution empowering the Investment Committee to direct and approve individual investment transactions.
7. Review the hedging program and the policies and procedures governing the use of financial instruments including derivative instruments by PFG and its subsidiaries.
8. Review PFG's tax planning strategies.
9. Assist PFG's Board in overseeing and reviewing information regarding PFG's enterprise risk management, including the significant policies, procedures and practices employed to manage liquidity risk, credit risk, market risk, and pricing risk.
10. Annually review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval. Evaluate annually Committee performance and effectiveness.