

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report: **February 22, 2021 (February 21, 2021)**  
(Date of earliest event reported)

**PRINCIPAL FINANCIAL GROUP, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-16725**  
(Commission file number)

**42-1520346**  
(I.R.S. Employer  
Identification Number)

**711 High Street, Des Moines, Iowa 50392**  
(Address of principal executive offices)

**(515) 247-5111**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	PFG	Nasdaq Global Select Market

- Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§203.405 of this chapter) or rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).Emerging growth company
- If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01 Entry Into a Material Definitive Agreement.**

On February 21, 2021, Principal Financial Group, Inc., a Delaware corporation (the “Company”), entered into a cooperation agreement (the “Cooperation Agreement”) with Elliott Investment Management L.P., a Delaware limited partnership, Elliott Associates, L.P., a Delaware limited partnership, and Elliott International, L.P., a Cayman Islands limited partnership (collectively, “Elliott”).

Pursuant to the Cooperation Agreement, the Company has agreed to take such actions as are necessary within two (2) business days to (i) elect Mary Elizabeth “Maliz” Beams (the “New Independent Director”) to the Company’s board of directors (the “Board”) and (ii) appoint the New Independent Director to the Board’s Finance Committee (the “Finance Committee”). In addition, the Company has agreed that the Company and Elliott will cooperate to identify and mutually agree upon an additional independent director with expertise and skills as determined by the Board’s Nominating and Governance Committee (the “Additional New Independent Director” and, together with the New Independent Director, the “New Directors”) and that, by September 30, 2021, the Board and all applicable committees thereof will take such actions as are necessary to elect the Additional New Independent Director to the Board.

The Cooperation Agreement provides for customary director replacement rights for the New Directors during the Cooperation Period (as defined below), pursuant to which the Company and Elliott have agreed to cooperate to identify mutually acceptable substitutes to the extent either of the New Directors ceases to serve as a director. Similar rights apply if the New Independent Director ceases to serve on the Finance Committee prior to the Company’s proposed investor day, which will occur on or before June 30, 2021. Elliott’s rights in connection with identifying such substitutes terminate at such time as Elliott’s net long economic exposure to the Company’s common stock falls below 2%.

Under the terms of the Cooperation Agreement, Elliott has agreed to abide by customary standstill restrictions (subject certain exceptions relating to private communications to the Company) until thirty (30) days prior to the deadline for the submission of stockholder nominations for non proxy-access director candidates for the Company’s 2022 annual meeting of stockholders (the “Cooperation Period”), including that Elliott will not, among other things, (A) engage in transactions resulting in Elliott’s beneficial ownership exceeding 5% of the Company’s common stock, or its aggregate economic exposure exceeding 9.9% of the Company’s common stock, (B) seek any additional representation on the Board, (C) make any requests for stock list materials or other books and records of the Company, (D) engage in any solicitation of proxies or (E) make certain proposals relating to extraordinary transactions publicly or in a manner that would require public disclosure. The Cooperation Agreement provides that the standstill restrictions will terminate automatically upon certain events, including, among other things, the Company’s material breach of the Cooperation Agreement and the Company’s entry into certain change-of-control and other extraordinary transactions.

Under the Cooperation Agreement, Elliott has agreed to appear in person or by proxy at any annual or special meeting of the Company’s stockholders held during the Cooperation Period and to vote (i) in favor of the slate of directors nominated by the Board for election, and in accordance with the recommendations of the Board on all other proposals and (ii) against the removal of any incumbent directors or the election of any director nominees not recommended by the Board; provided, however, that if both Institutional Shareholder Services Inc. (“ISS”) and Glass, Lewis & Co., LLC (“Glass Lewis”) recommend otherwise with respect to any of the Company’s proposals at any such meeting (other than proposals relating to the election or removal of directors, the size of the Board, or filling vacancies on the Board), Elliott is permitted to vote in accordance with the ISS or Glass Lewis recommendation. The Company and Elliott also agreed to customary mutual non-disparagement obligations.

To enable the election of the New Independent Director, the Company has expanded the size of the Board from twelve (12) to thirteen (13) members. The Company has agreed that, (i) from the election of the New Independent Director as a member of the Board until the end of the Cooperation Period, the size of the Board will be no greater than thirteen (13) members, and (ii) from the election of the Additional New Independent Director as a member of the Board until the end of the Cooperation Period, the size of the Board will be no greater than fourteen (14) members.

Concurrently with their entry into the Cooperation Agreement, the Company and Elliott entered into an information sharing agreement (the “[Information Sharing Agreement](#)”) to enable the Company to share with Elliott certain confidential information related to a review to be overseen by the Finance Committee in advance of the Company’s proposed investor day, which will occur on or before June 30, 2021.

On February 22, 2021, the Company issued a press release announcing the signing of the Cooperation Agreement and the Information Sharing Agreement. A copy of the press release is attached hereto as Exhibit 99.1.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the Cooperation Agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

**Item 5.02      Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

In accordance with the Cooperation Agreement, on February 21, 2021 the Board appointed the New Independent Director to the Board as a Class I member, with an initial term expiring at the 2023 Annual Meeting, effective 5:00 p.m., Central Time, on February 23, 2021. The Board has affirmatively determined, upon the recommendation of its Nominating and Governance Committee, that the New Independent Director is “independent” under the rules of the Nasdaq Global Select Market LLC. The Board has also determined, upon the recommendation of its Nominating and Governance Committee, to appoint the New Independent Director to the Finance Committee.

The New Independent Director will receive compensation consistent with that received by the Company’s other non-employee directors. A description of the compensatory arrangements for non-employee directors will be included in the Company’s proxy statement on Schedule 14A for the Company’s 2021 Annual Meeting of Stockholders (the “[2021 Annual Meeting](#)”), which will be filed with the U.S. Securities and Exchange Commission prior to the 2021 Annual Meeting. In connection with the election of the New Independent Director, the Company will enter into an indemnification agreement (the “[Indemnification Agreement](#)”) with the New Independent Director similar to the indemnification agreement entered into with all other members of the Board, the form of which is filed as Exhibit 10.12.1 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2020.

There are no arrangements or understandings between the New Independent Director and any other person pursuant to which the New Independent Director, was elected to the Board, other than with respect to the matters referred to in Item 1.01. There are no transactions in which the New Independent Director has or will have an interest that would be required to be disclosed pursuant to Item 404(a) of Regulation S-K under the Securities Exchange Act of 1934, as amended, at this time.

**Item 9.01      Financial Statements and Exhibits.**

[10.1](#)      [Cooperation Agreement, dated as of February 21, 2021, by and among Principal Financial Group, Inc., Elliott Investment Management L.P., a Delaware limited partnership, Elliott Associates, L.P., a Delaware limited partnership, and Elliott International, L.P., a Cayman Islands limited partnership.](#)

[99.1](#)      [Press Release of Principal Financial Group, Inc. dated February 22, 2021.](#)

104      Cover Page Interactive Data File. The cover page XBRL tags are embedded within the inline XBRL document (contained in Exhibit 101).

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PRINCIPAL FINANCIAL GROUP, INC.

By: /s/ John Egan

Name: John Egan

Title: Vice President – Investor Relations

Date: February 22, 2021

## COOPERATION AGREEMENT

This Cooperation Agreement (this “**Agreement**”), dated as of February 21, 2021, is by and among Elliott Investment Management L.P., a Delaware limited partnership, Elliott Associates, L.P., a Delaware limited partnership, and Elliott International, L.P., a Cayman Islands limited partnership (each, an “**Elliott Party**,” and together, the “**Elliott Parties**”), and Principal Financial Group, Inc., a Delaware corporation (the “**Company**”).

WHEREAS, the Company and the Elliott Parties have engaged in certain discussions concerning the Company;

WHEREAS, the Company and the Elliott Parties desire to enter into an agreement regarding the appointment of certain new independent directors selected in accordance with the terms hereof to the Board of Directors of the Company (the “**Board**”) and certain other matters, in each case, on the terms and subject to the conditions set forth therein; and

WHEREAS, concurrently with the execution of this Agreement, the Elliott Parties and the Company are entering into an information sharing agreement to enable the Company to share confidential information with the Elliott Parties regarding an investor day, scheduled to occur on or before June 30, 2021 (the “**Investor Day**”).

NOW, THEREFORE, in consideration of and reliance upon the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Elliott Parties and the Company agree as follows:

1. Board of Directors.

(a) New Independent Director. Within two (2) business days (as defined below) following the date hereof, the Board and all applicable committees thereof shall take (or shall have taken) such actions as are necessary to appoint Mary Elizabeth “Maliz” Beams (the “**New Independent Director**”) as a Class I member of the Board with an initial term expiring at the Company’s 2023 Annual Meeting of Stockholders (the “**2023 Annual Meeting**”).

(b) Additional New Independent Director. Subject to the following sentence of this Section 1(b), the Company and the Elliott Parties shall cooperate to identify and mutually agree upon a director candidate having such expertise and skills as shall be determined by the Nominating and Governance Committee of the Board (the “**Nominating and Governance Committee**”) in accordance with and subject to the Company Policies (as defined below), the charter of the Nominating and Governance Committee and the Company’s policies and procedures of general application to members of the Board and applicable law (the “**Additional New Independent Director**”, and together with the New Independent Director, the “**New Directors**”), and the Board and all applicable committees thereof shall take (or shall have taken) such actions as are necessary to appoint the Additional New Independent Director as a Class I member of the Board with an initial term expiring at the 2023 Annual Meeting not later than September 30, 2021. Prior to the appointment of the Additional New Independent Director pursuant to this Section 1(b), (i) the Board shall have determined that the Additional New Independent Director qualifies as Independent and otherwise satisfies the Board membership criteria set forth in the Company’s Corporate Governance Guidelines (the “**Corporate Governance Guidelines**”) and in accordance with the charter of the Nominating and Governance Committee and (ii) the Additional New Independent Director shall have complied with the conditions set forth in Section 1(f).

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(c) New Director Agreements, Arrangements and Understandings. Each of the Elliott Parties agrees that neither it nor any of its Affiliates (as defined below) (i) has paid or will pay any compensation to any of the New Directors in connection with such person's service on the Board or any committee thereof or (ii) has or will have any agreement, arrangement, or understanding, written or oral, with any of the New Directors regarding such person's service on the Board or any committee thereof.

(d) Replacement New Director. Subject to the following sentence of this Section 1(d), if any New Director is unable or unwilling to serve as a director, resigns as a director, is removed as a director or ceases to be a director for any other reason prior to the expiration of the Cooperation Period (as defined below), the Company and the Elliott Parties shall cooperate to identify and mutually agree upon a substitute Independent director having such expertise and skills as shall be determined by the Nominating and Governance Committee in accordance with and subject to the Company Policies, the charter of the Nominating and Governance Committee and the Company's policies and procedures of general application to members of the Board and applicable law (the "**Replacement New Director**"), and the Board and all applicable committees thereof shall take (or shall have taken) such actions as are necessary to appoint the Replacement New Director to serve as a director of the Company for the remainder of such New Director's term. Effective upon the appointment of the Replacement New Director to the Board, such Replacement New Director will be considered a New Director for all purposes of this Agreement from and after such appointment. Prior to the appointment of the Replacement New Director pursuant to this Section 1(d), (i) the Board shall have determined that the Replacement New Director qualifies as Independent and otherwise satisfies the Board membership criteria set forth in the Corporate Governance Guidelines and in accordance with the charter of the Nominating and Governance Committee and (ii) the Replacement New Director shall have complied with the conditions set forth in Section 1(f).

(e) Finance Committee. Upon the appointment of the New Independent Director to the Board pursuant to Section 1(a), the Board and all applicable committees thereof shall take such actions as are necessary to appoint the New Independent Director to serve as a member of the Finance Committee of the Board (the "**Finance Committee**"), and such that, as of 5:00 p.m. Central Time on February 23, 2021, the Finance Committee will include the following directors: the Jonathan S. Auerbach, Mary Elizabeth "Maliz" Beams, Sandra L. Helton, Roger C. Hochschild, Blair C. Pickerell and Clare S. Richer, with Clare S. Richer serving as Chairperson of the Finance Committee. Additionally, if the New Independent Director is unable or unwilling to serve as a member of the Finance Committee, resigns as a member, is removed as a member or ceases to be a member for any other reason prior to the Investor Day, upon the written request of the Elliott Parties, the Company and the Elliott Parties shall cooperate to identify and mutually agree upon a director serving on the Board at the time of such selection (including a Replacement New Director) to serve on the Finance Committee as a replacement for such member (the "**Replacement Committee Member**"). Effective upon the appointment of the Replacement Committee Member to the Finance Committee, such Replacement Committee Member will be considered the "New Independent Director" solely for the purposes of the immediately preceding sentence from and after such appointment.

(f) New Director Information. The Elliott Parties acknowledge that, as a condition to the Additional New Independent Director's appointment to the Board and any subsequent nomination of each New Director for election as a director at any future Company meeting of stockholders (each, an "**Annual Meeting**"), such New Director shall have promptly provided to the Company (i) any consents and information the Company reasonably requests in connection with such appointment or nomination, including completion of the Company's standard forms, D&O questionnaires and other customary onboarding documentation and an executed consent to be named as a nominee in the Company's proxy statement and to serve as a director if so elected for the full term for which such New Director is elected at any Annual Meeting, in each case, as provided by the Company, (ii) information requested by the Company that is required to be disclosed in a proxy statement or other filing under applicable law, stock exchange rules or listing standards or as may be requested or required by any regulatory or governmental authority having jurisdiction over the Company or any of its Affiliates, (iii) information reasonably requested by the Company in connection with assessing eligibility, independence, and other criteria applicable to directors or satisfying compliance and legal obligations, (iv) such written consents reasonably requested by the Company for the conduct of the Company's vetting procedures generally applicable to non-management directors of the Company and the execution of any documents required by the Company of non-management directors of the Company to assure compliance with the matters referenced in Section 1(g) hereof and (v) such other information reasonably requested by the Company including (A) an acknowledgment from such New Director that he or she intends to serve for the full term for which he or she is appointed or elected at any Annual Meeting (including any term to which he or she would be elected at any Annual Meeting), (B) a completed National Association of Insurance Commissioners (NAIC) biographical affidavit and such other information as is necessary or appropriate for the Company to prepare biographical information with respect to such New Director and (C) such information as is necessary or appropriate for the Company or its agents to perform a background check in the manner generally performed for non-management directors of the Company, including an executed consent to such background check.

(g) Company Policies. The parties hereto acknowledge that each New Director, upon election or appointment to the Board, as applicable, will be governed by the same protections and obligations regarding confidentiality, conflicts of interest, related person transactions, fiduciary duties, codes of conduct, trading and disclosure policies, director resignation policy, and other governance guidelines and policies of the Company as other directors of the Company, including the Organizational Documents (as defined below) and the Corporate Governance Guidelines (collectively, "**Company Policies**"), and shall have the same rights and benefits, including with respect to insurance, indemnification, compensation and fees, as are applicable to all non-management directors of the Company. The Company agrees and acknowledges that no Company Policy does, and at no time during the Cooperation Period will, prohibit any member of the Board (including any New Director) from communicating with the Elliott Parties, subject to such director's observance of his or her standard confidentiality obligations and fiduciary duties obligations to the Company.

(h) Minimum Ownership Requirement. The rights of the Elliott Parties with respect to a Replacement New Director under Section 1(d) and a Replacement Committee Member under Section 1(e) shall expire at such time as the Elliott Parties cease to have a “net long position”, or aggregate net long economic exposure to, at least 2.0% of the Common Stock (the “**Minimum Ownership Threshold**”). In the event that the Elliott Parties seek to exercise such rights, the Elliott Parties shall certify in writing to the Company that the Minimum Ownership Threshold is satisfied as of the proposed time of such exercise.

(i) Board Size. The Company agrees that from the appointment of the (i) New Independent Director as a member of the Board until the end of the Cooperation Period, the size of the Board shall be no greater than thirteen (13) members, and (ii) Additional New Independent Director as a member of the Board until the end of the Cooperation Period, the size of the Board shall be no greater than fourteen (14) members.

(j) Investor Day Announcement. On or prior to June 30, 2021, the Company shall hold the Investor Day consistent with the Press Release (as defined below). On the date of the Investor Day, the Company shall announce the results of the review described in the Press Release, which review the Company agrees shall be overseen by the Finance Committee (the “**Review**”).

(k) Termination. The Company’s obligations under this Section 1 shall terminate upon any material breach of this Agreement (including Section 2) by any Elliott Party upon five (5) business days’ written notice by the Company to the Elliott Parties if such breach has not been cured within such notice period, provided that the Company is not in material breach of this Agreement at the time such notice is given or prior to the end of the notice period.

## 2. Cooperation.

(a) Non-Disparagement. Each of the Elliott Parties and the Company agrees that, from the date of this Agreement until the date that is 30 calendar days prior to the notice deadline under the Organizational Documents for the nomination of non-proxy access director candidates for election to the Board at the Company’s 2022 Annual Meeting of Stockholders (such period, the “**Cooperation Period**”), the Company and each Elliott Party shall refrain from making, and shall cause its respective controlling and controlled (and under common control) Affiliates and its and their respective principals, directors, members, general partners, officers and employees (collectively, “**Covered Persons**”) not to make or cause to be made any statement or announcement that constitutes an ad hominem attack on, or that otherwise disparages, defames, slanders, impugns or is reasonably likely to damage the reputation of (i) in the case of any such statements or announcements by any of the Elliott Parties or their Covered Persons: the Company and its Affiliates or any of its or their respective current or former Covered Persons; and (ii) in the case of any such statements or announcements by the Company or its Covered Persons: the Elliott Parties and their respective Affiliates or any of their respective current or former Covered Persons, in each case including (A) in any statement (oral or written), document, or report filed with, furnished, or otherwise provided to the SEC (as defined below) or any other governmental or regulatory authority, (B) in any press release or other publicly available format and (C) to any journalist or member of the media (including in a television, radio, newspaper, or magazine interview or podcast, Internet or social media communication). The foregoing shall not (x) restrict the ability of any person (as defined below) to comply with any subpoena or other legal process or respond to a request for information from any governmental or regulatory authority with jurisdiction over the party from whom information is sought or to enforce such person’s rights hereunder or (y) apply to any private communications among the Elliott Parties and their Affiliates, Covered Persons and Representatives (in their respective capacities as such), on the one hand, and among the Company and its Affiliates, Covered Persons and Representatives (in their respective capacities as such), on the other hand.



(b) Voting. During the Cooperation Period, each Elliott Party will cause all of the Common Stock that such Elliott Party or any of its controlling or controlled (or under common control) Affiliates has the right to vote (or to direct the vote) as of the applicable record date, to be present in person or by proxy for quorum purposes and to be voted at any meeting of stockholders of the Company or at any adjournments or postponements thereof, (i) in favor of each director nominated and recommended by the Board for election at any Annual Meeting or, if applicable, any other meeting of stockholders of the Company held during the Cooperation Period, (ii) against any stockholder nominations for directors that are not approved and recommended by the Board for election at any such meeting, (iii) against any proposals or resolutions to remove any member of the Board, and (iv) in accordance with recommendations by the Board on all other proposals or business that may be the subject of stockholder action at such meeting; provided, however, that the Elliott Parties and their Affiliates shall be permitted to vote in their sole discretion on any proposal with respect to an Extraordinary Transaction (as defined below); provided, further, that in the event that both Institutional Shareholder Services and Glass Lewis & Co. (including any successor thereto) issues a voting recommendation that differs from the voting recommendation of the Board with respect to any Company-sponsored proposal submitted to stockholders at a stockholder meeting (other than with respect to the election of directors to the Board, the removal of directors from the Board, the size of the Board or the filling of vacancies on the Board), the Elliott Parties shall be permitted to vote in accordance with any such recommendation.

(c) Standstill. During the Cooperation Period, each Elliott Party will not, and will cause its controlling and controlled (and under common control) Affiliates and its and their respective Representatives acting on their behalf (collectively with the Elliott Parties, the “**Restricted Persons**”) to not, directly or indirectly, without the prior consent, invitation, or authorization of or by the Company or the Board, in each case, in writing:

(i) acquire, or offer or agree to acquire, by purchase or otherwise, or direct any Third Party (as defined below) in the acquisition of record or beneficial ownership of any Voting Securities (as defined below) or engage in any swap or hedging transactions or other derivative agreements of any nature with respect to any Voting Securities, in each case, if such acquisition, offer, agreement or transaction would result in the Elliott Parties (together with their Affiliates) having beneficial ownership of more than 5.0% of, or aggregate economic exposure of more than 9.9% to, the Common Stock outstanding at such time;

(ii) (A) call or seek to call (publicly or otherwise), alone or in concert with others, a meeting of the Company's stockholders (or the setting of a record date therefor), (B) seek, alone or in concert with others, election or appointment to, or representation on, the Board or nominate or propose the nomination of, or recommend the nomination of, any candidate to the Board, except as expressly set forth in Section 1, (C) make or be the proponent of any stockholder proposal to the Company or the Board or any committee thereof, (D) seek, alone or in concert with others (including through any "withhold" or similar campaign), the removal of any member of the Board or (E) conduct a referendum of stockholders of the Company;

(iii) make any request for stock list materials or other books and records of the Company or any of its subsidiaries under Section 220 of the Delaware General Corporation Law or any other statutory or regulatory provisions providing for stockholder access to books and records of the Company or its Affiliates;

(iv) engage in any "solicitation" (as such term is used in the proxy rules promulgated under the Exchange Act (as defined below)) of proxies with respect to the election or removal of directors of the Company or any other matter or proposal relating to the Company or become a "participant" (as such term is defined in Instruction 3 to Item 4 of Schedule 14A promulgated under the Exchange Act) in any such solicitation of proxies;

(v) make or submit to the Company or any of its Affiliates any proposal for, or offer of (with or without conditions), either alone or in concert with others, any tender offer, exchange offer, merger, consolidation, acquisition, sale of all or substantially all assets or sale, spinoff, splitoff or other similar separation of one or more business units relating to the Review, business combination, recapitalization, restructuring, liquidation, dissolution or similar extraordinary transaction involving the Company (including its subsidiaries and joint ventures or any of their respective securities or assets) (each, an "**Extraordinary Transaction**") either publicly or in a manner that would reasonably require public disclosure by the Company or any of the Restricted Persons, in each case, subject to Schedule 2(c)(v) hereto (it being understood that the foregoing shall not restrict the Restricted Persons from tendering shares, receiving payment for shares or otherwise participating in any Extraordinary Transaction on the same basis as other stockholders of the Company);

(vi) make any public proposal with respect to (A) any change in the number, term or identity of directors of the Company or the filling of any vacancies on the Board other than as provided under Section 1 of this Agreement, (B) any change in the capitalization, capital allocation policy or dividend policy of the Company or any sale, spinoff, splitoff or other similar separation of one or more business units relating to the Review, (C) any other change to the Board or the Company's management or corporate or governance structure, (D) any waiver, amendment or modification to the Company's Amended and Restated Certificate of Incorporation or the Company's Amended and Restated By-Laws (collectively, the "**Organizational Documents**"), (E) causing the Common Stock to be delisted from, or to cease to be authorized to be quoted on, any securities exchange or (F) causing the Common Stock to become eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act;

(vii) knowingly encourage or advise any Third Party or knowingly assist any Third Party in encouraging or advising any other person with respect to (A) the giving or withholding of any proxy relating to, or other authority to vote, any Voting Securities, or (B) conducting any type of referendum, relating to the Company (including for the avoidance of doubt with respect to the Company's management or the Board) (other than such encouragement or advice that is consistent with the Board's recommendation in connection with such matter;

(viii) form, join or act in concert with any "group" as defined in Section 13(d)(3) of the Exchange Act, with respect to any Voting Securities, other than solely with Affiliates of the Elliott Parties with respect to Voting Securities now or hereafter owned by them;

(ix) enter into a voting trust, arrangement or agreement with respect to any Voting Securities, or subject any Voting Securities to any voting trust, arrangement or agreement (excluding customary brokerage accounts, margin accounts, prime brokerage accounts and the like), in each case other than (A) this Agreement (B) solely with Affiliates of the Elliott Parties or (C) granting proxies in solicitations approved by the Board;

(x) engage in any short sale or any purchase, sale, or grant of any option, warrant, convertible security, share appreciation right, or other similar right (including any put or call option or "swap" transaction) with respect to any security (other than any index fund, exchange traded fund, benchmark fund or broad basket of securities) that includes, relates to, or derives any significant part of its value from a decline in the market price or value of any of the securities of the Company and would, in the aggregate or individually, result in the Elliott Parties ceasing to have a "net long position" in the Company;

(xi) sell, offer, or agree to sell, all or substantially all, directly or indirectly, through swap or hedging transactions or otherwise, voting rights decoupled from the underlying Common Stock held by a Restricted Person to any Third Party;

(xii) institute, solicit or join as a party any litigation, arbitration or other proceeding against or involving the Company or any of its subsidiaries or any of its or their respective current or former directors or officers (including derivative actions); provided, however, that for the avoidance of doubt, the foregoing shall not prevent any Restricted Person from (A) bringing litigation against the Company to enforce any provision of this Agreement instituted in accordance with and subject to Section 10, (B) making counterclaims with respect to any proceeding initiated by, or on behalf of, the Company or its Affiliates against a Restricted Person, (C) bringing bona fide commercial disputes that do not relate to the subject matter of this Agreement, (D) exercising statutory appraisal rights or (E) responding to or complying with validly issued legal process;

(xiii) enter into any negotiations, agreements, arrangements, or understandings (whether written or oral) with any Third Party to take any action that the Restricted Persons are prohibited from taking pursuant to this Section 2(c); or

(xiv) make any request or submit any proposal to amend or waive the terms of this Agreement (including this subclause), in each case publicly or which would reasonably be expected to result in a public announcement or disclosure of such request or proposal;

provided, that the restrictions in this Section 2(c) shall terminate automatically upon the earliest of the following: (i) any material breach of this Agreement by the Company (including, without limitation, a failure to appoint the New Independent Director and the Additional New Independent Director to the Board and, with respect to the New Independent Director, to the Finance Committee, in accordance with Section 1, or a failure to issue the Press Release in accordance with Section 3) upon five (5) business days' written notice by any of the Elliott Parties to the Company if such breach has not been cured within such notice period, provided that the Elliott Parties are not in material breach of this Agreement at the time such notice is given or prior to the end of the notice period; (ii) the Company's entry into (x) a definitive written agreement with respect to any Extraordinary Transaction that, if consummated, would result in the acquisition by any person or group of more than 50% of the Voting Securities or assets having an aggregate value exceeding 50% of the aggregate enterprise value of the Company (excluding any assets being sold in accordance with the results of the review described in the Press Release) or (y) one or more definitive written agreements providing for a transaction or series of related transactions which would in the aggregate result in the Company issuing to one or more Third Parties at least the greater of (I) 10% of the Common Stock (including on an as-converted basis) outstanding immediately prior to such issuance(s) and (II) \$1.0 billion of such securities (including in a PIPE, convertible note, convertible preferred security or similar structure) during the Cooperation Period (provided that securities issued as consideration for (or in connection with) the acquisition of the assets, securities and/or business(es) of another person by the Company or one or more of its subsidiaries shall not be counted toward this clause (y)); and (iii) the commencement of any tender or exchange offer (by any person or group other than the Elliott Parties or their Affiliates) which, if consummated, would constitute an Extraordinary Transaction that would result in the acquisition by any person or group of more than 50% of the Voting Securities, where the Company files with the SEC a Schedule 14D-9 (or amendment thereto) that does not recommend that its shareholders reject such tender or exchange offer (it being understood that nothing herein will prevent the Company from issuing a "stop, look and listen" communication pursuant to Rule 14d-9(f) promulgated under the Exchange Act in response to the commencement of any tender or exchange offer). Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement (including but not limited to the restrictions in this Section 2(c)) will prohibit or restrict any of the Restricted Persons from (A) making any public or private statement or announcement with respect to any Extraordinary Transaction that is publicly announced by the Company or a Third Party, (B) making any factual statement to comply with any subpoena or other legal process or respond to a request for information from any governmental authority with jurisdiction over such person from whom information is sought (so long as such process or request did not arise as a result of discretionary acts by any Restricted Person), (C) granting any liens or encumbrances on any claims or interests in favor of a bank or broker-dealer or prime broker holding such claims or interests in custody or prime brokerage in the ordinary course of business, which lien or encumbrance is released upon the transfer of such claims or interests in accordance with the terms of the custody or prime brokerage agreement(s), as applicable, (D) negotiating, evaluating and/or trading, directly or indirectly, in any index fund, exchange traded fund, benchmark fund or broad basket of securities which may contain or otherwise reflect the performance of, but not primarily consist of, securities of the Company or (E) providing its views privately to the Board or the Company's Chief Executive Officer regarding any matter, or privately requesting a waiver of any provision of this Agreement, as long as such private communications or requests would not reasonably be expected to require public disclosure of such communications or requests by the Company or any of the Restricted Persons.

(d) Information Sharing Agreement. Concurrently with execution of this Agreement, the Company is entering into an agreement with the Elliott Parties (the “**Information Sharing Agreement**”) to enable the Company, if requested by the Elliott Parties, to disclose certain confidential information regarding its anticipated communications at the Investor Day with the Elliott Parties.

3. Public Announcement. Unless otherwise agreed by the parties, not later than 9:00 a.m. Eastern Time on February 22, 2021, the Company shall issue a press release in the form attached to this Agreement as Exhibit A (the “**Press Release**”), and file with the SEC a Current Report on Form 8-K (the “**Form 8-K**”) disclosing its entry into this Agreement and file a copy of this Agreement and the Press Release as exhibits thereto (provided if the Company is unable to issue the Press Release or file the Form 8-K for reasons outside of its control, the Company shall issue the Press Release and file the Form 8-K as promptly as practicable following the execution of this Agreement). The Company shall provide the Elliott Parties and their Representatives with a copy of such Form 8-K prior to its filing with the SEC and shall consider any timely comments of the Elliott Parties and their Representatives. Neither of the Company or any of its Affiliates nor the Elliott Parties or any of their Affiliates shall make any public statement regarding the subject matter of this Agreement, this Agreement or the matters set forth in the Press Release prior to the issuance of the Press Release without the prior written consent of the other party.

4. Withdrawal of Nomination and Other Notices. Effective upon the date hereof, the Elliott Parties shall irrevocably withdraw, and shall be deemed to have (without any further action by the Elliott Parties or any other person being required) irrevocably withdrawn, the director nomination intention notice from the Elliott Parties dated February 19, 2021, and such notice shall be deemed null, void and without effect.

5. Representations and Warranties of the Company. The Company represents and warrants to the Elliott Parties as follows: (a) the Company has the power and authority to execute, deliver, and carry out the terms and provisions of this Agreement and to consummate the transactions contemplated by this Agreement; (b) this Agreement has been duly and validly authorized, executed, and delivered by the Company, constitutes a valid and binding obligation and agreement of the Company and, assuming the valid execution and delivery hereof by each of the other parties hereto, is enforceable against the Company in accordance with its terms, except as enforcement of this Agreement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or similar laws generally affecting the rights of creditors and subject to general equity principles; and (c) the execution, delivery, and performance of this Agreement by the Company does not and will not (i) violate or conflict with any law, rule, regulation, order, judgment, or decree applicable to the Company, or (ii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both could constitute a breach, violation or default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration, or cancellation of, any Organizational Documents, agreement, contract, commitment, understanding, or arrangement to which the Company is a party or by which it is bound.

6. Representations and Warranties of the Elliott Parties. Each Elliott Party represents and warrants to the Company as follows: (a) such Elliott Party has the power and authority to execute, deliver, and carry out the terms and provisions of this Agreement and to consummate the transactions contemplated by this Agreement; (b) this Agreement has been duly and validly authorized, executed, and delivered by such Elliott Party, constitutes a valid and binding obligation and agreement of such Elliott Party and, assuming the valid execution and delivery hereof by each of the other parties hereto, is enforceable against such Elliott Party in accordance with its terms, except as enforcement of this Agreement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or similar laws generally affecting the rights of creditors and subject to general equity principles; and (c) the execution, delivery, and performance of this Agreement by such Elliott Party does not and will not (i) violate or conflict with any law, rule, regulation, order, judgment, or decree applicable to such Elliott Party, or (ii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both could constitute a breach, violation or default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration, or cancellation of, any organizational document, agreement, contract, commitment, understanding, or arrangement to which such Elliott Party is a party or by which it is bound.

7. Definitions. For purposes of this Agreement:

(a) the term “**Affiliate**” has the meaning set forth in Rule 12b-2 promulgated by the SEC under the Exchange Act; provided, that none of the Company or its Affiliates or Representatives, on the one hand, and the Elliott Parties and their Affiliates or Representatives, on the other hand, shall be deemed to be “**Affiliates**” with respect to the other for purposes of this Agreement; provided, further, that “**Affiliates**” of a person shall not include any entity, solely by reason of the fact that one or more of such person’s employees or principals serves as a member of its board of directors or similar governing body, unless such person otherwise controls such entity (as the term “control” is defined in Rule 12b-2 promulgated by the SEC under the Exchange Act); provided, further, that with respect to the Elliott Parties, “**Affiliates**” shall not include any portfolio operating company (as such term is understood in the private equity industry) of any of the Elliott Parties or their Affiliates;

(b) the terms “**beneficial owner**” and “**beneficially own**” have the same meanings as set forth in Rule 13d-3 promulgated by the SEC under the Exchange Act, except that a person will also be deemed to be the beneficial owner of all shares of the Company’s authorized share capital which such person has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to the exercise of any rights in connection with any securities or any agreement, arrangement, or understanding (whether or not in writing), regardless of when such rights may be exercised and whether they are conditional, and all shares of the Company’s authorized share capital which such person or any of such person’s Affiliates has or shares the right to vote or dispose;

- (c) the term “**business day**” shall mean any day other than a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York is closed;
- (d) the term “**Common Stock**” means the Company’s common stock, par value \$0.01 per share;
- (e) the term “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the SEC thereunder;
- (f) the term “**Independent**” means that such person (i) shall not (A) be an employee, officer, director, general partner, manager, advisor or other agent of an Elliott Party or of any Affiliate of an Elliott Party, (B) be a limited partner, member, or other investor in any Elliott Party or any Affiliate of an Elliott Party, or (C) have any agreement, arrangement, or understanding, written or oral, with any Elliott Party or any Affiliate of an Elliott Party regarding such person’s service as a director of the Company, and (ii) shall qualify as an “independent” director of the Company under the Company’s Director Independence Standards (as interpreted and determined by the Board), applicable law and the rules and regulations of the SEC and the Nasdaq Global Select Market;
- (g) the terms “**person**” or “**persons**” shall be interpreted broadly to include any individual, corporation (including not-for-profit), general or limited partnership, limited liability or unlimited liability company, joint venture, estate, trust, group, association, organization, or other entity of any kind or nature;
- (h) the term “**Representatives**” means a party’s directors, members, general partners, managers, officers, employees, agents, advisors and other representatives;
- (i) the term “**SEC**” means the U.S. Securities and Exchange Commission;
- (j) the term “**Third Party**” means any person that is not a party to this Agreement or a controlling or controlled (or under common control) Affiliate thereof, a director or officer of the Company, or legal counsel to any party to this Agreement; and
- (k) the term “**Voting Securities**” means the Common Stock and any other Company securities entitled to vote in the election of directors, or securities convertible into, or exercisable or exchangeable for, such shares or other securities, whether or not subject to the passage of time or other contingencies; provided that as pertains to any obligations of the Elliott Parties or any Restricted Persons hereunder (including under Section 2(c)), “Voting Securities” will not include any securities contained in any index fund, exchange traded fund, benchmark fund or broad basket of securities which may contain or otherwise reflect the performance of, but not primarily consist of, securities of the Company.

8. Notices. All notices, consents, requests, instructions, approvals, and other communications provided for herein and all legal process in regard to this Agreement will be in writing and will be deemed validly given, made or served, if (a) given by email, when such email is sent to the email address(es) set forth below, (b) given by a nationally recognized overnight carrier, one (1) business day after being sent or (c) if given by any other means, when actually received during normal business hours at the address specified in this Section 8:

if to the Company:

Principal Financial Group, Inc.  
711 High Street  
Des Moines, Iowa 50392  
Attention: Christopher J. Littlefield, Executive Vice President,  
General Counsel and Secretary  
Email: littlefield.chris@principal.com

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP  
One Manhattan West  
New York, New York 10001  
Attention: Todd E. Freed  
Richard J. Grossman  
Email: todd.freed@skadden.com  
richard.grossman@skadden.com

if to the Elliott Parties:

Elliott Investment Management L.P.  
777 South Flager Drive  
West Palm Beach, Florida 33401  
Attention: Mark Cicirelli  
Steven Barg  
Scott Grinsell  
Email: mCicirelli@elliottmgmt.com  
sbarg@elliottmgmt.com  
sgrinsell@elliottmgmt.com

with a copy to:

Olshan Frome Wolosky LLP  
1325 Avenue of the Americas  
New York, New York 10019  
Attention: Steve Wolosky  
Kenneth Mantel  
Email: swolosky@olshanlaw.com  
kmantel@olshanlaw.com



At any time, any party hereto may, by notice given in accordance with this Section 8 to the other party, provide updated information for notices hereunder.

9. Expenses. All fees, costs, and expenses incurred in connection with this Agreement and all matters related to this Agreement will be paid by the party incurring such fees, costs, or expenses.

10. Specific Performance; Remedies; Venue; Waiver of Jury Trial.

(a) The Company and the Elliott Parties acknowledge and agree that irreparable injury to the other party hereto would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that such injury would not be adequately compensable by the remedies available at law (including the payment of money damages). It is accordingly agreed that the Company and the Elliott Parties will each respectively be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, in addition to any other remedy to which they are entitled at law or in equity. FURTHERMORE, THE COMPANY AND EACH ELLIOTT PARTY AGREES: (1) THE NON-BREACHING PARTY WILL BE ENTITLED TO INJUNCTIVE AND OTHER EQUITABLE RELIEF, WITHOUT PROOF OF ACTUAL DAMAGES; (2) THE BREACHING PARTY WILL NOT PLEAD IN DEFENSE THERETO THAT THERE WOULD BE AN ADEQUATE REMEDY AT LAW; AND (3) THE BREACHING PARTY AGREES TO WAIVE ANY BONDING REQUIREMENT UNDER ANY APPLICABLE LAW, IN THE CASE ANY OTHER PARTY SEEKS TO ENFORCE THE TERMS BY WAY OF EQUITABLE RELIEF. THIS AGREEMENT WILL BE GOVERNED IN ALL RESPECTS, INCLUDING VALIDITY, INTERPRETATION AND EFFECT, BY THE LAWS OF THE STATE OF DELAWARE WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PRINCIPLES OF SUCH STATE.

(b) The Company and each Elliott Party (i) irrevocably and unconditionally submits to the exclusive jurisdiction of the Delaware Court of Chancery (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, the federal, or other state courts located in Wilmington, Delaware), (ii) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from any such courts, (iii) agrees that any actions or proceedings arising in connection with this Agreement or the transactions contemplated by this Agreement shall be brought, tried, and determined only in such courts, (iv) waives any claim of improper venue or any claim that those courts are an inconvenient forum and (v) agrees that it will not bring any action relating to this Agreement or the transactions contemplated hereunder in any court other than the aforesaid courts. The parties to this Agreement agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 8 or in such other manner as may be permitted by applicable law as sufficient service of process, shall be valid and sufficient service thereof.

(c) Each of the parties hereto, after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily and intentionally waives any right that such party may have to a trial by jury in any litigation based upon or arising out of this Agreement or any related instrument or agreement, or any of the transactions contemplated thereby, or any course of conduct, dealing, statements (whether oral or written), or actions of any of them. No party hereto shall seek to consolidate, by counterclaim or otherwise, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

11. Severability. If at any time subsequent to the date hereof, any provision of this Agreement is held by any court of competent jurisdiction to be illegal, void, or unenforceable, such provision will be of no force and effect, but the illegality or unenforceability of such provision will have no effect upon the legality or enforceability of any other provision of this Agreement.

12. Termination. This Agreement will terminate upon the expiration of the Cooperation Period. Upon such termination, this Agreement shall have no further force and effect. Notwithstanding the foregoing, Sections 7 to 17 shall survive termination of this Agreement, and no termination of this Agreement shall relieve any party of liability for any breach of this Agreement arising prior to such termination.

13. Counterparts. This Agreement may be executed in one or more counterparts and by scanned computer image (such as .pdf), each of which will be deemed to be an original copy of this Agreement.

14. No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Company and the Elliott Parties and is not enforceable by any other persons. No party to this Agreement may assign its rights or delegate its obligations under this Agreement, whether by operation of law or otherwise, without the prior written consent of the other parties, and any assignment in contravention hereof will be null and void.

15. No Waiver. No failure or delay by any party in exercising any right or remedy hereunder will operate as a waiver thereof or of any breach of any other provision hereof, nor will any single or partial waiver thereof preclude any other or further exercise thereof or the exercise of any other right or remedy hereunder. The failure of a party to insist upon strict adherence to any term of this Agreement on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

16. Entire Understanding; Amendment. This Agreement (together with the exhibits and schedules hereto, the Information Sharing Agreement and any other written agreement entered into by the parties hereto dated as of the date hereof) contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, memoranda, arrangements and understandings, both written and oral, between the parties, or any of them, with respect to the subject matter of this Agreement. This Agreement may be amended only by an agreement in writing executed by the Company and the Elliott Parties.

17. Interpretation and Construction. The Company and each Elliott Party acknowledges that it has been represented by counsel of its choice throughout all negotiations that have preceded the execution of this Agreement, and that it has executed the same with the advice of said counsel. Each party and its counsel cooperated and participated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto exchanged among the parties will be deemed the work product of all of the parties and may not be construed against any party by reason of its drafting or preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against any party that drafted or prepared it is of no application and is hereby expressly waived by the Company and each Elliott Party, and any controversy over interpretations of this Agreement will be decided without regard to events of drafting or preparation. Whenever the words “include,” “includes,” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” When a reference is made in this Agreement to any Section, such reference shall be to a Section of this Agreement, unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words “hereof,” “herein,” “hereto” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word “will” shall be construed to have the same meaning as the word “shall.” The word “or” is not exclusive. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Any agreement, instrument, law, rule or statute defined or referred to herein means, unless otherwise indicated, such agreement, instrument, law, rule or statute as from time to time amended, modified or supplemented.

*[Signature page follows]*

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized signatories of the parties as of the date hereof.

**ELLIOTT INVESTMENT MANAGEMENT L.P.**

By: /s/ Elliot Greenberg  
Name: Elliot Greenberg  
Title: Vice President

**ELLIOTT ASSOCIATES, L.P.**

By: Elliott Investment Management L.P.,  
as attorney-in-fact

By: /s/ Elliot Greenberg  
Name: Elliot Greenberg  
Title: Vice President

**ELLIOTT INTERNATIONAL, L.P.**

By: Hambledon, Inc.,  
its General Partner

By: Elliott Investment Management L.P.,  
as attorney-in-fact

By: /s/ Elliot Greenberg  
Name: Elliot Greenberg  
Title: Vice President

*[Signature Page to Cooperation Agreement]*

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**PRINCIPAL FINANCIAL GROUP, INC.**

By: /s/ Daniel J. Houston  
Name: Daniel J. Houston  
Title: Chairman, President and CEO

*[Signature Page to Cooperation Agreement]*

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Release: On receipt, February 22, 2021  
Media contact: Jane Slusark, Principal, 515-362-0482, [slusark.jane@principal.com](mailto:slusark.jane@principal.com)  
Steve Frankel/Barrett Golden/Matthew Sherman  
Joele Frank, Wilkinson Brimmer Katcher, 212-355-4449  
Investor contact: John Egan, 515-235-9500, [egan.john@principal.com](mailto:egan.john@principal.com)

**Principal Financial Group Announces Shareholder Value Initiatives**  
*Strategic Review to Optimize Capital Strategy*  
*Two New Independent Directors to be Added to the Board of Directors*

(Des Moines, Iowa) – Principal Financial Group® (Nasdaq: PFG) today announced steps to enhance shareholder value by initiating a strategic review of its business mix, capital management, and capital deployment options. Principal® will be adding two new independent directors to its Board of Directors, Maliz Beams and a second director to be named at a later date. These actions, which follow a constructive dialogue with one of Principal’s largest investors, Elliott Investment Management, LP (“Elliott”), build on Principal’s ongoing efforts to drive growth and create value.

“Our success is a product of our commitment to adapt our offerings and ensure alignment with company and shareholder goals, while continuing to meet the evolving needs and demands of our customers,” said Dan Houston, chairman, president, and CEO of Principal. “This review builds on work Principal has consistently undertaken to enhance shareholder returns and will help ensure we remain well positioned for continued growth, future success, and value creation.”

Mark Cicirelli, U.S. Head of Insurance for Elliott, said, “We believe the initiatives Principal announced today will further enhance the positioning of the company’s high-return businesses and drive meaningful shareholder value creation. We are pleased to reach this agreement with Principal, which reflects constructive and positive discussions we have had with the company’s Board and management team, and will result in a rigorous and independent exploration of its strategic options.”

**Review of Capital Strategy**

The current competitive landscape and recent transaction activity in the life and annuity market suggest a supportive environment for a review. Principal will assess its capital strategy, including organic and inorganic investments, and return of capital to shareholders, with the goals of enhancing shareholder value and strengthening its position as an industry leader. This assessment further builds upon the discipline and focus Principal has consistently demonstrated through the 2019 acquisition of the Wells Fargo Institutional Retirement and Trust business, the recent halt of new sales of its lifetime guaranteed universal life products, and the announced exit from Principal’s retail investment and retirement business in India.

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The Finance Committee of the Principal Board, composed of independent directors, including the newly appointed independent director, will oversee the review. In this effort, the Committee will be supported by financial and legal advisors, and will make its recommendations to the full Board. In conjunction with the announcement of this review, the Finance Committee chair will rotate to Clare Richer.

The company intends to announce the results of this review at its 2021 Investor Day.

### **Maliz Beams Joins Board of Directors**

Principal announced that it is appointing Maliz Beams to the company's Board of Directors as a new independent director. Beams served as CEO of Retirement Solutions of VOYA Financial, President and CEO of Individual and Institutional Services at TIAA-CREF, and Partner of Zurich Scudder Investments, among other leadership roles in the financial services industry. Upon joining the board, Beams will serve on the Finance Committee.

"Maliz brings significant retirement and asset management expertise and proven leadership experience to our Board of Directors," said Houston. "We look forward to benefiting from her insights."

Beams said, "I am honored to join the Board of Principal, a company with a storied history and record of service to its customers and communities. I look forward to partnering with my fellow directors to build on the company's strong foundation, capitalize on the significant opportunities ahead, and deliver continued value for its customers and shareholders."

As part of today's announcements, Principal and Elliott have entered into a customary cooperation agreement, as well as an information sharing agreement to facilitate continued dialogue in preparation for the company's Investor Day.

Goldman Sachs & Co. LLC is serving as financial advisor to Principal and Skadden, Arps, Slate, Meagher & Flom LLP is serving as legal counsel.

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### **About Maliz Beams**

Most recently, Maliz Beams served as a U.S. State Department Counselor, responsible for strategy and implementation of the redesign and restructuring of USAID and the State Department. From 2011 to 2015, Beams served as CEO of Retirement Solutions at Voya Financial, where she aligned the strategies and reorganized operations of 12 separately managed units to drive significant improvements in performance. In 2013, she helped lead Voya's spinoff from ING and subsequent IPO. Prior to Voya, Beams served as President and CEO of Individual and Institutional Services at TIAA-CREF from 2004 to 2010, where, among other achievements, she developed and implemented a strategy that resulted in six years of record growth. Prior to TIAA-CREF, Beams held leadership positions at Zurich Scudder Investments, Fleet Investment Advisors, American Express, and Citigroup.

Beams currently serves as an Advisory Board member of Vestigo Ventures LLC and Cannabis Investment Network. She previously served on the boards of directors of Brightsphere Investment Group Inc. from 2018 to 2020 and Port Financial Corporation from 2002 to 2003. She has also served on the boards of directors and advisory boards of a number of private companies and non-profits.

Beams earned an MBA from Columbia University, a CSS from Harvard University, and a BA from Boston College.

### **About Principal**<sup>®</sup>

Principal (Nasdaq: PFG) helps people and companies around the world build, protect and advance their financial well-being through retirement, insurance and asset management solutions that fit their lives. Our employees are passionate about helping clients of all income and portfolio sizes achieve their goals – offering innovative ideas, investment expertise and real-life solutions to make financial progress possible. To find out more, visit us at [principal.com](http://principal.com).

### **Forward-Looking Statements**

This news release contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words “believe,” “expect,” “anticipate,” “project,” “estimate,” “budget,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “seek,” “should,” “will,” “would,” “objective,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “strategy,” “target,” and similar expressions, among others, generally identify forward-looking statements, which speak only as of the date the statements were made. Forward-looking statements are made based upon management's current expectations and beliefs concerning future developments and their potential effects on us. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from those included in the forward-looking statements as a result of risks and uncertainties. Those risks and uncertainties include, but are not limited to, the risk factors listed in Item 1A, “Risk Factors,” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, and the other filings we make with the U.S. Securities and Exchange Commission (the “SEC”). We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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### **Important Additional Information and Where to Find It**

Principal plans to file a proxy statement (the “2021 Proxy Statement”) with the SEC in connection with the solicitation of proxies for Principal’s 2021 annual meeting of stockholders (the “Annual Meeting”), together with a proxy card. **STOCKHOLDERS ARE URGED TO READ THE 2021 PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT PRINCIPAL FILES WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.**

Stockholders will be able to obtain, free of charge, copies of the 2021 Proxy Statement, any amendments or supplements thereto and any other documents (including the proxy card) when filed by Principal with the SEC in connection with the Annual Meeting at the SEC’s website (<http://www.sec.gov>), at Principal’s website (<https://investors.principal.com/investor-relations>) or by contacting Innisfree M&A Incorporated by phone at (888) 750-5834, by email at [info@innisfreema.com](mailto:info@innisfreema.com) or by mail at 501 Madison Avenue, 20th Floor, New York, NY 10022.

### **Participants in the Solicitation**

Principal, its directors and certain of its executive officers and employees may be deemed to be participants in the solicitation of proxies from stockholders in connection with the Annual Meeting. Additional information regarding the identity of these potential participants, none of whom owns in excess of one percent (1%) of Principal’s shares, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the 2021 Proxy Statement and other materials to be filed with the SEC in connection with the Annual Meeting. Information relating to the foregoing can also be found in Principal’s definitive proxy statement for its 2020 annual meeting of stockholders (the “2020 Proxy Statement”), filed with the SEC on April 6, 2020. To the extent holdings of Principal’s securities by such potential participants (or the identity of such participants) have changed since the information printed in the 2020 Proxy Statement, such information has been or will be reflected on Statements of Ownership and Change in Ownership on Forms 3 and 4 filed with the SEC.

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Principal, Principal and symbol design and Principal Financial Group are trademarks and service marks of Principal Financial Services, Inc., a member of the Principal Financial Group®.

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