

PRINCIPAL FUNDS¹

Nominating and Governance Committee Charter

This Charter sets forth the purpose, operating guidelines and responsibilities of the Nominating and Governance Committee (the “Committee”) of the Boards of Directors/Trustees of the Principal Funds (the “Funds” and each a “Fund”). The Committee reviews the Charter at least annually.

Purpose

The Committee’s primary purpose is to oversee the structure and efficiency of the Boards of Directors/Trustees and the committees the Boards establish.

Operating Guidelines

The Board shall appoint the members of the Committee and the Committee Chair.

There shall be four regular meetings of the Committee each year. The Committee or its Chair may call additional meetings as each deems appropriate.

Except as provided by law, the following provisions shall govern the conduct of Committee meetings:

- Notice. Notice shall be given as provided for meetings of the Board of Directors/Trustees of the Principal Funds.
- Quorum. At any Committee meeting, a majority of the Committee members shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.
- Action by Vote. When a quorum is present at any meeting, a majority of Committee members may take any action.
- Action by Written Consent. Any action required or permitted to be taken at any Committee meeting may be taken without a meeting if all of the Committee members consent to the action in writing or by electronic transmission and such consents are filed with the records of the meetings of the Committee. Such consent shall be treated for all purposes as a vote taken at a Committee meeting.
- Presence Through Communications Equipment. The members of the Committee may participate in a Committee meeting by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.
- Minutes. Minutes of the meeting shall be taken and circulated to all members of the Committee in a timely manner.

Responsibilities

The responsibilities of the Committee include, but are not limited to, the following:

Board Membership and Functions

- Periodically review the composition of the Board and consider whether additional members are needed
- Identify and evaluate director/trustee candidates and recommend individuals for membership on the Board in accordance with Exhibit A of this Charter
- Nominate for Board consideration the Lead Independent Director/Trustee of the Board
- Recommend for Board consideration the third member of the Executive Committee

¹ Includes Principal Funds, Inc., Principal Variable Contracts Funds, Inc., and Principal Exchange-Traded Funds.

- Periodically review Independent Director/Trustee compensation
- Review internal auditor annual reports of Directors'/Trustees' expense records
- Formulate a Director/Trustee retirement policy
- Oversee the Boards' annual evaluation of its performance and the performance of its committees
- Oversee the development and implementation of orientation for new Directors/Trustees
- Periodically review the Board's governance policies and procedures

Committee Membership and Functions

- Periodically review the Board's committee structure and assignment of functions to each committee
- Identify and recommend individuals for membership and chair positions on all committees, except to the extent a committee's members are established by its charter.

Insurance Coverage

- At least annually, review the Funds' fidelity bond for appropriateness of type and amount of coverage as well as the premium. Review the terms of any joint allocation agreement.
- At least annually, review the Funds' directors/trustees and officers and errors and omissions insurance coverage for appropriateness of the type and amount of coverage as well as the premium. Review the terms of any joint allocation agreement.
- At least annually, review the Funds' independent directors/trustees liability policy for appropriateness of the type and amount of coverage as well as the premium. Review the terms of any joint allocation agreement.

Legal Matters

- Oversee legal counsel and the independence of counsel to the independent directors/trustees.
- As needed, review Fund litigation matters.

Other Responsibilities

- Report activities to the Boards of Directors/Trustees on a regular basis.
- Maintain communication with counsel for independent directors/trustees.
- Conduct an annual self-evaluation
- Investigate any other matter brought to its attention within the scope of its duties, with the authority in its discretion to retain legal, accounting or other experts or consultants to advise the Committee, at the expense of the Funds, if, in the Committee's judgment, that is appropriate.
- Perform any other acts consistent with this Charter, the Funds' Charter, By-Laws and governing law, as the Committee or the Board deems necessary or appropriate.

Exhibit A

Qualifications for Director/Trustee Nominees

When evaluating a potential nominee for Independent Director/Trustee, the Committee may consider, among other factors: (i) educational background; (ii) relevant business and industry experience; (iii) whether the person is an “interested person” of the Funds as defined in the Investment Company Act of 1940; and (iv) whether the person is willing to serve, and willing and able to commit the time necessary to attend meetings and perform the duties of an Independent Director/Trustee. In addition, the Committee may consider whether a candidate’s background, experience, skills and views would complement the background, experience, skills and views of other Board members and would contribute to the diversity of the Board. Also, the background, experience, skills, and views of a departing Board member may be considered. The Committee meets with nominees and conducts a reference check. The final decision is based on a combination of factors, including the strengths and the experience an individual may bring to the Board.

Sources for Identification of Nominees

In identifying potential nominees for the Board, the Committee may consider candidates recommended by one or more of the following sources: (i) current Board members; (ii) Fund management; (iii) Fund shareholders (see below); and (iv) any other source the Committee deems to be appropriate. The Committee may, but is not required to, use the services of professional search firms to identify or evaluate potential candidates or nominees.

Consideration of Candidates Recommended by Shareholders

The Committee will consider and evaluate nominee candidates properly submitted by shareholders on the same basis as it considers and evaluates candidates recommended by other sources. Appendix A to this Charter, as it may be amended from time to time by the Committee, sets forth procedures that must be followed by shareholders to properly submit a nominee candidate to the Committee. Recommendations not properly submitted in accordance with Appendix A will not be considered by the Committee.

Appendix A
Procedures for Shareholders to Submit Nominee Candidates

A Fund shareholder must follow these procedures to properly submit a nominee recommendation for the Committee's consideration.

1. The shareholder must submit any such recommendation in writing to the Secretary of the Fund, in care of the Principal Funds, 711 High Street, Des Moines, IA 50392.
2. The shareholder recommendation must include:
 - (i) a statement in writing setting forth (A) the name, date of birth, and business and residence addresses of the person recommended by the shareholder (the "candidate"); (B) any position or business relationship of the candidate, currently or within the preceding five years, with the recommending shareholder; (C) the series and class, if applicable, and number of all shares of a Fund owned of record or beneficially by the candidate; (D) any other information regarding the candidate that is required to be disclosed about a nominee in a proxy statement or other filing required to be made in connection with the solicitation of proxies for election of directors/trustees pursuant to Section 20 of the Investment Company Act of 1940, as amended (the "1940 Act"), and the rules and regulations promulgated thereunder; (E) whether the recommending shareholder believes that the candidate is or will be an "interested person" of the Funds (as defined in the 1940 Act) and information regarding the candidate that will be sufficient for the Funds to make such determination; and (F) information as to the candidate's knowledge of the investment company industry, experience as a director/trustee or senior officer of public companies, directorships on the boards of other registered investment companies and educational background;
 - (ii) the written and signed consent of the candidate to be named as a nominee and to serve as a director/trustee if elected;
 - (iii) the written and signed agreement of the candidate to complete a directors'/trustees' and officers' questionnaire upon request;
 - (iv) the recommending shareholder's consent to be named as recommending shareholder by the Fund;
 - (v) the series and class, if applicable, and number of all shares of a Fund owned beneficially and of record by the recommending shareholder and the dates on which such shares were acquired, specifying the number of shares owned beneficially but not of record, and stating the name of the recommending shareholder as it appears on the Funds' record books and the names of any nominee holders for such recommending shareholder; and
 - (vi) a description of all arrangements or understandings between the recommending shareholder and the candidate and/or any other person(s) (including their names) pursuant to which the recommendation is being made by the recommending shareholder.

The Committee may require the candidate and/or the recommending shareholder to furnish such other information as it may reasonably require or deem necessary to verify any information furnished pursuant to the procedures described above or to determine the qualifications and eligibility of the candidate to serve on the Board. If the candidate and/or the recommending shareholder fails to provide such other information in writing within seven days of receipt of written request from the Committee, the recommendation of such candidate as a nominee will be deemed not properly submitted for consideration, and will not be considered, by the Committee.