

**CHARTER OF THE  
FINANCE COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
PORTLAND GENERAL ELECTRIC COMPANY**

**I. PURPOSE OF THE COMMITTEE**

The purposes of the Finance Committee (the “Committee”) of the Board of Directors (the “Board”) of Portland General Electric Company (the “Company”) shall be to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the financial plans, activities and results of the Company and its subsidiaries. Such assistance shall include, without limitation, (a) assisting the Board’s oversight of (i) long-term and short-term financial and investment objectives, strategies and plans, including capital structure, budgets and forecasts; (ii) financial risk and the measures to reduce such risk; (iii) dividends; (iv) investment policies and investment performance of the Company’s benefit plans; (b) approving certain financial transactions; and (c) performing any other activities as the Board may, from time to time, deem necessary or appropriate.

**II. COMPOSITION OF THE COMMITTEE**

The Committee shall consist of two or more non-employee directors, as determined from time to time by the Board. At least one member of the Committee must have experience in financial matters.

The chairperson of the Committee shall be designated by the Board, *provided* that if a chairperson is not designated, the members of the Committee, by a majority vote, may designate a chairperson. The chairperson shall qualify as “independent” in accordance with the requirements of the New York Stock Exchange.

Any vacancy on the Committee shall be filled by the affirmative vote of a majority of the remaining members of the Board. No member of the Committee shall be removed except by majority vote of the Board.

**III. MEETINGS AND PROCEDURES OF THE COMMITTEE**

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than annually. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees or the Committee chairperson individually such power and authority as the Committee deems appropriate; *provided, however*, that the Committee shall not delegate to a subcommittee or the Committee chairperson individually any power or authority required by any law, rule or regulation to be exercised by the Committee as a whole.

A majority of the members of the Committee, present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can simultaneously hear each other, shall constitute a quorum.

The Committee shall maintain minutes of its meetings and records relating to those meetings and shall report regularly to the Board on its activities, as appropriate.

#### **IV. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

##### ***A. Financial Plans, Investment Policies and Dividends***

The Committee shall have the following duties and responsibilities with respect to financial plans, investment policies, and dividends:

- (a) Review the Company's capital and debt structure.
- (b) Review and recommend to the Board financing plans proposed by management, including types and methods of financing Company operations.
- (c) Review and recommend to the Board dividends, including changes in dividend amounts, and review earnings forecasts, dividend payout goals and objectives.
- (d) Review and recommend to the Board Company annual capital and operating budgets proposed by management.
- (e) Review and approve costs of up to \$50 million for any individual project, initiative, transaction or other activity or matter, within the ordinary business of the Company, proposed by management, to the extent such costs are not included in the annual capital budget or the operating budget, or are not incurred pursuant to agreements for the purchase or sale of energy or fuel that have been approved in accordance with the Company's applicable energy risk management plan; review and recommend to the Board for approval any such costs in excess of \$50 million.
- (f) Review and recommend to the Board investment policies and guidelines developed by management.
- (g) Review investor relations plans and activities.

##### ***B. Financial Transactions***

The Committee shall have the following duties and responsibilities with respect to financial transactions:

- (a) To the extent the amount is included in a finance plan approved by the Board or to the extent the amount or issuance has otherwise been approved by the Board, approve, or authorize the Chief Executive Officer and the Chief Financial Officer to jointly approve, the terms of secured and unsecured debt (including First Mortgage Bonds, pollution control and industrial development bonds, credit facility agreements and commercial paper programs), hybrid securities that do not entail the issuance of Company equity, other long-term and short-term financings, and the refinancing and refunding of any such issuances and transactions,

approve the transaction structure for any of the foregoing issuances or transactions (including whether to issue debt or hybrid securities in a private or public offering) and take or authorize all necessary actions to effect the issuance or entering into of any of the foregoing. To the extent the amount is not included in a finance plan approved by the Board or has not been otherwise approved by the Board, the Committee shall review the foregoing matters and make recommendations to the Board regarding Board approval of such matters. The terms “secured and unsecured debt” and “financing” as used above in this paragraph (a) shall not include installment contracts, equipment leases and other similar commercial agreements or transactions and this paragraph (b) shall not require Finance Committee approval of any such transactions.

(b) Approve, or authorize the Chief Executive Officer and the Chief Financial Officer to jointly approve, the terms of, and take or authorize all necessary actions to effect, the early redemption or repurchase of First Mortgage Bonds, pollution control and industrial development bonds and other debt and non-equity securities, to the extent the redemption of such bonds or securities is included in a finance plan approved by the Board or has otherwise been approved by the Board. This clause (b) shall not apply to redemptions made in connection with the refinancing or refunding of debt, hybrid securities and other financings, and shall not limit the Committee’s authority to approve such refinancing or refunding activities pursuant to Section IV.B (a) of this Charter. In the case of such early redemptions that are not included in a finance plan approved by the Board, the Committee shall review the proposed redemptions and make recommendations to the Board regarding Board approval of the redemptions.

(c) Subject to any limits set by the Board, approve the terms of, and take or authorize all necessary actions to effect, the use of hedges, interest rate swaps and other derivative contracts to mitigate interest rate risk and other financial risks with respect to First Mortgage Bonds, pollution control and industrial development bonds, and other debt whether outstanding or in connection with the issuance of any thereof.

(d) Subject to any limits set by the Board, approve the terms of, and take or authorize all necessary actions to effect, the use of hedges, foreign currency swaps and other derivative contracts to mitigate foreign currency exchange risk with respect to payments or receipts denominated in foreign currency under Company agreements.

(e) Review and recommend to the Board transactions with respect to the Company’s equity securities, including the issuance and repurchase of any thereof.

(f) Approve the terms of the issuance of surety bonds or guarantees to third parties in amounts of \$5 million to \$10 million for each such surety bond or guarantee, and approve, or authorize the Chief Executive Officer and the Chief Financial Officer, or either of them, to approve the terms of the issuance of surety bonds or guarantees to third parties in amounts of up to \$5 million for each such surety bond or guarantee, provided that the aggregate amount of surety bonds and guarantees issued in any calendar year pursuant to the Committee’s, the Chief Executive Officer’s and the Chief Financial Officer’s authority under this paragraph shall not exceed \$20 million.

**C. *Benefit Plan Investments***

The Committee shall have the following duties and responsibilities with respect to the benefit plan investments:

- (a) Appoint members of the investment committees authorized to control and manage the assets of the Company's benefit plans.
- (b) Appoint trustees for the qualified and non-qualified benefit plans in accordance with the plan documents.
- (c) Approve amounts of and timings for Company contributions to qualified and non-qualified benefit plans, consistent with legal requirements and plan documents.
- (d) Approve asset allocation policies.
- (e) Review asset allocation and investment performance results.

**D. *Additional Duties and Responsibilities***

- (a) The Committee shall review corporate and Board insurance coverage.
- (b) The Committee shall review and recommend to the Board overall risk limits for power and fuel, proposed by management for the Company's energy portfolio management business activities.
- (c) The Committee shall be responsible for overseeing the Company's process for post-completion review of capital projects and shall receive periodic reports from management on the results of such reviews for capital projects with incurred costs over \$10 million.
- (d) The Committee shall be responsible for appointing and removing trustees of the Trojan Nuclear Decommissioning Trust.
- (e) The Committee shall be responsible for reviewing and approving the Company's decisions to enter into swaps that are exempt from the requirements of Sections 2(h)(1) and 2(h)(8) of the Commodity Exchange Act, as necessary to comply with the approval requirements under Section 2(j) of the Commodity Exchange Act.
- (f) The Committee shall have such other duties and responsibilities consistent with this Charter, the Company's bylaws and governing law, as the Board may, from time to time, deem necessary or appropriate.

**E. *Authority***

The Committee may take action on behalf of the Board with respect to the matters described as being within its authority. However, the existence of this authority does not limit the authority of the Board or the authority of any other committee of the Board to act in a manner such as they are authorized.

## **V. EVALUATION OF THE COMMITTEE**

The Committee shall, on an annual basis, evaluate its performance. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

## **VI. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other consultants or advisers as it deems necessary.

Adopted by the Board of Directors on October 26, 2006  
Amended by the Board of Directors on February 22, 2007  
Amended by the Board of Directors on May 2, 2007  
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