

**CHARTER OF THE
FINANCE AND RISK MANAGEMENT COMMITTEE
OF THE
BOARD OF DIRECTORS
OF
SPECTRA ENERGY CORP
(August 2009)**

I. General Focus

The Finance and Risk Management Committee (the “Committee”) shall:

- Review the Corporation’s financial and fiscal affairs; provided, however that the responsibility for managing and assessing risks with respect to financial reporting issues shall be the responsibility of the Audit Committee;
- Make recommendations to the Board of Directors (the “Board”) regarding dividend, financing and fiscal policies;
- Review the financial exposure of the Corporation together with mitigating strategies;
- Review the Corporation’s risk exposure as related to the overall company portfolio and impact on earnings;
- Determine whether actions taken by management with respect to financial matters are consistent with internal controls;
- Review the financial impacts of major transactions as related to mergers, acquisitions, reorganizations and divestitures, capital projects; and
- Review systems, processes, organizational structure and people responsible for the finance and risk functions.

II. Structure and Operations

The Committee shall be comprised of two or more members of the Board.

The members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by majority vote of the Board.

The full Board shall elect the Chair of the Committee. The Chair will chair all regular sessions of the Committee and approve the agendas for Committee meetings.

III. Meetings

The Committee shall meet at the discretion of the Board or at the call of the Chair or any two members thereof. The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.

All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. Additionally, the Committee may invite to its meetings any director, management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

A majority of the Committee members, but not less than two, will constitute a quorum. A majority of the Committee members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent with respect to matters that may be acted upon without a formal meeting.

The Committee shall appoint a person who need not be a member thereof to act as secretary, and minutes of its proceedings shall be kept in minute books provided for that purpose. The agenda of each meeting will be prepared by the secretary and, whenever reasonably practicable, circulated to each member prior to each meeting.

IV. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsels or experts and any other terms of retention.

Financial and Fiscal Affairs

1. Periodically review the long-term and short-term financial objectives and policies of the Corporation, including dividend policy, and recommend such policies and objectives for action by the full Board where appropriate.
2. Review the financial condition and operating results of the Corporation.
3. Evaluate the financing requirements of the Corporation and management's proposed financing plans. Recommend to the full Board those authorizations, filings and applications necessary and appropriate to enable management to execute such plans.

4. Review any major budget variances as defined in the Approval of Business Transaction Policy for supplemental funding requests, consistent with the Corporation's internal controls.
5. Review the financial exposures undertaken by the Corporation together with any mitigating strategies, including insurance, and consider these in light of the approved Corporate Risk Management Policies and internal controls. Such exposures include physical and financial positions in commodities markets; derivatives strategies; capital commitments; sovereign and foreign exchange exposures; undertakings assumed in turnkey construction or engineering agreements, including liquidated damages; and exposure to interest rate fluctuations.
6. Review the risk exposures and impact to earnings for the Corporation's commodity portfolio.
7. Consider and recommend to the full Board common stock sales, repurchases or splits, as appropriate, and any payments of quarterly dividend on common and preferred stocks.
8. Review banking relationships and credit facilities.
9. Review annually investment guidelines and performance, including investment aspects of pension trusts and other employee benefits programs.
10. Review and understand all financial implications of any significant transactions requiring Board approval as related to mergers, acquisitions, reorganizations and divestitures.

Capital Projects

11. Review and understand all financial implications of any significant capital project requiring Board approval that includes a unique financial structuring component; review and confirm that the economics, on which the project is based, are consistent with the Corporation's standard methodology. In addition, perform post project reviews for significant projects or as requested by the Committee.

Risk Management Programs

12. Periodically review and assess the adequacy of the Corporation's financing and fiscal risk management programs and recommend to the Board any changes to such programs.

Reports

13. Report regularly to the full Board (i) following meetings of the Committee and (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities; provide such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such a report.
14. Maintain minutes or other records of meetings and activities of the Committee.

V. Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter and shall deliver to the Board a report which may be oral, setting forth the results of its evaluation. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.