

Capital and Investment Committee Charter

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References within this document

Within this document, a reference to Genworth Australia or 'the Company' refers to Genworth Mortgage Insurance Australia Limited and its subsidiary companies.

References to the Board are to the Boards of Directors of Genworth Australia and its subsidiary companies unless a specific Board is specified. All References to amounts are in Australian Dollars (AUD).

Genworth Mortgage Insurance Australia Limited

Capital and Investment Committee Charter

1. Introduction

This document is the Charter of the Capital and Investment Committee (Committee), a Committee of the Boards of Genworth Mortgage Insurance Australia Limited (Company or Genworth Australia), Genworth Financial Mortgage Insurance Pty Limited (GFMI) and Genworth Financial Mortgage Indemnity Ltd (GFNIL).

The Company is an authorised non-operating holding company (Authorised NOHC) and the designated 'parent entity' of the Level 2 insurance group in Australia under APRA's Prudential Standards. Accordingly, this Charter applies to the activities that the Committee carries out in respect of the Company, and those activities carried out in respect of its wholly owned subsidiaries including:

- GFMI, an authorised insurer under the *Insurance Act 1973* (Cth) which conducts a lenders mortgage insurance business in Australia and New Zealand; and
- GFNIL, which holds mortgage insurance policies in run-off.

On becoming effective, this Charter supersedes the previous Charter relating to the operation and responsibilities of the Capital and Investment function of the Boards, as delegated to any Board committee.

2. Objectives

The objectives of the Committee are to assist the Boards in:

- (a) Setting and reviewing the capital strategy and investment strategy for Genworth Australia;
- (b) Supervising the execution of that strategy; and
- (c) Monitoring compliance with the Risk and Capital Management Framework and Strategy as it relates to the Company's Internal Capital Adequacy Assessment Process (ICAAP) Summary Statement, Risk Management Statement and Risk Management Framework.

3. Composition

The Committee must comprise:

- (a) At least three directors;
- (b) Only non-executive directors;
- (c) A majority of independent directors;
- (d) An independent chairperson, who is not the chairperson of the Board of Genworth Australia, GFMI or GFNIL.

The Committee must be of sufficient size, independence and technical expertise to discharge its mandate effectively.

The Boards will decide appointments, rotations and resignations within the Committee.

4. Responsibilities

The Responsibilities of the Committee include the following:

- Set and review the capital and investment objectives and strategy (including the Investment Policy and Guidelines) in accordance with Genworth Australia's strategies, Business Plan, and the Risk and Capital Management Framework and Strategy in relation to the Company's Internal Capital Adequacy Assessment Process (ICAAP) Summary Statement, Reinsurance Management Strategy, Risk Management Statement and Risk Management Framework.
- In relation to Genworth Australia's investments:
 - Review and determine the size, composition, objectives and responsibilities of the management investment committee ("Investment Committee");
 - Review the Quarterly Investment Portfolio Report produced by management, including information regarding the performance of Investment Managers, and any breaches of the investment mandate;
 - Consider proposals, decisions and recommendations of the investment team and/or Investment Committee;
 - Annually review the Investment Management Agreements and consider amendments as may be recommended by the Investment Committee;
 - Review the composition and performance of the investment portfolios and any deviations from mandates;
 - Consider the portfolios and any suggestions or concerns taking into account market conditions, any liquidity issues or other matters relevant to the portfolios;
 - Approve:
 - the Company's Investment Policies including the Derivatives Policy;
 - the appointment or removal of an investment manager;
 - investment asset allocation;
 - derivative trades;
 - the appointment or removal of an investment custodian;
 - the change of an investment management mandate.
- In relation to Genworth Australia's capital position and strategy:
 - Oversee and recommend to the Boards the ICAAP and in doing so:
 - review the outcomes of enterprise wide stress testing;
 - recommend the target capital ranges for total capital having regard to ratings agency, regulatory and Genworth Australia's Internal Economic Capital measures;
 - monitor and report to the Boards on matters relating to regulatory and rating agency solvency requirements, capital initiatives, reinsurance and dividend policy; and
 - review and monitor capital levels for consistency with Genworth Australia's agreed risk appetite.
 - Review and recommend to the Boards for approval any amendments to the target capital range and total capital position, including any new capital instruments to be issued.
 - Review and recommend to the Boards for approval any amendments to the Risk and Capital Management Framework and Strategy as they relate to the

Risk Management Framework. Risk Management Strategy and Reinsurance Management Strategy.

- Approve reinsurance arrangements entered into by the Company.
- Review and recommend to the Boards for adoption any new policies and procedures on capital, reinsurance and/or investment management.
- Act in accordance with all directions given to it by the Boards.

5. Meetings

The Committee will appoint a chairperson and a secretary.

The Committee must hold meetings at least four times annually and may meet more frequently if it considers it necessary.

A quorum must comprise any two Committee members. A quorum shall not be present unless there is a majority of independent directors present at the meeting.

Committee meetings may be held by its members communicating with each other through any technological means through which they can participate in discussion even though they may not be physically present in the same place.

The Committee chairperson may invite senior managers, executives or directors of Genworth Australia or its related bodies corporate who are not members of the Committee, and external professionals, to attend meetings of the Committee. The Committee may request such persons to provide input or advice in relation to the capital and investment related matters being considered by the Committee.

The secretary of the Committee shall keep minutes of each Committee meeting and provide a copy of the minutes to each Committee member, after preliminary approval by the chairperson of the Committee.

6. Reporting to the Board

The chairperson of the Committee will communicate the determinations and findings of the Committee to the Boards of Genworth Australia, GFMI and GFMIL after each Committee meeting. Copies of the minutes of each Committee meeting will be included in the papers for the next full meeting of the Boards after each meeting of the Committee.

7. Amending this Charter

The Committee must review its Charter every three years or, as it considers necessary, more frequently, or as otherwise directed by the Boards.

This Charter may be amended by a resolution of the Committee subject to the approval of the Boards of Genworth Australia, GFMI and GFMIL.

8. Board approval of this Charter

This Charter was approved by the Boards of Genworth Australia, GFMI and GFMIL on 24 March 2016.

Document Information

Version history	
Version number	Approval date
1.0	19 March 2012
2.0	23 May 2012
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