

Remuneration & Nominations Committee Charter

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Table of Contents

1. Introduction	3
2. Purpose & Objectives	3
3. Operation	3
4. Composition	4
5. Duties & Responsibilities.....	4
6. Meetings.....	5
7. Reporting to the Board.....	6
8. Delegation.....	6
9. Amending this Charter	6
Document Information	7

Company information table

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References within this document

References to the Board are to the Boards of Directors of Genworth Mortgage Insurance Australia Limited, Genworth Financial Mortgage Insurance Pty Ltd and Genworth Financial Mortgage Indemnity Limited unless a specific Board is specified. All References to amounts are in Australian Dollars (AUD).

Genworth Mortgage Insurance Australia Limited

Remuneration and Nominations Committee Charter

1. Introduction

This document is the Charter of the Remuneration & Nominations Committee (the **Committee**), a committee of the Boards of Genworth Mortgage Insurance Australia Limited (**GMA**), Genworth Financial Mortgage Insurance Pty Ltd (**GFMI**) and Genworth Financial Mortgage Indemnity Limited (**Indemnity**) (collectively, the **Company**).

GMA is the authorised non-operating holding company and the designated 'parent entity' of the Genworth Level 2 insurance group in Australia under APRA's Prudential Standards. Accordingly, and as required under APRA Prudential Standard CPS 510 Governance, this Charter outlines the roles, responsibilities and terms of operation of the Committee in respect of the Company. The Charter also outlines how GMA applies requirements of APRA's CPS 510 appropriately throughout the Level 2 insurance group, including in relation to institutions that are not APRA regulated.

On becoming effective, this Charter supersedes all previous Company charters relating to the operation and responsibilities of the Remuneration & Nominations function of the Board, as delegated to any Board committee.

2. Purpose & Objectives

The purpose and objectives of the Committee are to assist the Board of the Company to fulfil its responsibilities to shareholders and regulators in relation to the remuneration of employees and Directors, succession planning and nomination activities, board effectiveness, and diversity and inclusion in the workplace.

3. Operation

The Committee is authorised to appoint independent remuneration experts to advise it on specific remuneration issues, and will do so independently of management. The Committee is responsible for ensuring that the engagement of any remuneration expert, including any advice received, is independent.

Other experts may also be appointed by the Committee to advise them on organisational development, succession, nomination, appointment and diversity and inclusion as required.

The Committee will have free access at all times to risk and financial control employees and any other parties (internal and external) it requires access to effectively carry out its duties.

The Committee has the power to invite any individuals to attend Committee meetings, whether the individual is internal or external to the Company and associated entities.

Although the Committee is responsible for monitoring, reviewing, and providing recommendations relating to the remuneration, succession planning and nomination activities, board effectiveness, and diversity and inclusion practices of the Company, the ultimate responsibility and authority for these practices rests with the Board of the Company.

Each member of the Committee is entitled to rely on the executives of the Company for matters that are the responsibility of those executives, as well as to rely on the advice of counsel and other experts, so long as they are not aware of any reasons such reliance would be inappropriate.

The Committee will be available to meet with APRA as required.

4. 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.

While Genworth Financial, Inc. or its subsidiaries (other than GMA and its subsidiaries) has a relevant interest in 50% or more of shares in the Company, Genworth Financial, Inc. has the right to designate one director of the Company as a member of the Committee.

Committee members are expected to have an appropriate level of knowledge and understanding of remuneration practices, as well as legal and regulatory requirements relating to remuneration. Committee members will be required to refresh their knowledge and understanding periodically, as required by the Board.

The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.

5. Duties & Responsibilities

Remuneration, Succession and Diversity

The Committee will:

- Review and recommend to the Board all remuneration proposals (total fixed remuneration, bonus, equity awards, and termination payments for the Key Leaders¹ and Directors of the Company (including termination payments made to former Key Leaders and Directors within three years of ceasing to be a Key Leader or Director));
- Review and recommend to the Board remuneration proposals in aggregate for Key Functional employees to ensure the independence of these personnel in carrying out their duties;
- Regularly review the Company's remuneration framework to ensure it continues to align to business objectives in a manner that is consistent with the long-term sustainability of the Company. The remuneration framework should also align to customer and shareholder interests over the long-term;
- Ensure effective implementation of the remuneration framework through regular review of performance metrics to ensure they take account of risk and compliance outcomes and employee behaviour assessed in relation to performance review and their impact on remuneration outcomes, release of deferred remuneration or (if applicable) clawback of variable remuneration previously paid;
- Review and recommend to the Board salary and variable remuneration plans (e.g. STI and LTI) including annual goals and objectives, appropriate performance metrics and annual funding/budgets;
- Oversee the development of succession plans in relation to the CEO and other senior management;
- Review and recommend to the Board annually the remuneration of independent directors and the remuneration pool to be recommended to shareholders;
- Recommend the annual remuneration report to the Board for approval and inclusion in the Company's annual report;

¹ Key Leader is defined in the Company's Remuneration Policy consistent with the relevant APRA Prudential Standards.

- Review the Remuneration Policy every three years (or sooner if warranted due to changes in legislation or regulations) and perform an assessment of the Policy's effectiveness and compliance with the requirements of CPS 510 Governance, and recommend any changes to the Board for approval; and
- Review and recommend to the Board annually the Company's Diversity and Inclusion Policy, measurable objectives for achieving diversity and progress in achieving such objectives.

Nomination

The Committee will:

- Review and recommend to the Board the attributes required to discharge competently the Board's duties at both the individual and collective (Board) level; including the size of the Board, specific qualities or skills and the appropriate mix of skills, experience, expertise and diversity, and desired Board composition in respect of the qualities and skills identified;
- As appropriate, consider and make recommendations to the Board on the process for recruiting a new director, and in relation to candidates for appointment as directors, including evaluating:
 - Competencies and qualifications of the appointee, including their skills, expertise and experience and how these contribute to the overall skills mix and diversity requirements of the Board;
 - Matters relevant to whether the person meets APRA's requirement under prudential standards that he or she is "fit and proper" for the role, having regard to the Company's Fit and Proper Policy;
 - Independence (taking into consideration the requirements of APRA's prudential standards and the matters contained in the ASX Corporate Governance Principles and Recommendations);
 - The time commitment required by a director to effectively discharge his or her duties to the Company and the number of existing directorships and other commitments that may demand the attention of the appointee;
 - The nature of existing positions, directorships or other relationships and the impact that each may have on the appointee's ability to exercise an independent judgment; and
 - The extent to which the appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board;
- Make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board and preparing a description of the role and capabilities required for a particular Board appointment;
- Undertake an annual evaluation of the Board, Committees and individual directors with respect to effectiveness and to ensure they are fulfilling their respective responsibilities;
- Develop and implement succession planning for directors, taking into account the skills and expertise needed on the Board in future;
- Regularly assess the independence of the directors and Committee members to ensure a majority of independent directors on all Committees;
- Review and, as applicable, recommend to the Board the re-election by shareholders of directors; and
- Review and recommend to the Board a process for the orientation and professional development of new directors and the continuing professional development of all directors.

6. Meetings

The Committee will meet at least four times per year, or more frequently if required to fulfill its duties.

A quorum will comprise two Committee members. A quorum shall not be present unless there is a majority of independent non-executive directors present at the meeting.

In the absence of the Committee Chairman or appointed delegate, the members will elect one of their number as chairman of that meeting (subject to a quorum).

Non-executive directors of the Company who are not Committee members may attend Committee meetings at any time.

The CEO and Chief Human Resources Officer may attend all Committee meetings by standing invitation, but may be asked to leave at any time.

The Committee may appoint or remove a secretary to the Committee. Where no secretary has been appointed by the Committee, the Chief Human Resources Officer will act as Secretary to the Committee.

The Secretary, in conjunction with the Chairman, shall prepare an agenda for each meeting, which shall be circulated to all Directors prior to the meeting in sufficient time to enable Directors to read the papers and properly prepare for the meeting.

Draft minutes of each Board meeting shall be prepared by the Secretary promptly following the meeting for review by the Chairman. Thereafter, the draft minutes shall be circulated to all Committee members for final review and approval at the next Committee meeting.

Committee meetings may be held by directors 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.

7. Reporting to the Board

The Committee shall report to the Board on its meetings, update the Board about matters relevant to the Committee's role and responsibilities that should be brought to the attention of the Board and make appropriate recommendations for approval or action by the Board.

Copies of the minutes of each Committee meeting will be included in the papers for the next full Board meeting after each meeting of the Committee.

8. Delegation

Authority is delegated to the Committee Chairman to exercise the authority conferred on the Committee between Committee meetings, subject to the Committee Chairman reporting the details of any exercise of this authority at the next Committee meeting.

9. Amending this Charter

The Committee will review this Charter every three years, or more frequently as required, and recommend any changes to the Board for approval.

Document Information

Version history	
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1.0	19 March 2012
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