

Remuneration & Nominations Committee Charter

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References within this document

Within this document, a reference to Genworth 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 and its subsidiary companies unless a specific Board is specified. All References to amounts are in Australian Dollars (AUD).

Genworth Mortgage Insurance Australia Limited

Remuneration & Nominations Committee Charter

1. Introduction & Key Terms

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

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, and as required under APRA Prudential Standard CPS 510 Governance (CPS 510 Governance), this Charter outlines the roles, responsibilities and terms of operation of the Committee in respect of the Company.

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.

This Charter refers to the following groups of employees.

- Key Leaders¹, being personnel that in the Committee's or APRA's view:
 - i. are responsible for making, or participating in making, decisions that affect the whole, or a substantial part, of the Company, or
 - ii. have the capacity to affect significantly the Company's financial standing, or
 - iii. have a significant portion of total remuneration based on performance.

This group encompasses the Senior Leadership Team (SLT).

- Key Functional employees, being personnel whose primary role is risk management, compliance, internal audit, financial control or actuarial control.

2. Purpose & Objectives

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

3. Operation

The Committee is authorised to appoint independent remuneration experts to advise them 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 development, succession, nomination, appointment and diversity as required.

The Committee will have free access at all times to risk and financial control personnel and any other parties (internal and external) in carrying out its duties.

¹ The definitions used to determine Key Leaders is as per APRA CPS 520 Fit and Proper, which is the definition referenced in APRA CPS 510 Governance.

The Committee has the power to call 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 selection and appointment practices as well as the remuneration policy of the Company, the ultimate responsibility and authority for these practices rests with the Board of the Company.

Each member of 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 the Company and its subsidiaries) has a relevant interest of 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

The Committee will review this Charter and the Remuneration Policy every three years (or sooner if warranted due to changes in legislation or regulations or as determined by the Committee) and include an assessment of the Policy's effectiveness and compliance with the requirements of CPS 510 Governance. The Committee will recommend any changes to the Board for approval.

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 (including termination payments made to former Directors and Key Leaders within three years of ceasing to be a Director or Key Leader)) for the CEO and other Key Leaders of the Company;
- 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 functions;

- Review and recommend to the Board salary and variable remuneration plans (e.g. STI and LTI) including annual goals and objectives and annual funding/budgets;
- Oversee the development of executive 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; and
- Review and recommend to the Board annually the Company's Diversity 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 candidates for appointment as directors giving regard to:
 - 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;
- Undertake an annual evaluation of the Board, Committees and individual members with respect to effectiveness and to ensure they are fulfilling their respective responsibilities;
- Develop and implement succession planning for non-executive 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 education of new directors and the continuing education 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 for the Company 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 and then tabled at the next Committee meeting for final review and approval.

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 th

e 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 triennially, or more frequently as required, and recommend any changes to the Board for approval.

Document information

Version history	
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