

## **GOVERNANCE PRINCIPLES GENWORTH FINANCIAL, INC.**

The following principles have been approved by the board of directors and, along with the charters and key practices of the board committees, provide the framework for the governance of Genworth Financial, Inc. The board recognizes that there is an ongoing and energetic debate about corporate governance, and it will review these principles and other aspects of Genworth governance annually or more often if deemed necessary and may update or revise (in whole or in part) these principles from time to time.

1. *Role of Board and Management.* Genworth's business is conducted by its employees, managers and officers, under the direction of the chief executive officer (CEO) and the oversight of the board, to enhance the long-term value of the company for its stockholders. The board of directors is elected by the stockholders to oversee management and to assure that the long-term interests of the stockholders are being served. Both the board of directors and management recognize that the long-term interests of stockholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties including employees, recruits, customers, suppliers, Genworth communities, government officials and the public at large.

2. *Functions of Board.* The board of directors has at least six scheduled meetings a year at which it reviews and discusses reports by management on the performance of the company, its plans and prospects, as well as immediate issues facing the company. Directors are expected to attend all scheduled board and committee meetings and the annual meeting of stockholders and to review in advance of each meeting any pre-meeting materials distributed to the board of directors. In addition to its general oversight of management, the board also performs a number of specific functions, including:

- a. selecting, evaluating and compensating the CEO and overseeing CEO succession planning;
- b. providing counsel and oversight on the selection, evaluation, development and compensation of senior management;
- c. reviewing, monitoring and, where appropriate, approving fundamental financial and business strategies and major corporate actions;
- d. overseeing the company's overall risk assessment processes and management thereof; and
- e. ensuring processes are in place for maintaining the integrity of the company, the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with customers and suppliers, and the integrity of relationships with other stakeholders.

3. *Qualifications.* Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the

stockholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. We endeavor to have a board representing diverse experience at policy-making levels in business, government, education and technology, and in areas that are relevant to the company's global activities.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the board for an extended period of time. Directors should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities, for consideration by the nominating and corporate governance committee. The nominating and corporate governance committee will recommend to the board whether the resignation should be accepted.

Directors who also serve as chief executive officers or in equivalent positions for other public companies should not serve on more than two boards of public companies in addition to the Genworth board, and other directors should not serve on more than four other boards of public companies in addition to the Genworth board. Directors should notify Genworth's chairman of the board and the chair of the nominating and corporate governance committee before accepting an invitation to serve on the board of directors of another public company or on the board of directors, or similar position, of a private company or a charitable organization.

When deciding whether to renominate a director for election, the board will consider the director's tenure in the context of the overall mix of tenures of the board. The board does not believe that arbitrary term limits on directors' service are appropriate, nor does it believe that directors should expect to be renominated annually until they reach the mandatory retirement age. The board self-evaluation process described below will be an important determinant for board tenure. Directors generally will not be nominated for election to the board after their 76<sup>th</sup> birthday, although the board may nominate candidates over 76 for special circumstances.

4. *Independence of Directors.* A majority of the directors serving on the board shall be independent directors, as independence is determined by the board, based on the guidelines set forth below.

It is the intent of the board that all future directors who are not employees of Genworth or its affiliates will be independent.

For a director to be considered independent, the board must determine that the director does not have any direct or indirect material relationship with Genworth. The board has established guidelines to assist it in determining director independence, which conform to or are more exacting than the independence requirements in the NYSE rules. In addition to applying these guidelines, the board will consider all relevant facts and circumstances in making an independence determination, and not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation.

The board will make and publicly disclose its independence determination for each director when the director is first elected to the board and annually thereafter for all nominees for election as directors. If the board determines that a director who satisfies the NYSE rules is independent

even though he or she does not satisfy all of Genworth's independence guidelines, this determination will be disclosed and explained in the next proxy statement.

a. A director will not be independent if:

(i) the director is, or has been within the last three years, employed by Genworth, or an immediate family member is, or has been within the last three years, an executive officer of Genworth;

(ii) the director has received any direct compensation from Genworth in the last three years, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

(iii) an immediate family member has received during any 12-month period within the last three years more than \$120,000 in direct compensation from Genworth, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

(iv) (A) the director is a current partner or employee of Genworth's independent auditor, (B) an immediate family member of the director is a current partner of Genworth's independent auditor, (C) an immediate family member of the director is a current employee of such independent auditor and personally works on Genworth's audit, or (D) the director or an immediate family member of a director was within the last three years a partner or employee of such independent auditor and personally worked on Genworth's audit within that time; or

(v) a Genworth executive officer is on the compensation committee of the board of directors of a company which employs or has employed within the last three years the Genworth director or an immediate family member of the director as an executive officer.

b. A director will not be independent if, at the time of the independence determination, the director is an employee, or if an immediate family member is an executive officer, of another company that does business with Genworth and payments by that company to Genworth or payments to that company from Genworth, in any single fiscal year during the last three fiscal years, are more than the greater of two percent of the annual revenues of that company or \$1 million.

c. A director will not be independent if, at the time of the independence determination, the director is an executive officer or employee, or an immediate family member is an executive officer, of another company which is indebted to Genworth, or to which Genworth is indebted, and the total amount of either company's indebtedness to the

other at the end of the last completed fiscal year is more than two percent of the other company's total consolidated assets.

d. A director will not be independent if, at the time of the independence determination, the director serves as an officer, director or trustee of a charitable organization, and Genworth's discretionary charitable contributions to the organization are more than two percent of that organization's total annual charitable receipts during its last completed fiscal year. (The Genworth Foundation's automatic matching of charitable contributions will not be included in the amount of Genworth's contributions for this purpose.)

5. *Size of Board and Selection Process.* The directors are elected each year by the stockholders at the annual meeting of stockholders. Holders of Genworth's Class A common stock have the right to elect directors in the manner set forth in Genworth's certificate of incorporation and bylaws. Uncontested elections of directors are also subject to Genworth's majority voting bylaw, which is set forth in Section 3.2 of the bylaws and which is described below in Section 22 of these Governance Principles. Stockholders may propose nominees for consideration by the nominating and corporate governance committee by submitting the names and supporting information to: Secretary, Genworth Financial, Inc., 6620 West Broad Street, Richmond, Virginia 23230. The nominating and corporate governance committee shall propose a slate of nominees to the board of directors, and the board of directors shall select director nominees for election at the annual meeting of stockholders. Subject to the requirements of Genworth's certificate of incorporation, the board determines the number of directors on the board. Vacancies on the board may be filled in the manner set forth in Genworth's certificate of incorporation. Consistent with the requirements set forth in Genworth's certificate of incorporation, the board believes that, given the size and breadth of Genworth, and the need for diversity of board views, the size of the board should be in the range of seven to 15 directors.

6. *Board Committees.* The board has established the following standing committees to assist the board in discharging its responsibilities: (i) audit; (ii) management development and compensation; (iii) nominating and corporate governance; and (iv) risk. The current charters and any key practices of these committees will be published on the Genworth website. The committee chairs report the highlights of their meetings to the full board following each meeting of the respective committees. The committees occasionally hold meetings in conjunction with the full board.

7. *Independence of Committee Members.* The audit committee, the management development and compensation committee, the nominating and corporate governance committee and the risk committee shall be composed entirely of directors meeting the independence standards discussed in Section 4 above.

Members of the audit committee must also satisfy two additional NYSE independence requirements. Specifically, (i) they may not accept directly or indirectly any consulting, advisory or other compensatory fee from Genworth or any of its subsidiaries other than their directors' compensation and (ii) they may not be an affiliated person of Genworth or any of its subsidiaries (as "affiliated" is defined in Rule 10A-3 of the Securities Exchange Act of 1934, as amended).

In addition, in affirmatively determining the independence of any director who will serve on the management development and compensation committee, the board must consider all factors specifically relevant to determining whether a director has a relationship to Genworth which is material to that director's ability to be independent from management in connection with the duties of a member of the management development and compensation committee, including, but not limited to:

- a. the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by Genworth to such director; and
- b. whether such director is affiliated with Genworth, a subsidiary of Genworth or an affiliate of a subsidiary of Genworth (other than in his or her capacity as a director of Genworth).

8. *Meetings of Non-Management and Independent Directors.* The non-management directors will meet regularly without management present. If the non-management directors include individuals who are not independent based on the guidelines set forth in Section 4 above, the independent directors will also separately meet at least once each year. The directors have determined that the independent non-executive chairman of the board (or lead director if the roles of chairman of the board and CEO are combined or the chairman of the board is otherwise not independent) will preside at the meetings of the non-management directors and the independent directors; in the absence of such person, the non-management directors present will select an independent committee chair to preside at such session. The independent non-executive chairman of the board or lead director as applicable may periodically call meetings of the non-management and independent directors, including at the request of the non-management or independent directors.

9. *Self-Evaluation.* As described more fully in the key practices of the nominating and corporate governance committee, the board and each of the committees will perform an annual self-evaluation. During the fourth quarter of each year, the directors will be requested to provide their assessments of the effectiveness of the board and the committees on which they serve.

10. *Setting Board Agenda.* The board shall be responsible for its agenda. At a board meeting in the fourth quarter of each year, the CEO will propose for the board's approval key issues of strategy, risk, compliance and operations to be scheduled and discussed during the course of the next calendar year. Before that meeting, the CEO will consult with the independent non-executive chairman of the board (or lead director if the roles of chairman of the board and CEO are combined or the chairman of the board is otherwise not independent) on such matters and the board also will be invited to offer its suggestions. As a result of this process, a schedule of major discussion items for the following year will be established. The independent non-executive chairman of the board or lead director as applicable, or the appropriate committee chair, shall work with the CEO and the company's management to determine the nature and extent of information that shall be provided regularly to the directors before each scheduled board or committee meeting. Directors are urged to make suggestions for agenda items, or additional pre-meeting materials, to

the CEO, independent non-executive chairman of the board or lead director as applicable, or appropriate committee chair, at any time.

11. *Ethics, Conflicts of Interest and Related Person Transactions.*

a. *Ethics and Conflicts of Interest.* The board expects Genworth directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising Genworth’s Code of Ethics. The board will not permit any waiver of any ethics policy for any director or executive officer. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the CEO. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. Except as otherwise provided in Section 11(b), any actual conflict of interest issue involving a director, the CEO or the CFO shall be resolved by the board, and any actual conflict of interest issue involving any other officer of the company shall be resolved by the CEO.

b. *Related Person Transactions.* The board recognizes that transactions with Related Persons (as defined below) present a heightened risk of conflicts of interest and/or improper valuation (or the perception thereof) and that Genworth should not consummate such transactions except under circumstances where there is a verifiable Genworth business interest supporting the transaction and the transaction otherwise meets Genworth’s standards that apply to similar transactions with unaffiliated entities or persons. The board has determined that the audit committee is best suited to establish the policies and procedures for the review and approval of such transactions. Accordingly, Genworth shall not consummate any transactions with Related Persons unless such transactions are reviewed and approved in accordance with the policies and procedures established by the audit committee.

For these purposes, “Related Person” means:

- (1) an executive officer or director or nominee for director of Genworth;
- (2) any person known by Genworth to beneficially own in excess of 5% of any class of Genworth’s voting securities;
- (3) a person who is an immediate family member of someone listed in (1) or (2) above; for these purposes, “immediate family member” means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of an executive officer, director, director nominee or more than 5% security holder, and any person (other than a tenant or employee) sharing the household of such executive officer, director, director nominee or more than 5% security holder; and
- (4) any firm, corporation or other entity in which any of the foregoing persons is an executive officer, general partner, principal or in a similar position or in which such person is deemed to have a 10% or greater beneficial ownership interest (aggregating ownership

interests held by all executive officers, directors, director nominees and their immediate family members).

In addition to the foregoing, (a) Genworth will not make any personal loans or extensions of credit to directors or executive officers, and (b) no non-management director may provide personal services for compensation to Genworth, other than in connection with serving as a Genworth director.

12. *Reporting of Concerns to Non-Management Directors or the Audit Committee.* The audit committee and the non-management directors have established the following procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls or auditing matters. The audit committee and the non-management directors have also established the following procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters. Such communications may be e-mailed, submitted in writing or reported by telephone to special addresses or a toll-free telephone number published on the company's website. All such communications shall be promptly logged and reviewed by Genworth's ombudsperson or corporate secretary, as applicable. The ombudsperson or corporate secretary may sort or summarize the communications as appropriate. Communications, which are commercial solicitations, customer complaints, incoherent or obscene, will not be forwarded to the non-management directors or audit committee.

All concerns will be reviewed and addressed by Genworth's ombudsperson or corporate secretary, as applicable, utilizing the same procedures employed to address other concerns directed to the company. However, any concerns relating to accounting, internal accounting controls, auditing matters or officer conduct shall be sent immediately to the chair of the audit committee. The audit committee chair may direct that certain matters be presented to the full audit committee or the full board and also may direct special treatment, including but not limited to the retention of outside advisors or counsel, for any concern addressed to the audit committee.

Any director may at any time review the log and request copies of any correspondence received. The status of all concerns addressed to the non-management directors or the audit committee will be reported to the chair of the audit committee on a quarterly basis.

The company's Code of Ethics prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern.

13. *Compensation of the Board.* Directors who are employees of Genworth or its affiliates will not receive compensation for serving on Genworth's board. The nominating and corporate governance committee shall have the responsibility for recommending to the board compensation and benefits for non-management directors. In discharging this duty, the committee shall be guided by three goals: compensation should fairly pay directors for work required in a company of Genworth's size and scope; compensation should align directors' interests with the long-term interests of stockholders; and the structure of the compensation should be simple, transparent and easy for stockholders to understand. Bearing in mind these three goals and the recommendation made by the nominating and corporate governance committee, the board will

determine from time to time the compensation payable to each director. Director compensation may, but is not required to include the following elements (without limitation):

- a. an annual retainer payable for service as a director, payable in cash and/or equity, a portion of which may be required to be payable on a deferred basis and/or deferred at the option of the director, in each case in accordance with the applicable equity incentive plan;
- b. additional retainer(s) payable for service on standing committees of the board and/or for chairing such committees;
- c. an additional retainer payable to the independent non-executive chairman of the board or the lead director for service in leading the board; and
- d. payments to match certain charitable contributions made by directors.

Genworth will reimburse directors for reasonable travel and other Board-related expenses, including expenses to attend board and committee meetings and other business-related events, as well as director education seminars, in accordance with policies approved from time to time by the nominating and corporate governance committee. At the end of each year, the nominating and corporate governance committee shall review director compensation and benefits.

14. *Succession Plan.* The board shall approve and maintain a succession plan for the CEO and senior executives, based upon recommendations from the management development and compensation committee.

15. *Annual Compensation Review of Senior Management.* The management development and compensation committee shall annually approve the goals and objectives for compensating the CEO. That committee shall evaluate the CEO's performance in light of these goals before setting the CEO's salary, bonus and other incentive and equity compensation. That committee shall also annually approve the compensation structure for the company's officers, and shall evaluate the performance of the company's senior executive officers before approving their salary, bonus and other incentive and equity compensation.

16. *Access to Senior Management.* Non-management directors are encouraged to contact senior managers of the company without senior corporate management present.

17. *Access to Independent Advisors.* The board and its committees shall have the right at any time to retain independent outside auditors and financial, legal or other advisors, and the company shall provide appropriate funding, as determined by the board or any committee, to compensate such independent outside auditors or advisors, as well as to cover the ordinary administrative expenses incurred by the board and its committees in carrying out their duties.

18. *Director Orientation; Continuing Education.* The general counsel and the chief financial officer shall be responsible for providing an orientation for new directors, and for periodically providing materials or briefing sessions for all directors on subjects that would assist

them in discharging their duties. Each new director shall, within six months of election to the board, spend a day at corporate headquarters for personal briefing by senior management on the company's strategic plans, its financial statements and its key policies and practices.

19. *Policy on Poison Pills.* The term "poison pill" generally refers to the type of stockholder rights plan that some companies adopt to make a hostile takeover of the company more difficult. If Genworth were ever to adopt a poison pill the primary purpose of which is to deter hostile or abusive takeovers, the board would seek prior stockholder approval unless, due to timing constraints or other reasons, a committee consisting solely of independent directors determines that it would be in the best interests of stockholders to adopt a poison pill without obtaining stockholder approval.

20. *Stock Ownership Policy.* All non-management directors are expected to hold shares of Genworth common stock and/or deferred stock units while serving as a director of Genworth having a value equal to five times the value of the cash portion of the annual retainer payable to non-management directors. Non-management directors are expected to satisfy this ownership guideline over time after their initial appointment to the board, and are not permitted to sell any shares of Genworth common stock received from Genworth until the ownership guideline has been met.

21. *Prohibition on Publicly Traded Options, Hedging and Pledging Transactions.* Buying or selling options (puts or calls) on Genworth securities is, in effect, a bet on the short-term movement of the securities. If a director were to engage in such transactions, it could create the appearance that the director is trading based on inside information. Transactions in options may also focus the person's attention on short-term performance at the expense of Genworth's long-term objectives. Accordingly, directors may not engage in transactions in puts, calls or other derivatives relating to Genworth securities on an exchange or in any other organized market.

In addition, certain forms of hedging or monetization transactions, such as prepaid variable forward contracts, equity swaps, collars, forward sale contracts and exchange funds, would allow a director to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the person to continue to own the covered securities but without the full risks and rewards of ownership. When that occurs, he or she may no longer have the same objectives as Genworth's other stockholders. Therefore, directors may not engage in any such transactions.

Further, securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledger is aware of material nonpublic information or otherwise is not permitted to trade in Genworth securities, directors are prohibited from holding Genworth securities in a margin account or otherwise pledging Genworth securities as collateral for a loan.

22. *Majority Voting Standard.* Genworth has adopted a bylaw provision, included in Section 3.2 of the bylaws, providing for majority voting for directors in uncontested elections. The bylaw provision provides, in relevant part, as follows:

At each annual meeting of stockholders, members of the Board of Directors shall be elected by a “majority of votes cast” (as defined herein) to hold office until the next annual meeting, unless the election is contested, in which case directors shall be elected by a plurality of votes properly cast. An election shall be contested if, as determined by the Board of Directors, the number of nominees exceeds the number of directors to be elected. Each director, including a director elected to fill a vacancy, shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation (including resignation pursuant to the resignation policy set forth below), disqualification or removal. For the purposes of this Section, a “majority of votes cast” means that the number of votes properly cast “for” a director exceeds the number of votes properly cast “against” that director, with abstentions and broker non-votes counting as votes neither “for” nor “against” such director’s election. Any current director who is a nominee for a member of the Board of Directors in an uncontested election who does not receive a majority of votes cast at such election shall promptly tender his or her resignation from the Board of Directors (the effectiveness of which shall be made subject to the acceptance thereof by the Board of Directors) following certification of the stockholder vote. The Nominating and Corporate Governance Committee shall assess the appropriateness of such nominee continuing to serve as a director and shall recommend to the Board of Directors whether to accept or reject the resignation, or whether other action should be taken. The Board of Directors shall act on the Nominating and Corporate Governance Committee’s recommendation and publicly disclose its decision and the reason for its decision.

23. *Board Leadership.* The board will determine the leadership structure of the board as appropriate to Genworth’s circumstances from time to time.

Genworth’s bylaws require the board to appoint a chairman of the board. The board may appoint as chairman (i) the CEO, (ii) an independent director, or (iii) a non-independent director other than the CEO. If the roles of chairman of the board and CEO are combined or the chairman of the board is otherwise not independent, the independent directors will designate a lead director from time to time from among the independent directors. In addition to the responsibilities and authority set forth elsewhere in these Governance Principles, the responsibilities and authority of the independent non-executive chairman or lead director, as appropriate, include:

- a. for the independent non-executive chairman:
  - i. presiding at all meetings of the board, stockholders and non-management and independent directors;
  - ii. facilitating efficient board operations through regular engagement with standing committees of the board and individual directors; and

- iii. regularly communicating with the CEO to provide him or her with advice and counsel, and to share information about recent developments;
- b. for the lead director -- presiding at all meetings of the board when the chairman of the board is not present, and all meetings of the non-management and independent directors; and
- c. for the independent non-executive chairman or lead director, as applicable:
  - i. serving as a liaison between the CEO and the non-management and independent directors;
  - ii. consulting on meeting agendas;
  - iii. working with management to assure that meeting materials are fulfilling the needs of directors;
  - iv. consulting on the meeting calendar and meeting schedules to assure there is sufficient time to discuss all agenda items;
  - v. periodically calling meetings of the non-management and independent directors, including at the request of such directors;
  - vi. working with the chairman of the board and/or the CEO to respond to stockholder inquiries involving the board; and
  - vii. fulfilling other responsibilities as determined by the board.