

GENWORTH MI CANADA INC.

COMPENSATION AND NOMINATING COMMITTEE MANDATE

1. Purpose And Scope

The Compensation and Nominating Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Genworth MI Canada Inc. (“**Genworth Canada**” or the “**Company**”) shall exercise the responsibilities and duties set forth below, including but not limited to, the strategic oversight of the Company’s human capital including organizational effectiveness, succession planning, alignment of compensation with the Company’s philosophy, risk appetite and programs and making recommendations with respect to all forms of compensation consistent with the overall business objectives of the company as described in Section 4 below, the disclosure of such compensation, to the extent required by applicable law, in the Management Information Circular. The Committee will also assist in the recruitment and identification of individuals qualified to become new Board members and make recommendations regarding the membership of the Board, its committees and compensation.

2. Membership

Number

The Committee shall be composed of three or more members of the Board, a majority of which will be independent (as such term is defined by National Instrument 58-101) of the Company.

Composition and Qualifications:

The Committee has a majority of Directors who are independent (as such term is defined by National Instrument 58-101) and who are non-executives of the Company. Member qualifications include executive experience and an understanding of compensation programs and practices.

Chair

Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

Term of Members

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

3. Meetings

Number of Meetings

The Committee shall meet as many times as required to carry out its duties and responsibilities, including in-camera sessions without members of management present.

“In Camera” Meetings of the Committee and Private Meetings with Members of Management

At the beginning and/or end of each regularly scheduled meeting, the Committee will schedule an “*in camera*” meeting without the presence of Management. The Committee may meet in “*in camera*” at its discretion following an ad-hoc meeting.

Following each meeting, the Committee may meet in private with any members of Management required.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. The Committee shall have available to it a senior member of the Company’s (or one of the Company’s subsidiary’s) human resources or legal functions, who, at the request of the Committee, may serve as secretary of Committee meetings and assist the Committee in the preparation of its reports.

The Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

4. Duties and Responsibilities

Subject to the powers and duties of the Board, the Board has delegated the following powers and duties to be performed by the Committee on behalf of and for the Board:

(i) CEO Performance, Compensation & Employment Arrangements

The Committee shall:

- (a) Make recommendations to the Board regarding the appointment, assessment, and termination of the Chief Executive Officer’s (“**CEO**”);
- (b) Periodically review the job description of the CEO;

- (c) review and approve the long term and annual performance goals and objectives relevant to the CEO compensation;
- (d) evaluate the CEO's performance in light of those corporate goals and objectives, and make recommendations to the Board with respect to the CEO's compensation, including base salary, bonus and long term incentive level based on its evaluation;
- (e) facilitate a CEO evaluation process with the entire Board of Directors;
- (f) review and recommend to the Board the arrangement with the CEO relating to his or her terms of employment;

(ii) Senior Leadership Performance, Compensation & Employment Arrangements

- (g) review the CEO's recommendations to the Committee respecting the appointment, compensation, terms of employment and termination (if applicable) of the senior leadership team who are direct reports to the CEO and senior officers appointed by the Board and, if advisable, approve, with or without modifications, any such appointment, compensation, terms of employment and termination (if applicable);
- (h) evaluate annually the performance, compensation and payout recommendations against pre-established, measurable performance goals and objectives of the senior officers who are direct reports to the CEO;

(iii) Incentive Compensation

- (i) Select an appropriate proxy comparator group with which to benchmark compensation positioning and decision making;
- (j) review and approve all short term incentive compensation and recommend to the Board for approval the aggregate short term incentive bonus pool for the Company and its subsidiaries;
- (k) review all incentive compensation in coordination with the Risk Capital and Investment Committee with a view to ensure that the compensation practices do not promote undue risk taking;
- (l) review and approve all long term incentive compensation;
- (m) administer and interpret the Company's share compensation arrangements and its policies respecting the grant of options and other equity-based compensation or the sale of securities thereunder, and review and recommend for approval of the Board the grant of options and other equity-based compensation thereunder and the terms thereof, and determine any delegation of the ability to make grants of options and other equity-based compensation;
- (n) review on a periodic basis the terms of and experience with the Company's executive compensation programs for the purpose of determining if they are properly co-ordinated and achieving the purpose for which they were designed and administered;

- (o) review the Company's pension and retirement arrangements and executive perquisites in light of the overall compensation policies and objectives of the Company;

(iv) Succession Planning and Talent Management

- (p) prepare the succession plan and emergency preparedness plan for the CEO role;
- (q) Review and discuss with the CEO the talent management and succession plans for all senior management positions and other vital business positions of the Company;

(v) Board of Directors Evaluations and Compensation

- (r) recommend to the Board the remuneration (fees and/or retainer) to be paid to and the benefits to be provided to directors of the Company and its subsidiaries;
- (s) conduct Board and committee effectiveness evaluations, including evaluations of individual directors;
- (t) report to the Board, at least annually, on the Committee's evaluation of director independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties;

(vi) Disclosure of Compensation Information

- (u) review executive compensation disclosure (in the Management Information Circular) before the issuer publicly discloses this information;
- (v) oversee the Company's compliance with any rules promulgated by a regulatory body prohibiting loans to officers and directors of the Company;
- (w) review the report included in the Company's management information circular to shareholders respecting the process undertaken by the Committee in its review and preparing of a recommendation in respect of the CEO's, Directors and other senior officers who's compensation is disclosed in the Management Information Circular;

(vii) Compensation Policies

- (x) review the Company's methodology, governance practices and policies to ensure their alignment with the Company's overall compensation philosophy; and
- (y) recommend changes to the Board to the compensation philosophy and related methodology, governance practices and policies as it may identify from time to time.

Nominating

To fulfil its responsibilities and duties the Committee shall:

- (a) develop and update a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills and experience of the Board

members, retirement dates and the strategic direction of the Company, and report to the Board thereon as required by the Board;

- (b) undertake as required by the Board an examination of the size of the Board, with a view to determining the impact of the number of directors, the effectiveness of the Board, and recommend to the Board, if necessary, a reduction or increase in the size of the Board;
- (c) endeavour, in consultation with the Chair of the Board, to ensure that an appropriate system is in place to evaluate the effectiveness of the Board as a whole as well as the committees of the Board with a view to ensuring that they are fulfilling their respective responsibilities and duties;
- (d) in consultation with the Chair of the Board and the CEO, as required, recruit and identify individuals qualified to become new Board members and recommend to the Board new director nominees for the next annual meeting of shareholders; and
- (e) in consultation with the Chair of the Board, annually or as required, recommend to the Board, the individual Directors to serve on the various Committees.

In connection with the Committee's evaluation of the Board, each director will be requested to provide his or her assessment of the effectiveness of the Board and each committee.

In making its recommendations above, the Committee shall consider the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each new nominee will bring to the boardroom. The Committee shall also consider the amount of time and resources that nominees have available to fulfill their duties as a Board member and determine in consultation with the CEO what training should be provided to the directors to improve their competencies and skills.

The Committee may also recommend for Board approval the removal of a director from the Board or from a Board Committee if he or she is no longer qualified to serve as a director under applicable requirements or for any other reason the Committee considers appropriate.

5. Access to Management and Outside Advisors

The Committee shall have unrestricted access to management and employees of the Company. The Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

6. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's articles and by-laws, it is not intended to establish any legally binding obligations.

7. Mandate Review

The Committee shall review and assess the adequacy of this Mandate at least annually to ensure compliance with any rules of regulations promulgated by any regulatory body and recommend to the Board for its approval any modifications to this Mandate as considered.