

# GENWORTH FINANCIAL INC

## FORM 8-K

(Current report filing)

Filed 07/10/09 for the Period Ending 07/07/09

Address	6620 WEST BROAD STREET RICHMOND, VA 23230
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

July 7, 2009  
**Date of Report**  
(Date of earliest event reported)

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**GENWORTH FINANCIAL, INC.**  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**001-32195**  
(Commission File Number)

**33-1073076**  
(I.R.S. Employer  
Identification No.)

**6620 West Broad Street, Richmond, VA**  
(Address of principal executive offices)

**23230**  
(Zip Code)

**(804) 281-6000**  
(Registrant's telephone number, including area code)

**N/A**  
(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

On July 7, 2009, Genworth MI Canada Inc. (“Genworth Canada”), the largest private residential mortgage insurer in Canada and an indirect subsidiary of Genworth Financial, Inc. (the “Corporation”), completed the initial public offering (the “Offering”) of its common shares (the “Common Shares”). Of the 44,740,000 Common Shares of Genworth Canada that were sold in the Offering, 5,100,000 Common Shares were sold by Genworth Canada and 39,640,000 Common Shares were sold by Brookfield Life Assurance Company Limited (the “Selling Shareholder”), an indirect wholly-owned subsidiary of the Corporation. Following completion of the Offering, the Corporation beneficially owns 61.8% of the Common Shares. In addition, the Selling Shareholder has granted to the underwriters of the Offering an option (the “Over-Allotment Option”), exercisable for a period of 30 days after the closing of the Offering, to purchase up to an additional 6,711,000 Common Shares from the Selling Shareholder. If the Over-Allotment Option is exercised in full, the Corporation will beneficially own 56.1% of the Common Shares.

At an exchange rate of 0.88 United States dollars to 1 Canadian dollar (which differs from the exchange rate used in the unaudited pro forma condensed consolidated financial statements), the Offering generated net proceeds to the Corporation of approximately US\$634 million (net of expenses directly related to the transaction, including underwriting commissions, taxes and other items) which excludes US\$22 million remaining in Genworth Canada. If the Over-Allotment Option is exercised in full, the Corporation will receive additional net proceeds of approximately US\$97 million.

Concurrently with the completion of the Offering, the Corporation, Genworth Canada, Genworth Financial Mortgage Insurance Company Canada (“Genworth Mortgage Insurance Canada”) and the Selling Shareholder entered into a master agreement (the “Master Agreement”), which provides the overall framework for the Offering and the Corporation’s reduced ownership interest in Genworth Mortgage Insurance Canada’s business (the “Business”). The Master Agreement contemplates that certain aspects relating to the Offering and the reduction in the Corporation’s interest in the Business and various interim and ongoing relationships between the Corporation and Genworth Canada will be governed by the Master Agreement and certain other agreements between the Corporation and Genworth Canada (collectively, the “IPO Agreements”).

***Master Agreement***

The Master Agreement sets out the key arrangements between the Corporation and Genworth Canada with respect to the Offering and the Corporation’s reduced ownership interest in the Business. The principal provisions of the Master Agreement are discussed below.

***Indemnification and Release***

Each of Genworth Canada and the Corporation agreed to indemnify the other and its respective directors, officers and employees with respect to any and all liabilities or claims arising out of, resulting from or otherwise related to: (1) failure by such party to perform or otherwise properly discharge any liabilities, whether prior to or after the closing of the Offering; (2) the business conducted by such party; (3) any breach of any IPO Agreement by such party; and (4) information contained in the Offering prospectus and any other materials distributed in connection with the Offering or the transactions contemplated in the IPO Agreements, and any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, other than with respect to statements or omissions relating exclusively to the respective party and its businesses.

Subject to the indemnities described above, Genworth Canada and the Corporation also released each other and their respective directors, officers and employees from any and all liabilities existing or arising from any acts, events or conditions occurring or existing on or before the time immediately prior to the closing of the Offering.

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### *Non-competition and Non-solicitation*

The Master Agreement contains non-competition covenants that will prohibit, subject to certain limited exceptions, competition between Genworth Canada and its subsidiaries, on the one hand, and the Corporation and its subsidiaries, on the other hand, in certain businesses and geographic areas during the period beginning on the date of such agreement and ending on the date that is two years after the date on which the Corporation ceases to beneficially own, directly or indirectly, at least one-third of the outstanding Common Shares (the “Restricted Period”).

In addition, during the Restricted Period, (i) Genworth Canada and its subsidiaries may not solicit to hire, employ, retain or contract for service any employee of the Corporation or any of its subsidiaries above a specified employment level or encourage any such individual to terminate his or her employment, and (ii) the Corporation and its subsidiaries (for so long as they are subsidiaries of the Corporation) may not solicit to hire, employ, retain or contract for service any executive officer of Genworth Canada or any of its subsidiaries or encourage any such individual to terminate his or her employment as an executive officer. These non-solicitation agreements are subject to certain customary exceptions, including for solicitations of a general nature such as advertising.

### *Shareholder Agreement*

The Corporation, the Selling Shareholder and Genworth Canada also entered into a Shareholder Agreement concurrently with the closing of the Offering.

### *Special Approval Rights of the Corporation*

For so long as the Corporation beneficially owns not less than one-third of the outstanding Common Shares, Genworth Canada is required to seek the prior written consent of the Corporation (the “Approval Right”) to take certain actions, whether directly or indirectly through a subsidiary, including: (a) entering into any merger or similar business combination; (b) acquiring or disposing of assets, subject to certain exceptions; (c) adopting a liquidation, reorganization, recapitalization or similar plan relating to Genworth Canada or any of its subsidiaries; (d) reducing the dividend policy of Genworth Canada or its subsidiaries, except as required by law; and (e) issuing debt securities or incurring indebtedness or guarantees unless such issuance or incurrence is in compliance with certain financial covenants.

For so long as the Corporation beneficially owns not less than 50% of the outstanding Common Shares, Genworth Canada is required to seek the prior written consent of the Corporation to take certain actions, whether directly or indirectly through a subsidiary, including: (a) approving any annual business plan of Genworth Canada and its subsidiaries, including material amendments; (b) appointing or removing the Chief Executive Officer of Genworth Canada and (c) issuing equity securities or securities convertible into or exercisable or exchangeable for equity securities of Genworth Canada (other than pursuant to executive compensation plans approved by Genworth Canada’s Board of Directors).

If the Corporation beneficially owns less than 50% of the outstanding Common Shares, then, for so long as the Corporation beneficially owns not less than one-third of the Common Shares, Genworth Canada is required to consult with the Corporation with respect to the foregoing matters; however, the Corporation no longer has the right to approve or deny approval of such matters.

For so long as the Corporation beneficially owns not less than 15% of the Common Shares, Genworth Canada may not implement or adopt any shareholder rights plan without the approval of the Corporation, unless the plan includes an exception that would permit a purchase of all or part of the Common Shares beneficially owned by the Corporation without causing the rights thereunder to separate from the Common Shares or become exercisable or otherwise triggering the plan.

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### *Information Sharing*

The Corporation expects that it will be required to consolidate Genworth Canada's financial results in its own for so long as it beneficially owns a majority of the Common Shares, and thereafter will be required to account for its investment in Genworth Canada using the equity method while it owns a significant number of Common Shares. Accordingly, the Shareholder Agreement includes covenants by Genworth Canada, for so long as the Corporation beneficially owns more than 50% of the Common Shares or is required to consolidate the financial results of Genworth Canada, relating to the consolidation of Genworth Canada's financial results and other financial and accounting matters.

In addition, for so long as the Corporation beneficially owns at least 20% of the Common Shares, Genworth Canada agreed to provide to the Corporation certain financial and other information, including financial information required for the Corporation's quarterly and annual financial statements, MD&A and other public filings, and to take certain actions relating to the preparation and disclosure of Genworth Canada's financial results.

### *Pre-emptive Right*

The Corporation has the right (the "Pre-emptive Right"), subject to applicable law, exercisable for so long as the Corporation beneficially owns not less than one-third of the outstanding Common Shares, to participate in future offerings and other issuances of Common Shares or securities convertible into Common Shares (subject to certain exceptions) in order to maintain its relative beneficial ownership interest of Common Shares.

### *Committee Representation*

The Shareholder Agreement provides that, for so long as the Corporation beneficially owns at least one-third of the Common Shares, the Corporation will be entitled to designate one member of each committee of Genworth Canada's Board of Directors.

### *Director Elections and Nominations*

In connection with the Offering, the Corporation was issued a special share (the "Special Share") which grants the Corporation the right to nominate and elect a certain number of directors to Genworth Canada's Board of Directors, as determined by the number of Common Shares that the Corporation and its affiliates beneficially own at the time of such nomination and election. The Shareholder Agreement also provides that if the Special Share is redeemed upon demand by the Corporation, Genworth Canada will nominate for election as directors of Genworth Canada at any meeting of shareholders at which directors are to be elected, a number of persons designated by the Corporation equal to the number of directors that the Corporation would have been entitled to elect at such meeting had the Special Share remained outstanding.

The foregoing descriptions of the Master Agreement and the Shareholder Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Master Agreement and Shareholder Agreement, which are filed as Exhibits 10.1 and 10.2 hereto, respectively. Each of the foregoing documents is incorporated by reference herein.

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**Item 2.01 Completion of Acquisition or Disposition of Assets.**

The information required by this item is included in Item 1.01 and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(b) Pro Forma Financial Information.

The unaudited pro forma condensed consolidated balance sheet of Genworth Financial, Inc. as of March 31, 2009 and notes thereto and the unaudited pro forma condensed consolidated statements of income of Genworth Financial, Inc. for the three months ended March 31, 2009 and for the year ended December 31, 2008 and notes thereto are filed as Exhibit 99.1 hereto and incorporated by reference herein.

(d) Exhibits.

The following are filed as exhibits to this report:

<b>Number</b>	<b>Description</b>
10.1	Master Agreement, dated as of July 7, 2009, among Genworth Financial, Inc., Genworth Financial Mortgage Insurance Company Canada, Genworth MI Canada Inc. and Brookfield Life Assurance Company Limited.
10.2	Shareholder Agreement, dated as of July 7, 2009, among Genworth MI Canada Inc., Brookfield Life Assurance Company Limited and Genworth Financial, Inc.
99.1	Unaudited Pro Forma Condensed Consolidated Balance Sheet of Genworth Financial, Inc. as of March 31, 2009 and notes thereto and Unaudited Pro Forma Condensed Consolidated Statements of Income of Genworth Financial, Inc. for the three months ended March 31, 2009 and for the year ended December 31, 2008 and notes thereto.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**GENWORTH FINANCIAL, INC.**

Date: July 10, 2009

By: /s/ Amy R. Corbin

Amy R. Corbin  
Vice President and Controller  
(Duly Authorized Officer and  
Principal Accounting Officer)

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## EXHIBIT INDEX

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99.1	Unaudited Pro Forma Condensed Consolidated Balance Sheet of Genworth Financial, Inc. as of March 31, 2009 and notes thereto and Unaudited Pro Forma Condensed Consolidated Statements of Income of Genworth Financial, Inc. for the three months ended March 31, 2009 and for the year ended December 31, 2008 and notes thereto.



MASTER AGREEMENT

dated July 7, 2009

among

GENWORTH FINANCIAL, INC.

and

GENWORTH FINANCIAL MORTGAGE INSURANCE COMPANY CANADA

and

GENWORTH MI CANADA INC.

and

BROOKFIELD LIFE ASSURANCE COMPANY LIMITED

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This Master Agreement, dated July 7, 2009 (this “Agreement”), is made by and among GENWORTH FINANCIAL, INC., a corporation existing under the laws of the State of Delaware (together with its Affiliates, “Genworth Financial”), GENWORTH FINANCIAL MORTGAGE INSURANCE COMPANY CANADA, a corporation existing under the laws of Canada (“GFMICC”), GENWORTH MI CANADA INC. (“Genworth Canada”; and, together with GFMICC and their respective Affiliates, collectively, “Genworth Mortgage Insurance Canada”), and BROOKFIELD LIFE ASSURANCE COMPANY LIMITED, a corporation existing under the laws of Bermuda (“Brookfield”).

## RECITALS

A. Genworth Canada is undertaking an initial public offering (the “Initial Public Offering”) of its common shares pursuant to a prospectus filed with Canadian securities regulatory authorities.

B. Genworth Financial and Genworth Mortgage Insurance Canada have entered into this Agreement and the other IPO Agreements (as defined below) to set out certain key provisions relating to the separation of Genworth Financial and Genworth Mortgage Insurance Canada and their continuing arrangements following the completion of the Initial Public Offering (the “Closing”).

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

## ARTICLE I

### DEFINITIONS

SECTION 1.01 Certain Defined Terms . The following capitalized terms used in this Agreement shall have the meanings set forth below:

“Action” means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

“Affiliate” (and, with a correlative meaning, “affiliated”) means, with respect to any Person, any direct or indirect subsidiary of such Person, and any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such first Person; provided, however, that, for the sole purpose of defining the benefits and obligations of the parties pursuant to this Agreement and the other IPO Agreements, and without affecting or intending to affect in any way the definition or characterization, for any purpose, of the parties’ relationship at law or with respect to any third party (including, without limitation, pursuant to any Vendor Agreement), from and after the Closing Date, each of Genworth Canada and its direct and indirect Subsidiaries shall be deemed not to be an Affiliate of Genworth Financial, Inc. or any of its direct and indirect Subsidiaries (other than Genworth Canada and its direct and indirect Subsidiaries), and *vice versa* . As used in this definition, “control” (including with correlative meanings, “controlled by” and “under common control with”) means possession, directly or indirectly, of power to direct or cause the direction of management or policies or the power to appoint and remove a majority of directors (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

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“Applicable Law” means, with respect to any Person, property, transaction, event or other matter, (i) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order or other requirement having the force of law, (ii) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, the “Law”) relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of the Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

“Business Day” means a day other than a Saturday, Sunday or other day on which commercial banks in Toronto, Ontario or New York, NY are authorized or required by Law to close. Any event the scheduled occurrence of which would fall on a day that is not a Business Day shall be deferred until the next succeeding Business Day.

“Business Lines” means the Genworth Financial Business Lines and the Genworth Mortgage Insurance Canada Business Lines.

“Closing Date” means the date on which the Closing takes place.

“Cross License” means the Intellectual Property Cross License in substantially the form attached hereto as Exhibit B, dated as of the date hereof, entered into concurrently herewith by and between Genworth Financial, Inc., Genworth Canada and GFMICC.

“Force Majeure” means, with respect to a party, an event beyond the control of such party (or any Person acting on its behalf), which by its nature could not have been foreseen by such party (or such Person), or, if it could have been foreseen, was unavoidable, and includes, without limitation, acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one or more acts of terrorism or failure of energy sources.

“Governmental Approvals” means any notice, report or other filing to be made with, or any consent, registration, approval, permit or authorization to be obtained from, any Governmental Authority.

“Governmental Authority” means:

- (a) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);

- (b) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;
- (c) any court, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and
- (d) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.

“Holdings I” means Genworth Canada Holdings I Limited.

“Holdings II” means Genworth Canada Holdings II Limited.

“Insurance Proceeds” means those monies: (a) received by an insured from an insurance carrier; (b) paid by an insurance carrier on behalf of the insured; or (c) received (including by way of set-off) from any third party in the nature of insurance, contribution or indemnification in respect of any Liability; in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

“Intellectual Property” means all of the following, whether protected, created or arising under the laws of the United States, Canada or any other foreign jurisdiction: (i) patents, patent applications (along with all patents issuing thereon), statutory invention registrations, divisions, continuations, continuations-in-part, substitute application of the foregoing and any extensions, reissues, restorations and reexaminations thereof, and all rights therein provided by international treaties or conventions, (ii) copyrights, mask work rights, database rights and design rights, whether or not registered, published or unpublished, and registrations and applications for registration thereof, and all rights therein whether provided by international treaties or conventions or otherwise, (iii) trademarks, service marks, trade dress, logos and other identifiers of source, including all goodwill associated therewith and all common law rights, registrations and applications for registration thereof, and all rights therein provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (iv) intellectual property rights arising from or in respect of domain names, domain name registrations and reservations, (v) trade secrets, (vi) intellectual property rights arising from or in respect of Technology, and (vii) all other applications and registrations related to any of the intellectual property rights set forth in the foregoing clauses (i) – (vi) above.

“IPO Agreements” means this Agreement, the Transition Services Agreement, the Cross License, the Registration Rights Agreement, the Shareholder Agreement, and the Transitional Trade-Mark License.

“Liabilities” means any debt, loss, damage, adverse claim, liability or obligation of any Person (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether in contract, tort, strict liability or otherwise), and including all costs and expenses relating thereto.

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“Order” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

“Person” means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity.

“Personal Information” means any information about an identifiable individual that is provided to or obtained by either party.

“Pre-Closing Transfers” means the transfers by Brookfield of all issued and outstanding shares of each of Holdings I and Holdings II to Genworth Canada in exchange for newly issued common shares in the capital of Genworth Canada, which transfers shall occur prior to the Closing Date.

“Registration Rights Agreement” means the Registration Rights Agreement in substantially the form attached hereto as Exhibit C, dated as of the date hereof, entered into concurrently herewith by and between Brookfield and Genworth Canada.

“Shareholder Agreement” means the Shareholder Agreement in substantially the form attached hereto as Exhibit D, dated as of the date hereof, entered into concurrently herewith by and among Genworth Financial, Inc., Brookfield and Genworth Canada.

“Subsidiary” or “subsidiary” means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such entity, (ii) the total combined equity interests, or (iii) the capital or profit interests, in the case of a partnership; or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“Transition Services Agreement” means the Transition Services Agreement in substantially the form attached hereto as Exhibit A, entered into concurrently herewith among Genworth Financial, Genworth Canada and GFMICC.

“Transitional Trade-Mark License” means the Transitional Trade-Mark License Agreement in substantially the form attached hereto as Exhibit E, dated as of the date hereof, entered into concurrently herewith by and among Genworth Financial, Inc., Genworth Mortgage Holdings, LLC, Genworth Canada and GFMICC.

“Trigger Date” means the first date on which Genworth Financial ceases to beneficially own (excluding for such purposes shares of Genworth Mortgage Insurance Canada beneficially owned by Genworth Financial but not for its own account, including (in such

exclusion) beneficial ownership which arises by virtue of some entity that is an Affiliate of or in Genworth Financial being a sponsor of or advisor to a mutual or similar fund that beneficially owns shares of Genworth Mortgage Insurance Canada) more than fifty percent (50%) of the outstanding common shares of Genworth Canada.

SECTION 1.02 Other Terms. For purposes of this Agreement, the following terms have the meanings set forth in the sections or agreements indicated.

Term	Section
Acquiring Party	Section 2.01(d)
After-Tax Basis	Section 6.06(c)
Agreement	Preamble
Closing	Recitals
Competitive Business	Section 2.01(d)
CPR	Section 7.03(a)
CPR Arbitration Rules	Section 7.03(a)
Dispute	Section 7.01(a)
GE	Schedule A
Genworth Financial	Preamble
Genworth Financial Business Line	Section 2.01(b)
Genworth Financial Confidential Information	Section 5.01(b)
Genworth Financial Disclosure Portions	Section 6.02(d)
Genworth Financial Indemnified Parties	Section 6.02
Genworth Mortgage Insurance Canada	Preamble
Genworth Mortgage Insurance Canada Business Line	Section 2.01(a)(ii)
Genworth Mortgage Insurance Canada Confidential Information	Section 5.01(a)
Genworth Mortgage Insurance Canada Indemnified Parties	Section 6.04
Indemnified Party	Section 6.06(a)
Indemnifying Party	Section 6.06(a)
Indemnity Payment	Section 6.06(a)
Initial Public Offering	Recitals
Non-Acquiring Party	Section 2.01(d)(ii)
Non-arbitral Dispute	Section 7.01(b)
Representatives	Section 5.01(a)
Restricted Period	Section 2.01(a)
ROFR	Section 2.01(d)(ii)
Sales Taxes	Section 8.07(c)
Services	Transition Services Agreement
Taxes	Section 8.07(a)
Technology	Transition Services Agreement



	<u>Term</u>	<u>Section</u>
Third Party Claim		Section 6.07(a)
Transaction		Section 2.01(d)
Vendor Agreement		Transition Services Agreement

## ARTICLE II

### RESTRICTIVE COVENANTS AND EMPLOYEE MATTERS

#### SECTION 2.01 Non-Competition.

(a) Genworth Financial shall not, from the Closing Date until two years after the date on which Genworth Financial ceases to own at least one-third of the outstanding common shares in Genworth Canada (the “Restricted Period”), directly or indirectly, engage or invest in, own, manage, operate, finance, use or license any other Person to use any Restricted Genworth Mortgage Insurance Canada Intellectual Property (as defined in the Cross License) in connection with, or control or participate in the ownership, management, operation or control of:

- (i) any mortgage insurance business in Canada; or
- (ii) any line of business in a jurisdiction where Genworth Mortgage Insurance Canada is licensed to conduct, or has local employees dedicated to, such line of business at the time Genworth Financial wishes to commence or engage in such line of business in such jurisdiction (each such line of business and the Canadian mortgage insurance business being referred to herein as a “Genworth Mortgage Insurance Canada Business Line”).

(b) Genworth Mortgage Insurance Canada shall not, at any time during the Restricted Period, directly or indirectly, engage or invest in, own, manage, operate, finance, use or license any other Person to use any Restricted Genworth Financial Intellectual Property (as defined in the Cross License) in connection with, or control or participate in the ownership, management, operation or control of any line of business (other than the mortgage insurance business in Canada) in a jurisdiction where Genworth Financial is licensed to conduct, or has local employees dedicated to, such line of business at the time Genworth Mortgage Insurance Canada wishes to commence or engage in such line of business in such jurisdiction (each such line of business being referred to herein as a “Genworth Financial Business Line”).

(c) Nothing contained in this Article II shall prevent either party or its Affiliates from directly or indirectly owning up to an aggregate of five percent (5%) of any class of securities of any Person whose securities are listed or posted for trading on any stock exchange or market, provided that neither such party nor any of its Affiliates has any direct involvement in the management of such Person and/or such Person’s business.

(d) Notwithstanding any other provision of this Agreement, during the Restricted Period, either Genworth Financial or Genworth Mortgage Insurance Canada (the “Acquiring Party”) shall be permitted to enter into a transaction or a business combination with any Person or Persons, including a transaction by way of a purchase or sale of shares, an acquisition or disposition of assets, the formation or dissolution of a partnership or joint venture, a merger, amalgamation or any other form of transaction (collectively, a “Transaction”) as a result of which such Acquiring Party or any successor thereof would, directly or indirectly, acquire a business which directly or indirectly competes with a Business Line of the other party (a “Competitive Business”), provided that :

- (i) the assets and revenues of the Competitive Business comprise less than fifteen percent (15%) of the assets and less than fifteen percent (15%) of the revenues, respectively, of the aggregate assets and revenues of the business being acquired, based upon the financial statements for such business’s most recently completed fiscal year for which financial statements were prepared; and
- (ii) the other party hereto (the “Non-Acquiring Party”) is first given the right (the “ROFR”) to acquire the Competitive Business on the terms set forth in Schedule B hereto.

(e) If the Non-Acquiring Party fails to exercise its ROFR or to complete its Transaction within the time periods specified in Schedule B hereto, the Acquiring Party shall be permitted to complete its Transaction and thereby to acquire and conduct the Competitive Business; provided that the Acquiring Party holds the Competitive Business separate, including by:

- (i) divesting or causing the Competitive Business to be divested as soon as is practicable and in any event within two (2) years following the closing of the Transaction;
- (ii) not using, directly or indirectly, the brand(s) of the Non-Acquiring Party in connection with the Competitive Business (other than through the use of a corporate name as expressly contemplated by the Transitional Trade-Mark License);
- (iii) if applicable, taking all appropriate steps to ensure that none of the directors of the Non-Acquiring Party who are nominated by the Acquiring Party serve on the board of the Competitive Business and to ensure that such directors are not in any way involved in the management or operation of the Competitive Business; and
- (iv) not using, directly or indirectly, any information relating to the Non-Acquiring Party, other than information that is publicly available, for the benefit, or in connection with the operation or management of, the Competitive Business.

(f) If any party hereto is acquired during the Restricted Period, it will continue to be subject to the non-competition restrictions described above. However, the purchaser of such party will not be prohibited from carrying on a Competitive Business,

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provided that during the Restricted Period it does not do so through such party and that such party's brand, personnel, confidential information and Restricted Intellectual Property (as defined in the Cross License) are not utilized by such purchaser in the conduct of the Competitive Business during the Restricted Period.

SECTION 2.02 Non-Solicitation.

(a) Without the prior written consent of Genworth Financial, Genworth Mortgage Insurance Canada shall not, at any time during the Restricted Period, directly or indirectly, either for itself or another Person, solicit to hire, employ, retain or contract for service, as a director, officer, employee, partner, consultant, independent contractor or otherwise, any individual who to its knowledge is then employed by Genworth Financial at the level of salary band 1 or 2, including any such individual seconded by Genworth Financial to Genworth Mortgage Insurance Canada, or encourage any such individual to terminate his or her employment with Genworth Financial, other than in publications of a general nature and not specifically directed at any employee or employees of Genworth Financial, unless (A) Genworth Financial has terminated the employment of such individual or (B) at least six months have elapsed since such individual has voluntarily terminated his or her employment with Genworth Financial.

(b) Without the prior written consent of Genworth Mortgage Insurance Canada, Genworth Financial shall not, at any time during the Restricted Period, directly or indirectly, either for itself or another Person, solicit to hire, employ, retain or contract for service, as a director, officer, employee, partner, consultant, independent contractor or otherwise, any individual who to its knowledge is then an executive officer of Genworth Mortgage Insurance Canada, including any such individual seconded by Genworth Mortgage Insurance Canada to Genworth Financial, or encourage any such individual to terminate his or her employment with Genworth Mortgage Insurance Canada, other than in publications of a general nature and not specifically directed at any employee or employees of Genworth Mortgage Insurance Canada, unless (A) Genworth Mortgage Insurance Canada has terminated the employment of such individual or (B) at least six months have elapsed since such individual has voluntarily terminated his or her employment with Genworth Mortgage Insurance Canada.

SECTION 2.03 Employee Matters. The parties hereby agree to the terms set forth in Schedule A hereto in respect of employee matters. For greater certainty, each party will bear its own costs in connection with such obligations and will, at all times, comply with Applicable Law in the discharge thereof.

SECTION 2.04 Reasonableness of Covenants. Each party acknowledges and agrees that:

(a) the covenants set forth in this Article II are reasonable in the circumstances and are necessary to protect the other party and its respective Affiliates and the value to them of their respective businesses; and

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(b) the breach by it of any of the provisions of this Article II would cause serious and irreparable harm to the other party which could not be adequately compensated for in damages.

Each party therefore consents to an order specifically enforcing the provisions of this Article II, or an injunction being issued against it restraining it from any further breach of such provisions. Notwithstanding Section 7.01 of this Agreement, any party may apply to the courts of either the State of New York or the Province of Ontario to enforce the requirements of Section 2.01 or 2.02, above, and any Dispute in respect of such provisions shall constitute a Non-arbitral Dispute. The provisions of this Section 2.04 shall not derogate from any other remedy that a party may have in the event of such a breach.

### **ARTICLE III**

#### **EXPENSES**

SECTION 3.01 Expenses of the Initial Public Offering. Brookfield shall pay all reasonable costs (excluding Genworth Canada's proportionate share of the underwriters' commissions) associated with the Offering.

### **ARTICLE IV**

#### **CLOSING**

SECTION 4.01 Time and Place of Closing. Subject to the terms and conditions of this Agreement, all transactions contemplated by this Agreement shall be consummated at the Closing to be held at the Toronto offices of Blake, Cassels & Graydon LLP, on the Closing Date, or at such other place or at such other time or on such other date as Genworth Financial and Genworth Mortgage Insurance Canada may mutually agree upon in writing.

SECTION 4.02 Closing Transactions. At the Closing, the appropriate parties hereto shall enter into, and, as necessary, shall cause their respective Affiliates to enter into, the IPO Agreements.

### **ARTICLE V**

#### **CONFIDENTIALITY**

SECTION 5.01 Confidential Information.

(a) From and after the Closing, subject to Section 5.01(c) and except as contemplated by this Agreement or any other IPO Agreement, Genworth Financial shall not, and shall cause its respective officers, directors, employees, and other agents and representatives, including legal and financial advisors, agents, customers, suppliers, contractors, consultants and other representatives of any Person providing financing (collectively, "Representatives"), not to, (i) directly or indirectly disclose, reveal, divulge or communicate to any Person other than

Representatives of such party who reasonably need to know such information for the purpose (in this paragraph 5.01(a) only, the “Purpose”) of providing services to Genworth Mortgage Insurance Canada or otherwise discharging Genworth Financial’s obligations or exercising its rights under the IPO Agreements, or (ii) use or otherwise exploit for its own benefit or for the benefit of any third party or for any purpose other than the Purpose, any Genworth Mortgage Insurance Canada Confidential Information. Genworth Financial shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Genworth Mortgage Insurance Canada Confidential Information by any of its Representatives as it currently uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 5.01, any information, material or documents relating to Genworth Mortgage Insurance Canada’s business as it is currently or formerly conducted, or proposed to be conducted, by Genworth Mortgage Insurance Canada furnished to or in possession of Genworth Financial, including without limitation Personal Information, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by Genworth Financial or its Representatives, that contain or otherwise reflect such information, material or documents is hereinafter referred to as “Genworth Mortgage Insurance Canada Confidential Information.” “Genworth Mortgage Insurance Canada Confidential Information” does not include, and there shall be no obligation hereunder with respect to, information that (x) is or becomes generally available to the public, other than as a result of a disclosure by Genworth Financial not otherwise permissible hereunder, (y) Genworth Financial can demonstrate was or became available to Genworth Financial from a source other than Genworth Mortgage Insurance Canada or (z) is developed independently by Genworth Financial without reference to the Genworth Mortgage Insurance Canada Confidential Information; provided, however, that, in the case of clause (y), the source of such information was not known by Genworth Financial to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Genworth Mortgage Insurance Canada with respect to such information.

(b) From and after the Closing, subject to Section 5.01(c) and except as contemplated by this Agreement or any other IPO Agreement, Genworth Mortgage Insurance Canada shall not, and shall cause its Representatives, not to, (i) directly or indirectly disclose, reveal, divulge or communicate to any Person other than Representatives of such party who reasonably need to know such information for the purpose (in this paragraph 5.01(b) only, the “Purpose”) of providing services to Genworth Financial or otherwise discharging Genworth Mortgage Insurance Canada’s obligations or exercising its rights under the IPO Agreements, or (ii) use or otherwise exploit for its own benefit or for the benefit of any third party or for any purpose other than the Purpose, any Genworth Financial Confidential Information. Genworth Mortgage Insurance Canada shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Genworth Financial Confidential Information by any of its Representatives as it currently uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 5.01, any information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by Genworth Financial (for greater certainty, not including Genworth Canada and its Affiliates) furnished to or in possession of Genworth Mortgage Insurance Canada, including without limitation Personal Information, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other

documents prepared by Genworth Mortgage Insurance Canada or its Representatives, that contain or otherwise reflect such information, material or documents is hereinafter referred to as “Genworth Financial Confidential Information.” “Genworth Financial Confidential Information” does not include, and there shall be no obligation hereunder with respect to, information that (x) is or becomes generally available to the public, other than as a result of a disclosure by Genworth Mortgage Insurance Canada not otherwise permissible hereunder, (y) Genworth Mortgage Insurance Canada can demonstrate was or became available to Genworth Mortgage Insurance Canada from a source other than Genworth Financial or (z) is developed independently by Genworth Mortgage Insurance Canada without reference to the Genworth Financial Confidential Information; provided, however, that, in the case of clause (y), the source of such information was not known by Genworth Mortgage Insurance Canada to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Genworth Financial with respect to such information.

(c) If either Genworth Financial or Genworth Mortgage Insurance Canada is requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to Applicable Law to disclose or provide any Genworth Mortgage Insurance Canada Confidential Information or Genworth Financial Confidential Information (other than with respect to any such information furnished pursuant to the financial reporting provisions of the Shareholder Agreement, which each party shall be permitted to disclose in its public filings as required by any Governmental Authority or pursuant to Applicable Law and in accordance with past practice), as applicable, the Person receiving such request or demand shall use all reasonable efforts to provide the other party with written notice of such request or demand as promptly as practicable under the circumstances so that such other party shall have an opportunity to seek an appropriate protective order. The party receiving such request or demand agrees to take, and cause its Representatives to take, at the requesting party’s expense, all other reasonable steps necessary to obtain confidential treatment by the recipient. Subject to the foregoing, the party that received such request or demand may thereafter disclose or provide any Genworth Mortgage Insurance Canada Confidential Information or Genworth Financial Confidential Information, as the case may be, to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

(d) In the event that any disclosure of information is made in contravention of this Article V, the party that has made or permitted to be made such contravening disclosure shall immediately notify the other party thereof.

## **ARTICLE VI**

### **RELEASE; INDEMNIFICATION**

#### **SECTION 6.01 Release of Pre-Closing Claims .**

(a) Except as provided in Section 6.01(d), below, effective as of the time of Closing, GFMICC does hereby, for itself and as agent for each of its Affiliates, remise, release and forever discharge Genworth Financial and each of its directors, officers and employees, and their heirs, executors, successors and assigns, directly or indirectly from any and all Liabilities

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whatsoever, whether at law or in equity (including any right of contribution), existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the time of Closing, including in respect of the transactions and all other activities to implement any of the Initial Public Offering or the transactions contemplated by this Agreement or any of the IPO Agreements.

(b) Except as provided in Section 6.01(d), below, effective as of the time of Closing, Genworth Financial does hereby, for itself and as agent for each of its Affiliates, remise, release and forever discharge Genworth Mortgage Insurance Canada and each of their respective directors, officers and employees, and their heirs, executors, successors and assigns, directly or indirectly from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed before the time of Closing, including in respect of the transactions and all other activities to implement any of the Offering or the transactions contemplated in this Agreement or any of the IPO Agreements.

(c) GFMICC, for itself and as agent for each of its Affiliates, and Genworth Financial, for itself and as agent for each of its Affiliates, do hereby agree, represent, and warrant that the matters released herein are not limited to matters which are known or disclosed. Genworth Mortgage Insurance Canada and Genworth Financial may hereafter discover facts in addition to or different from those which it now knows or believes to be true with respect to the subject matter of this release, but each shall be deemed to have, finally and forever settled and released any and all claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

(d) Nothing contained in any of Sections 6.01(a), 6.01(b) or 6.01(c) shall impair any right of any Person to enforce this Agreement (including the provisions of Sections 6.01(a), 6.01(b), 6.01(c), 6.02, 6.03 and 6.04 hereof), any other IPO Agreement, any other agreement in force and effect between Genworth Mortgage Insurance Canada and Genworth Financial, or any debt owing by either of Genworth Financial or Genworth Mortgage Insurance Canada to the other, from and after the Closing, in each case in accordance with its terms.

(e) GFMICC agrees, for itself and as agent for each of its Affiliates, not to make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Genworth Financial, or any other Person released pursuant to Section 6.0.1(a), with respect to any Liabilities released pursuant to Section 6.0.1(a). Genworth Financial agrees, for itself and as agent for each of its Affiliates, not to make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Genworth Mortgage Insurance Canada or any other Person released pursuant to Section 6.01(b), with respect to any Liabilities released pursuant to Section 6.01(b).

(f) At any time, at the request of the other party, each party shall cause each of its respective Affiliates and other released persons to execute and deliver releases reflecting the provisions hereof and such other documents as are necessary to effect the purposes hereof.

**SECTION 6.02 General Indemnification by Genworth Canada** . Except as provided in Section 6.05, Genworth Canada shall indemnify, defend and hold harmless on an After-Tax Basis Genworth Financial and its directors, officers and employees, and their heirs, executors, successors and assigns (collectively, the “Genworth Financial Indemnified Parties”) from and against any and all Liabilities arising out of, resulting from or otherwise related to any of the following items (without duplication):

(a) any failure by Genworth Mortgage Insurance Canada or any other Person to pay, perform or otherwise properly discharge any of Genworth Mortgage Insurance Canada’s liabilities, whether prior to or after the Closing Date;

(b) Genworth Mortgage Insurance Canada’s current or future businesses and, in respect of third party claims, Genworth Mortgage Insurance Canada’s businesses irrespective of when the facts giving rise to such claims arose;

(c) any breach by Genworth Mortgage Insurance Canada of this Agreement or any other IPO Agreement; and

(d) all information contained in the prospectus and any other materials distributed in connection with the Offering or the transactions contemplated in the IPO Agreements, and any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case other than with respect to statements or omissions relating exclusively to (i) Genworth Financial, and (ii) Genworth Financial’s businesses, which (i) and (ii) are collectively referred to as the “Genworth Financial Disclosure Portions”.

**SECTION 6.03 General Indemnification by GFMICC** . Except as provided in Section 6.05, GFMICC shall indemnify, defend and hold harmless on an After-Tax Basis the Genworth Financial Indemnified Parties from and against any and all Liabilities arising out of, resulting from or otherwise related to any of the following items (without duplication):

(a) any failure by GFMICC or any other Person to pay, perform or otherwise properly discharge any of GFMICC’s liabilities, whether prior to or after the Closing Date;

(b) GFMICC’s current or future businesses and, in respect of third party claims, GFMICC’s businesses irrespective of when the facts giving rise to such claims arose; and

(c) any breach by GFMICC of this Agreement or any other IPO Agreement.

**SECTION 6.04 General Indemnification by Genworth Financial** . Except as provided in Section 6.05, Genworth Financial shall indemnify, defend and hold harmless on an After-Tax Basis Genworth Mortgage Insurance Canada and each of its directors, officers and employees, and their heirs, executors, successors and assigns (collectively, the “Genworth Mortgage Insurance Canada Indemnified Parties”) from and against any and all Liabilities arising out of, resulting from or otherwise related to any of the following items (without duplication):

(a) any failure by Genworth Financial or any other Person to pay, perform or otherwise properly discharge any of Genworth Financial’s liabilities, whether prior to or after the Closing Date;



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(b) Genworth Financial's current or future businesses and, in respect of third party claims, Genworth Financial's businesses irrespective of when the facts giving rise to such claims arose;

(c) any breach by Genworth Financial of this Agreement or any other IPO Agreement; and

(d) all information contained in the Genworth Financial Disclosure Portions, and any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

SECTION 6.05 Contribution.

(a) If the indemnification provided for in this Article VI is unavailable to, or insufficient to hold harmless on an After-Tax Basis, an indemnified party under Section 6.02(d) or Section 6.04(d) hereof in respect of any Liabilities referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such Liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party in connection with the actions which resulted in Liabilities as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(b) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6.05 were determined by a pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (a) above. The amount paid or payable by an indemnified party as a result of the Liabilities referred to in paragraph (a), above, shall be deemed to include, subject to the limitations set forth above, any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating any claim or defending any Action. No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

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SECTION 6.06 Indemnification Obligations Net of Insurance Proceeds and Other Amounts, On an After-Tax Basis.

(a) Any Liability subject to indemnification or contribution pursuant to this Article VI will be net of Insurance Proceeds that actually reduce the amount of the Liability and will be determined on an After-Tax Basis. Accordingly, the amount which any party (an “Indemnifying Party”) is required to pay to any Person entitled to indemnification hereunder (an “Indemnified Party”) will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnified Party in respect of the related Liability. If an Indemnified Party receives a payment (an “Indemnity Payment”) required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds, then the Indemnified Party will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto. The Indemnified Party shall use its commercially reasonable efforts to seek to collect or recover any third-party Insurance Proceeds (other than Insurance Proceeds under an arrangement where future premiums are adjusted to reflect prior claims in excess of prior premiums) to which the Indemnified Party is entitled in connection with any Liability for which the Indemnified Party seeks indemnification pursuant to this Article VI; provided that the Indemnified Party’s inability to collect or recover any such Insurance Proceeds shall not limit the Indemnifying Party’s obligations hereunder.

(c) The term “After-Tax Basis” as used in this Article VI means that, in determining the amount of the payment necessary to indemnify any party against, or reimburse any party for, Liabilities, the amount of such Liabilities will be determined net of any reduction in Tax derived by the indemnified party as the result of sustaining or paying such Liabilities, and the amount of such indemnification payment will be increased (i.e., “grossed up”) by the amount necessary to satisfy any income or other Tax liabilities incurred by the indemnified party as a result of its receipt of, or right to receive, such indemnification payment (as so increased), so that the indemnified party is put in the same net after-Tax economic position as if it had not incurred such Liabilities, in each case without taking into account any impact on the tax basis that an indemnified party has in its assets.

SECTION 6.07 Procedures for Indemnification of Third Party Claims.

(a) If an Indemnified Party shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a party or one of its Affiliates of any claim or of the commencement by any such Person of any Action (collectively, a “Third Party Claim”) with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnified Party pursuant to Section 6.02, 6.03 or 6.04, or any other Section of this Agreement or any other IPO Agreement, such Indemnified Party shall give such Indemnifying Party written notice thereof within 10 days after becoming aware of such Third Party Claim. Any such notice shall describe the Third Party Claim in reasonable detail.

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Notwithstanding the foregoing, the failure of any Indemnified Party or other Person to give notice as provided in this Section 6.07(a) shall not relieve the Indemnifying Party of its obligations under this Article VI or under the indemnification provisions of any other IPO Agreement, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice.

(b) An Indemnifying Party may elect to defend (and to seek to settle or compromise), at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any Third Party Claim. Within 60 days after the receipt of notice from an Indemnified Party in accordance with Section 6.07(a) (or sooner, if the nature of such Third Party Claim so requires), the Indemnifying Party shall notify the Indemnified Party of its election whether the Indemnifying Party will assume responsibility for defending such Third Party Claim, which election shall specify any reservations or exceptions. During such time, the Indemnified Party shall not take any action that could prejudice the Indemnifying Party's ability to defend the Third Party Claim. After notice from an Indemnifying Party to an Indemnified Party of its election to assume the defense of a Third Party Claim, such Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnified Party except as set forth in the next sentence. If the Indemnifying Party has elected to assume the defense of the Third Party Claim but has specified, and continues to assert, any reservations or exceptions in such notice, then, in any such case, the reasonable fees and expenses of one separate counsel for all Indemnified Parties shall be borne by the Indemnifying Party, but the Indemnifying Party shall be entitled to reimbursement by the Indemnified Party for payment of any such fees and expenses to the extent that it establishes that such reservations and exceptions were proper.

(c) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnified Party of its election as provided in Section 6.07(b), such Indemnified Party may defend such Third Party Claim at the cost and expense of the Indemnifying Party.

(d) Unless the Indemnifying Party has failed to assume the defense of the Third Party Claim in accordance with the terms of this Agreement, no Indemnified Party may settle or compromise any Third Party Claim without the consent of the Indemnifying Party. No Indemnifying Party shall consent to entry of any judgment or enter into any settlement of any pending or threatened Third Party Claim in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party without the consent of the Indemnified Party if (i) the effect thereof is to permit any injunction, declaratory judgment, other order or other nonmonetary relief to be entered, directly or indirectly against such Indemnified Party and (ii) such settlement does not include an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Third Party Claim.

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SECTION 6.08 Additional Matters.

(a) Indemnification or contribution payments in respect of any Liabilities for which an Indemnified Party is entitled to indemnification or contribution under this Article VI or under any other IPO Agreement shall be paid by the Indemnifying Party to the Indemnified Party as such Liabilities are incurred upon demand by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made on an After-Tax Basis and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution agreements contained in this Article VI or under any other IPO Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnified Party; (ii) the knowledge by the Indemnified Party of Liabilities for which it might be entitled to indemnification or contribution hereunder; and (iii) any termination of this Agreement or any other IPO Agreement.

(b) Any claim on account of a Liability which does not result from a Third Party Claim shall be asserted by written notice given by the Indemnified Party to the applicable Indemnifying Party. Such Indemnifying Party shall have a period of 30 days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such 30-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such 30-day period or rejects such claim in whole or in part, such Indemnified Party shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the other IPO Agreements without prejudice to its continuing rights to pursue indemnification or contribution hereunder or thereunder.

(c) If payment is made by or on behalf of any Indemnifying Party to any Indemnified Party in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnified Party as to any events or circumstances in respect of which such Indemnified Party may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnified Party shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(d) In an Action in which the Indemnifying Party is not a named defendant, if either the Indemnified Party or Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant if they conclude that substitution is desirable and practical. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this section, and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement, and the cost of any interest or penalties relating to any judgment or settlement.

SECTION 6.09 Remedies Cumulative; Limitations of Liability. The rights provided in this Article VI shall be cumulative and, subject to the provisions of Article VII, shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against any Indemnifying Party. Notwithstanding the foregoing, neither Genworth Financial nor Genworth Mortgage Insurance Canada shall be liable to the other for any special, indirect, incidental, punitive, consequential, exemplary, statutorily-enhanced or

similar damages in excess of compensatory damages (provided that any such liability with respect to a Third Party Claim shall be considered direct damages) of the other in connection with this Agreement or the other IPO Agreements.

**SECTION 6.10 Litigation and Settlement Cooperation**. Prior to the Trigger Date, Genworth Financial will use its commercially reasonable efforts to include Genworth Mortgage Insurance Canada in the settlement of any Third Party Claim which jointly involves Genworth Financial and Genworth Mortgage Insurance Canada; provided, however, that Genworth Mortgage Insurance Canada shall be responsible for its share of any such settlement obligation and any incremental cost (as reasonably determined by Genworth Financial) to Genworth Financial of including Genworth Mortgage Insurance Canada in such settlement; provided, further, that Genworth Mortgage Insurance Canada shall be permitted in good faith to opt out of any settlement if Genworth Mortgage Insurance Canada agrees to be responsible for defending its share of such Third Party Claim. The parties agree to cooperate in the defense and settlement of any such Third Party Claim which primarily relates to matters, actions, events or occurrences taking place prior to the Trigger Date. In addition, both Genworth Mortgage Insurance Canada and Genworth Financial will use their commercially reasonable efforts to make the necessary filings to permit each party to defend its own interests in any such Third Party Claim as of the Trigger Date, or as soon as practicable thereafter.

**SECTION 6.11 GFMICC Obligations Several**. Notwithstanding any other provision of this Agreement or any other IPO Agreement:

(a) GFMICC shall be severally, but not jointly, liable in respect of any and all obligations and liabilities of GFMICC contained in this Agreement or any other IPO Agreement, irrespective of whether such obligations or liabilities are expressed as obligations or liabilities of GFMICC or of Genworth Mortgage Insurance Canada;

(b) GFMICC shall not be liable for the obligations or liabilities of any of its Affiliates, including Genworth Canada; and

(c) Genworth Canada shall be jointly and severally liable for all obligations of itself and its Affiliates, including GFMICC.

## **ARTICLE VII**

### **DISPUTE RESOLUTION**

**SECTION 7.01 Dispute Resolution**.

(a) Except as otherwise set forth in this Agreement or in any other IPO Agreement, any dispute, controversy or claim arising out of, or relating to this Agreement or the other IPO Agreements, including the validity, interpretation, performance, breach or termination thereof (a “Dispute”), shall be resolved in accordance with the provisions of this Article VII, which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified below or in any other IPO Agreement.

(b) To the extent that any Dispute is not subject to settlement in accordance with the procedures set forth in Section 7.03, below (a “Non-arbitral Dispute”), the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of any court located within the State of New York or the Province of Ontario over any such Non-arbitral Dispute and each party hereby irrevocably agrees that all claims in respect of any such Non-arbitral Dispute or any suit, action proceeding related thereto may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by Applicable Law, any objection which they may now or hereafter have to the laying of venue of any such Non-arbitral Dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such Non-arbitral Dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law.

SECTION 7.02 General Provisions .

(a) Commencing with a notice of arbitration delivered in accordance with the CPR Arbitration Rules (as defined below), all communications between the parties or their Representatives in connection with the attempted resolution of any Dispute shall be deemed to have been delivered in furtherance of a Dispute settlement and shall be exempt from discovery and production, and shall not be admissible in evidence for any reason (whether as an admission or otherwise), in any arbitral or other proceeding for the resolution of the Dispute.

(b) The parties expressly waive and forego any right to trial by jury.

(c) The specific procedures set forth below, including but not limited to the time limits referenced therein, may be modified by agreement of the parties in writing.

(d) All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Article VII are pending. The parties will take such action, if any, required to effectuate such tolling.

(e) Notwithstanding anything to the contrary contained in this Article VII, any Dispute relating to Genworth Financial’s rights as a shareholder of Genworth Mortgage Insurance Canada pursuant to Applicable Law, Genworth Mortgage Insurance Canada’s constating documents or the Shareholder Agreement, will not be governed by or subject to the procedures set forth in Section 7.03, below.

SECTION 7.03 Arbitration .

(a) Either party may submit any Dispute other than a Non-arbitral Dispute to be finally resolved by arbitration pursuant to the CPR Institute for Dispute Resolution (“CPR”) Rules for Non-Administered Arbitration of International Disputes as then in effect (the “CPR Arbitration Rules”). The parties consent to a single, consolidated arbitration for all known Disputes existing at the time of the arbitration and for which arbitration is permitted.

(b) The arbitral tribunal shall be composed of three arbitrators (one appointed by each party to the Dispute and the third chosen by the first two arbitrators, in accordance with the CPR Arbitration Rules). The arbitration shall be conducted in Toronto, Ontario, Canada.

Each party shall be permitted to present its case, witnesses and evidence, if any, in the presence of the other party. A written transcript of the proceedings shall be made and furnished to the parties. The arbitrators shall determine the Dispute in accordance with the laws of the Province of Ontario, without giving effect to any conflict of law rules or other rules that might render such law inapplicable or unavailable, and shall apply this Agreement and the other IPO Agreements according to their respective terms.

(c) The parties agree to be bound by any award or order resulting from any arbitration conducted in accordance with this Section 7.03 and further agree that judgment on any award or order resulting from an arbitration conducted under this Section 7.03 may be entered and enforced in any court having jurisdiction thereof.

(d) Except as expressly permitted by this Agreement, no party will commence or voluntarily participate in any court action or proceeding concerning a Dispute (other than a Non-arbitral Dispute), except (i) for enforcement as contemplated by Section 7.03(c) above, (ii) to restrict or vacate an arbitral decision based on the grounds specified under Applicable Law, or (iii) for interim relief as provided in paragraph (e) below. For purposes of the foregoing, the parties hereto submit to the non-exclusive jurisdiction of the courts of the State of New York.

(e) In addition to the authority otherwise conferred on the arbitral tribunal, the tribunal shall have the authority to make such orders for interim relief, including injunctive relief, as it may deem just and equitable. Notwithstanding Section 7.03(d) above, each party acknowledges that in the event of any actual or threatened breach of the provisions of (i) Section 5.01, (ii) the Cross License and (iii) the Transitional Trade-Mark License, the remedy at law would not be adequate, and therefore injunctive or other interim relief may be sought immediately to restrain such breach. If the tribunal shall not have been appointed, either party may seek interim relief from a court having jurisdiction.

(f) The arbitral tribunal shall have the authority and discretion to award costs in connection with the resolution of any Dispute in accordance with this Article VII.

## **ARTICLE VIII**

### **GENERAL PROVISIONS**

#### **SECTION 8.01 Representations and Warranties; Fiduciary Duties.**

(a) Each of Genworth Financial and Genworth Mortgage Insurance Canada represents as follows:

- (i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform each of this Agreement and each other IPO Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each other IPO Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(b) Notwithstanding any provision of this Agreement or any other IPO Agreement, none of Genworth Financial nor Genworth Mortgage Insurance Canada shall be required to take or omit to take any action, whether with respect to any matter covered by this Agreement, any other IPO Agreement or otherwise, that would violate its fiduciary duties to any minority shareholders or non-wholly owned Subsidiaries (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned).

#### SECTION 8.02 Further Assurances .

In addition to the actions specifically provided for elsewhere in this Agreement and the other IPO Agreements, each of the parties hereto will cooperate with each other and use commercially reasonable efforts, prior to, on and after the Closing Date, to take, or to cause to be taken, all actions, and to do, or to cause to be done, all things reasonably necessary on its part under Applicable Law or contractual obligations to consummate and make effective the transactions contemplated by this Agreement and the other IPO Agreements.

Without limiting the foregoing, prior to, on and after the Closing Date, each party hereto shall cooperate with the other parties, and without any further consideration, but at the expense of the requesting party from and after the Closing Date, to execute and deliver, or use its commercially reasonable efforts to cause to be executed and delivered, all instruments and to make all filings with, and to obtain all consents, approvals or authorizations of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any Consents or Governmental Approvals), and to take all such other actions as such party may reasonably be requested to take by any other party hereto from time to time, consistent with the terms of this Agreement and the other IPO Agreements, in order to effectuate the provisions and purposes of this Agreement and the other IPO Agreements.

On or prior to the Closing Date, Genworth Financial and Genworth Mortgage Insurance Canada in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by Genworth Financial, Genworth Mortgage Insurance Canada or any other Subsidiary of Genworth Financial or Genworth Mortgage Insurance Canada, as the case may be, to effectuate the transactions contemplated by this Agreement and the other IPO Agreements.

SECTION 8.03 Survival of Covenants . Except as expressly set forth in any IPO Agreement, the covenants and other agreements contained in this Agreement and each IPO Agreement, and liability for the breach of any obligations contained herein or therein, shall survive the Closing and shall remain in full force and effect.

SECTION 8.04 Governing Law . This Agreement and, unless expressly provided therein, each other IPO Agreement, shall be governed by and construed and interpreted in accordance with the Laws of the Province of Ontario irrespective of choice of Laws principles.



SECTION 8.05 Force Majeure. No party hereto (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure; provided that such party shall have exhausted the procedures described in its disaster recovery, crisis management, and business continuity plan. A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (i) notify the other party of the nature and extent of any such Force Majeure condition and (ii) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement as soon as feasible.

SECTION 8.06 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.06):

if to Genworth Financial:

Genworth Financial, Inc.  
6620 West Broad Street  
Richmond, VA 23230  
Attention: General Counsel

Phone: 804.662.2574  
Fax: 804.662.2414

if to GFMICC or Genworth Canada:

Genworth Financial Mortgage Insurance Company Canada  
2060 Winston Park Drive  
Suite 300  
Oakville, ON L6H 5R7  
Attention: General Counsel

Phone: 905.287.5484  
Fax: 905.287.5472

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if to Brookfield:

Brookfield Life Assurance Company Limited  
c/o AON Insurance Managers (Bermuda) Ltd.  
Craig Appin House  
8 Wesley Street  
Hamilton  
HM JX  
Bermuda  
Attention: President

Phone: 441.295.2220  
Fax: 441.292.0217

with a copy to

Brookfield Life Assurance Company Limited  
c/o Genworth Financial, Inc.  
6620 West Broad Street  
Richmond, VA 23230  
Attention: President:

Phone: 804.662.2560  
Fax: 804.662.2414

SECTION 8.07 Taxes.

(a) Each party shall be responsible for any personal property taxes on property it owns or leases, for any and all taxes on its business, and for taxes based on its net income or gross receipts and any other similar taxes imposed by any Governmental Authority, together with any and all interest, fines and penalties (collectively, “Taxes”).

(b) Each amount paid or credited under this Agreement shall be net of any amount with respect to Taxes required to be withheld or remitted under Applicable Laws, including, for the avoidance of doubt, any amount required to be withheld under Part XIII or paragraph 153(1)(g) of the *Income Tax Act* (Canada) and Regulation 105 of the *Income Tax Regulations* (Canada).

(c) All the amounts that either party shall charge the other under the IPO Agreements shall be exclusive of any sales, use, excise, value-added, goods and services, consumption and any other similar taxes and duties imposed or deemed imposed by the laws of any Governmental Authority, together with any and all interest, fines and penalties (collectively, “Sales Taxes”) owed, which shall be borne by the payor.

(d) A payee shall promptly notify the applicable payor of, and coordinate with the payor the response to and settlement of, any claim for Sales Taxes asserted by applicable taxing authorities against the payee for which the payor is alleged to be financially responsible hereunder. Notwithstanding the above, the payor's liability for such Sales Taxes is conditioned upon the payee providing the payor notification within ten (10) business days of receiving any proposed assessment of any additional Sales Taxes, interest or penalty due by the payee; provided that the payor shall be solely responsible for paying any Sales Taxes, interest and penalties assessed directly against the payor. Notwithstanding the foregoing, the failure of the payee to give notice as provided in this Section 8.07(d) shall not relieve the payor of its obligations under this Section 8.07(d), except to the extent that the payor is actually prejudiced by such failure to give notice.

(e) A payor shall promptly notify the applicable payee of, and coordinate with the payee the response to and settlement of, any claim for Taxes asserted by applicable taxing authorities against the payor for which the payee is alleged to be financially responsible hereunder. Notwithstanding the above, the payee's liability for such Taxes is conditioned upon the payor providing the payee notification within ten (10) business days of receiving any proposed assessment of any additional Taxes, interest or penalty due by the payor; provided that the payee shall be solely responsible for paying any Taxes, interest and penalties assessed directly against the payee. Notwithstanding the foregoing, the failure of the payor to give notice as provided in this Section 8.07(e) shall not relieve the payee of its obligations under this Section 8.07(e), except to the extent that the payee is actually prejudiced by such failure to give notice.

(f) Each payor shall be entitled to receive and to retain any refund of Sales Taxes paid to a payee pursuant to any IPO Agreement. In the event a payee shall be entitled to receive a refund of any Sales Taxes paid by a payor to the payee, the payee shall promptly pay, or cause the payment of, such refund to the payor.

(g) Each of the parties agrees that if reasonably requested by the other party, it will cooperate with such other party to enable the accurate determination of such other party's tax liability and assist such other party in minimizing its tax liability to the extent legally permissible. Any invoices issued by a party shall separately state the amounts of any Taxes or Sales Taxes that such party is proposing to collect from the relevant payor, and shall separately allocate and identify fees and charges in respect of Services provided in Canada, if any.

(h) At the sole option of Brookfield, Brookfield and Genworth Canada shall jointly elect pursuant to subsection 85(1) of the *Income Tax Act* (Canada) (and any corresponding provision of applicable provincial tax law) in respect of either or both of the Pre-Closing Transfers. In any case where Brookfield determines that it wishes to effect such election, Brookfield shall prepare each applicable prescribed form, and shall deliver a copy thereof to Genworth Canada, and, upon receipt thereof, Genworth Canada shall promptly (and in any event within 30 days following such delivery) execute such form and return such executed form to Brookfield for filing with the applicable taxing authority; provided that, notwithstanding the foregoing, the "agreed amount" reflected in the subsection 85(1) election, if any, in respect of the transfer of Holdings I from Brookfield to Genworth Canada pursuant to the Pre-Closing Transfers shall not be less than \$1,000,000,000. Provided Genworth Canada complies with the

foregoing provisions, any late filing penalties payable as a result of any late filing of such an election shall be the sole responsibility of Brookfield. In the event Brookfield wishes at any time to amend any such election, Genworth Canada shall cooperate with Brookfield in seeking consent of any relevant taxing authority to such amendment. For greater certainty, no such amendment may reduce the “agreed amount” below \$1,000,000,000.

(i) Brookfield shall indemnify Genworth Canada and hold Genworth Canada harmless from and against any tax that may be assessed against Genworth Canada under subsection 116(5) of the *Income Tax Act* (Canada) (and any corresponding provision of applicable provincial tax law), together with any related penalties or interest, where such tax, interest or penalties are assessed as a direct consequence of the acquisition by Genworth Canada of the shares of Holdings I and Holdings II from Brookfield pursuant to the Pre-Closing Transfers. If Genworth Canada is so assessed at any time, Genworth Canada shall promptly notify Brookfield in writing and shall take all reasonable steps that may be necessary to enable Brookfield to contest such assessment.

(j) No later than 30 days following the date on which the Pre-Closing Transfers are effected, Genworth Canada shall provide notice to the Minister of National Revenue of Canada pursuant to subsection 116(5.01) of the *Income Tax Act* (Canada) (and in the manner contemplated by subsection 116(5.02) of the *Income Tax Act* (Canada)) with respect to the acquisition by Genworth Canada of the shares of Holdings I and Holdings II from Brookfield pursuant to the Pre-Closing Transfers; provided that such notice shall be in such form as is acceptable to Brookfield, acting reasonably.

(k) For so long as Brookfield owns no less than one-third of the outstanding common shares of Genworth Canada, Genworth Canada shall continue to file all tax returns on a basis consistent with past practice unless (x) otherwise agreed to in writing by Brookfield, or (y) otherwise required by Applicable Law.

**SECTION 8.08 Regulatory Approval and Compliance** . Each of Genworth Financial and Genworth Mortgage Insurance Canada shall be responsible for its own compliance with any and all Laws applicable to its performance under this Agreement; provided, however, that each of Genworth Financial and Genworth Mortgage Insurance Canada shall, subject to reimbursement of out-of-pocket expenses by the requesting party, cooperate and provide one another with all reasonably requested assistance (including, without limitation, the execution of documents and the provision of relevant information) required by the requesting party to ensure compliance with all Applicable Laws in connection with any regulatory action, requirement, inquiry or examination related to this Agreement or the other IPO Agreements.

**SECTION 8.09 Severability** . If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Applicable Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

SECTION 8.10 Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement (including the Exhibits hereto) constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the parties hereto with respect to the subject matter of this Agreement.

SECTION 8.11 Assignment; No Third-Party Beneficiaries.

(a) Except as expressly set forth below or in any other IPO Agreement, neither this Agreement nor any other IPO Agreement may be assigned by any party hereto or thereto without the prior written consent of the other party, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement and (subject to the express terms of the other IPO Agreements) the other IPO Agreements (other than the Shareholder Agreement, the Registration Rights Agreement or the Transitional Trade-Mark License) may be assigned by any party:

- (i) to a third party to the extent that, in the case of Genworth Mortgage Insurance Canada, substantially all of its business is transferred to such third party and, in the case of Genworth Financial, substantially all of any one or more of its businesses that are engaged in providing Services to or receiving Services from Genworth Mortgage Insurance Canada are transferred to such third party;
- (ii) to the surviving entity in any merger, consolidation, equity exchange or reorganization involving such party;

provided that, in any such event, the assignee executes an agreement to be bound by all of the obligations of such transferor under this Agreement and the relevant IPO Agreement(s) (copies of which agreements shall be provided to the other party).

(b) Notwithstanding Section 8.11(a) or any other provision of this Agreement, in the event that Genworth Financial transfers one or more of its Affiliates to a third party, such Affiliate shall cease to be (and such third party transferee shall not be) bound by the restrictions set forth in Sections 2.01(a) and 2.02(b) hereof from and after the time of completion of the transfer; provided however, that Genworth Financial shall use all commercially reasonable efforts to ensure that: (i) such Affiliate returns or destroys any Genworth Mortgage Insurance Canada Confidential Information in its possession prior to such transfer, and (ii) no Genworth Mortgage Insurance Canada Confidential Information is disclosed to or used by such Affiliate or such third party transferee (following completion of the transfer) without the prior written consent of Genworth Mortgage Insurance Canada.

(c) Except as provided in Article VI with respect to Indemnified Parties, this Agreement is for the sole benefit of the parties to this Agreement and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

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SECTION 8.12 Amendment; Waiver. No provision of this Agreement, or of any other agreement, dated as of the date hereof, between Genworth Financial, Inc. and Brookfield, related solely to this Agreement, may be amended or modified except by a written instrument signed by all the parties hereto. No waiver by any party of any provision hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by either party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

SECTION 8.13 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires, (b) references to the terms Article, Section, paragraph, and Schedule are references to the Articles, Sections, paragraphs, and Schedules to this Agreement unless otherwise specified, (c) the word “including” and words of similar import shall mean “including, without limitation,” (d) provisions shall apply, when appropriate, to successive events and transactions, (e) the headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement and (f) this Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

SECTION 8.14 Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties to each such agreement in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic transmission shall be as effective as delivery of a manually executed counterpart of any such Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

GENWORTH FINANCIAL, INC.

By: /s/ Joseph J. Pehota

Name: Joseph J. Pehota

Title: Senior Vice President – Corporate  
Development

GENWORTH FINANCIAL MORTGAGE  
INSURANCE COMPANY CANADA

By: /s/ Peter Vukanovich

Name: Peter Vukanovich

Title: President and Chief Operating Officer

GENWORTH MI CANADA INC.

By: /s/ Peter Vukanovich

Name: Peter Vukanovich

Title: President and Chief Operating Officer

BROOKFIELD LIFE ASSURANCE COMPANY  
LIMITED

By: /s/ Ward Bobitz

Name: Ward Bobitz

Title: President

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## SCHEDULE A

### EMPLOYEE MATTERS

- No employees (other than Brian Hurley) are being transferred from Genworth Financial to Genworth Mortgage Insurance Canada in connection with the Offering or the IPO Agreements. Each party will continue to bear all of its respective responsibilities and liabilities in respect of its own employees (including, for greater certainty, any such employees who are on a leave of absence at the time of Closing).
- Each party will continue to own and operate its respective employee compensation and benefit plans from and after closing, subject to the provision of any Services as set forth in the Transition Services Agreement. Each party will continue to bear all of its respective responsibilities and liabilities in respect of its own employee compensation and benefit plans.
- Genworth Mortgage Insurance Canada's employees will cease to be eligible to participate in all Genworth Financial employee compensation and benefit programs from and after Closing, and Genworth Mortgage Insurance Canada will establish plans for its employees providing benefits to such employees that are, in the aggregate, no less favourable to such employees as those to which they were entitled under Genworth Financial's plans as of the Closing Date. Notwithstanding the foregoing:
  - Genworth Mortgage Insurance Canada's employees will be included in Genworth Financial's 2009 Reach for Success ("RFS") and Variable Incentive Compensation ("VIC") programs and Genworth Mortgage Insurance Canada will allocate and pay any RFS and VIC bonuses to such employees at their discretion; and
  - Any stock options, restricted stock units or performance stock units (collectively, "Equity Awards") held by Genworth Mortgage Insurance Canada employees under the 2004 Genworth Financial, Inc. Omnibus Incentive Plan (the "Plan"), which are vested or unvested as of June 29, 2009, will be administered in accordance with the Plan and any applicable award agreements. Until such time as Genworth Financial ceases beneficially to own, directly or indirectly, at least 10% of Genworth Mortgage Insurance Canada's issued and outstanding common shares, any such Equity Awards shall become subject to each Equity Award's provisions dealing with an end of service due to the disposition of a business.
- Genworth Mortgage Insurance Canada will continue to recognize all service credit and unused vacation entitlements of its employees.
- Genworth Mortgage Insurance Canada will continue to provide benefits to its employees which are substantially similar in the aggregate to those in place as at the Trigger Date for one year following the Trigger Date.



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- Genworth Mortgage Insurance Canada will continue to coordinate with General Electric Company and its Affiliates (collectively, “GE”) regarding the service dates that are relevant to the determination of the benefits to which any or all of Genworth Mortgage Insurance Canada’s employees may be entitled under GE’s pension plan(s).

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SCHEDULE B

ROFR TERMS

- (i) The Acquiring Party shall deliver written notice (a “Transaction Notice”) to the Non-Acquiring Party forthwith if the Acquiring Party or any of its Affiliates (or any combination thereof) proposes to enter into a Transaction. The Transaction Notice shall set out the material terms of the Transaction, including the date on which the Transaction is to close, the party from whom the Competitive Business is to be acquired (the “Vending Party”), the conditions precedent to completion of such Transaction and the price to be paid, directly or indirectly, by the Acquiring Party for, or the value ascribed by the Acquiring Party to, the Competitive Business, in each case determined by the Acquiring Party acting in good faith (the “Transaction Price”) and shall be accompanied by such legal, financial and all other information concerning the Competitive Business as is necessary for the Non-Acquiring Party to fully assess the Competitive Business and to make a fully informed decision concerning whether or not to acquire the Competitive Business (the “Business Information”); provided that the Non-Acquiring Party shall have executed and delivered to the Vending Party and the Acquiring Party a non-disclosure agreement in form and substance acceptable to the parties, acting reasonably.
- (ii) Upon receipt by the Non-Acquiring Party of the Transaction Notice, the accompanying Business Information and any other information reasonably requested by the Non-Acquiring Party concerning the Competitive Business, the Non-Acquiring Party shall have sixty (60) days to determine whether to acquire the Competitive Business.
- (iii) In the event that the Non-Acquiring Party wishes to exercise its right to acquire, directly or indirectly, the Competitive Business, it shall deliver written notice (an “Exercise Notice”) to the Acquiring Party on or before such sixtieth (60<sup>th</sup>) day, which notice shall state (i) the Non-Acquiring Party’s intention to acquire the Competitive Business, (ii) the party from whom the Non-Acquiring Party proposes to acquire the Competitive Business, (iii) the price at which the Non-Acquiring Party proposes to acquire the Competitive Business, and (iv) the other terms and conditions of such acquisition, which terms and conditions shall include the conditions precedent to the completion of the Transaction, including receipt of applicable regulatory approvals and other reasonable closing conditions in favour of the Non-Acquiring Party. If the Non-Acquiring Party fails to deliver an Exercise Notice to the Acquiring Party on or before such sixtieth (60<sup>th</sup>) day, the Non-Acquiring Party shall be deemed to have waived its right to acquire the Competitive Business and shall be deemed to have consented to the completion of Transaction on the terms and conditions specified in the Transaction Notice.
- (iv) In the event that the Non-Acquiring Party elects to acquire the Competitive Business directly from the Vending Party, the Non-Acquiring Party shall have ninety (90) days to negotiate in good faith the terms of a definitive agreement in respect of such acquisition with the Vending Party. In the event the Non-Acquiring Party elects to acquire the Competitive Business from the Acquiring Party, the Acquiring Party shall thereafter have

ten (10) Business Days to determine whether or not to accept the offer of the Non-Acquiring Party contained in the Exercise Notice. If the Acquiring Party does not accept such offer on the terms proposed by the Non-Acquiring Party or fails to accept the offer within such ten (10) Business Day period, the Parties shall negotiate in good faith to settle the terms of a definitive agreement in respect of the acquisition by the Non-Acquiring Party, directly or indirectly, of the Competitive Business, provided that the Acquiring Party shall only be required to give such representations, warranties and indemnities in favour of the Non-Acquiring Party that the Vending Party gives in favour of the Acquiring Party in addition to those that a reasonable Person acquiring the Competitive Business, after undertaking a comprehensive due diligence investigation of the Competitive Business, would request from the Vending Party.

- (v) If the Non-Acquiring Party reaches a definitive agreement with respect to the acquisition of the Competitive Business, the closing of such acquisition shall occur concurrently with or immediately following the closing of the Transaction or at such later time as agreed to between the Non-Acquiring Party and the party or parties from whom it is making the acquisition.
- (vi) If the Non-Acquiring Party is unable to reach a definitive agreement with respect to the acquisition of the Competitive Business with either the Vending Party or the Acquiring Party, as applicable, within the applicable period specified in clause (iv) above, and
  - (A) the price that the Non-Acquiring Party proposed to pay is equal to or greater than the Transaction Price, then the Transaction may only proceed if the Competitive Business is excluded from the Transaction or, solely at the option of the Non-Acquiring Party, is sold to the Non-Acquiring Party at a price not greater than the price that the Non-Acquiring Party proposed to pay for the Competitive Business; or
  - (B) the price that the Non-Acquiring Party proposed to pay is less than the Transaction Price in relation to the Competitive Business and an independent valuator has determined that the price proposed to be paid by the Non-Acquiring Party for the Competitive Business is less than the fair market value of the Competitive Business as determined on the date of the Transaction Notice, then the Acquiring Party may proceed to complete the Transaction on the terms and conditions specified in the Transaction Notice.

For the purposes of subclause (vi)(B), if the price that the Non-Acquiring Party proposed to pay is less than the Transaction Price, the Parties shall jointly select a qualified valuator who is independent of each of the Acquiring Party, the Non-Acquiring Party and the Vending Party as soon as practicable following the earlier of (i) the date that the Non-Acquiring Party notifies the Acquiring Party in writing that it is unable to reach a definitive agreement with either the Vending Party or the Acquiring Party, as applicable, and (ii) the expiry of the applicable period specified in clause (iv) above. The Acquiring Party shall provide or cause to be provided to the valuator as expeditiously as possible, all information reasonably required by the valuator to determine the fair market value of the Competitive Business as determined on the date of the Transaction Notice within twenty

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(20) days of its appointment. The costs and expenses of the valuator in preparing the valuation shall be borne 50% by the Non-Acquiring Party and 50% by the Acquiring Party, provided that if the valuator concludes that the price proposed to be paid by the Non-Acquiring Party is equal to or greater than the fair market value of the Competitive Business as determined on the date of the Transaction Notice, then all such costs and expenses shall be borne by the Acquiring Party.

- (vii) Should any Transaction not be completed within one-hundred and twenty (120) days of the Transaction Notice for any reason or should the terms of the Transaction change from those specified in the Transaction Notice, the Acquiring Party shall be required to again comply with the provisions of this Schedule B should the Acquiring Party wish to proceed with the Transaction or an amended Transaction.

**SHAREHOLDER AGREEMENT**

dated July 7, 2009

among

**GENWORTH MI CANADA INC.**

and

**BROOKFIELD LIFE ASSURANCE COMPANY LIMITED**

and

**GENWORTH FINANCIAL, INC.**

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This Shareholder Agreement, dated July 7, 2009 (this “Agreement”), is made by and among GENWORTH MI CANADA INC., a corporation existing under the laws of Canada (“Genworth Canada”), GENWORTH FINANCIAL, INC., a corporation existing under the laws of the State of Delaware (“Genworth Financial”), and BROOKFIELD LIFE ASSURANCE COMPANY LIMITED, a corporation existing under the laws of Bermuda (“Brookfield”).

## RECITALS

A. Genworth Canada has undertaken an initial public offering (the “Initial Public Offering”) of its common shares pursuant to a prospectus filed with Canadian securities regulatory authorities.

B. In connection with the Initial Public Offering, Genworth Financial, Genworth Canada and Genworth Financial Mortgage Insurance Company Canada have entered into a Master Agreement, dated as of the date hereof (the “Master Agreement”).

C. Genworth Canada, Genworth Financial and Brookfield have entered into this Agreement to set out certain key provisions relating to the provision of information and certain of their respective rights, duties and obligations following completion of the Initial Public Offering (the “Closing”).

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

## ARTICLE I

### DEFINITIONS

SECTION 1.01 Certain Defined Terms. The following capitalized terms used in this Agreement shall have the meanings set forth below:

“Applicable Law” means, with respect to any Person, property, transaction, event or other matter, (i) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order or other requirement having the force of law, (ii) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, the “Law”) relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of the Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

“Applicable GNW Shareholder” means, at any time with respect to any Common Shares or the Special Share, as applicable, the member of the Genworth Financial Group that is the holder of such share or shares, which shall initially be Brookfield in the case of both the Special Share and the Common Shares deemed to be beneficially owned by Genworth Financial pursuant to this Agreement.



“Business Day” means a day other than a Saturday, Sunday or other day on which commercial banks in Toronto, Ontario or New York, NY are authorized or required by Law to close. Any event the scheduled occurrence of which would fall on a day that is not a Business Day shall be deferred until the next succeeding Business Day.

“Board” means the board of directors of Genworth Canada from time to time.

“Business Plan” has the meaning set forth in Section 2.01(b).

“Canadian GAAP” means generally accepted accounting principles in Canada, as in effect from time to time, including, for greater certainty, International Financial Reporting Standards from and after such time as, and to the extent that, they become applicable in Canada.

“Closing” means completion of the Initial Public Offering.

“Closing Date” means the date on which the Closing takes place.

“Common Shares” means the common shares in the capital of Genworth Canada or such other shares or other securities into which such common shares are converted, exchanged, reclassified or otherwise changed from time to time.

“Genworth Financial Designee” means a director of Genworth Canada elected by the member of the Genworth Financial Group holding the Special Share from time to time pursuant to the terms of the Special Share.

“Genworth Financial Group” means, collectively, Genworth Financial and all of its direct and indirect Subsidiaries now or hereafter existing, other than Genworth Canada and its direct and indirect Subsidiaries.

“Governmental Authority” means:

- (i) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);
- (ii) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;
- (iii) any court, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and

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(iv) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.

“Order” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

“OSFI” means the Office of the Superintendent of Financial Institutions (Canada) or any successor agency or regulatory authority thereof.

“outstanding Common Shares” means, at any time, the number of Common Shares issued and outstanding at the relevant time as reflected on the share register of Genworth Canada.

“Person” means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity.

“Registration Rights Agreement” means the Registration Rights Agreement dated as of the date hereof, entered into concurrently herewith by and between Brookfield and Genworth Canada.

“SEC” means the United States Securities and Exchange Commission.

“Securities Commissions” means, collectively, the securities regulatory authority in each of the Provinces and Territories of Canada.

“Share Incentive Plan” means any plan of Genworth Canada in effect from time to time pursuant to which Common Shares may be issued, or options or other securities convertible or exercisable into or exchangeable for Common Shares may be granted, to directors, officers and/or employees of, and/or consultants to, Genworth Canada and/or its subsidiaries;

“Special Share” means the one authorized special share in the capital of Genworth Canada.

“Subsidiary” or “subsidiary” means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such entity, (ii) the total combined equity interests, or (iii) the capital or profit interests, in the case of a partnership; or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“US GAAP” means generally accepted accounting principles in the United States, including specific requests or requirements of the SEC, as in effect from time to time, including, for greater certainty, International Financial Reporting Standards from and after such time as, and to the extent that, they become applicable in the United States.

SECTION 1.02 Other Terms. For purposes of this Agreement, the following terms have the meanings set forth in the sections or agreements indicated.

<u>Term</u>	<u>Section</u>
Agreement	Preamble
Brookfield	Preamble
Business Plan	Section 2.01(b)
Convertible Security	Section 3.01
Director Election	Section 2.03(a)
Dispute	Section 8.02(a)
Exercise Notice	Section 3.01
Genworth Canada	Preamble
Genworth Canada Auditors	Section 4.05(b)
Genworth Canada Information	Section 4.05(c)
Genworth Financial	Preamble
Genworth Financial Auditors	Section 4.05(b)
Genworth Financial Nominees	Section 2.03(c)
Incentive Security	Section 3.01
Initial Public Offering	Recitals
Master Agreement	Recitals
MD&A	Section 4.01(b)
Original Percentage	Section 3.01
Pre-Emptive Right	Section 3.01
Pre-Emptive Right Closing	Section 3.01
Pre-Emptive Right Securities	Section 3.01
Privilege	Section 4.09
Purchase Price	Section 3.01
Right	Section 3.01
Special Option	Section 3.01
Triggering Event	Section 3.01
Triggering Event Closing Date	Section 3.01
Triggering Event Notice	Section 3.01
Triggering Event Price	Section 3.01

SECTION 1.03 Beneficial Ownership. Solely for purposes of this Agreement, Genworth Financial shall be deemed to beneficially own shares which are beneficially owned by its direct or indirect Subsidiaries, other than Genworth Canada and its direct or indirect Subsidiaries.

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## ARTICLE II

### CORPORATE GOVERNANCE

#### SECTION 2.01 Genworth Financial Approval Rights.

(a) For so long as Genworth Financial beneficially owns not less than thirty-three and one-third percent (33 1/3%) of the outstanding Common Shares, Genworth Canada shall not (either directly or indirectly through a Subsidiary) take any of the following actions without the prior written consent of Genworth Financial:

(i) consolidate or merge into or with another Person or enter into any other similar business combination, including pursuant to any amalgamation, arrangement, recapitalization or reorganization, other than a consolidation, merger or other similar business combination of any wholly-owned Subsidiary of Genworth Canada into or with Genworth Canada or into or with another wholly-owned Subsidiary of Genworth Canada;

(ii) acquire any shares or similar equity interests, instruments convertible into or exchangeable for shares or similar equity interests, assets, business or operations (in a single transaction or a series of related transactions) in the aggregate with a value of more than \$50 million (excluding, for purposes of this Section 2.01(a)(ii), investments made in the ordinary course of business by the licensed insurance company subsidiary of Genworth Canada in accordance with Applicable Law and the investment policy approved by the board of directors of such subsidiary);

(iii) adopt any plan or proposal for a complete or partial liquidation, dissolution or winding up of Genworth Canada or any of its Subsidiaries or any reorganization or recapitalization of Genworth Canada or any of its Subsidiaries or commence any case, proceeding or action seeking relief under any existing or future laws relating to bankruptcy, insolvency, conservatorship or relief of debtors;

(iv) sell, transfer, lease, pledge or otherwise dispose of any of its or any of its Subsidiaries' assets, business or operations (in a single transaction or a series of related transactions) in the aggregate with a value of more than \$100 million (excluding, for purposes of this Section 2.01(a)(iv), sales or dispositions of investments made in the ordinary course of business by the licensed insurance company subsidiary of Genworth Canada in accordance with Applicable Law and the investment policy approved by the board of directors of such subsidiary);

(v) make any reductions in Genworth's Canada's policy with respect to the declaration and payment of any dividends on any Common Shares, except if and to the extent that a reduction in the dividend is required by Applicable Law or by requirements imposed by OSFI); or

(vi) issue new debt securities or incur or enter into debt or guarantees that would result in Genworth Canada having (on a consolidated basis) a ratio (expressed as a percentage) of debt to total capital (the sum of debt and shareholders' equity) of greater than 20%.

(b) For so long as Genworth Financial beneficially owns not less than fifty percent (50%) of the outstanding Common Shares, Genworth Canada shall not (either directly or indirectly through a Subsidiary) take any of the following actions without the prior written consent of Genworth Financial:

(i) approve any annual business plan of Genworth Canada and its Subsidiaries on a consolidated basis (a "Business Plan") and any material amendments to, or any material departure from, such Business Plan;

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(ii) appoint or remove any Chief Executive Officer; or

(iii) issue Common Shares or other equity securities or securities convertible into or exercisable or exchangeable for Common Shares or other equity securities of Genworth Canada, other than pursuant to a Share Incentive Plan that has been approved by the Board.

(c) If at any time Genworth Financial beneficially owns less than fifty percent (50%) of the outstanding Common Shares, then, for so long as Genworth Financial beneficially owns not less than thirty-three and one-third percent (33 1/3%) of the outstanding Common Shares, Genworth Canada shall consult with Genworth Financial with respect to the matters set forth in Section 2.01(b), but Genworth Financial shall have no right to approve or deny approval of such matters.

(d) For so long as Genworth Financial beneficially owns not less than fifteen percent (15%) of the outstanding Common Shares, Genworth Canada shall not implement or adopt any shareholder rights plan without the prior written consent of Genworth Financial, unless the plan includes an exception that would permit a purchase of all or part of the Common Shares beneficially owned by Genworth Financial from Genworth Financial and/or its Subsidiaries without causing the rights thereunder to separate from the Common Shares or become exercisable or otherwise triggering the plan.

#### SECTION 2.02 Special Share and Board Composition .

(a) The Parties acknowledge and agree that Genworth Canada has issued the Special Share to Brookfield and Brookfield has paid a subscription price therefor of \$1.00 to Genworth Canada.

(b) The Applicable GNW Shareholder shall cause the appropriate number of Genworth Financial Designees to resign or be removed promptly at any time when the number of Genworth Financial Designees on the Board exceeds the number of Genworth Financial Designees which the Applicable GNW Shareholder is entitled, as the holder of the Special Share, to elect pursuant to the rights attaching to the Special Share. Notwithstanding the foregoing, Genworth Canada may request that any one or more of the Genworth Financial Designees that would otherwise be required to resign or be removed pursuant to this Section 2.02(b) to remain a director, in which case any such Genworth Financial Designee shall no longer be considered to be a Genworth Financial Designee.

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(c) With respect to the Special Share:

(i) The Applicable GNW Shareholder holding the Special Share agrees that it will not transfer, and Genworth Financial agrees that it will not permit the transfer, of the Special Share except (1) subject to Section 2.02(c)(ii), to a member of the Genworth Financial Group; or (2) as the Board may otherwise approve.

(ii) Prior to any transfer of the Special Share to a member of the Genworth Financial Group, Genworth Financial or the Applicable GNW Shareholder shall obtain and deliver to Genworth Canada an agreement or undertaking of such member of the Genworth Financial Group, in form satisfactory to Genworth Canada, acting reasonably, agreeing to become party to and be bound by this Agreement, and agreeing to transfer such Special Share to Genworth Financial or another member of the Genworth Financial Group immediately prior to such member ceasing to be a member of the Genworth Financial Group.

(d) If a proposed amendment to the articles of incorporation of Genworth Canada or other matter required to be voted on by shareholders of Genworth Canada (i) would, under the *Canada Business Corporations Act*, give rise to a class vote for the holder of the Special Share, and (ii) would not prejudicially affect the rights, privileges, restrictions and conditions attached to the Special Share, then the Applicable GNW Shareholder agrees to cause the Special Share to be voted in respect of such proposed amendment in the manner directed by Genworth Canada.

#### SECTION 2.03 Director Elections .

(a) Genworth Canada shall give written notice to the Applicable GNW Shareholder(s) and Genworth Financial of any meeting of shareholders of Genworth Canada at which directors are to be elected (a “Director Election”) at least 20 days and not more than 30 days prior to the record date for the meeting, which notice shall specify the record date and the proposed meeting date.

(b) Following receipt of such notice, Genworth Financial and the Applicable GNW Shareholder(s) shall choose whether to (i) exercise, or cause to be exercised, the rights to elect directors attached to the Special Share, or instead (ii) exercise, or cause to be exercised, the voting rights attached to the Common Shares beneficially owned by Genworth Financial in respect of the election of directors, in each case at or in connection with such Director Election, and shall notify Genworth Canada of such choice not later than five Business Days before the record date for the meeting; provided, however that if Genworth Financial and the Applicable GNW Shareholder(s) do not notify Genworth Canada of any choice, they shall be deemed to have chosen to exercise the voting rights attached to the Common Shares beneficially owned by Genworth Financial in respect of the election of directors. In respect of any particular Director Election, (i) if Genworth Financial and the Applicable GNW Shareholder(s) choose to exercise, or cause to be exercised, the rights to elect directors attached to the Special Share, Genworth Financial and the Applicable GNW Shareholder(s) agree not to vote, or to cause not to be voted, the Common Shares beneficially owned by Genworth Financial in connection with such Director Election, and (ii) if Genworth Financial and the Applicable GNW Shareholder(s) choose to exercise, or cause to be exercised, the voting rights attached to the Common Shares beneficially owned by Genworth Financial in respect such Director Election, Genworth Financial and the Applicable GNW Shareholder(s) agree not to exercise, or to cause not to be exercised, the rights to elect directors attached to the Special Share in connection with such Director Election.

(c) If Genworth Financial and the Applicable GNW Shareholder(s) have chosen to exercise, or cause to be exercised, the voting rights attached to the Common Shares beneficially owned by Genworth Financial in respect of a Director Election, Genworth Canada agrees to nominate for election as directors of Genworth Canada in such Director Election a number of persons specified by the Applicable GNW Shareholder(s) holding Common Shares equal to the number of directors the holder of the Special Share would have been entitled to elect, had Genworth Financial and the Applicable GNW Shareholder(s) chosen to exercise, or cause to be exercised, the rights to elect directors attached to the Special Share. In such event, the Applicable GNW Shareholder(s) holding Common Shares shall notify Genworth Canada of such nominees (the “Genworth Financial Nominees”) in the notice provided pursuant to Section 2.03(b) and Genworth Canada shall (i) disclose the choice of Genworth Financial and the Applicable GNW Shareholder(s) in the management information circular relating to the applicable Director Election, (ii) include the Genworth Financial Nominees in the management information circular and form of proxy relating to the applicable Director Election as nominees of management, and (iii) solicit proxies from shareholders of Genworth Canada in favour of the election of the Genworth Financial Nominees.

(d) The covenants in this Section 2.03 shall exist only for so long as the Special Share is outstanding.

#### SECTION 2.04 Director Nomination Rights .

(a) If the Special Share is redeemed upon demand by the holder, thereafter Genworth Canada agrees to nominate for election as directors of Genworth Canada at any meeting of shareholders at which directors are to be elected a number of persons designated by the Applicable GNW Shareholder(s) holding Common Shares as follows:

(i) for so long as Genworth Financial beneficially owns fifty percent (50%) or more of the outstanding Common Shares, the Applicable GNW Shareholder(s) holding Common Shares shall be entitled to designate a number of persons to be nominated for election as directors equal to  $5/9$  of the total number of directors (rounded to the nearest whole number) comprising the Board;

(ii) for so long as Genworth Financial beneficially owns less than fifty percent (50%) but not less than forty percent (40%) of the outstanding Common Shares, the Applicable GNW Shareholder(s) holding Common Shares shall be entitled to designate a number of persons to be nominated for election as directors equal to  $4/9$  of the total number of directors (rounded to the nearest whole number) comprising the Board;

(iii) for so long as Genworth Financial beneficially owns less than forty percent (40%) but not less than thirty percent (30%) of the outstanding Common Shares, the Applicable GNW Shareholder(s) holding Common Shares shall be entitled to designate a number of persons to be nominated for election as directors equal to  $3/9$  of the total number of directors (rounded to the nearest whole number) comprising the Board;

(iv) for so long as Genworth Financial beneficially owns less than thirty percent (30%) but not less than twenty percent (20%) of the outstanding Common Shares, the Applicable GNW Shareholder(s) holding Common Shares shall be entitled to designate a number of persons to be nominated for election as directors equal to 2/9 of the total number of directors (rounded to the nearest whole number) comprising the Board; and

(v) for so long as Genworth Financial beneficially owns less than twenty percent (20%) but not less than ten percent (10%) of the outstanding Common Shares, the Applicable GNW Shareholder(s) holding Common Shares shall be entitled to designate a number of persons to be nominated for election as directors equal to 1/9 of the total number of directors (rounded to the nearest whole number) comprising the Board.

(b) Genworth Canada shall (i) include the director nominees designated under this Section 2.04 in the management information circular and form of proxy relating to the applicable shareholder meeting as nominees of management, and (ii) solicit proxies from shareholders of Genworth Canada in favour of the election of such nominees.

SECTION 2.05 Board Committees. For so long as Genworth Financial beneficially owns not less than thirty-three and one-third percent (33 1/3%) of the outstanding Common Shares, Genworth Financial shall have the right to designate one member of each committee established by the Board.

### ARTICLE III

#### PRE-EMPTIVE RIGHTS OF GENWORTH FINANCIAL

##### SECTION 3.01 Definitions.

In this Article III, the following terms shall have the following meanings:

(a) “Convertible Security” means a security of Genworth Canada that is convertible or exercisable into or exchangeable for Common Share(s), but excludes (i) an Incentive Security, (ii) a Special Option, (iii) a Right, and (iv) the Pre-Emptive Right;

(b) “Exercise Notice” has the meaning set forth in Section 3.03(b);

(c) “Incentive Security” means an option or other security of Genworth Canada convertible or exercisable into or exchangeable for Common Share(s) granted pursuant to any Share Incentive Plan;

(d) “Original Percentage” means the percentage of outstanding Common Shares beneficially owned by Genworth Financial immediately prior to a Triggering Event;

(e) “Pre-Emptive Right” means the right of Genworth Financial to purchase the Pre-Emptive Right Securities from Genworth Canada in accordance with this Article III;

(f) “Pre-Emptive Right Closing” means the closing from time to time of the issue of the Pre-Emptive Right Securities under the Pre-Emptive Right;



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(g) “ Pre-Emptive Right Securities ” has the meaning set forth in Section 3.02(a);

(h) “ Purchase Price ” means the purchase price for the Pre-Emptive Right Securities referred to in Section 3.02(c) ;

(i) “ Right ” means a right granted by Genworth Canada to holders of Common Shares to purchase additional Common Shares and/or other securities of Genworth Canada;

(j) “ Special Option ” means an option or other security granted by Genworth Canada which is convertible or exercisable into or exchangeable for Common Share(s) granted by Genworth Canada for nominal or indeterminate consideration, and includes an over-allotment option or similar option granted to one or more underwriters in connection with a public offering of securities of Genworth Canada, but excludes (i) an Incentive Security, (ii) a Right, and (iii) the Pre-Emptive Right;

(k) “ Triggering Event ” means the issue of Common Shares and/or Convertible Securities by Genworth Canada and, for greater certainty, includes any issue of Common Shares on the exercise, conversion or exchange of any Special Option, but excludes any issue of Common Shares:

(i) on the exercise, conversion or exchange of any previously issued Convertible Securities;

(ii) on the exercise, conversion or exchange of any Incentive Security;

(iii) pursuant to any Share Incentive Plan;

(iv) on the exercise of any Right;

(v) on any exercise of the Pre-Emptive Right; or

(vi) pursuant to any stock dividend, stock split, consolidation, amalgamation, share reclassification, reorganization, merger involving Genworth Canada or other similar event that affects all holdings of Common Shares in the same manner, on a per share basis;

(l) “ Triggering Event Closing Date ” means the date on which a Triggering Event occurs;

(m) “ Triggering Event Notice ” has the meaning set forth in Section 3.03(a) ; and

(n) “ Triggering Event Price ” means, in respect of an issue of Common Shares and/or Convertible Securities by Genworth Canada pursuant to a Triggering Event, the purchase price per Common Share and/or Convertible Security to be paid for such Common Shares and/or Convertible Securities and means, in respect of an issue of Common Shares and/or Convertible

Securities for consideration other than money, the price per Common Share and/or Convertible Security, as determined by the Board acting in good faith, that would have been received by Genworth Canada had such Common Shares and/or Convertible Securities been issued for money.

SECTION 3.02 General Provisions .

(a) *Grant of Pre-Emptive Right* . Subject to the provisions of this Agreement and Applicable Law, Genworth Canada hereby grants to Genworth Financial the right, exercisable for so long as Genworth Financial beneficially owns not less than thirty-three and one-third percent (33 1/3%) of the outstanding Common Shares, to purchase on the Triggering Event Closing Date directly, or indirectly by another member of the Genworth Financial Group, from time to time upon the occurrence of any Triggering Event up to such number of Common Shares and/or Convertible Securities issuable in connection with the Triggering Event on the same terms and conditions as those issuable in connection with the Triggering Event (the “ Pre-Emptive Right Securities ”) which will, when added to the Common Shares beneficially owned by Genworth Financial immediately prior to the Triggering Event, result in Genworth Financial beneficially owning the Original Percentage of outstanding Common Shares after giving effect to the issue of all Common Shares to be issued or issuable (pursuant to the exercise, conversion or exchange of Convertible Securities) in connection with the Triggering Event. In the event that a Triggering Event consists of an issue of both Common Shares and Convertible Securities, the Pre-Emptive Right Securities shall be allocated to Genworth Financial between Common Shares and Convertible Securities on the same pro rata basis as are allocated to subscribers of the Triggering Event.

(b) *Pre-Emptive Right Not Applicable to the Initial Public Offering* . The Pre-Emptive Right shall not be exercisable by Genworth Financial with respect to the Initial Public Offering.

(c) *Purchase Price* . In respect of each exercise of the Pre-Emptive Right, the purchase price per Pre-Emptive Right Security (the “ Purchase Price ”) shall be equal to the greater of the Triggering Event Price and such price as may be prescribed by any securities regulator or stock exchange having jurisdiction over the issue of the Pre-Emptive Right Securities to Genworth Financial or a member of the Genworth Financial Group hereunder.

(d) *Stock Exchange and Other Consents* . Each of the Parties shall use all reasonable commercial efforts to take, or cause to be taken, all actions, and to do, or cause to be done as promptly as practicable, all things necessary, proper or advisable under Applicable Law to consummate and make effective the transactions contemplated by this Article III, including obtaining any governmental, regulatory, stock exchange or other consents, transfers, orders, qualifications, waivers, authorizations, exemptions and approvals, providing all notices and making all registrations, filings and applications necessary or desirable for the consummation of the transactions contemplated by this Article III, including any filings with governmental or regulatory agencies. Genworth Canada shall forthwith notify Genworth Financial if as a condition of obtaining any applicable regulatory approvals, including securities regulatory and stock exchange approval, the Purchase Price must be an amount greater than the Triggering Event Price and shall keep Genworth Financial fully informed and allow Genworth Financial to participate in any communications with such stock exchange regarding the exercise of the Pre-Emptive Right.

(e) *Expenses* . Except as otherwise specifically provided in this Article III, each Party shall bear its own expenses incurred in connection with this Article III and in connection with all obligations required to be performed by each of them under this Article III.

(f) *Publicity* . The Parties shall, subject to their respective legal obligations and Applicable Law, consult with each other, and use reasonable efforts to agree upon the text of any written press release relating to this Article III or the transactions contemplated hereby, before issuing any such press release.

(g) *Pre-Emptive Right Not Exercisable if Registration Rights Exercised* . Genworth Financial shall not be entitled to exercise the Pre-Emptive Right in respect of any offering in which Genworth Financial exercises its rights under Section 2.2 of the Registration Rights Agreement.

#### SECTION 3.03 Exercise of Pre-Emptive Right .

(a) Genworth Canada shall give Genworth Financial notice (a “ Triggering Event Notice ”) as soon as practicable (i) following a determination by Genworth Canada to effect a Triggering Event other than a Triggering Event that arises as a result of the exercise of a Special Option and (ii) following the exercise of a Special Option. Each Triggering Event Notice shall include the number of Pre-Emptive Right Securities which Genworth Financial shall be entitled to purchase as a result of the applicable Triggering Event, a calculation demonstrating how such number was determined, the Triggering Event Price and the anticipated Triggering Event Closing Date and the terms and conditions of the Pre-Emptive Right Securities, if other than Common Shares. Genworth Canada shall also give Genworth Financial notice as soon as practicable following the grant of a Special Option.

(b) Subject to the provisions hereof, the Pre-Emptive Right shall, in each instance, be exercisable by Genworth Financial at any time during a period of five (5) Business Days following receipt in accordance with Section 3.03(a) of a Triggering Event Notice, provided that Genworth Financial shall make its determination as to whether to exercise the Pre-Emptive Right in respect of such Triggering Event as soon as practicable and shall promptly deliver an irrevocable notice (an “ Exercise Notice ”) in writing addressed to Genworth Canada confirming that it will exercise the Pre-Emptive Right in respect of such Triggering Event, specifying the number of Pre-Emptive Right Securities that it will purchase and the member(s) of the Genworth Financial Group to whom such Pre-Emptive Right Securities are to be issued, if other than Genworth Financial. If Genworth Canada does not receive an Exercise Notice in respect of a Triggering Event Notice within such five (5) Business Day period, Genworth Financial shall be deemed to have not exercised the Pre-Emptive Right in respect of the Triggering Event to which such Triggering Event Notice relates and the Pre-Emptive Right shall be deemed to have expired in respect of such Triggering Event.

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(c) Subject to Applicable Law, Pre-Emptive Right Closing of the issue of the Pre-Emptive Right Securities shall occur on the Triggering Event Closing Date or such later date as the Parties may agree upon.

(d) The obligation of Genworth Canada to consummate the sale of the Pre-Emptive Right Securities under this Article III is subject to the fulfilment, prior to or at the Pre-Emptive Right Closing, of each of the following conditions, any of which may be waived by Genworth Canada in writing:

(i) Genworth Financial shall have performed and complied in all material respects with the agreements and covenants required by this Article III to be performed or complied with by Genworth Financial prior to or at the Pre-Emptive Right Closing;

(ii) there shall not be in effect any injunction or restraining order issued by a court of competent jurisdiction which prohibits the consummation of the transactions contemplated by this Article III nor shall there be any investigation or proceeding pending before any court or governmental authority seeking to prohibit the consummation of the transactions contemplated by this Article III;

(iii) no Applicable Law shall have been enacted by any governmental authority which prohibits the consummation of the transactions contemplated by this Article III or makes such consummation illegal;

(iv) the closing of the issue and sale of the securities constituting the Triggering Event shall have occurred prior to, or shall occur concurrently with, the Pre-Emptive Right Closing;

(v) any stock exchange upon which the Common Shares shall then be listed and any other securities regulator having jurisdiction and whose approval is required shall have approved the issue and sale of such Pre-Emptive Right Securities; and

(vi) Genworth Financial shall have provided evidence satisfactory to Genworth Canada and its counsel, acting reasonably, that the issue and sale of the Pre-Emptive Right Securities is exempt from the prospectus and registration requirements, or the equivalent thereof, in all applicable jurisdictions.

(e) The obligation of Genworth Financial to consummate the purchase of the Pre-Emptive Right Securities under this Article III is subject to the fulfilment, prior to or at the Pre-Emptive Right Closing, of each of the following conditions, any of which may be waived by Genworth Financial in writing:

(i) Genworth Canada shall have performed and complied in all material respects with the agreements and covenants required by this Article III to be performed or complied with by it prior to or at the Pre-Emptive Right Closing;

(ii) there shall not be in effect any injunction or restraining order issued by a court of competent jurisdiction which prohibits the consummation of the transactions contemplated by this Article III, nor shall there be any investigation or proceeding pending before any court or governmental authority seeking to prohibit the consummation of the transactions contemplated by this Article III;

(iii) no Applicable Law shall have been enacted by any governmental authority which prohibits the consummation of the transactions contemplated by this Article III or makes such consummation illegal; and

(iv) any stock exchange upon which the Common Shares shall then be listed and any other securities regulatory having jurisdiction and whose approval is required shall have approved of the issue and sale of such Pre-Emptive Right Securities.

(f) At or prior to the time of the Pre-Emptive Right Closing,

(i) Genworth Canada shall deliver, or cause to be delivered, to Genworth Financial the Pre-Emptive Right Securities registered in the name of or otherwise credited to Genworth Financial or such member of the Genworth Financial Group as is designated in writing by it;

(ii) Genworth Financial shall deliver or cause to be delivered to Genworth Canada payment of the Purchase Price by certified cheque or wire or other electronic funds transfer; and

(iii) the Parties shall deliver any documents required to evidence the requirements set out in Sections 3.03(d) and 3.03(e).

**SECTION 3.04 No Obligations Unless Pre-Emptive Right Exercised.** Nothing herein contained or done pursuant hereto shall obligate Genworth Financial to purchase or pay for, or shall obligate Genworth Canada to issue, the Pre-Emptive Right Securities except upon the exercise by Genworth Financial of the Pre-Emptive Right in accordance with the provisions of this Article III and compliance with all other conditions precedent to such issue and purchase contained in this Article III.

**SECTION 3.05 No Rights As Holder of Pre-Emptive Right Securities.** Genworth Financial shall not have any rights whatsoever as a holder of any of the Pre-Emptive Right Securities (including any right to receive dividends or other distributions therefrom or thereon) until Genworth Financial shall have duly acquired the Pre-Emptive Right Securities.

## **ARTICLE IV**

### **FINANCIAL AND OTHER INFORMATION**

**SECTION 4.01 Annual and Quarterly Financial Information.**

(a) Genworth Canada agrees that, with respect to any fiscal quarter or fiscal year during which, at any time, Genworth Financial beneficially owns not less than twenty percent (20%) of the outstanding Common Shares, Genworth Canada shall deliver to Genworth Financial the financial data and other information set forth on Schedule 4.01 for such fiscal period. Genworth Canada shall deliver such financial data and other information within such

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reasonable time periods as are specified by Genworth Financial, together with a certificate of the Chief Executive Officer and Chief Financial Officer of Genworth Canada certifying to the accuracy and completeness of such information.

(b) All financial data delivered to Genworth Financial hereunder shall be prepared in accordance with US GAAP and applicable SEC financial reporting requirements and shall be consistent with the level of detail provided in comparable financial data furnished by Genworth Canada or its Subsidiaries prior to the Closing Date. All annual and quarterly consolidated financial statements of Genworth Canada and its Subsidiaries shall set forth in each case in comparative form the consolidated figures for the previous fiscal year or the equivalent quarter and year-to-date period in the previous fiscal year, as applicable, shall be prepared in accordance with US GAAP and applicable SEC financial reporting requirements and shall be consistent with the level of detail provided in comparable financial statements furnished by Genworth Canada or its Subsidiaries prior to the Closing Date. The financial data and other information provided hereunder shall include management's discussion and analysis and all statistical information necessary for inclusion in any Genworth Financial earnings press release or any financial statements, management's discussion and analysis of financial condition and results of operations ("MD&A") or other public filing required to be made by Genworth Financial, along with appropriate supporting documentation.

(c) Genworth Canada agrees that at any time Genworth Financial beneficially owns not less than twenty percent (20%) of the outstanding Common Shares, Genworth Canada shall deliver to Genworth Financial, on or before the third day, to the extent reasonably practicable, but in no event later than the day prior to the day Genworth Canada publicly files its Annual Information Form and annual and quarterly financial statements and MD&A with the Securities Commissions, the final form of its Annual Information Form and annual or quarterly financial statements and MD&A, as applicable, together with all certifications required by Applicable Law by each of the chief executive officer and chief financial officer of Genworth Canada and, in the case of audited annual financial statements, an opinion on the audited annual financial statements by Genworth Canada's independent certified public accountants.

**SECTION 4.02 Tax Information.** Genworth Canada agrees that, with respect to any taxation period during which, at any time, Genworth Financial beneficially owns not less than ten percent (10%) of the outstanding Common Shares, Genworth Canada shall deliver to Genworth Financial the tax data and other information reasonably required by Genworth Financial to prepare and file its tax returns, as referenced on Schedule 4.02 for such period. Genworth Canada shall deliver such tax data and other information within such reasonable time periods as are specified by Genworth Financial, and will promptly notify Genworth Financial of any changes in the information previously provided, particularly changes resulting from filing amended tax returns or examinations by any Governmental Authority. In addition, Genworth Canada will retain documentation necessary to support the information furnished under Schedule 4.02 for at least five years following the calendar year to which the information requested relates, or such longer time as Genworth Financial reasonably requests.

SECTION 4.03 Operating Reviews. Genworth Canada agrees that, for so long as Genworth Financial beneficially owns not less than twenty percent (20%) of the outstanding Common Shares, Genworth Canada shall deliver to Genworth Financial the financial, risk and other information, reports and plans set forth on Schedule 4.03 in respect of each fiscal quarter or fiscal year, as applicable, within such reasonable time periods as are specified by Genworth Financial. Genworth Canada shall provide Genworth Financial with an opportunity to meet with management of Genworth Canada to discuss such information, reports and plans upon reasonable notice.

SECTION 4.04 General Requirements. The parties acknowledge and agree that financial reporting requirements and prudent risk management practices and procedures will change over time. Accordingly, the parties agree that all information provided by Genworth Canada or any of its Subsidiaries to Genworth Financial pursuant to this Article IV shall be consistent in terms of format and detail and otherwise with the procedures and practices in effect prior to the Closing Date with respect to the provision of such financial and other information by Genworth Canada or its Subsidiaries to Genworth Financial (and where appropriate, as presently presented in financial and other reports delivered to the board of directors of Genworth Financial), with such changes therein as may be reasonably requested by Genworth Financial from time to time, including any changes resulting from changes in accounting procedures, processes, methodologies or practices that are required in order to comply with Applicable Law, including the rules, regulations and requirements of the SEC, as applicable.

SECTION 4.05 Additional Requirements. Genworth Canada agrees that, for so long as, and with respect to any financial year during which, Genworth Financial beneficially owns not less than twenty percent (20%) of the outstanding Common Shares:

(a) Cooperation. Genworth Canada will provide to Genworth Financial on a timely basis all information that Genworth Financial or any of its Subsidiaries reasonably requires for the preparation, printing, filing, and public dissemination of any required public filing by Genworth Financial. Without limiting the generality of the foregoing, Genworth Canada will provide all required financial information with respect to it and its consolidated Subsidiaries to Genworth Financial's independent certified public accountants (the "Genworth Financial Auditors") and management in a sufficient and reasonable time and in sufficient detail to permit such auditors to take all steps and perform all review necessary with respect to information to be included or contained in financial statements, MD&A and other public filings by Genworth Financial.

(b) Coordination of Auditors' Opinions. Genworth Canada will use its commercially reasonable efforts to enable its independent certified public accountants (the "Genworth Canada Auditors") to complete their audit such that they will date their opinion on Genworth Canada's audited annual financial statements on the same date that the Genworth Financial Auditors date their opinion on the audited annual financial statements of Genworth Financial, and to enable Genworth Financial to meet its timetable for the printing, filing and public dissemination of the audited annual financial statements of Genworth Financial.

(c) Earnings Releases. Genworth Financial agrees that, unless required by Law or unless Genworth Canada shall have consented thereto, no member of the Genworth Financial Group will publicly release any quarterly, annual or other financial information of Genworth Canada or any of its Subsidiaries ("Genworth Canada Information") delivered to

Genworth Financial pursuant to this Article IV prior to the time that Genworth Financial publicly releases financial information of Genworth Financial for the relevant period. Genworth Financial will consult with Genworth Canada on the timing of their annual and quarterly earnings releases and Genworth Financial and Genworth Canada will give each other an opportunity to review the information therein relating to Genworth Canada and its Subsidiaries and to comment thereon; provided that Genworth Financial shall have the sole right to determine the timing of all such releases if Genworth Financial and Genworth Canada disagree. Genworth Canada shall publicly release its financial results for each annual and quarterly period concurrently with or immediately (and in no event later than four hours) following Genworth Financial's release of its financial results for the corresponding period. If any member of the Genworth Financial Group is required by Law to publicly release such Genworth Canada Information prior to the public release of Genworth Financial's financial information, Genworth Financial will give Genworth Canada notice of such release of Genworth Canada Information as soon as practicable but no later than two days prior to such release of Genworth Canada Information.

(d) Meetings with Financial Analysts . Genworth Canada shall notify Genworth Financial reasonably in advance of the date of all meetings to be held between Genworth Canada and any financial analyst, and shall consult with Genworth Financial as to the appropriate timing for all such meetings.

(e) Risk, Capital and Investment and Compliance Information .

(i) Risk, Capital and Investment Reporting . Genworth Canada shall deliver to Genworth Financial the risk, risk management, capital and investment information set forth on Schedule 4.05(e)(i) as directed by Genworth Financial from time to time, with such information to be in accordance with the administrative and risk management practices, policies and processes (including with respect to content of information and timing) of Genworth Financial in effect from time to time and communicated to Genworth Canada.

(ii) Compliance . Genworth Canada shall undertake the activities and deliver to Genworth Financial the compliance information set forth on Schedule 4.05(e)(ii) as directed by Genworth Financial from time to time, with such activities and information to be in accordance with the administrative and compliance practices, policies and processes (including with respect to content of information and timing) of Genworth Financial in effect from time to time and communicated to Genworth Canada.

(f) Access to Personnel and Working Papers . Genworth Canada will request the Genworth Canada Auditors to make available to the Genworth Financial Auditors both the personnel who performed or are performing the annual audit of Genworth Canada and, consistent with customary professional practice and courtesy of such auditors with respect to the furnishing of work papers, work papers related to the annual audit of Genworth Canada, in all cases within a reasonable time, so that the Genworth Financial Auditors are able to perform the procedures they consider necessary to take responsibility for the work of the Genworth Canada Auditors as it relates to the Genworth Financial Auditors' report on the audited annual financial statements of Genworth Financial, all within sufficient time to enable Genworth Financial to meet its timetable for the printing, filing and public dissemination of the annual financial results of Genworth Financial.



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SECTION 4.06 Fifty Percent Threshold. Genworth Canada agrees that, for so long as, and with respect to any financial year during which, Genworth Financial beneficially owns not less than fifty percent (50%) of the outstanding Common Shares:

(a) Monthly and Other Financial Information. Genworth Canada shall deliver to Genworth Financial the monthly financial, risk and other information, reports and plans set forth on Schedule 4.06(a) in respect of each month within the time periods specified by Genworth Financial. Genworth Canada shall provide Genworth Financial with an opportunity to meet with management of Genworth Canada to discuss such information, reports and plans upon reasonable notice.

(b) Internal Auditors. Genworth Canada shall provide Genworth Financial, the Genworth Financial Auditors or other representatives of Genworth Financial reasonable access upon reasonable notice during normal business hours to Genworth Canada's and its Subsidiaries' books and records and personnel so that Genworth Financial may conduct reasonable audits relating to the financial statements and data provided by Genworth Canada pursuant to this Article IV, as well as to the internal accounting controls and operations of Genworth Canada and its Subsidiaries.

(c) Maintenance of Internal Controls. Genworth Canada shall, and shall cause each of its consolidated Subsidiaries to, (i) make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Genworth Canada and such Subsidiaries and (ii) devise and maintain a system of internal controls over financial reporting sufficient to provide reasonable assurances that: (x) transactions are executed in accordance with management's general or specific authorization, (y) transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with US GAAP and Canadian GAAP or any other criteria applicable to such statements and (2) to maintain accountability for assets and (z) access to assets is permitted only in accordance with management's general or specific authorization.

(d) Management Certification. Genworth Canada's chief executive officer and chief financial or accounting officer shall submit quarterly representations, substantially in the form furnished to Genworth Financial by Genworth Canada or its Subsidiaries prior to the Closing Date (with such changes thereto prescribed by Genworth Financial consistent with representations furnished to Genworth Financial by other Subsidiaries of Genworth Financial or as otherwise required by changes to Applicable Law or stock exchange requirements) attesting to the accuracy and completeness of the financial statements or financial and accounting records referred to therein in all material respects.

(e) Accountants' Reports. Promptly, but in no event later than five Business Days following the receipt thereof, Genworth Canada shall deliver to Genworth Financial copies of all reports submitted to Genworth Canada or any of its Subsidiaries by their independent certified public accountants, including, without limitation, each report submitted to Genworth Canada or any of its subsidiaries concerning its accounting practices and systems and any comment letter submitted to management or the board of directors (or any committee thereof) in connection with their annual audit and all responses to such reports and letters.

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(f) Accounting Policies and Principles – US GAAP. Genworth Financial will notify Genworth Canada from time to time of changes to US GAAP or SEC financial reporting requirements. In connection with any such changes or any proposed material change in US GAAP accounting policies, principles, processes or methodologies from those in effect immediately prior to the Closing Date, Genworth Canada will consult with Genworth Financial and, if requested by Genworth Financial, Genworth Canada will consult with the Genworth Financial Auditors with respect to such changes and their implementation by Genworth Canada; provided, however that Genworth Canada shall not make or implement any such changes without Genworth Financial’s prior written consent. Genworth Financial will use its reasonable best efforts to promptly respond to any request by Genworth Canada to make a change in accounting policies, principles, processes or methodologies and, in any event, in sufficient time to enable Genworth Canada to comply with its obligations under Section 4.01.

(g) Accounting Policies and Principles – Canadian GAAP. Genworth Canada will give Genworth Financial reasonable prior notice of any proposed material change in Canadian GAAP accounting policies, principles, processes or methodologies from those in effect immediately prior to the Closing Date, and will give Genworth Financial notice immediately following adoption of any such changes that are mandated or required under Canadian GAAP or requirements of the Securities Commissions. In connection therewith, Genworth Canada will consult with Genworth Financial and, if requested by Genworth Financial, Genworth Canada will consult with the Genworth Financial Auditors with respect thereto. As to material changes in accounting principles that could affect Genworth Financial, Genworth Canada will not make any such changes without Genworth Financial’s prior written consent, excluding changes that are mandated or required under Canadian GAAP or requirements of the Securities Commissions. If Genworth Financial so requests, Genworth Canada will be required to obtain the concurrence of the Genworth Canada Auditors as to such material change prior to its implementation.

SECTION 4.07 Auditor Consultation. Genworth Canada agrees that, for so long as Genworth Financial beneficially owns less than fifty percent (50%) but not less than twenty percent (20%) of the outstanding Common Shares, Genworth Canada shall consult with Genworth Financial in advance regarding the selection of the audit firm to be proposed by management to be appointed as auditor of Genworth Canada by its shareholders.

SECTION 4.08 Disclosure of Information. Information provided pursuant to this Article IV may be disclosed by Genworth Financial in its public filings as required by any Governmental Authority or pursuant to Applicable Law as contemplated in Article V of the Master Agreement.

SECTION 4.09 Privilege. The provision of any information pursuant to this Article IV shall not be deemed a waiver of any privilege, including privileges arising under or related to the attorney-client privilege or any other applicable privileges (a “Privilege”). Following the Closing Date, neither Genworth Canada nor its Subsidiaries nor Genworth Financial nor its Subsidiaries will be required to provide any information pursuant to this Article IV if the provision of such information would serve as a waiver of any Privilege afforded such information.

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## ARTICLE V

### INDEMNIFICATION, DISPUTE RESOLUTION AND EXPENSES

SECTION 5.01 Indemnification. The parties shall indemnify each other in connection with this Agreement in accordance with Article VI of the Master Agreement, which shall be the sole and exclusive procedures for indemnification relating to this Agreement.

SECTION 5.02 Dispute Resolution. Any dispute, controversy or claim arising out of, or relating to this Agreement (a “Dispute”) shall be resolved in accordance with Article VII of the Master Agreement, which shall be the sole and exclusive procedures for the resolution of any such Dispute.

SECTION 5.03 Expenses. Except as otherwise specifically provided in this Agreement, each party hereto shall bear any costs and expenses incurred in connection with exercising its rights and performing its obligations under this Agreement.

## ARTICLE VI

### TERMINATION

SECTION 6.01 Termination. The term of this Agreement shall commence on the date hereof and expire on the first date on which Genworth Financial beneficially owns less than ten percent (10%) of the Common Shares of Genworth Canada.

SECTION 6.02 Survival. Article V (Indemnification, Dispute Resolution and Expenses), Section 6.02 (Survival) and Article VII (General Provisions) shall survive the expiration or other termination of this Agreement and remain in full force and effect. Section 4.01 (Annual and Quarterly Financial Information) shall survive the expiration or other termination of this Agreement and remain in full force and effect until Genworth Canada has provided the required information and Genworth Financial has prepared and publicly filed its financial statements for the applicable period. Section 4.02 (Tax Information) shall survive the expiration or other termination of this Agreement and remain in full force and effect until the 15<sup>th</sup> of September following the taxable year in which expiration or termination occurs.

## ARTICLE VII

### GENERAL PROVISIONS

SECTION 7.01 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the Laws of the Province of Ontario irrespective of the choice of Laws principles.

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SECTION 7.02 Co-operation. The requirements of Section 8.02 of the Master Agreement are and shall be deemed to be incorporated and made an integral part of this Agreement.

SECTION 7.03 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 7.03):

if to Genworth Canada:

Genworth MI Canada Inc.  
2060 Winston Park Drive  
Suite 300  
Oakville, ON L6H 5R7

Attention: General Counsel

Phone: 905.287.5484  
Fax: 905.287.5472

if to Genworth Financial:

Genworth Financial, Inc.  
6620 West Broad Street  
Richmond, VA 23230

Attention: General Counsel

Phone: 804.662.2574  
Fax: 804.662.2414

if to Brookfield:

Brookfield Life Assurance Company Limited  
c/o Aon Insurance Managers (Bermuda) Ltd.  
Craig Appin House  
8 Wesley Street  
Hamilton HM JX  
Bermuda

Attention: President

Phone: 441-295-2220  
Fax: 441-292-0217

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with a copy to:

Brookfield Life Assurance Company Limited  
c/o Genworth Financial, Inc.  
6620 West Broad Street  
Richmond, VA 23230  
Attention: President  
Phone: 804-662-2560  
Fax: 804-662-2414

SECTION 7.04 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Applicable Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

SECTION 7.05 Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement (including the Schedules hereto and the herein referenced provisions of the Master Agreement) constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the parties hereto with respect to the subject matter of this Agreement.

SECTION 7.06 Assignment; No Third-Party Beneficiaries.

(a) A member of the Genworth Financial Group (including, for greater certainty, Brookfield) may assign this Agreement to any member of the Genworth Financial Group to whom Common Shares or the Special Share are transferred and who agrees to become party hereto and to be bound by this Agreement (whereupon such transferee shall become an Applicable GNW Shareholder in respect of such Common Shares or the Special Share, as applicable), provided, however that such transferor must remain party hereto in respect of any Common Shares or the Special Share, as applicable, remaining held by it, and Genworth Canada hereby consents and agrees to any such assignment. Except as aforesaid, this Agreement shall not be assigned by any party hereto without the prior written consent of the other party.

(b) Except as provided in Article V with respect to indemnification, this Agreement is for the sole benefit of the parties to this Agreement and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

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SECTION 7.07 Amendment; Waiver. No provision of this Agreement may be amended or modified except by a written instrument signed by all the parties hereto. No waiver by any party of any provision hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by either party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

SECTION 7.08 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires, (b) references to the terms Article, Section, paragraph, and Schedule are references to the Articles, Sections, paragraphs, and Schedules to this Agreement unless otherwise specified, (c) the word “including” and words of similar import shall mean “including, without limitation,” (d) provisions shall apply, when appropriate, to successive events and transactions, (e) the headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement and (f) this Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted. Unless specifically stated in the Master Agreement that a particular provision of the Master Agreement should be given effect in lieu of a conflicting provision in this Agreement, to the extent that any provision contained in this Agreement conflicts with, or cannot logically be read in accordance with, any provision of the Master Agreement, the provision contained in this Agreement shall prevail.

SECTION 7.09 Currency. All references in this Agreement to “dollars” or “\$” are expressed in Canadian currency, unless otherwise specifically indicated.

SECTION 7.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

GENWORTH MI CANADA INC.

By: /s/ Peter Vukanovich  
Name: Peter Vukanovich  
Title: President and Chief Operating Officer

GENWORTH FINANCIAL, INC.

By: /s/ Joseph J. Pehota  
Name: Joseph J. Pehota  
Title: Senior Vice President – Corporate  
Development

BROOKFIELD LIFE ASSURANCE COMPANY  
LIMITED

By: /s/ Ward Bobitz  
Name: Ward Bobitz  
Title: President

## SCHEDULES

### Schedule 4.01 Annual and Quarterly Financial Data and Other Information

Schedule Name(s)	Description (Contents)	GNW Ownership Interest	
		50% or Greater	20% or Greater, but Less than 50%
<b>Production Metrics</b>			
Insurance and risk in force	Segregated by (i) product, (ii) loan size, (iii) age, (iv) province and (v) policy year with supporting documentation	✓	✓
New insurance written	Segregated by product with supporting documentation	✓	✓
Policies in force	Segregated by product with supporting documentation	✓	✓
Delinquent loans	Segregated by product and High LTV and Low LTV insurance with supporting documentation	✓	✓
Average primary loan size	Segregated by product with supporting documentation	✓	✓
LTV ratio	Segregated by product and ranges with supporting documentation	✓	✓
<b>Financial Statements</b>			
Trended SEC US GAAP Balance Sheet	Trended for last 8 quarters	✓	✓
Trended SEC US GAAP Income Statement	Trended for last 8 quarters	✓	✓
SEC US GAAP Balance Sheet	Versus (i) prior quarter, (ii) same quarter of prior year and (iii) prior year end, with fx adjusted variance explanations	✓	✓
SEC US GAAP Income Statement	Versus prior quarter and same quarter of prior year, with fx adjusted variance explanations	✓	✓
<b>Supporting Documentation</b>			
4 Blocker/Significant and Unusual Items	Describes changes to business relationships, processes, systems, asset/liability valuation methodologies and other items that impact financial statement results	✓	✓
Accounting memoranda	Support for conclusions reached on accounting matters during the quarter	✓	✓
Actuarial review report	Support for conclusions reached on actuarial matters	✓	✓
Deferred Acquisition Cost study		✓	✓
US GAAP trial balance ledger feed	Prepared for all SEC required reported accounts	✓	✓
Balance Sheet account rollforwards	Rollforward (i) Deferred Acquisition Cost, (ii) Intangibles (PVFP, software and licenses), (iii) Loss Reserve, (iv) Goodwill and (v) Unearned Premiums for last 8 quarters and Equity year-to-date	✓	✓
Written and Earned Premium rollforward	For last 8 quarters	✓	✓
Other Assets and Other Liabilities	Detailed by subcategories with variance explanations versus same quarter of prior year and prior year end	✓	✓
Schedule of Commitment and Contingencies		✓	✓
Auditor Questionnaire		✓	✓
Financial Statement Representation Letter	Management representation letter signed by CEO, CFO and Controller	✓	✓
Account reconciliations in Genworth reconciliation system	For all accounts	✓	✓



## Schedule 4.02 Tax Data and Other Information

<u>Schedule Name(s)</u>	<u>Description (Contents)</u>	<u>GNW Ownership Interest</u>	
		<u>50% or Greater</u>	<u>10% or Greater, but Less than 50%</u>
Annual US Tax Reporting Package for Form 5471		✓	✓
Canadian Tax Returns	Including all provincial tax returns	✓	✓
Canadian Tax Liability Estimates	Including all provinces	✓	✓

## Schedule 4.03 Financial, Risk and Other Information

<u>Schedule Name(s)</u>	<u>Description (Contents)</u>	<u>GNW Ownership Interest</u>	
		<u>50% or Greater</u>	<u>20% or Greater, but Less than 50%</u>
<b>Quarterly Reports</b>			
Short Range Forecast Submission to TM1	Forecast of current quarter US GAAP earnings by SEC line item and key metrics with variance explanations versus Operating Plan	✓	✓
Finance Reviews	Review of US GAAP income statement, loss drivers and expense drivers for the quarter with variance explanations versus (i) prior quarter, (ii) same quarter of prior year and (iii) Operating Plan	✓	✓
Operating Reviews	Review of economic environment and trends, portfolio metrics, production metrics, US GAAP income statement, loss drivers, expense drivers and strategy for the quarter with variance explanations versus (i) prior quarter, (ii) same quarter of prior year and (iii) Operating Plan	✓	✓
Preparation of Earnings Release		✓	✓
<b>Annual Planning</b>			
Multi-Year Plan submission to TM1	5 Year forecast of Company performance, capital needs and dividend plans	✓	✓
Operating Plan Expense Budgeting Submission to TM1	1 Year forecast of Company's expenses for subsequent year	✓	✓
Operating Plan Submission to TM1	1 Year forecast of Company performance, capital needs and dividend plan used to set targets for subsequent year	✓	✓

## Schedule 4.05(e)(i) Risk, Capital and Investment Information

Schedule Name(s)	Description (Contents)	GNW Ownership Interest	
		50% or Greater	20% or Greater, but Less than 50%
<b>Risk Management</b>			
Economic / Housing Market Indicators	Home Price Appreciation, GDP and Unemployment Rate at national and regional level	✓	✓
Ever-To-Date Loss Ratios	Loss Ratios by (i) book year, (ii) product, (iii) region and (iv) lender	✓	✓
Delinquency Drill Down	Delinquency Count and Rate by (i) book year, (ii) region and (iii) product	✓	✓
Loss Analysis	Representing (i) Total Losses, (ii) dollars of Paid Claims, (iii) Change In Reserves, (iv) Loss Ratio and (v) Other Loss Metrics	✓	✓
Loss Tracking	Actual loss development versus Operating Plan	✓	✓
Delinquency Trends	Delinquency Rate Trends by book year and region (graphs)	✓	✓
Monthly Cure Rates (High LTV)	Trends at (i) national, (ii) regional and (iii) book year levels (graphs)	✓	✓
New Delinquency Rates	Trends at (i) national, (ii) regional and (iii) book year levels (graphs)	✓	✓
Portfolio Trends	In Force and New Insurance Written by (i) geographic region, (ii) LTV, (iii) credit score, (iv) OmniScore and (v) product	✓	✓
Delinquency And Claim Performance By Development Year	Delinquency and Claim Triangles by book year	✓	✓
Original and Effective LTV	Original and Effective LTV and Cumulative Home Price Appreciation by book year	✓	✓
Loss Forecasts	Base Case and Stress Scenario Loss forecasts with key assumptions	✓	✓
RADAR Report	Portfolio composition and performance versus targets	✓	✓
ERM Metrics	Including (i) Earnings and Earnings at Risk, (ii) ROE, (iii) MCT Ratio, (iv) Liquidity Ratio, (v) VaR, (vi) BE VNB and (vii) MC VNB	✓	✓
In Force Review Information	In Force Review Package including (i) portfolio performance, (ii) risk issues and (iii) ROE performance	✓	✓
Bulk Deal Summary	Summary of Bulk Deals including (i) NIW, (ii) geographic and product dispersion and (iii) pricing and ROE	✓	✓
Underwriting Audit Reports	Summary of Underwriting Audits including Error Rates and Findings	✓	✓
<b>Capital Management</b>			
Capital Management Report	Summary of capital available versus OSFI minimum required capital for current quarter (MCT ratio) and forecast for the subsequent four quarters, including impacts of dividend plans, stress scenarios, and unrealized gain/loss	✓	✓

Dividend Plans	positions Details of dividend plan for current period and forecast for remainder of year	✓	✓
<b>Investment Management</b>			
Monthly Investment Portfolio Holdings Report		✓	✓
Monthly Investment Snapshot Report		✓	✓

## Schedule 4.05(e)(ii) Compliance Activities and Reporting

Schedule Name(s)	Description (Contents)	GNW Ownership Interest	
		50% or Greater	20% or Greater, but Less than 50%
Annual Compliance Review	Annual compliance review of Genworth Canada utilizing the Genworth One Compliance self-assessment process	✓	✓
Code of Ethics	Adopt the Genworth Financial <i>Integrity First</i> Code of Ethics (as it may be amended or modified from time to time). Require, as a condition of employment, that (i) employees of Genworth Canada provide a written acknowledgement of the Code of Ethics at least once each year (or such other frequency as Genworth Financial requires of its employees generally from time to time) and (ii) employees of Genworth Canada undertake training in the Code of Ethics, in such manner as Genworth Financial requires of its employees generally from time to time, at least once every two years (or such other frequency as Genworth Financial requires of its employees generally from time to time). Provide confirmation to Genworth Financial of the foregoing as reasonably requested by Genworth Financial from time to time.	✓	✓
Conflict of Interest Questionnaires	Annually, circulate and obtain completed conflict of interest questionnaires from directors and officers, such questionnaires to be in the form provided by Genworth Financial from time to time. Provide information about or copies of such completed questionnaires to Genworth Financial upon request.	✓	✓
Customer Complaints	Quarterly, provide a report of customer complaints received	✓	✓
Regulatory Updates	Quarterly or as otherwise reasonably requested by Genworth Financial, provide briefings or updates to Genworth Financial on legal and regulatory affairs reflecting changes and developments applicable to or affecting Genworth Canada and/or the Canadian mortgage insurance business.	✓	✓
Ombudsperson Reports	Maintain an ombudsperson and, quarterly or as otherwise reasonably requested by Genworth Financial, provide reports of complaints, concerns or issues raised with the Genworth Canada ombudsperson.	✓	✓
Notification of Material Ombudsperson Contacts	Provide reports of significant or material complaints, concerns or issues raised with the Genworth Canada ombudsperson within 5 Business Days of the complaint, concern or issue being raised.	✓	✓
Notification of Material Concerns Raised with Directors	Provide reports of significant or material complaints, concerns or issues raised	✓	✓

directly with the Genworth Canada board of directors or audit committee of the board of directors, within 5 Business Days of the complaint, concern or issue being raised.

Notification of Material Regulatory Matters

Provide reports of significant or material regulatory inquiries, examinations, audits or requests for information (whether from OSFI, provincial insurance regulatory authorities, securities regulatory authorities or other applicable regulatory bodies) within 5 Business Days of becoming aware of the matter. Provide prompt reports of other significant or material regulatory matters. Provide copies of correspondence and other relevant materials as reasonably requested by Genworth Financial.

✓

✓

**Schedule 4.05(e)(ii) Compliance Activities and Reporting**

<u>Schedule Name(s)</u>	<u>Description (Contents)</u>	<u>GNW Ownership Interest</u>	
		<u>50% or Greater</u>	<u>20% or Greater, but Less than 50%</u>
Quarterly Compliance Dashboard/Metric Reporting	Quarterly, provide compliance dashboard/metric reporting to Genworth Financial in the format provided prior to the date of this Agreement, as reasonably modified from time to time by Genworth Financial.	✓	✓
Risk, Capital and Investment Committee	Provide copies of all documents and materials provided to or reviewed by the Risk, Capital and Investment Committee of Genworth Canada (or any successor committee or committee with equivalent function) promptly after delivery of such materials to committee members.	✓	✓
Other	Copies of regulatory compliance policies, procedures and processes and other materials and information related to regulatory matters and compliance by Genworth Canada, as reasonably requested by Genworth Financial from time to time.	✓	✓

The foregoing information and materials shall be provided to the Chief Compliance Officer and such other persons at Genworth Financial as Genworth Financial may designate from time to time.

For purposes of this Schedule 4.05(e)(ii), references to Genworth Canada include Genworth MI Canada Inc. and its subsidiaries from time to time, including Genworth Financial Mortgage Insurance Company Canada.

## Schedule 4.06(a) Monthly Financial, Risk and Other Information

<u>Schedule Name(s)</u>	<u>Description (Contents)</u>	<u>GNW Ownership Interest</u>	
		<u>50% or Greater</u>	<u>20% or Greater, but Less than 50%</u>
<b>Financial Data</b>			
US GAAP trial balance ledger feed	Prepared for all SEC required reported accounts	✓	
Account reconciliations in Genworth reconciliation system	For high risk accounts	✓	
<b>Monthly Reports</b>			
Headcount	Name and function of Company employees, contractors and open positions	✓	
Production	Actual monthly results and total quarter forecast with variance explanations to Operating Plan	✓	
Loss Mitigation	Details on loss mitigation efforts and results during the period along with quarterly forecast for remainder of year	✓	
Driver Based Forecast	Business leading indicator trends and quarterly forecast of net operating income for the current year and subsequent year	✓	
Short Range Forecast Submission to TM1	Forecast of current quarter US GAAP earnings by SEC line item and key metrics with variance explanations versus Operating Plan	✓	
Monthly Metric Submission to TM1	Key metrics for the current month and forecast of key metrics and US GAAP SEC income statement and balance sheet for current year and subsequent year	✓	
Operating Reviews	Review of economic environment and trends, portfolio metrics, production metrics, US GAAP income statement, loss drivers and expense drivers for the current quarter forecast with variance explanations versus (i) prior quarter, (ii) same quarter of prior year and (iii) Operating Plan	✓	

**Genworth Financial, Inc.**  
**Unaudited Pro Forma Condensed Consolidated Financial Statements**

The following unaudited pro forma condensed consolidated financial statements and related notes are presented to show the effects of the initial public offering (the "Offering") of common shares of Genworth MI Canada Inc. ("Genworth Canada"), an indirect subsidiary of Genworth Financial, Inc. (the "Corporation") on the Corporation's historical condensed consolidated financial statements. The Offering was completed on July 7, 2009.

The pro forma condensed consolidated balance sheet is based on the assumption that the Offering was completed on March 31, 2009. The pro forma condensed consolidated statements of income for the three months ended March 31, 2009 and for the year ended December 31, 2008 are based on the assumption that the Offering was completed on January 1, 2008.

The unaudited pro forma condensed consolidated financial statements as of and for the periods presented do not purport to present what the Corporation's results of operations or financial position actually would have been had the Offering been completed on the dates noted above, or to project the Corporation's results of operations for any future periods. The pro forma adjustments are based upon available information and certain assumptions that the Corporation believes are reasonable under the circumstances. Actual amounts could differ materially from these estimates. The pro forma results should be read in conjunction with the consolidated financial statements and notes thereto in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 and Quarterly Report on Form 10-Q for the three months ended March 31, 2009.



**GENWORTH FINANCIAL, INC.**

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET**

**As of March 31, 2009**

**(Amounts in millions, except per share amounts)**

	<u>Historical</u>	<u>Adjustments (a)</u>	<u>Pro Forma</u>
<b>Assets</b>			
Investments:			
Fixed maturity securities available-for-sale, at fair value	\$ 41,319	\$ —	\$ 41,319
Equity securities available-for-sale, at fair value	221	—	221
Commercial mortgage loans	8,023	—	8,023
Policy loans	1,842	—	1,842
Other invested assets	6,080	—	6,080
Total investments	57,485	—	57,485
Cash and cash equivalents	7,064	596 (b)	7,660
Accrued investment income	821	—	821
Deferred acquisition costs	7,716	—	7,716
Intangible assets	1,142	—	1,142
Goodwill	1,314	—	1,314
Reinsurance recoverable	17,398	—	17,398
Other assets	998	—	998
Deferred tax asset	1,631	32 (c)	1,663
Separate account assets	8,576	—	8,576
Total assets	<u>\$104,145</u>	<u>\$ 628</u>	<u>\$104,773</u>
<b>Liabilities and stockholders' equity</b>			
Liabilities:			
Future policy benefits	\$ 28,763	\$ —	\$ 28,763
Policyholder account balances	33,196	—	33,196
Liability for policy and contract claims	5,815	—	5,815
Unearned premiums	4,482	—	4,482
Other liabilities	6,316	—	6,316
Non-recourse funding obligations	3,443	—	3,443
Short-term borrowings	930	—	930
Long-term borrowings	4,131	—	4,131
Deferred tax liability	264	—	264
Separate account liabilities	8,576	—	8,576
Total liabilities	<u>95,916</u>	<u>—</u>	<u>95,916</u>
Commitments and contingencies			
Stockholders' equity:			
Class A common stock, \$0.001 par value; 1.5 billion shares authorized; 522 million shares issued and 433 million shares outstanding	1	—	1
Additional paid-in capital	11,485	(87)(d)	11,398
Accumulated other comprehensive income (loss):			
Net unrealized investment gains (losses)	(4,095)	(3)(e)	(4,098)
Derivatives qualifying as hedges	1,061	—	1,061
Foreign currency translation and other adjustments	(264)	27 (f)	(237)
Total accumulated other comprehensive income (loss)	(3,298)	24	(3,274)
Retained earnings	2,741	—	2,741
Treasury stock, at cost (88 million shares)	(2,700)	—	(2,700)
Total Genworth Financial, Inc.'s stockholders' equity	8,229	(63)	8,166
Noncontrolling interests	—	691 (g)	691
Total stockholders' equity	<u>8,229</u>	<u>628</u>	<u>8,857</u>
Total liabilities and stockholders' equity	<u>\$104,145</u>	<u>\$ 628</u>	<u>\$104,773</u>

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

**GENWORTH FINANCIAL, INC.**

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME**

**For the Three Months Ended March 31, 2009**  
**(Amounts in millions, except per share amounts)**

	<u>Historical</u>	<u>Adjustments (a)</u>	<u>Pro Forma</u>
<b>Revenues:</b>			
Premiums	\$ 1,502	\$ —	\$ 1,502
Net investment income	711	—	711
Net investment gains (losses)	(770)	—	(770)
Insurance and investment product fees and other	291	—	291
Total revenues	<u>1,734</u>	<u>—</u>	<u>1,734</u>
<b>Benefits and expenses:</b>			
Benefits and other changes in policy reserves	1,508	—	1,508
Interest credited	275	—	275
Acquisition and operating expenses, net of deferrals	441	—	441
Amortization of deferred acquisition costs and intangibles	247	—	247
Interest expense	96	—	96
Total benefits and expenses	<u>2,567</u>	<u>—</u>	<u>2,567</u>
Income (loss) before income taxes	(833)	—	(833)
Provision (benefit) for income taxes	(364)	(3)(h)	(367)
Net income (loss)	(469)	3	(466)
Less: net income attributable to noncontrolling interests	—	(22)(i)	(22)
Net income (loss) available to Genworth Financial, Inc.'s common stockholders	<u>\$ (469)</u>	<u>\$ (19)</u>	<u>\$ (488)</u>
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per common share:			
Basic	<u>\$ (1.08)</u>	<u>\$ (0.05)</u>	<u>\$ (1.13)</u>
Diluted	<u>\$ (1.08)</u>	<u>\$ (0.05)</u>	<u>\$ (1.13)</u>
<b>Weighted-average common shares outstanding:</b>			
Basic	<u>433.2</u>	<u>433.2</u>	<u>433.2</u>
Diluted	<u>433.2</u>	<u>433.2</u>	<u>433.2</u>

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

**GENWORTH FINANCIAL, INC.**

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME**

**For the Year Ended December 31, 2008**  
**(Amounts in millions, except per share amounts)**

	<u>Historical</u>	<u>Adjustments (a)</u>	<u>Pro Forma</u>
<b>Revenues:</b>			
Premiums	\$ 6,777	\$ —	\$ 6,777
Net investment income	3,730	—	3,730
Net investment gains (losses)	(1,709)	—	(1,709)
Insurance and investment product fees and other	1,150	—	1,150
Total revenues	<u>9,948</u>	<u>—</u>	<u>9,948</u>
<b>Benefits and expenses:</b>			
Benefits and other changes in policy reserves	5,806	—	5,806
Interest credited	1,293	—	1,293
Acquisition and operating expenses, net of deferrals	2,160	—	2,160
Amortization of deferred acquisition costs and intangibles	884	—	884
Goodwill impairment	277	—	277
Interest expense	470	—	470
Total benefits and expenses	<u>10,890</u>	<u>—</u>	<u>10,890</u>
Income (loss) before income taxes	(942)	—	(942)
Provision (benefit) for income taxes	(370)	(10)(j)	(380)
Net income (loss)	(572)	10	(562)
Less: net income attributable to noncontrolling interests	—	(131)(k)	(131)
Net income (loss) available to Genworth Financial, Inc.'s common stockholders	<u>\$ (572)</u>	<u>\$ (121)</u>	<u>\$ (693)</u>
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per common share:			
Basic	<u>\$ (1.32)</u>	<u>\$ (0.28)</u>	<u>\$ (1.60)</u>
Diluted	<u>\$ (1.32)</u>	<u>\$ (0.28)</u>	<u>\$ (1.60)</u>
<b>Weighted-average common shares outstanding:</b>			
Basic	<u>433.2</u>	<u>433.2</u>	<u>433.2</u>
Diluted	<u>433.2</u>	<u>433.2</u>	<u>433.2</u>

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

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**Genworth Financial, Inc.**  
**Notes to Unaudited Pro Forma**  
**Condensed Consolidated Financial Statements**

(a) Adjustments reflect the impact from the Offering of 44,740,000 common shares of Genworth Canada, an indirect subsidiary of the Corporation, which was completed on July 7, 2009. Of the 44,740,000 common shares of Genworth Canada that were sold in the Offering, 5,100,000 common shares were sold by Genworth Canada, and 39,640,000 common shares were sold by Brookfield Life Assurance Company Limited (the "Selling Shareholder"), an indirect wholly-owned subsidiary of the Corporation. Following completion of the Offering, the Corporation beneficially owns 61.8% of the common shares of Genworth Canada.

In addition, the Selling Shareholder has granted to the underwriters of the Offering an option (the "Over-Allotment Option"), for a period of 30 days after the closing of the Offering, to purchase up to an additional 6,711,000 common shares from the Selling Shareholder. If the Over-Allotment Option is exercised in full, the Corporation will beneficially own 56.1% of the common shares of Genworth Canada. The unaudited pro forma condensed consolidated financial statements do not reflect the exercise of the Over-Allotment Option.

(b) Adjustment reflects the net proceeds received in Canadian dollars by the Corporation in conjunction with the sale of 44,740,000 shares of Genworth Canada's common stock at the March 31, 2009 exchange rate of 0.7946 United States dollar to 1 Canadian dollar. If the Over-Allotment Option is exercised in full, the Corporation will receive additional net proceeds of \$89 million for a total adjustment of \$685 million. Proceeds are net of expenses directly related to the Offering, including underwriting commissions, taxes and other items, and assumes these expenses were paid in cash on March 31, 2009.

(c) Adjustment reflects a change in deferred taxes for the 38.2% noncontrolling interests in Genworth Canada in conjunction with the Offering. If the Over-Allotment Option is exercised in full, noncontrolling interests will be 43.9% and the adjustment would be \$40 million.

(d) Adjustment reflects the difference between the net proceeds received, adjustments to deferred taxes and accumulated other comprehensive income (loss) and the 38.2% noncontrolling interests in Genworth Canada following the Offering. If the Over-Allotment Option is exercised in full, noncontrolling interests will be 43.9% and the adjustment would be \$(99) million.

(e) Adjustment reflects the 38.2% noncontrolling interests in Genworth Canada's net unrealized investment gains (losses) in conjunction with the Offering. If the Over-Allotment Option is exercised in full, noncontrolling interests will be 43.9% and the adjustment would remain at \$(3) million.

(f) Adjustment reflects the 38.2% noncontrolling interests in Genworth Canada's foreign currency translation in conjunction with the Offering. If the Over-Allotment Option is exercised in full, noncontrolling interests will be 43.9% and the adjustment would be \$32 million.

(g) Adjustment reflects the 38.2% noncontrolling interests in Genworth Canada in conjunction with the Offering. If the Over-Allotment Option is exercised in full, noncontrolling interests will be 43.9% and the adjustment would be \$795 million.

(h) Adjustment reflects a reduction in the provision for income taxes as a result of lower U.S. taxes on foreign income for the three months ended March 31, 2009 in conjunction with the Offering. If the Over-Allotment Option is exercised in full, noncontrolling interests will be 43.9% and the adjustment would remain at \$(3) million.

(i) Adjustment reflects the 38.2% noncontrolling interests in Genworth Canada's net income for the three months ended March 31, 2009 in conjunction with the Offering. If the Over-Allotment Option is exercised in full, noncontrolling interests will be 43.9% and the adjustment would be \$(25) million.

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(j) Adjustment reflects a reduction in the provision for income taxes as a result of lower U.S. taxes on foreign income for the year ended December 31, 2008 in conjunction with the Offering. If the Over-Allotment Option is exercised in full, noncontrolling interests will be 43.9% and the adjustment would be \$(12) million.

(k) Adjustment reflects the 38.2% noncontrolling interests in Genworth Canada's net income for the year ended December 31, 2008 in conjunction with the Offering. If the Over-Allotment Option is exercised in full, noncontrolling interests will be 43.9% and the adjustment would be \$(151) million.