

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Genworth Mortgage Insurance Australia Limited

ABN

72 154 890 730

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 *Class of *securities issued or to be issued

Share Rights (not quoted)

2 Number of *securities issued or to be issued (if known) or maximum number which may be issued

381,982

Share Rights under the 2018-LTI grant

95,566

Share Rights under the Deferred STI 2017 grant

3 Principal terms of the *securities (e.g. if options, exercise price and expiry date; if partly paid *securities, the amount outstanding and due dates for payment; if *convertible securities, the conversion price and dates for conversion)

See Annexure A

4	Do the *securities rank equally in all respects from the *issue date with an existing *class of quoted *securities? If the additional *securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	No – the Share Rights do not rank equally in all respects with the existing class of quoted securities. The Share Rights do not have voting rights or rights to receive dividends, however, notional dividend equivalents accrue as described in Annexure A. After the Share Rights have vested and are converted to ordinary shares, those ordinary shares will rank equally with existing fully paid ordinary shares (including the right to vote and receive dividends).
5	Issue price or consideration	Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issue of Share Rights under the Genworth Australia Share Rights Plan in respect of the: • 2018 financial year for Share Rights under the 2018 LTI grant; and • 2017 financial year for Share Rights under the Deferred STI 2017 grant.
6a	Is the entity an *eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the *securities the subject of this Appendix 3B</i>, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable
6d	Number of *securities issued with security holder approval under rule 7.1A	Not applicable

+ See chapter 19 for defined terms.

6e	Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable	
6f	Number of *securities issued under an exception in rule 7.2	Not applicable	
6g	If *securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the *issue date and both values. Include the source of the VWAP calculation.	Not applicable	
6h	If *securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not applicable	
7	*Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	14 March 2018	
8	Number and *class of all *securities quoted on ASX (including the *securities in section 2 if applicable)	Number	*Class
		473,813,684	Fully Paid Ordinary Shares

9	Number and *class of all *securities not quoted on ASX (<i>including the *securities in section 2 if applicable</i>)	Number	*Class
		381,982	Share Rights under the 2018-LTI grant
		95,566	Share Rights under the Deferred STI 2017 grant
		643,838	Share Rights under the 2017-LTI grant
		168,168	Share Rights under the 2017-Equity grant
		552,604	Share Rights under the 2016-LTI grant
		79,273	Share Rights under the 2016-Equity grant
		116,196	Share Rights under the 2015-LTI grant
		22,735	Share Rights under the 2015-Equity grant
		269,187	Share Rights under the 2014-Key Leader grant
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable	

Part 2 - Pro rata issue

Items 11 to 33 are not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

Items 34 to 42 are not applicable.

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Prudence Milne
General Counsel & Company Secretary
14 March 2018

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+ See chapter 19 for defined terms.

Annexure A

Item 3 – Principal terms of the securities

Share Rights issued under the 2018-LTI grant	
Share Rights Plan	The Share Rights are issued under the Genworth Australia Share Rights Plan. The Plan Rules were released to the market on 20 May 2014.
Vesting and Conversion	Each Share Right will, on the Vesting Date and subject to satisfaction of the Vesting Conditions, automatically convert to one ordinary share in the Company for nil additional consideration. Unvested Share Rights lapse on cessation of employment except in cases of redundancy, total and permanent disability, death, retirement, or if, in the opinion of the Board, the individual is a “good leaver”.
Vesting Date	31 December 2021
Performance Period	1 January 2018 – 31 December 2020
Performance-based Vesting Conditions Measures	For each person to whom Share Rights were granted, 25 per cent of the share rights will be measured against an underlying return on equity performance measure and the other 75 per cent will be measured against a relative total shareholder return performance measure. Each performance measure is assessed independently from the other. <u>Underlying Return on Equity (ROE) – 25% of the grant</u> Calculated as the average of three year underlying net profit after tax (excluding unrealised gains or losses from investments) divided by the three year average equity (excluding mark to market value of investments). <u>Relative Total Shareholder Return (TSR) - 75% of the grant:</u> Calculated as the total return to shareholders (share price movement including value of dividends) over the performance period, expressed as a percentage of the starting share price. Dividends are reinvested on the ex-dividend date closing price and franking credits are excluded.
Other Vesting Conditions	• Continuous employment until the Vesting Date • The Board and the Remuneration and Nominations Committee being satisfied that: ○ adverse outcomes have not arisen that were not apparent when performance was assessed; and ○ there was not excessive risk taking in the achievement of results.
Dividend and Voting Rights	Share Rights do not have any voting rights or rights to receive dividends. Notional dividend equivalents accrue during the Vesting Period (1 January 2018 – 31 December 2021) and are delivered through an adjustment to the number of vested Share Rights at the end of the deferral period on the Vesting Date. The notional dividend equivalents are calculated as the dollar value of dividends distributed per share during the vesting period multiplied by the number of Share Rights vesting. This number is divided by the 10-day VWAP as at the Vesting Date, rounded down to the nearest whole number of Share Rights.

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Share Rights issued under the Deferred STI 2017 grant	
Share Rights Plan	The Share Rights are issued under the Genworth Australia Share Rights Plan. The Plan Rules were released to the market on 20 May 2014.
Vesting and Conversion	Each Share Right will, on the relevant Vesting Date and subject to satisfaction of the relevant Vesting Conditions, automatically convert to one ordinary share in the Company for nil additional consideration. Unvested Share Rights lapse on cessation of employment except in cases of redundancy, total and permanent disability, death, retirement, or if, in the opinion of the Board, the individual is a “good leaver”.
Vesting Date	1 March 2019.
Vesting Conditions	Continuous employment until the relevant Vesting Date.
Dividend and Voting Rights	Share Rights do not have any voting rights or rights to receive dividends. Notional dividend equivalents accrue during the Vesting Period (1 March 2018 – 1 March 2019) and are delivered through an adjustment to the number of vested Share Rights at the end of the deferral period on the Vesting Date. The notional dividend equivalents are calculated as the dollar value of dividends distributed per share during the vesting period multiplied by the number of Share Rights vesting. This number is divided by the 10-day VWAP following the release of 2018 annual results, rounded down to the nearest whole number of Share Rights.

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