

GENWORTH FINANCIAL INC
Form DEF 14A
April 03, 2007
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Genworth Financial, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Edgar Filing: GENWORTH FINANCIAL INC - Form DEF 14A

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Notice of 2007 Annual Meeting and Proxy Statement

Table of Contents

6620 West Broad Street

Richmond, Virginia 23230

April 3, 2007

Dear Stockholder,

You are invited to attend the 2007 Annual Meeting of Stockholders to be held at 9:00 a.m. local time on Tuesday, May 15, 2007, at the Sheraton Richmond West, 6624 West Broad Street, Richmond, Virginia 23230.

The Annual Meeting will include a report on our business operations, discussion and voting on the matters set forth in the accompanying notice of Annual Meeting and proxy statement, and discussion and voting on any other business matters properly brought before the meeting.

Whether or not you plan to attend, you can ensure your shares are represented at the meeting by promptly voting and submitting your proxy by telephone, by Internet or by completing, signing, dating and returning your proxy card in the enclosed envelope.

Cordially,
Michael D. Fraizer

Chairman of the Board,

President and Chief Executive Officer

Table of Contents

NOTICE OF 2007 ANNUAL MEETING OF STOCKHOLDERS

9:00 a.m., May 15, 2007

Sheraton Richmond West

6624 West Broad Street

Richmond, Virginia 23230

April 3, 2007

To the Stockholders:

NOTICE IS HEREBY GIVEN that Genworth Financial, Inc.'s 2007 Annual Meeting of Stockholders will be held at the Sheraton Richmond West, 6624 West Broad Street, Richmond, Virginia 23230, on Tuesday, May 15, 2007, at 9:00 a.m. local time, to address all matters that may properly come before the meeting. In addition to receiving a report on our business operations, stockholders will vote on:

- (a) the election of directors for the ensuing year;
- (b) the ratification of the selection of KPMG LLP as our independent registered public accounting firm for 2007; and
- (c) such other business as may properly come before the Annual Meeting or any adjournment thereof.

Stockholders of record at the close of business on March 20, 2007 will be entitled to vote at the meeting and any adjournments.

Leon E. Roday

Secretary

Table of Contents

CONTENTS

<u>Information About the 2007 Annual Meeting and Proxy Voting</u>	1
<u>Information About Communications with Genworth and Our Board of Directors</u>	5
<u>Election of Directors</u>	7
<u>Corporate Governance</u>	10
<u>Board of Directors and Committees</u>	11
<u>Information Relating to Directors, Director Nominees, Executive Officers and Significant Stockholders</u>	18
<u>Compensation Discussion and Analysis</u>	21
<u>Report of the Management Development and Compensation Committee</u>	28
<u>Executive Compensation</u>	29
<u>Certain Relationships and Transactions</u>	44
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	51
<u>Report of the Audit Committee</u>	52
<u>Independent Registered Public Accounting Firm</u>	53
<u>Ratification of Selection of Independent Registered Public Accounting Firm</u>	55
<u>Appendix A: Governance Principles</u>	A-1

To be voted on at the meeting

Every stockholder's vote is important. Please complete, sign,

date and return your proxy card, or submit your

proxy by telephone or by Internet.

Table of Contents

PROXY STATEMENT

Genworth Financial, Inc.

6620 West Broad Street

Richmond, Virginia 23230

This proxy statement is furnished in connection with the solicitation of proxies by Genworth Financial, Inc. on behalf of the board of directors for the 2007 Annual Meeting of Stockholders (the Annual Meeting). Distribution to stockholders of this proxy statement and a proxy card is scheduled to begin on or about April 3, 2007.

Your vote is important. Whether or not you plan to attend the Annual Meeting, please take the time to vote your shares as soon as possible. You can ensure that your shares are voted at the meeting by submitting your proxy by telephone, by Internet or by completing, signing, dating and returning the enclosed proxy card in the envelope provided. Submitting your proxy by any of these methods will not affect your right to attend the meeting and vote. A stockholder who gives a proxy may revoke it at any time before it is exercised by voting in person at the Annual Meeting, by delivering a subsequent proxy or by notifying Leon E. Roday, Genworth's Secretary, in writing of such revocation.

INFORMATION ABOUT THE ANNUAL MEETING AND PROXY VOTING

What matters are to be voted on at the Annual Meeting?

Genworth intends to present the following proposals for stockholder consideration and voting at the Annual Meeting:

1. The election of directors for the ensuing year; and
2. Ratification of the selection of KPMG LLP as our independent registered public accounting firm for 2007.

What is the board's recommendation?

The board recommends votes **FOR** items 1 and 2 on your proxy card.

Will any other matters be presented for a vote at the Annual Meeting?

Edgar Filing: GENWORTH FINANCIAL INC - Form DEF 14A

The board of directors did not receive any notice prior to the deadline for submission of additional business that any other matters might be presented for a vote at the Annual Meeting. However, if another matter were to be properly presented, the proxies would use their own judgment in deciding whether to vote for or against it.

Who is entitled to vote?

All Genworth stockholders of record at the close of business on March 20, 2007 (the record date) are entitled to vote at the Annual Meeting.

What shares will be entitled to vote at the Annual Meeting?

Our voting securities consist of our Class A Common Stock, par value \$0.001 (the common stock), of which 438,374,232 shares were outstanding on the record date. Each share outstanding on the record date will be entitled to one vote.

If you are the beneficial owner, but not the record owner, of our common stock, you will receive instructions about voting from the bank, broker or other nominee that is the stockholder of record of your shares. Contact your bank, broker or other nominee directly if you have questions.

If you hold shares of our common stock through the Genworth Financial, Inc. Retirement and Savings Plan or an international employee benefit plan that includes our common stock (each, a Benefit Plan), you will receive from the plan trustee a separate voting instruction card covering those shares.

Table of Contents

Who can attend the Annual Meeting?

You are entitled to attend the annual meeting only if you are a stockholder of record or a beneficial owner as of the record date, or you hold a valid proxy for the annual meeting.

If you are a Genworth stockholder of record and wish to attend the meeting, please so indicate on the proxy card or as prompted by the telephone or Internet voting system. Your name will be verified against the list of stockholders of record prior to your being admitted to the annual meeting.

If a bank, broker or other nominee is the record owner of your shares, you will need to have proof that you are the beneficial owner to be admitted to the meeting. A recent statement or letter from your bank or broker confirming your ownership, or presentation of a valid proxy from a bank, broker or other nominee that is the record owner of your shares, would be acceptable proof of your beneficial ownership.

You should be prepared to present photo identification for admittance. If you do not provide photo identification or comply with the other procedures outlined above upon request, you will not be admitted to the annual meeting.

How do I vote my shares?

Stockholders of record may grant a proxy with respect to their shares by mail, by telephone or by Internet. Granting a proxy by telephone or by Internet will be available through 5:00 p.m. Eastern time on May 14, 2007.

Voting instructions appear on your proxy card. If you grant a proxy by telephone or by Internet, please have your proxy card available.

If you are a stockholder of record or a duly appointed proxy of a stockholder of record, you may attend the meeting and vote in person. However, if your shares are held in the name of a bank, broker or other nominee, and you wish to attend the meeting to vote in person, you will have to contact your bank, broker or other nominee to obtain its proxy. Bring that document with you to the meeting.

Proxies submitted by mail, telephone or Internet will be voted in the manner you indicate by the individuals named on the proxy. If you do not specify how your shares are to be voted, the proxies will vote your shares **FOR** the election of directors who have been nominated by our board of directors and **FOR** the ratification of the selection of KPMG LLP as our independent registered public accounting firm for 2007.

If you hold shares of our common stock through a Benefit Plan, you will receive from the plan trustee a separate voting instruction card covering these shares.

May I change or revoke my proxy after it is submitted?

Edgar Filing: GENWORTH FINANCIAL INC - Form DEF 14A

Yes, you may change or revoke your proxy at any time before the Annual Meeting by:

subsequently granting a proxy by telephone or by Internet;

returning a later-dated proxy card;

attending the Annual Meeting and voting in person; or

sending your notice of revocation to Leon E. Roday, our Secretary.

Table of Contents

If you submit your changed proxy or revocation by telephone or by Internet, it must be received by 5:00 pm Eastern time on May 14, 2007. If you submit your changed proxy or revocation by another method specified above, it must be received before the polls close for voting.

What is a quorum?

In order for business to be conducted at the Annual Meeting, a quorum must be present. A quorum will be present if stockholders of record holding a majority in voting power of the outstanding shares of stock entitled to vote at the meeting are present in person or are represented by proxies.

What vote is necessary to pass the items of business at the Annual Meeting?

Holders of common stock will vote as a single class and will be entitled to one vote per share with respect to each matter to be presented at the Annual Meeting.

The nine nominees for director receiving a plurality of the votes cast by holders of our common stock, at the meeting in person or by proxy, shall be elected to our board of directors. However, if a majority of shares cast for any nominee are deemed withheld, the nominee is required to tender his or her resignation from the board of directors and any committees on which he or she serves. The Nominating and Corporate Governance Committee will then assess the appropriateness of the nominee continuing to serve as a director and will recommend to the board of directors whether to accept or reject the resignation, or whether other action should be taken. The board of directors will act on the Nominating and Corporate Governance Committee's recommendation and publicly disclose its decision and the reason for the decision. Our director resignation policy does not apply to contested elections of directors.

The affirmative vote of the holders of a majority of shares of common stock present at the meeting, in person or by proxy, and entitled to vote on the matter is required for approval of all other matters, including the ratification of the selection of KPMG LLP as our independent registered public accounting firm for 2007.

How are abstentions and broker non-votes counted?

Abstentions and broker non-votes will be counted to determine whether a quorum is present. If a stockholder abstains from voting as to a particular matter (other than the election of directors), those shares will be counted as voting against that matter. If a broker or other record holder of shares returns a proxy card indicating that it does not have discretionary authority to vote as to a particular matter (broker non-votes), those shares will not be counted as voting for or against that matter. Genworth believes that the election of directors and the ratification of the selection of KPMG LLP as our independent registered public accounting firm for 2007 will be deemed to be discretionary matters and brokers will be permitted to vote uninstructed shares as to such matters.

Who is the inspector of election?

The board of directors has appointed a representative of The Bank of New York to act as Inspector of Election at the Annual Meeting.

What are the costs for soliciting proxies for the Annual Meeting?

Proxies will be solicited on behalf of the board of directors by mail, telephone, other electronic means or in person, and we will pay the solicitation costs. Copies of proxy materials and of the annual report for 2006 will be supplied to brokers, dealers, banks and voting trustees, or their nominees, for the purpose of soliciting proxies from beneficial owners, and we will reimburse such record holders for their reasonable expenses. Georgeson

Table of Contents

Shareholder Communications, Inc. has been retained to assist in soliciting proxies at a fee of \$15,000, plus distribution costs and other costs and expenses.

What is the deadline for submission of stockholder proposals for the 2008 Annual Meeting?

The rules of the Securities and Exchange Commission (SEC) establish the eligibility requirements and the procedures that must be followed for a stockholder s proposal to be included in a public company s proxy materials. Under those rules, proposals submitted for inclusion in Genworth s 2008 proxy materials must be received on or before the close of business on December 5, 2007. Proposals for inclusion in our 2008 proxy materials must comply with all requirements of the rules of the SEC.

In addition, our bylaws establish an advance notice procedure with regard to director nominations and proposals by stockholders intended to be presented at our 2008 Annual Meeting but not included in our 2008 proxy materials. For these nominations or other business to be properly brought before the meeting by a stockholder, assuming the 2008 Annual Meeting occurs on a date that is not more than 30 days before or 70 days after the anniversary of the Annual Meeting, the stockholder must deliver written notice to us not later than the close of business on February 15, 2008 nor earlier than the close of business on January 16, 2008. Such proposals must comply with all requirements set forth in our bylaws.

For any proposal that is not submitted for inclusion in next year s proxy statement, but is instead sought to be presented directly at the 2008 Annual Meeting, SEC rules permit management to vote proxies in its discretion if we: (1) receive notice of the proposal before the close of business on February 18, 2008, and advise stockholders in the 2008 proxy statement about the nature of the matter and how management intends to vote on such matter; or (2) do not receive notice of the proposal prior to the close of business on February 18, 2008.

All notices of intention to present proposals at the 2008 Annual Meeting whether or not intended to be included in our proxy materials, should be addressed to Leon E. Roday, Secretary, Genworth Financial, Inc., 6620 West Broad Street, Richmond, Virginia, 23230.

Where can I find the voting results of the 2007 Annual Meeting?

The preliminary voting results will be announced at the meeting. The final results will be posted in the corporate governance section of our website at www.genworth.com after the results have been tabulated. They will also be published in our quarterly report on Form 10-Q for the quarter ending June 30, 2007.

May I request electronic delivery of my proxy statement and annual report?

This proxy statement and Genworth s Annual Report on Form 10-K may be viewed online at www.genworth.com. If you are a stockholder of record, you may elect to receive future annual reports and proxy statements electronically by providing consent to electronic delivery on-line at www.proxyconsent.com/gnw. Should you choose to receive your proxy materials electronically, your choice will remain in effect until you notify Genworth that you wish to resume mail delivery of these documents.

If you hold your Genworth stock through a bank, broker or other holder of record, refer to the information provided by that entity for instructions on how to receive your proxy materials electronically.

How can I get a copy of Genworth's Annual Report on Form 10-K?

To obtain a copy of Genworth's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 without charge, address your request to Investor Relations, Genworth Financial, Inc., 6620 West Broad Street, Richmond, Virginia 23230. The Annual Report on Form 10-K also may be accessed at www.genworth.com and at the SEC's website at www.sec.gov.

Table of Contents

INFORMATION ABOUT COMMUNICATIONS WITH GENWORTH AND OUR BOARD OF DIRECTORS

How may I communicate directly with the board of directors?

The board of directors provides a process for stockholders to send communications to the board of directors. You may communicate with the board of directors, individually or as a group, as follows:

By Mail

The Board of Directors

Genworth Financial, Inc.

c/o Leon E. Roday, Secretary

6620 West Broad Street

Building #1

Richmond, Virginia 23230

By Phone

1-866-717-3594

By E-mail

Directors@genworth.com

You should identify your communication as being from a Genworth stockholder. The Secretary may require reasonable evidence that your communication or other submission is made by a Genworth stockholder before transmitting your communication to the board of directors.

How may interested parties communicate directly with the Non-Management Directors?

Interested parties may communicate directly with the Non-Management Directors, individually or as a group, by any of the means set forth above or as follows:

By Mail

Non-Management Directors of the Board of Directors

Genworth Financial, Inc.

c/o Leon E. Roday, Secretary

6620 West Broad Street

Building #1

Richmond, Virginia 23230

How do I communicate directly with Genworth?

You may communicate directly with Genworth as follows:

By Mail

Genworth Financial, Inc.

c/o Leon E. Roday, Secretary or *c/o* Investor Relations

6620 West Broad Street

Building #1

Richmond, Virginia 23230

Table of Contents

How may I communicate with the Audit Committee regarding accounting, internal accounting controls or auditing matters?

The Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters. A communication or complaint to the Audit Committee regarding accounting, internal accounting controls or auditing matters may be submitted by any of the following means:

Ombudsman

<u>By Mail</u>	<u>Anonymously By Phone</u>	<u>By E-mail</u>
Genworth Ombudsman Genworth Financial, Inc. 6620 West Broad Street Building #1 Richmond, Virginia 23230	1-888-251-4332	OmbudsOffice.Genworth@genworth.com

Audit Committee

<u>By Mail</u>	<u>Anonymously By Phone</u>	<u>By E-mail</u>
Audit Committee Genworth Financial, Inc. 6620 West Broad Street Building #1 Richmond, Virginia 23230	1-866-717-3594	Directors@genworth.com

Table of Contents

ELECTION OF DIRECTORS

At the Annual Meeting, nine directors are to be elected to hold office until the 2008 Annual Meeting and until their successors have been elected and have qualified. The nine nominees for election at the Annual Meeting are listed on pages 7 to 9 with brief biographies. They are all currently Genworth directors. The board of directors has determined that seven of the nine nominees are independent directors under New York Stock Exchange (NYSE) listing requirements and our Governance Principles, which are discussed below under Corporate Governance Governance Principles.

All of the nominees named below have been nominated by our board of directors to be elected by holders of our common stock. We are not aware of any reason why any nominee would be unable to serve as a director. If a nominee for election is unable to serve, the shares represented by all valid proxies will be voted for the election of any other person that our board of directors may nominate.

Frank J. Borelli, 71, former Chief Financial Officer, Marsh & McLennan Companies, Inc. Director since June 2004.

Mr. Borelli has been a Senior Advisor to Stone Point Capital, a former wholly owned subsidiary of Marsh & McLennan Companies, Inc., since his retirement from Marsh & McLennan in January 2001. Prior thereto, he was Senior Vice President of Marsh & McLennan from April to December 2000 and Senior Vice President and Chief Financial Officer from September 1984 to April 2000. He is a director and Audit Committee Chairman of Express Scripts, Inc. and is a director of the Interpublic Group of Companies. Mr. Borelli is a Trustee of St. Thomas Aquinas College. Mr. Borelli received a B.B.A. in Business Administration from Bernard M. Baruch College, City University of New York.

Michael D. Fraizer, 48, Chairman, President and Chief Executive Officer, Genworth Financial, Inc. Director since May 2004.

Mr. Fraizer has been our Chairman, President and Chief Executive Officer since the completion of our initial public offering (the IPO) in May 2004. Prior to the IPO, he had served as a Vice President of General Electric Company (GE) since December 1995 and a Senior Vice President of GE since June 2000. Mr. Fraizer was Chairman of the Board of GE Financial Assurance Holdings, Inc. (GEFAHI) from November 1996 to May 2004 and President and Chief Executive Officer of GEFAHI from April 1997 to June 2004. Mr. Fraizer also has been a director of GE Capital and General Electric Capital Services, Inc. Mr. Fraizer led the Consumer Savings and Insurance Group, a predecessor of GEFAHI, from February 1996 until the formation of GEFAHI in October 1996. Prior to that time, Mr. Fraizer was President and Chief Executive Officer of GE Capital Commercial Real Estate from July 1993 to December 1996, leading both the GE Consumer Savings and Insurance Group and GE Capital Commercial Real Estate from February to December 1996. From July 1991 to June 1993, he was Vice President Portfolio Acquisitions and Ventures of GE Capital Commercial Real Estate. From December 1989 to June 1991, Mr. Fraizer was President and Managing Director, GE Japan. From July 1983 to November 1989 Mr. Fraizer served in various capacities as a member of GE s Corporate Audit Staff and Corporate Business Development after joining GE in its Financial Management Program. Mr. Fraizer serves as a trustee of the Virginia Foundation for Independent Colleges and the Virginia Commonwealth University School of Business Foundation; and serves on the board of the American Council of Life Insurers, the Financial Services Roundtable and the Andre Agassi Charitable Foundation. Mr. Fraizer received a B.A. in Political Science from Carleton College.

Table of Contents

Nancy J. Karch, 59, former Senior Partner, McKinsey & Company. Director since October 2005.

Ms. Karch was a Senior Partner of McKinsey & Company, an independent consulting firm, from 1988 until her retirement in 2000. Prior thereto, Ms. Karch served in various executive capacities at McKinsey since 1974. She is a director of Liz Claiborne, Inc., MasterCard Incorporated, and The Corporate Executive Board Company. Ms. Karch is also on the board of the Westchester Land Trust, Northern Westchester Hospital, and the American Folk Art Museum, all not-for-profit organizations. Ms. Karch received a B.A. from Cornell University, an M.S. from Northeastern University and an M.B.A. from Harvard Business School.

J. Robert Bob Kerrey, 63, President, New School University and former United States Senator. Director since June 2004.

Mr. Kerrey has been the President of New School University since 2001. From January 1989 to December 2000, he was a U.S. Senator for the State of Nebraska. Mr. Kerrey was a democratic candidate for President in 1992. From January 1982 to December 1987, Mr. Kerrey served as Governor of Nebraska. Prior thereto, Mr. Kerrey was an independent businessman and founder of a chain of restaurants and health clubs. Mr. Kerrey served in Vietnam as a Navy SEAL from 1966 to 1969, for which he received the Congressional Medal of Honor. He serves on the boards of Jones Apparel Group, Inc. and Tenet Healthcare Corporation. Mr. Kerrey received a B.S. in Pharmacy from the University of Nebraska.

Saiyid T. Naqvi, 57, President of Harley-Davidson Financial Services, Inc. Director since December 2005.

Mr. Naqvi has served as the President of Harley-Davidson Financial Services, Inc. since February 2007. Mr. Naqvi served as the Chief Executive Officer of DeepGreen Financial Inc. from January 2005 to December 2006. From November 2002 until January 2005, he was Chairman and Chief Executive Officer of Setara Corporation. From 1985 until January 2001, Mr. Naqvi was with PNC Mortgage (formerly Sears Mortgage Corporation) and served as President and Chief Executive Officer from 1995 to 2001. Mr. Naqvi also serves on the Zamira Foundation, a not-for-profit organization. Mr. Naqvi received a B.A. from the University of Missouri and an M.B.A. from Southern Illinois University.

James A. Parke, 61, former Vice Chairman and Chief Financial Officer, GE Capital Services and former Senior Vice President, General Electric Company. Director since May 2004.

Mr. Parke retired as Vice Chairman and Chief Financial Officer of GE Capital Services and a Senior Vice President at GE in December 2005. He had served in those positions since 2002. From 1989 to 2002 he was Senior Vice President and Chief Financial Officer at GE Capital and a Vice President of GE. Prior thereto, from 1981 to 1989 he held various management positions in several GE businesses. He serves as a director of Building with Books and as a regent of Concordia College. Mr. Parke received a B.A. in History, Political Science and Economics from Concordia College in Minnesota.

Table of Contents

James S. Riepe, 63, former Vice Chairman of T. Rowe Price Group, Inc. Director since March 2006.

Mr. Riepe was the Vice Chairman of T. Rowe Price Group, Inc. from 1997 until his retirement in December 2005. Mr. Riepe also served as a director of the T. Rowe Price Group, Inc. and as Chairman and director of the T. Rowe Price Funds until April 2006. He held various positions during his tenure at T. Rowe Price Group, Inc., which began in 1982, including serving as Chairman of all of the T. Rowe Price funds on which he served as a director or trustee. Prior thereto, Mr. Riepe was an Executive Vice President of The Vanguard Group. Mr. Riepe serves as a director of The Nasdaq Stock Market, Inc. He is the chairman of the University of Pennsylvania's Board of Trustees and the T. Rowe Price Program for Charitable Giving. He is a trustee of the James S. and Gail P. Riepe Charitable Foundation, the Baltimore Museum of Art and the Gilman School. Mr. Riepe received an M.B.A. and a B.S. from the University of Pennsylvania.

Barrett A. Toan, 59, former Chairman of Express Scripts, Inc. Director since July 2006.

Mr. Toan was the Chairman of Express Scripts, Inc. from November 2000 until May 2006 and the Chief Executive Officer of Express Scripts, Inc. from March 1992 until his retirement in March 2005. Mr. Toan was an executive officer of Express Scripts, Inc. from May 1989 until his retirement and served as the President from October 1990 to April 2002. Prior thereto, he was an Executive Director and Chief Operating Officer of Sanus Health Plan of St. Louis. Mr. Toan continues to serve as a director of Express Scripts, Inc. and is also a director of Sigma-Aldrich Corporation. He also serves as a director on a number of charitable organizations, including the St. Louis Art Museum and the Missouri Botanical Garden. Mr. Toan received an M.P.A. from the Wharton School of Finance and Commerce at the University of Pennsylvania and an A.B. from Kenyon College.

Thomas B. Wheeler, 70, former Chairman and Chief Executive Officer, MassMutual Financial Group. Director since June 2004.

Mr. Wheeler retired as Chairman of Massachusetts Mutual (now known as MassMutual Financial Group) in December 2000 and as Chief Executive Officer in January 1999. He served as Chairman and Chief Executive Officer of MassMutual beginning in March 1996, President and Chief Executive Officer of MassMutual beginning in October 1988, and President and Chief Operating Officer of MassMutual beginning in January 1987. Mr. Wheeler served as Executive Vice President of MassMutual's insurance and financial management line from July 1983 to December 1986 and MassMutual's field sales force from May 1962 to June 1983, serving as Agent and General Agent. Mr. Wheeler is a director of EstateWorks, Inc. and a director of Textron, Inc. He is a trustee of the Conservancy of S.W. Florida and the Woods Hole Oceanographic Institution. Mr. Wheeler received a B.A. in American Studies from Yale University.

THE BOARD OF DIRECTORS RECOMMENDS THAT HOLDERS OF OUR CLASS A COMMON STOCK VOTE *FOR* THE ELECTION OF MR. BORELLI, MR. FRAIZER, MS. KARCH, MR. KERREY, MR. NAQVI, MR. PARKE, MR. RIEPE, MR. TOAN AND MR. WHEELER.

Table of Contents

CORPORATE GOVERNANCE

Governance Principles

Our Governance Principles, which include guidelines for determining director independence and reporting concerns to non-management directors and the Audit Committee, are included in Appendix A to this proxy statement. All of our corporate governance materials, including the Governance Principles, the charters adopted by the board for each of our standing committees and any key practices adopted by the committees, are published in the corporate governance section of Genworth's website at www.genworth.com. We also will provide a copy of these materials in print to any stockholder who requests it. The board regularly reviews corporate governance developments and may modify these principles, charters and key practices as warranted. Any modifications will be reflected on Genworth's website.

The board held eight meetings during 2006, and each of our directors attended more than 75% of the aggregate of (1) the total number of meetings of the board of directors, and (2) the total number of meetings held by all committees of the board on which he or she served. As set forth in the Governance Principles, directors are expected to attend the Annual Meeting of Stockholders. Except for one director who could not attend due to illness, all of our incumbent directors attended our 2006 Annual Meeting of Stockholders.

Director Independence

Our board currently consists of nine directors, seven of whom are independent (as defined by our Governance Principles and NYSE listing standards) and one of whom is our President and Chief Executive Officer. For a director to be independent, the board must determine that the director does not have any direct or indirect material relationship with Genworth. The board has established guidelines to assist it in determining director independence, which conform to, or are more exacting than, the independence requirements of the NYSE. The independence guidelines are set forth in Section 4 of our Governance Principles, which begin at page A-1 of this proxy statement. In addition to applying these guidelines, the board will consider all relevant facts and circumstances in making an independence determination. The board has determined that Mr. Borelli, Ms. Karch, Mr. Kerrey, Mr. Naqvi, Mr. Riepe, Mr. Toan and Mr. Wheeler satisfy the NYSE's independence requirements and Genworth's independence guidelines. Due to his former employment with GE, Mr. Parke is not yet eligible to be classified as an independent director. The board considers Mr. Parke to be a valuable member of the board, whose extensive experience and expertise in the areas of finance, capital markets, insurance and regulatory matters are of particular importance and relevance to the company.

In addition to the independence guidelines discussed above, members of the Audit Committee also must satisfy additional independence requirements established by the SEC and the NYSE. Specifically, they may not accept, directly or indirectly, any consulting, advisory or other compensatory fee from Genworth or any of its subsidiaries other than their directors' compensation and they may not be affiliated with Genworth or any of its subsidiaries. The board has determined that all the members of the Audit Committee satisfy the relevant SEC and NYSE independence requirements. In addition, the board has determined that each of Frank J. Borelli and James S. Riepe is an audit committee financial expert, as defined by SEC rules.

Code of Conduct

All of our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer and controller, must act ethically at all times and in accordance with the policies comprising our code of conduct set forth in our Code of Ethics.

Edgar Filing: GENWORTH FINANCIAL INC - Form DEF 14A

The board will not permit any waiver of any ethics policy for any director or executive officer. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the CEO. Our Code of Ethics is published in the corporate governance section of our website at www.genworth.com. We also will provide a copy of our Code of Ethics in print to any stockholder who requests it. Section 11 of our Governance Principles, which begin at page A-1 of this proxy statement, more fully addresses our Code of Ethics. Within the time period required by the SEC and the NYSE, we will post on our website any amendment to our code of ethics and any waiver applicable to any of our directors, executive officers or senior financial officers.

Table of Contents**BOARD OF DIRECTORS AND COMMITTEES****Board Composition**

Subject to the rights of the holders of any outstanding series of our preferred stock, our amended and restated certificate of incorporation provides that the number of authorized directors of our company will be fixed from time to time by a resolution adopted by our board of directors, but will not be less than one nor more than 15. Our board of directors adopted a resolution in July 2006, upon the recommendation of the Nominating and Corporate Governance Committee, setting the size of the board of directors at nine members. Working through its Nominating and Corporate Governance Committee, our board of directors continues to evaluate the optimal size for the board and may consider the addition of one or more independent directors to the board.

Each director elected by the holders of our common stock will serve until the earlier of his or her death, resignation, disqualification, removal or until his successor is elected and qualified. The common stock will not have cumulative voting rights in the election of directors.

Our Governance Principles provide that directors who serve as chief executive officers or in equivalent positions should not serve on more than two other boards of public companies in addition to the Genworth board. Other directors should not serve on more than four other boards of public companies in addition to the Genworth board.

Board Committees

The four standing committees of the board are the Audit Committee, the Management Development and Compensation Committee (the Compensation Committee), the Nominating and Corporate Governance Committee (the Nominating Committee) and the Legal and Public Affairs Committee. These committees are described below. The board has established written charters for each of its four standing committees. Our board of directors may also establish various other committees to assist it in its responsibilities.

The table below shows the current Board committee memberships and the number of meetings each committee held in 2006.

<u>Director</u>	<u>Audit</u>	<u>Management Development and Compensation</u>	<u>Nominating and Corporate Governance</u>	<u>Legal and Public Affairs</u>
Frank J. Borelli*	C	X		
Michael D. Fraizer				
Nancy J. Karch*		X	X	
J. Robert Kerrey*			X	C
Saiyid T. Naqvi*	X			X
James A. Parke				X
James S. Riepe*	X	C		
Barrett A. Toan*			X	X

Edgar Filing: GENWORTH FINANCIAL INC - Form DEF 14A

Thomas B. Wheeler*		X	C	
Total 2006 Meetings	12	9	6	5

* = Independent Director

C = Committee Chairperson

X = Committee Member

Table of Contents

Audit Committee. The Audit Committee consists of three independent directors as defined under the applicable rules of the NYSE and the SEC. In addition, the board has determined that two of the Audit Committee's members, Frank J. Borelli and James S. Riepe, are audit committee financial experts, as defined by SEC rules.

As more fully set forth in its charter, which can be found in the corporate governance section of our website at www.genworth.com, the Audit Committee is concerned primarily with the accuracy and effectiveness of the audits of our financial statements. The Audit Committee's duties include:

selecting our independent registered public accounting firm and approving the terms of their engagement;

reviewing with management and our independent registered public accounting firm our annual audited financial statements, quarterly financial statements, and certain other financial information;

reviewing our risk assessment and risk management practices;

reviewing our financial reporting and accounting standards and principles;

reviewing our internal system of financial controls and the results of internal audits;

obtaining and reviewing formal written reports from the independent registered public accounting firm regarding its internal quality-control procedures;

reviewing and investigating any matters pertaining to the integrity of management, including conflicts of interest, or adherence to standards of business conduct;

establishing procedures for the receipt, retention and treatment of complaints on accounting, internal accounting controls or auditing matters; and

establishing policies and procedures for the review and approval of all proposed transactions with Related Persons, as that term is defined in Section 11(b) of our Governance Principles.

The Audit Committee has determined that in view of the increasing demands and responsibilities of the committee, its members generally should not serve on more than two additional audit committees of other public companies. The Audit Committee's report appears on page 52 of this proxy statement.

Management Development and Compensation Committee. The Compensation Committee consists solely of independent directors under the applicable rules of the NYSE. As more fully set forth in its charter, which can be found in the corporate governance section of our website at www.genworth.com, the Compensation Committee has two primary responsibilities:

Edgar Filing: GENWORTH FINANCIAL INC - Form DEF 14A

to monitor our management resources, structure, succession planning, development and selection process as well as the performance of key executives; and

to review and approve our executive compensation and broad-based incentive compensation plans.

The Compensation Committee's report appears on page 28 of this proxy statement. Additional information regarding the Compensation Committee's processes and procedures for consideration of executive compensation is provided in the Compensation Discussion and Analysis below.

Nominating and Corporate Governance Committee. The Nominating Committee consists solely of independent directors under the applicable rules of the NYSE. As more fully set forth in its charter, which can be found in the corporate governance section of our website at www.genworth.com, the Nominating Committee's responsibilities include:

the selection of potential candidates for our board of directors;

the review of the board's committee structure and the selection of committee members;

Table of Contents

the development and annual review of our governance principles;

the oversight of the annual self-evaluations of our board and its committees; and

the annual review of director compensation and benefits.

The Nominating Committee makes recommendations to our board of directors of candidates for election to our board, and our board of directors makes recommendations to our stockholders. This committee will consider all stockholder recommendations for candidates for the board, which should be sent to the Nominating and Corporate Governance Committee, c/o Leon E. Roday, Secretary, Genworth Financial, Inc., 6620 West Broad Street, Richmond, Virginia 23230.

The Nominating Committee believes all director nominees should meet certain qualifications and possess certain qualities or skills that, when considered in light of the qualities and skills of the other director nominees, assist the board in overseeing the company's operations and developing and pursuing its strategic objectives. The Nominating Committee believes each director nominee should at a minimum:

Possess the highest personal and professional ethics, integrity and values;

Be committed to representing the long-term interests of the stockholders;

Be inquisitive and have an objective perspective and have practical wisdom and mature judgment;

Be willing and able to devote sufficient time to carrying out their duties and responsibilities effectively;

Be committed to serve on the board for an extended period of time; and

Own at least \$300,000 of company stock (within five years of election to the board).

The qualifications, specific qualities and skills required for directors are further set forth in Section 3 of Genworth's Governance Principles, which are included as Appendix A to this proxy statement.

In addition to considering candidates suggested by stockholders, the Nominating Committee considers potential candidates recommended by current directors, company officers, employees and others. We have also engaged an outside search firm to assist us in identifying and evaluating potential director candidates. The Nominating Committee considers all potential candidates regardless of the source of the recommendation. The committee's review is typically based on any written materials provided with respect to the candidate. The Nominating Committee determines whether the candidate meets our general qualifications and specific qualities and skills for directors and whether requesting additional information or an interview is appropriate.

Legal and Public Affairs Committee. The principal purpose of the Legal and Public Affairs Committee is to assist the board in its oversight responsibilities relating to Genworth practices and positions on corporate citizenship, consumer policies, including sales compliance, and legislative issues that affect us, our stockholders, employees and customers.

Compensation of Directors

The Nominating Committee has the responsibility for recommending to the board compensation and benefits for non-management directors. Non-management directors are those directors who are not executive officers of Genworth or its affiliates. Accordingly, all directors, other than Mr. Fraizer, are regarded as non-management directors.