GENWORTH FINANCIAL INC
Form DEFM14A
January 25, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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 under §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)

Payment of Filing Fee (Check the appropriate box):

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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January 25, 2017

Dear Stockholder:

You are cordially invited to attend a special meeting of stockholders of Genworth Financial, Inc., a Delaware corporation (***Genworth***), which will be held on March 7, 2017, at 9:00 a.m. Eastern Time, at The Westin Richmond located at 6631 West Broad Street, Richmond, Virginia 23230. The purpose of the meeting is to consider and vote on proposals relating to the proposed acquisition of Genworth by China Oceanwide Holdings Group Co., Ltd., a limited liability company incorporated in the People s Republic of China (***China Oceanwide***), through its subsidiary, Asia Pacific Global Capital Co., Ltd., a limited liability company incorporated in the People s Republic of China (***Asia Pacific***).

On October 21, 2016, Genworth entered into an Agreement and Plan of Merger (as it may be amended from time to time, the ***merger agreement***) with Asia Pacific, Asia Pacific Global Capital USA Corporation, a Delaware corporation and an indirect, wholly owned subsidiary of Asia Pacific (***Merger Sub***), and an indirect subsidiary of China Oceanwide. Subject to the terms and conditions of the merger agreement, Merger Sub will merge with and into Genworth (the ***merger***), with Genworth surviving the merger as an indirect, wholly owned subsidiary of Asia Pacific and an indirect subsidiary of China Oceanwide. If the merger is completed, you will be entitled to receive $5.43 in cash, without interest, and less any applicable withholding taxes, for each share of Genworth s Class A common stock, par value $0.001 (***Genworth common stock***), you own as of the date of the merger (unless you have properly exercised your appraisal rights with respect to the merger). At the special meeting, Genworth will ask you to adopt the merger agreement.

The proxy statement accompanying this letter provides you with more specific information concerning the special meeting, the merger agreement, the merger and the other transactions contemplated by the merger agreement. We encourage you to carefully read the accompanying proxy statement and the copy of the merger agreement attached as Annex A to the proxy statement.

After careful consideration, the board of directors of Genworth (the ***Board***) unanimously determined that the merger is fair to, and in the best interests of, Genworth and its stockholders. **Accordingly, the Board recommends that you vote FOR the proposal to adopt the merger agreement.**

Your vote is very important, regardless of the number of shares of Genworth common stock you own. Genworth cannot complete the merger unless the holders of a majority of the outstanding shares of Genworth common stock entitled to vote on such matter at the special meeting vote in favor of the proposal to adopt the merger agreement. The failure to vote your shares will have the same effect as a vote AGAINST the proposal to adopt the merger agreement.

After reading the accompanying proxy statement, please make sure to vote your shares promptly by proxy by completing, signing and dating the accompanying proxy card and returning it in the enclosed prepaid envelope or by voting by proxy by telephone or through the Internet. Instructions regarding all three methods of voting by proxy are provided on the accompanying proxy card. If you hold shares through an account with a bank, broker, trust or other nominee, please follow the instructions you receive from it to vote your shares.

Thank you for your continued support and your consideration of this matter.

/s/ Thomas J. McInerney	/s/ James S. Riepe
Thomas J. McInerney	James S. Riepe
President and Chief Executive Officer	Non-Executive Chairman of the Board

Neither the United States Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger, the merger agreement or the other transactions contemplated thereby or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The accompanying proxy statement is dated January 25, 2017 and is first being mailed to Genworth s stockholders on or about January 25, 2017.

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GENWORTH FINANCIAL, INC.

6620 West Broad Street

Richmond, Virginia 23230

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held on March 7, 2017

To our Stockholders:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Genworth Financial, Inc. (***Genworth***) will be held on March 7, 2017, at 9:00 a.m. Eastern Time, at The Westin Richmond located at 6631 West Broad Street, Richmond, Virginia 23230, to address the following matters:

1) ***Merger Agreement***. To consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of October 21, 2016 (as it may be amended from time to time, the ***merger agreement***), by and among Genworth, a Delaware corporation, Asia Pacific Global Capital Co., Ltd., a limited liability company incorporated in the People s Republic of China (***Asia Pacific***), and Asia Pacific Global Capital USA Corporation, a Delaware corporation and an indirect, wholly owned subsidiary of Asia Pacific (***Merger Sub***), pursuant to which Merger Sub will merge with and into Genworth, subject to the terms and conditions of the merger agreement (the ***merger***);

2) ***Merger-Related Executive Compensation***. To consider and vote on a proposal to approve, by a non-binding advisory vote, the compensation that may be paid or become payable to Genworth s named executive officers that is based on or otherwise relates to the merger; and

3) ***Adjournment of the Special Meeting***. To consider and vote on a proposal to adjourn the special meeting to a later date or time if necessary or appropriate, including to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

Only holders of record of Genworth s Class A common stock, par value $0.001 per share (***Genworth common stock***), as of the close of business on January 17, 2017 are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements thereof. A list of stockholders entitled to vote at the special meeting will be available for inspection by stockholders of record during regular business hours at Genworth s executive offices at 6620 Broad Street, Richmond, Virginia 23230 for 10 days prior to the date of the special meeting and will be available at the

special meeting.

For more information concerning the special meeting, the merger agreement, the merger and the other transactions contemplated by the merger agreement, please review the accompanying proxy statement and the copy of the merger agreement attached as Annex A to the proxy statement.

After careful consideration, the board of directors of Genworth (the ***Board***) unanimously determined that the merger is fair to, and in the best interests of, Genworth and its stockholders **and recommends that you vote FOR the proposal to adopt the merger agreement.**

The Board also unanimously, by those directors present, recommends that you vote FOR the approval, by a non-binding advisory vote, of the compensation that may be paid or become payable to Genworth s named executive officers that is based on or otherwise relates to the merger and FOR the proposal to adjourn the special meeting if necessary or appropriate, including to solicit additional proxies.

Regardless of whether you plan to attend the special meeting in person, please fill in your vote, sign and mail the enclosed proxy card (or voting instruction form, if you hold your shares through a broker, bank, trust or other nominee) as soon as possible. We have enclosed a return envelope, which requires no postage if mailed in the United States. Alternatively, you may vote by proxy by telephone or through the Internet. Instructions

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regarding each of the methods of voting by proxy are provided on the enclosed proxy card. If you are voting by proxy by telephone or through the Internet, then your voting instructions must be received by 11:59 p.m. Eastern Time on the day before the special meeting. Your proxy is being solicited by the Board.

If you have any questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please call our proxy solicitor, Georgeson LLC, toll-free at 888-877-5360.

Stockholders who do not vote in favor of the adoption of the merger agreement will have the right to seek appraisal of the fair value of their shares of Genworth common stock if the merger is completed, but only if they submit a written demand for appraisal of their shares before the taking of the vote on the merger agreement at the special meeting and they comply with all requirements under Section 262 of the General Corporation Law of the State of Delaware, which are summarized in greater detail in the accompanying proxy statement.

Your vote is very important. The merger cannot be completed unless the holders of a majority of the outstanding shares of Genworth common stock entitled to vote on such matter at the special meeting vote in favor of the proposal to adopt the merger agreement. Such adoption is a condition to the completion of the merger. If you fail to vote your shares by proxy by returning your proxy, by telephone or through the Internet, or fail to vote your shares at the special meeting in person, your shares will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a vote AGAINST the proposal to adopt the merger agreement.

By Order of the Board of Directors

/s/ Michael J. McCullough
Michael J. McCullough
Corporate Secretary

Richmond, Virginia

January 25, 2017

Please Submit Your Proxy Your Vote is Important

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SUMMARY

The following summary highlights certain information in this proxy statement and may not contain all of the information that may be important to you. Accordingly, we encourage you to read carefully this entire proxy statement and the attached Annexes and the other documents to which this proxy statement refers for a more complete understanding of the matters being considered at the special meeting. In addition, this proxy statement incorporates by reference important business and financial information about Genworth. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions in the section entitled Where You Can Find More Information. In this proxy statement, unless the context otherwise indicates, we refer to Genworth Financial, Inc. and its subsidiaries as ***Genworth****,* ***we****,* ***us*** *or* ***our****.*

The Parties to the Merger (see page 23)

Genworth is a financial services company dedicated to helping meet the homeownership and long-term care needs of its customers. Genworth operates its business through the following five operating segments: U.S. Mortgage Insurance; Canada Mortgage Insurance; Australia Mortgage Insurance; U.S. Life Insurance; and Runoff. Genworth s principal executive offices are located at 6620 West Broad Street, Richmond, Virginia 23230 and our telephone number is (804) 281-6000.

Asia Pacific Global Capital Co., Ltd. (which we refer to as ***Asia Pacific***) is a newly formed limited liability company incorporated in July 2016 in Tianjin, the People s Republic of China (which we refer to as the ***PRC***). Asia Pacific is a subsidiary of China Oceanwide Holdings Group Co., Ltd. (which we refer to as ***China Oceanwide***), a limited liability company incorporated in the PRC, with well-established and diversified businesses, including insurance operations in China and real estate assets globally, including in the United States (which we refer to as the ***U.S.***). Asia Pacific was established to hold China Oceanwide s investment in Genworth and currently has no operations. Asia Pacific s registered address is 1703E-130, Tower 1, Kuangshi International Building, Yingbin Avenue, Tianjin Free Trade Pilot Area (Central Business District), Tianjin, PRC and its telephone number is +86 10 85259639.

Asia Pacific Global Capital USA Corporation (which we refer to as ***Merger Sub***) is a Delaware corporation that was formed in September 2016 by Asia Pacific Insurance USA Holdings Corporation, an indirect, wholly owned subsidiary of Asia Pacific, solely for the purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement. Upon the completion of the merger, Merger Sub will cease to exist and Genworth will continue as the surviving corporation. Merger Sub s principal place of business is located at 160 Greentree Drive, Suite 101, Dover, Delaware 19904 and its telephone number is (855) 685-3513.

The Merger (see page 30)

On October 21, 2016, Genworth, Asia Pacific and Merger Sub entered into an Agreement and Plan of Merger (which, as it may be amended from time to time, we refer to as the ***merger agreement***). Pursuant to the terms of the merger agreement, subject to the satisfaction or waiver of specified conditions, Merger Sub will merge with and into Genworth (which we refer to as the ***merger***). As a result of the merger, Merger Sub will cease to exist. Genworth will survive the merger as an indirect, wholly owned subsidiary of Asia Pacific (which we refer to as the ***surviving corporation***).

Upon completion of the merger, each share of Class A common stock of Genworth, par value $0.001 per share (which we refer to as ***Genworth common stock***), that is issued and outstanding immediately prior to the effective time (as defined below) of the merger (other than any excluded shares (as described in the section entitled The Merger Agreement Merger Consideration beginning on page 111), will cease to be outstanding,

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will be canceled and cease to exist and will be automatically converted into the right to receive $5.43 per share, in cash (which we refer to as the ***per share merger consideration***), without interest and less any applicable withholding taxes. The merger will become effective at such time (which we refer to as the ***effective time***) as the certificate of merger has been duly filed with the Delaware Secretary of State (or at such later time as may be agreed by the parties and as specified in the certificate of merger).

Following the completion of the merger, Genworth common stock will be delisted from the New York Stock Exchange (which we refer to as the ***NYSE***), deregistered under the Securities Exchange Act of 1934, as amended (which we refer to as the ***Exchange Act***) and cease to be publicly traded.

The Special Meeting (see page 25)

The special meeting of Genworth s stockholders will be held on March 7, 2017, at 9:00 a.m. Eastern Time, at The Westin Richmond located at 6631 West Broad Street, Richmond, Virginia 23230 (which we refer to as the ***special meeting***). At the special meeting, you will be asked, among other things, to vote for the proposal to adopt the merger agreement. See the section entitled The Special Meeting, beginning on page 25, for additional information on the special meeting, including how to vote your shares of Genworth common stock.

Stockholders Entitled to Vote; Vote Required to Adopt the Merger Agreement (see page 26)

You may vote at the special meeting if you were a holder of Genworth common stock as of the close of business on January 17, 2017, which is the record date for the special meeting (which we refer to as the ***record date***). Each share of Genworth common stock is entitled to one vote per share for the purposes of voting on all matters to be presented and voted upon at the special meeting. As of the record date, there were 498,407,541 shares of Genworth common stock issued and outstanding and entitled to vote at the special meeting. The adoption of the merger agreement by Genworth s stockholders requires the affirmative vote of the holders of a majority of the outstanding shares of Genworth common stock entitled to vote on such matter at the special meeting (which we refer to as the ***requisite company vote***).

Voting (see page 27)

In addition to voting in person at the special meeting, stockholders of record have a choice of voting by proxy by completing a proxy card and mailing it in the prepaid envelope provided, by calling a toll-free telephone number or through the Internet. Please refer to your proxy card or the information forwarded by your bank, broker, trust or other nominee to see which of the alternative proxy submission methods are available to you. The telephone and Internet proxy facilities for stockholders of record will close at 11:59 p.m. Eastern Time on the day before the special meeting.

If you wish to vote by proxy and your shares are held by a bank, broker, trust or other nominee, you must follow the voting instructions provided to you by your bank, broker, trust or other nominee. Unless you give your bank, broker, trust or other nominee instructions on how to vote your shares of Genworth common stock, your bank, broker, trust or other nominee will not be able to vote your shares at the special meeting with respect to any of the proposals. If you hold your shares of Genworth common stock through the Genworth Financial, Inc. Retirement and Savings Plan (which we refer to as the ***Retirement and Savings Plan***), the Genworth Financial Canada Stock Savings Plan (which we refer to as the ***Canada Plan***) or the Genworth Financial Share Participation Scheme in Ireland (which we refer to as the ***Ireland Plan***), you will receive instructions about how to direct the trustee of your plan to vote your shares. If you hold your shares through the Retirement and Savings Plan and submit your voting instruction form but do not specify how to vote your shares, the shares credited to your account will be voted by the trustee in the same proportion that it votes shares in other accounts for which it received timely instructions.

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If you wish to vote in person at the special meeting and your shares are held in the name of a bank, broker, trust or other nominee, you must obtain a legal proxy, executed in your favor, from the bank, broker, trust or other nominee authorizing you to vote at the special meeting.

YOU SHOULD NOT SEND IN YOUR STOCK CERTIFICATE(S) WITH YOUR PROXY CARD. A letter of transmittal with instructions for the surrender of certificates representing shares of Genworth common stock will be mailed to Genworth s stockholders if the merger is completed.

For additional information regarding the procedure for delivering your proxy, see the section entitled The Special Meeting Voting, Proxies, Revocation of Proxies beginning on page 27. If you have more questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please call our proxy solicitor, Georgeson LLC (which we refer to as ***Georgeson***), toll-free at 888-877-5360.

Recommendation of the Board; Reasons for Recommending the Adoption of the Merger Agreement (see page 65)

The board of directors of Genworth (which we refer to as the ***Board***) carefully reviewed and considered the terms and conditions of the merger agreement, the merger and the other transactions contemplated by the merger agreement. The Board has (i) unanimously determined that the merger is fair to, and in the best interests of, Genworth and its stockholders, approved and declared advisable the merger agreement and the merger and the other transactions contemplated by the merger agreement and resolved to recommend adoption of the merger agreement to the holders of Genworth common stock and (ii) unanimously directed that the merger agreement be submitted to the holders of Genworth common stock for their adoption. **Accordingly, the Board unanimously recommends that at the special meeting Genworth s stockholders vote FOR the proposal to adopt the merger agreement.**

For a discussion of the material factors considered by the Board in reaching its conclusions, see the section entitled The Merger Reasons for the Board s Recommendation, beginning on page 65. In addition, in considering the Board s recommendation that Genworth s stockholders adopt the merger agreement (which we refer to as the ***Board recommendation***), you should be aware that some of our directors and executive officers have interests that may be different from, or in addition to, the interests of Genworth s stockholders generally. See the section entitled The Merger Interests of Certain Persons (Directors and Officers) in the Merger, beginning on page 94, and related discussion in the section entitled The Merger Background of the Merger, beginning on page 30.

Interests of Certain Persons (Directors and Officers) in the Merger

In considering the recommendation of the Board that you vote **FOR** the proposal to adopt the merger agreement, you should be aware that some of our directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of Genworth s stockholders generally. The Board was aware of these interests and considered and discussed potential conflicts related thereto at the time it approved the merger agreement and the other transactions contemplated thereby, including the merger and made its recommendation to Genworth s stockholders that they vote in favor of the adoption of the merger agreement.

Opinions of Genworth s Financial Advisors (see page 72)

Opinion of Goldman, Sachs & Co. (page 72 and Annex B)

Goldman, Sachs & Co. (which we refer to as ***Goldman Sachs***) delivered its oral opinion to the Board on October 20, 2016, which opinion was subsequently confirmed in a written opinion dated October 21, 2016, that,

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as of the date of such opinion and based upon and subject to the factors and assumptions set forth therein, the per share merger consideration to be paid to the holders (other than Asia Pacific and its affiliates) of shares of Genworth common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated October 21, 2016, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is included as Annex B to this proxy statement. Goldman Sachs provided its opinion for the information and assistance of the Board in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of Genworth common stock should vote with respect to the merger or any other matter.

Opinion of Lazard Frères & Co. LLC (page 78 and Annex C)

Lazard Frères & Co. LLC (which we refer to as ***Lazard***), delivered its oral opinion to the Board on October 20, 2016, which opinion was subsequently confirmed in a written opinion dated October 21, 2016, that, as of the date of such opinion and based upon and subject to the assumptions, procedures, factors, qualifications and limitations set forth in such written opinion, the per share merger consideration to be paid to the holders of shares of Genworth common stock (other than holders of the excluded shares, as defined in the section entitled The Merger Agreement Merger Consideration, beginning on page 111) pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Lazard, dated October 21, 2016, which sets forth the assumptions made, procedures followed, factors considered and qualifications and limitations on the review undertaken by Lazard in connection with its opinion, is attached to this proxy statement as Annex C and is incorporated by reference herein in its entirety. The summary of Lazard s opinion is qualified in its entirety by reference to the full text of the opinion, and Genworth s stockholders are encouraged to read the opinion carefully and in its entirety. Lazard s engagement and its opinion were for the benefit of the Board (in its capacity as such), and Lazard s opinion was rendered to the Board in connection with its evaluation of the merger and addressed only the fairness as of the date of the opinion, from a financial point of view, to the holders of shares of Genworth common stock (other than holders of the excluded shares) of the per share merger consideration to be paid to such holders in the merger. Lazard s opinion was not intended to, and does not, constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to the merger or any matter relating to the merger. Lazard expressed no view or opinion as to any terms or other aspects (other than the per share merger consideration to the extent expressly specified in the opinion) of the merger, including, without limitation, the form or structure of the merger or any agreements or arrangements entered into in connection with, or contemplated by, the merger. In addition, Lazard expressed no view or opinion as to the fairness of the amount or nature of, or any other aspects relating to, the compensation to any officers, directors or employees of any parties to the merger, or class of such persons, relative to the per share merger consideration or otherwise.

Treatment of Stock Options and Other Equity Incentive Awards (see page 112)

The merger agreement provides that, as of the effective time of the merger:

each option to purchase shares of Genworth common stock (each of which we refer to as a ***company option***) and each Genworth stock appreciation right (each of which we refer to as a ***company SAR***) that is

outstanding as of the effective time of the merger, whether vested or unvested, will be automatically cancelled and converted into the right to receive a cash payment equal to the product of

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(x) the number of shares underlying such company option or company SAR and (y) the excess, if any, of the per share merger consideration over the exercise price per share of such company option or company SAR, payable in a lump sum as soon as reasonably practicable after the effective time of the merger, less any applicable withholding taxes and without interest;

each restricted stock unit (each of which we refer to as a ***company RSU***) under Genworth s 2012 Omnibus Incentive Plan and 2004 Omnibus Incentive Plan (which we refer to as the ***stock plans***) that is outstanding as of the effective time of the merger, whether vested or unvested, will be automatically cancelled and converted into the right to receive a cash payment equal to the number of shares of Genworth common stock subject to such company RSU immediately prior to the effective time of the merger multiplied by the per share merger consideration, which amount will vest and become payable at the time or times provided by and subject to the terms applicable to such company RSU, less any applicable withholding taxes and without interest; and

each outstanding performance stock unit or company RSU subject to performance vesting conditions (each of which we refer to as a ***company PSU***) under stock plans that is outstanding as of the effective time of the merger, whether vested or unvested, will be automatically cancelled and converted into the right to receive a cash payment equal to the number of shares of Genworth common stock subject to such company PSU immediately prior to the effective time of the merger multiplied by the per share merger consideration, which amount will vest and become payable (x) in the case of the company PSUs granted during 2015, at the effective time of the merger and determined based on target performance, subject to proration for the portion of the performance period elapsed through the effective time of the merger, (y) in the case of the company PSUs granted during 2016 (but prior to the signing date of the merger agreement), in accordance with the original vesting schedule, subject to the holder s continued employment through the applicable vesting date, determined based on the greater of target and actual performance as of the effective time of the merger and (z) in the case of any company PSUs granted on or after the date of the merger agreement, in accordance with the original vesting schedule, subject to the holder s continued employment through the applicable vesting date, determined based on actual performance as of the date performance is measured as prescribed by the applicable award agreement, in each case, less any applicable withholding taxes and without interest.

Efforts to Complete the Merger (see page 127)

The merger agreement provides that each of Genworth, Asia Pacific and Merger Sub will cooperate and use their reasonable best efforts to consummate the merger and the other transactions contemplated by the merger agreement as promptly as practicable. The merger agreement further provides that, notwithstanding anything to the contrary contained therein, in no event shall (i) Genworth, Asia Pacific, Merger Sub or any of their respective subsidiaries or other affiliates be required to agree to any material term, condition, obligation, restriction, requirement, limitation, qualification, remedy or other action imposed, required or requested by a governmental entity in connection with its grant of any requisite approvals to Genworth or Asia Pacific that is not conditioned upon the consummation of the merger or (ii) Genworth or any of its subsidiaries or other affiliates agree to any term, condition, obligation, restriction, requirement, limitation, qualification, remedy or other action in connection with the obtaining of any requisite governmental approvals by Genworth or Asia Pacific without the prior written consent of Asia Pacific (which consent shall not be unreasonably withheld, delayed or conditioned). Further, the merger agreement provides that neither its terms nor the reasonable best efforts standard shall require, or be construed to require, that Asia Pacific or any of its affiliates, in order to obtain any of the requisite governmental approvals by Genworth or Asia Pacific, agree to or accept a burdensome condition (as defined below).

Pursuant to the merger agreement, a ***burdensome condition*** is any obligation, restriction, requirement, limitation, qualification, condition, remedy or other action imposed in connection with the regulatory approval

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process that (i) in the case of any such item that does not relate to a contribution of capital to Genworth or any of its subsidiaries, would, individually or in the aggregate, (x) reasonably be expected to result in a material adverse effect on the financial condition; properties, assets and liabilities (considered together); business; or results of operation of Asia Pacific and its affiliates, taken as a whole, or a company material adverse effect with respect to Genworth, or (y) reasonably be expected to materially impair the aggregate economic benefits that, as of the date of the merger agreement, Asia Pacific and its affiliates reasonably expect to derive from the consummation of the merger and other transactions contemplated by the merger agreement; or (ii) requires any contribution of capital to Genworth or any of its subsidiaries in excess of (x) the $600 million that Asia Pacific has committed to contribute to Genworth for the purpose of the retirement of the outstanding 6.515% senior notes of Genworth due 2018, or the $525 million that Asia Pacific has committed to contribute to Genworth for the purpose of facilitating the unstacking (see the section entitled The Merger Agreement Capital Support) plus (y) $175 million that Genworth has committed to facilitate the unstacking.

Conditions to the Merger (see page 133)

Genworth, Asia Pacific and Merger Sub s respective obligations to complete the merger are subject to the satisfaction or waiver of the following conditions, at or prior to the effective time of the merger:

the merger agreement shall have been adopted by the requisite company vote;

Asia Pacific and Genworth shall have received certain regulatory and other governmental approvals (references related to governmental approvals in this proxy statement include those related to the GSEs, as defined below), non-disapprovals or confirmations, as applicable from certain U.S. insurance regulators in Delaware, New York, North Carolina, South Carolina, Vermont and Virginia, the Committee on Foreign Investment in the U.S., the Federal National Mortgage Association (which we refer to as ***Fannie Mae***) and the Federal Home Loan Mortgage Corporation (which we refer to as ***Freddie Mac*** and, together with Fannie Mae, as the ***GSEs***) (as may be applicable), the Financial Industry Regulatory Authority, and certain Canadian, Australian and New Zealand regulators (each of which we refer to as a ***non-PRC regulatory approval***) and any other governmental approval for which the failure to obtain such approval would subject Genworth, Asia Pacific or their respective affiliates or any of their respective directors, officers, other employees or representatives to any criminal liability;

all requisite filings, confirmations and approvals with or by the National Development and Reform Commission of the PRC, Ministry of Commerce of the PRC, the State Administration of Foreign Exchange of the PRC, or their respective competent local counterparts, as applicable, shall have been made or obtained (each of which we refer to as a ***PRC regulatory approval***);

the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (which we refer to as the ***HSR Act***), shall have expired or been earlier terminated; and

the absence of any court or government order or other legal restraint enjoining or otherwise prohibiting the consummation of the merger.

The obligations of Asia Pacific and Merger Sub to complete the merger are also subject to the satisfaction or waiver by Asia Pacific of additional conditions at or prior to the effective time of the merger, including:

subject to certain materiality qualifiers and exceptions in certain cases, the accuracy of each of its representations and warranties in the merger agreement as of the closing of the merger;

Genworth s performance in all material respects of all obligations required to be performed by Genworth under the merger agreement at or prior to the date of the closing of the merger;

the receipt by Asia Pacific and Genworth of certain requisite regulatory and other governmental approvals, including the non-PRC regulatory approvals and the PRC regulatory approvals, and the

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expiration or termination of the applicable waiting period under the HSR Act, in each case, without the imposition of any burdensome condition (as described in the section entitled The Merger Agreement Efforts to Complete the Merger, beginning on page 127);

the receipt of certain regulatory approvals necessary to consummate the transfer by Genworth Life Insurance Company (which we refer to as ***GLIC***) of all of its ownership of Genworth Life and Annuity Insurance Company (which we refer to as ***GLAIC***), in whole, to an intermediate holding company such that GLAIC is no longer a subsidiary of GLIC (which we refer to as the ***unstacking***) and certain of the other reorganization transactions to be consummated by Genworth as provided in the merger agreement (such reorganization transactions, including the unstacking, are referred to as the ***U.S. Life Restructuring***);

the absence of a company material adverse effect (as defined in The Merger Agreement Representations and Warranties, beginning on page 114) since the date of the merger agreement;

that Genworth Mortgage Insurance Australia Limited (which we refer to as ***Genworth Australia***) and Genworth MI Canada Inc. (which we refer to as ***Genworth Canada***), which are publicly traded majority owned subsidiaries of Genworth, and certain of their respective subsidiaries, abstain from certain material actions prior to the effective time of the merger; and

there not having occurred or be continuing a change or the public announcement of a change in the financial strength rating assigned to Genworth Mortgage Insurance Corporation to below BB (negative outlook) by Standard & Poor s Corporation (which we refer to as ***S&P***) that is primarily and directly attributable to (i) the actions or inactions of Genworth, its affiliates or their respective representatives that do not relate to an excluded effect (as described in the section entitled The Merger Agreement Conditions to the Merger, beginning on page 133) or (ii) an adverse change in the condition (financial or otherwise) of Genworth Mortgage Insurance Corporation and its businesses not resulting from or arising out of an excluded effect.

Genworth s obligations to complete the merger are also subject to the satisfaction or waiver by Genworth of additional conditions, at or prior to the effective time of the merger, including:

subject to certain materiality qualifiers and exceptions, the accuracy of each of the representations and warranties of Asia Pacific and Merger Sub in the merger agreement as of the closing of the merger; and

each of Asia Pacific and Merger Sub s performance in all material respects of all obligations required to be performed under the merger agreement at or prior to the date of the closing of the merger.

Regulatory Matters / Governmental Approvals Required for the Merger (see page 105)

Consummation of the merger is subject to the completion of certain governmental and regulatory clearance procedures, including the receipt of approvals from certain U.S. state insurance regulators in connection with the merger and the U.S. Life Restructuring, early termination or expiration of the waiting period under the HSR Act, completion of the process of review by the Committee on Foreign Investment in the United States (which we refer to as ***CFIUS***), the receipt of approvals, non-disapprovals or confirmations from, or the making of notifications to,

governmental authorities in the PRC, Australia, Canada and New Zealand, as applicable, and the receipt of any necessary approvals or non-disapprovals, as applicable, from Fannie Mae, Freddie Mac and the Financial Industry Regulatory Authority (which we refer to as ***FINRA***).

The parties are required under the merger agreement to make all of these governmental and regulatory filings and use reasonable best efforts to obtain any required regulatory approvals as promptly as practicable. The merger agreement provides that neither its terms nor this reasonable best efforts standard will require Asia Pacific or any of its affiliates to agree to or accept any burdensome condition in order to obtain any of the

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requisite governmental approvals (as more fully described in the section entitled The Merger Regulatory Matters / Governmental Approvals Required for the Merger, beginning on page 105).

Capital Support (see page 132)

The merger agreement contains a covenant that requires Asia Pacific to contribute to Genworth aggregate cash amounts equal to $1.125 billion as follows: (i) on or prior to the maturity of the outstanding 6.515% senior notes of Genworth due in 2018, $600 million to retire such outstanding debt obligations and (ii) on or prior to the consummation of the unstacking, $525 million to facilitate the unstacking.

Restrictions on Solicitation of Other Offers; Ability to Terminate in Connection with a Superior Proposal (see pages 123 and 135)

Subject to certain exceptions with respect to unsolicited proposals, the merger agreement generally prohibits Genworth, its subsidiaries and Genworth s and its subsidiaries respective officers and directors from, and requires Genworth to use its reasonable best efforts to cause its representatives to refrain from, directly or indirectly, (i) initiating, soliciting or knowingly encouraging any inquiries or the making of any proposal or offer that constitutes, or could reasonably be expected to lead to, any acquisition proposal (as defined in the section entitled The Merger Agreement Restrictions on Solicitation; Acquisition Proposals, beginning on page 123), (ii) engaging in or otherwise participating in any discussions or negotiations regarding an acquisition proposal, or providing any non-public information or data to any person that has made, or to the knowledge of Genworth is reasonably likely to make or is considering (in each case whether alone or as part of a group), an acquisition proposal, except to notify such person of the existence of the provisions of this section of the merger agreement, (iii) taking any action to exempt any third party from the restrictions on business combinations contained in Section 203 of the DGCL or any other applicable takeover statute or otherwise cause such restrictions not to apply, or (iv) otherwise knowingly facilitating any effort or attempt to make an acquisition proposal. However, Genworth may waive, and may choose not to enforce, any provision of any standstill or confidentiality agreement with any person that would prohibit such person from communicating confidentially an acquisition proposal to the Board. Further, at any time prior to the receipt of the requisite company vote, in certain circumstances and after following certain procedures set forth in the merger agreement, the Board may terminate the merger agreement in connection with an unsolicited acquisition proposal that the Board has concluded in good faith, after consultation with Genworth s outside legal counsel and financial advisors, constitutes a superior proposal (as described in the section entitled The Merger Agreement No Change of Recommendation or Alternative Acquisition Agreement, beginning on page 124) and with respect to which Genworth enters into a definitive written agreement concurrently with, or immediately after, the termination of the merger agreement, if Genworth, as a condition to the effectiveness of such termination, pays to Asia Pacific the termination fee prescribed by the merger agreement (as described in the section entitled The Merger Agreement Termination Fees, beginning on page 136).

Restrictions on a Change of Board Recommendation (see page 124)

The merger agreement contains restrictions on the ability of the Board and any of its committees to (i) withhold, withdraw, qualify or modify, or publicly propose or resolve to withhold, withdraw, qualify or modify in a manner adverse to Asia Pacific, the Board recommendation, (ii) authorize, approve or recommend, or publicly propose to authorize, approve or recommend, any acquisition proposal (as defined in the section entitled The Merger Agreement Restrictions on Solicitation; Acquisition Proposals, beginning on page 123), (iii) fail to include the Board recommendation in this proxy statement; (iv) fail to recommend that Genworth s stockholders reject any tender offer or exchange offer that has been publicly announced with respect to the outstanding shares of Genworth common stock prior to the earlier of (x) the date of the special meeting and (y) 11 business days after the commencement of such

tender offer or exchange offer, or (v) fail to reaffirm the Board

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recommendation within two business days after receiving a written request to do so from Asia Pacific or approve, recommend or otherwise declare advisable, or publicly propose to approve or recommend, any acquisition proposal (we refer to each of the above as a ***change of recommendation***), in each case, subject to certain exceptions.

The merger agreement further provides that, subject to Genworth s termination right in connection with effectuating the change of recommendation as a result of the receipt of a superior proposal (as defined in the section entitled The Merger Agreement No Change of Recommendation or Alternative Acquisition Agreement), Genworth shall not, and shall cause its subsidiaries not to, and the Board and each committee of Board shall not approve or recommend, or publicly propose to approve or recommend, or cause or permit Genworth or any of its subsidiaries to enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, or other agreement relating to any acquisition proposal (other than any confidentiality agreement entered into as permitted by the terms of the merger agreement). Further, no actions or omissions of the board of directors (or other governing bodies) of Genworth Australia or Genworth Canada will constitute a change of recommendation under the merger agreement.

At any time prior to the time the requisite company vote is obtained, if an intervening event (as defined in the section entitled The Merger Agreement No Change of Recommendation or Alternative Acquisition Agreement) has occurred or if Genworth receives an unsolicited acquisition proposal that the Board has determined in good faith constitutes a superior proposal and the Board has determined in good faith, after consulting with its financial advisor and outside legal counsel, that the failure to take such action would be inconsistent with its fiduciary duties, the Board may make a change of recommendation subject to the terms and conditions as described below.

Prior to the Board making such change of recommendation, the following requirements must be met:

in the case of a change of recommendation in connection with a superior proposal, the receipt of such proposal was not the result of a material breach of Genworth s no shop obligations;

Genworth provides prior written notice to Asia Pacific of its intention to take such action at least five business days before making such change of recommendation (which we refer to as the ***notice period***). In the case of a superior proposal, the notice shall specify its material terms and conditions (including the identity of the person making such superior proposal) and attach the most current unredacted version of any documents evidencing such superior proposal, and any material modifications to any of the foregoing. In the case of an intervening event, the notice shall include a reasonably detailed description of such intervening event;

during such notice period, Genworth must (and must cause its financial advisor and outside counsel to) negotiate in good faith with Asia Pacific if Asia Pacific proposes to amend the merger agreement such that, in the case of a superior proposal, such acquisition proposal no longer constitutes a superior proposal and, in the case of an intervening event, the failure to make such change of recommendation in light of such intervening event would no longer be inconsistent with the fiduciary duties of the Board (in each case as determined by the Board in good faith after taking into account any amendments agreed to by Asia Pacific prior to the end of the notice period); and

the Board takes into account any amendments to the merger agreement agreed to by Asia Pacific in writing prior to the end of the notice period.

Further, whenever there is a material amendment of any acquisition proposal, such amended proposal will be deemed to be a new acquisition proposal, except that following the initial notice period, the notice period with respect to any such amended acquisition proposal will be reduced to three business days and any additional notice period thereafter will be further reduced to one business day for any further amendments.

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See the section entitled The Merger Agreement No Change of Recommendation or Alternative Acquisition Agreement, beginning on page 124 for a description of such restrictions and exceptions in greater detail.

Termination of the Merger Agreement (see page 135)

Genworth and Asia Pacific may terminate the merger agreement and abandon the merger at any time prior to the effective time of the merger by mutual written consent. Genworth and Asia Pacific may also terminate the merger agreement and abandon the merger at any time prior to the effective time of the merger if:

- the merger shall not have been consummated by August 31, 2017 (which we refer to, as such date may be extended pursuant to the merger agreement, as the ***end date***), provided that this termination right will not be available to any party if the failure of the closing of the merger to occur on or prior to the end date was principally caused by or is the result of a material breach of the merger agreement by such party;

- the requisite company vote shall not have been obtained after a vote with respect to the adoption of the merger agreement shall have been taken at the stockholders meeting or at any adjournments or postponements thereof; or

- any governmental authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any final and non-appealable law or order, or shall have taken any other final and non-appealable actions, that have the effect of permanently restraining, enjoining or otherwise prohibiting the merger.

Genworth may also terminate the merger agreement and abandon the merger at any time prior to the effective time of the merger if:

- Genworth is not in material breach of its covenants under the merger agreement and there has been a breach of any representation, warranty, covenant or agreement by Asia Pacific or Merger Sub under the merger agreement or any such representation and warranty shall have become inaccurate after the date of the merger agreement, which failure to perform, breach or inaccuracy would give rise to the failure of Genworth s closing conditions and such failure to perform, breach or inaccuracy is not curable or is not cured prior to the end date (or 30 days after notice of such breach or failure is given by Genworth to Asia Pacific, if earlier); or

- prior to the receipt of the requisite company vote, Genworth effects a change of recommendation as a result of its receipt of a superior proposal when permitted to do so in accordance with the merger agreement and with respect to which Genworth enters into a definitive written agreement concurrently with, or immediately after, the termination of the merger agreement, if Genworth, as a condition to the effectiveness of such termination, pays to Asia Pacific the termination fee (as described in the section entitled The Merger Agreement Termination Fees, beginning on page 136).

Asia Pacific may also terminate the merger agreement and abandon the merger at any time prior to the effective time of the merger if:

prior to the receipt of the requisite company vote, the Board or any of its committees has effected a change of recommendation; or

neither Asia Pacific nor Merger Sub is in material breach of its covenants under the merger agreement and there has been a breach of any representation, warranty, covenant or agreement of Genworth under the merger agreement or any such representation and warranty shall have become inaccurate after the date of the merger agreement, which failure to perform, breach or inaccuracy would give rise to the

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failure of Asia Pacific s or Merger Sub s closing conditions and such failure to perform, breach or inaccuracy is not curable or is not cured prior to the end date (or 30 days after notice of such breach or failure is given by Asia Pacific or Merger Sub to Genworth, if earlier).

Termination Fees (see page 136)

Genworth Termination Fee

Genworth is required to pay Asia Pacific a $105 million termination fee (which we refer to as the ***Genworth termination fee***) if:

Genworth terminates the merger agreement, prior to the receipt of the requisite company vote, after Genworth effects an adverse change of recommendation as a result of its receipt of a superior proposal when permitted to do so in accordance with the merger agreement and enters into a definitive agreement providing for such superior proposal concurrently with or immediately following the termination of the merger agreement;

Asia Pacific terminates the merger agreement following an adverse change of recommendation by the Board or any committee of the Board;

Asia Pacific terminates the merger agreement pursuant to the termination for breach provisions of the merger agreement described above if Genworth willfully or intentionally breaches any of its no shop obligations, its covenants related to Genworth s stockholders meeting or its obligations in connection with the regulatory filings, consents and approvals necessary to effect the merger;

either Asia Pacific or Genworth, as applicable, terminates the merger agreement because (x) the merger is not consummated by the end date (and the stockholders meeting to adopt the merger agreement has not yet been held prior to such termination), (y) prior to such termination, a bona fide acquisition proposal (for purposes of this provision, substituting 50% for 10% in all instances in which it appears in the definition of acquisition proposal) was made known to Genworth, the Board, any committee of the Board or Genworth s senior management after the date of the merger agreement and was not withdrawn or rejected in writing by the Board, or was publicly proposed or publicly disclosed to Genworth s stockholders and was not publicly withdrawn, prior to the time of such termination and (z) within 12 months after such termination, Genworth or any of its subsidiaries enters into a definitive agreement pursuant to which Genworth or any of its subsidiaries has agreed to undertake, solicit stockholder approval for, or consummate, or shall have consummated, a transaction of the type referred to in the definition of acquisition proposal or, in the case of an acquisition proposal made by way of a tender offer or exchange offer, shall have not recommended that Genworth s stockholders reject such tender offer or exchange offer within the period specified in Rule 14e-2(a) under the Exchange Act; or

either Asia Pacific or Genworth terminates the merger agreement because (x) the requisite company vote shall not have been obtained after a vote with respect to adoption of the merger agreement shall have been taken at the stockholders meeting or at any adjournment or postponement thereof, (y) a bona fide acquisition

proposal (for purposes of this provision, substituting 50% for 10% in all instances in which it appears in the definition of acquisition proposal) was publicly proposed or publicly disclosed to Genworth s stockholders, and was not publicly withdrawn, prior to the taking of a vote to adopt the merger agreement at the stockholders meeting or any postponement or adjournment thereof and (z) within 12 months after such termination, Genworth or any of its subsidiaries enters into a definitive agreement pursuant to which Genworth or any of its subsidiaries has agreed to undertake, solicit stockholder approval for, or consummate, or shall have consummated, a transaction of the type referred to in the definition of acquisition proposal or, in the case of an acquisition proposal made by way of a tender offer or exchange offer, shall have not recommended that Genworth s stockholders reject such tender offer or exchange offer within the period specified in Rule 14e-2(a) under the Exchange Act.

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Asia Pacific Termination Fee

Asia Pacific is required to pay Genworth a $210 million termination fee (which we refer to as the ***Asia Pacific termination fee***) when the merger agreement is terminated by either Asia Pacific or Genworth if:

- the merger agreement is terminated by Genworth or Asia Pacific by reason of the merger not being consummated prior to the end date if, at the time of such termination, all of the conditions to Asia Pacific s and Merger Sub s obligations to consummate the merger shall have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the closing, provided that each of such conditions is capable of being satisfied at the closing), except for one or more of the conditions relating to (x) Asia Pacific s receipt of the PRC regulatory approvals, (y) the absence of law or orders that restrain, enjoin or otherwise prohibit the consummation of the merger (solely with the respect to an applicable law or order from a PRC governmental entity or any other governmental entity in the PRC, Hong Kong, Macau or Taiwan); or (z) the receipt by Asia Pacific of the PRC regulatory approvals without the imposition of any burdensome condition;

- the merger agreement is terminated by Genworth or Asia Pacific because a governmental entity of competent jurisdiction enacted, issued, promulgated, enforced or entered any law or order that is in effect, or shall have taken any other action, in each case that is final and non-appealable and has the effect of permanently restraining, enjoining or otherwise prohibiting consummation by it of the merger (but solely with respect to a law or order from a PRC governmental entity or any governmental entity in the PRC, Hong Kong, Macau or Taiwan); or

- the merger agreement is terminated by Genworth pursuant to the termination for breach provisions of the merger agreement described above.

Escrow of Asia Pacific Termination Fee (see page 131)

In connection with the execution of the merger agreement, Genworth and Asia Pacific entered into an escrow deposit agreement on October 21, 2016 (which we refer to as the ***escrow deposit agreement***), pursuant to which on October 21, 2016, Asia Pacific paid to Genworth a cash amount of $210 million and Genworth agreed to hold and invest such amount in accordance with the terms of the escrow deposit agreement pending the opening of an escrow account by Asia Pacific in the United States with Citibank, N.A. as escrow agent (which we refer to as the ***escrow agent***) for the escrow of such amount as described below (which we refer to as the ***escrow account***). Under the terms of the merger agreement and the escrow deposit agreement, following the opening of the escrow account, Genworth was required to deposit into the escrow account all amounts held pursuant to the escrow deposit agreement and any earnings or interest on such amount, which amount would be used as collateral and security for the payment of, among other things, the termination fee that may be payable by Asia Pacific or its affiliates in connection with the merger agreement and the transactions contemplated by the merger agreement, as further described in the section entitled The Merger Agreement Escrow of Asia Pacific Termination Fee, beginning on page 131. Such amounts were deposited by Genworth into the escrow account on October 26, 2016.

Equity Commitment Letter (see page 140)

Concurrently with the execution of the merger agreement, and as a condition to Genworth s willingness to enter into the merger agreement, each of China Oceanwide, Oceanwide Capital Investment Management Group Co. Ltd., a limited liability company incorporated in the PRC and a wholly owned subsidiary of China Oceanwide (which we refer to as ***Oceanwide Capital***), and Wuhan CBD Development & Investment Co., Ltd., a joint stock company incorporated in the PRC and an indirect subsidiary of China Oceanwide (which we refer to as ***Wuhan***, and we refer to each of China Oceanwide, Oceanwide Capital and Wuhan, as an ***investor***) executed and delivered to each of Asia Pacific and Genworth an equity commitment letter, dated as of October 21, 2016 (which we refer to as the ***equity commitment letter***), pursuant to which, subject to the terms

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and conditions set forth therein, each investor committed to purchase or cause the purchase of equity securities of Asia Pacific for approximately $3.831 billion in cash in the aggregate, with the proceeds to be used to finance the payment of the aggregate per share merger consideration and Asia Pacific s commitment to contribute to Genworth an aggregate cash amount equal to $1.125 billion as follows: (i) on or prior to the maturity of the outstanding 6.515% senior notes of Genworth due in 2018, $600 million to retire such outstanding debt obligations and (ii) on or prior to the consummation of the unstacking, $525 million to facilitate the unstacking. For more detailed description of the equity commitment letter, see the section entitled Other Related Agreements Equity Commitment Letter, beginning on page 140.

Litigation Related to the Merger (see page 102)

On January 12, 2017, two putative Genworth stockholders filed a complaint in the Delaware Court of Chancery, captioned *Salberg v. Genworth Financial, Inc.*, C.A. No. 2017-0018-JRS, seeking an inspection of Genworth books and records, pursuant to 8 *Del. C.* § 220, relating to the Board s consideration of derivative claims belonging to Genworth in the context of the merger. Genworth previously provided the stockholders with certain books and records in response to a demand for inspection pursuant to 8 *Del. C.* § 220.

On January 23, 2017, a putative stockholder class action lawsuit, captioned Rice v. Genworth Financial Incorporated, Case No. 3:17-cv-00059-REP, was filed in the United States District Court for the Eastern District of Virginia (Richmond Division), against Genworth and the members of the Board. The complaint alleges, among other things, that the preliminary proxy statement filed by Genworth with the SEC on December 21, 2016 contains false and/or materially misleading statements and/or omits material information. The complaint asserts claims under Sections 14(a) and 20(a) of the Exchange Act, and seeks equitable relief, including declaratory and injunctive relief, and an award of attorneys fees and expenses.

Material U.S. Federal Income Tax Consequences of the Merger (see page 102)

The receipt of cash in exchange for shares of Genworth common stock pursuant to the merger generally will be a taxable transaction to a U.S. holder (as defined in the section entitled The Merger Material U.S. Federal Income Tax Consequences of the Merger, beginning on page 102) for U.S. federal income tax purposes. In general, a U.S. holder who receives cash in exchange for shares of Genworth common stock in the merger will recognize gain or loss equal to the difference, if any, between the cash received and the U.S. holder s adjusted tax basis in the shares converted into the right to receive cash in the merger. Gain or loss will be determined separately for each block of shares of Genworth common stock (that is, shares acquired for the same cost in a single transaction). See the section entitled The Merger Material U.S. Federal Income Tax Consequences of the Merger, beginning on page 102, and consult your tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of the merger.

Additional Information (see page 155)

You can find more information about Genworth in the periodic reports and other information we file with the U.S. Securities and Exchange Commission (which we refer to as the ***SEC***). You may read and copy any document we file at the SEC s public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public at the SEC s website at *www.sec.gov*. For a more detailed description of the information available, see the section entitled Where You Can Find More Information, beginning on page 155.

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Appraisal Rights (see page 144)

Under Delaware law, holders of record of shares of Genworth common stock are entitled to appraisal rights in connection with the merger, provided that such stockholders meet all of the conditions set forth in Section 262 of the General Corporation Law of the State of Delaware (which we refer to as the ***DGCL***). Holders of record of shares of Genworth common stock who do not vote in favor of the adoption of the merger agreement and have timely and properly demanded appraisal under Section 262 of the DGCL and have not withdrawn such demand or otherwise lost the right to appraisal pursuant to, and in accordance with, the applicable requirements under Section 262 of the DGCL (which we refer to as ***dissenting stockholders***) will forego the per share merger consideration and instead will be entitled to receive a cash payment equal to the fair value of his, her or its shares of Genworth common stock in connection with the merger. Fair value will be determined by the Court of Chancery of the State of Delaware following an appraisal proceeding. Dissenting stockholders will not know the appraised fair value at the time such holders must elect whether to seek appraisal. The ultimate amount dissenting stockholders receive in an appraisal proceeding may be more or less than, or the same as, the amount such holders would have received under the merger agreement. A detailed description of the appraisal rights available to holders of shares of Genworth common stock and procedures required to exercise statutory appraisal rights is described in the section entitled Appraisal Rights, beginning on page 144 and a copy of Section 262 of the DGCL is included in this proxy statement as Annex D.

To demand appraisal, a Genworth stockholder of record must deliver a written demand for appraisal to Genworth before the vote on the merger agreement at the Genworth special meeting, not vote in favor of the proposal to adopt the merger agreement, continuously hold the shares of Genworth common stock through the effective time of the merger, and otherwise fully comply with the procedures set forth in Section 262 of the DGCL. Failure to follow exactly the procedures specified under Section 262 of the DGCL will result in the loss of appraisal rights.

Market Price and Dividend Data (see page 150)

Genworth common stock is traded on the NYSE under the symbol *GNW*. On October 21, 2016, the last full trading day prior to the public announcement of the merger, the closing price for Genworth common stock on such date was $5.21 per share. On January 23, 2017, the most recent practicable date prior to the date of this proxy statement, the closing price for Genworth common stock was $3.77 per share.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND SPECIAL MEETING

The following questions and answers are intended to briefly address some commonly asked questions you may have regarding the special meeting, the merger agreement or the merger. These questions and answers do not address all questions that may be important to you as a Genworth stockholder. Please refer to the more detailed information contained elsewhere in this proxy statement, the Annexes to this proxy statement and all documents referred to or incorporated by reference in this proxy statement. See the section entitled Where You Can Find More Information, beginning on page 155.

Q: Why am I receiving this proxy statement?

A: On October 21, 2016, Genworth entered into the merger agreement with Asia Pacific and Merger Sub. You are receiving this proxy statement in connection with the solicitation of proxies by the Board in favor of the proposal to adopt the merger agreement and other related matters to be voted on at the special meeting.

Q: As a stockholder, what will I receive in the merger?

A: If the merger is completed, you will be entitled to receive $5.43 in cash, without interest, and less any applicable withholding taxes, for each share of Genworth common stock you own as of the effective time of the merger.

Q: Will I have to pay taxes on the merger consideration I receive in the merger?

A: The receipt of cash in exchange for shares of Genworth common stock pursuant to the merger generally will be a taxable transaction to a U.S. holder (as defined in the section entitled The Merger Material U.S. Federal Income Tax Consequences of the Merger, beginning on page 102) for U.S. federal income tax purposes. See the section entitled The Merger Material U.S. Federal Income Tax Consequences of the Merger, beginning on page 102, for a more detailed description of the U.S. federal income tax consequences of the merger. You should consult your own tax advisor for a full understanding of how the merger will affect your U.S. federal, state, local and foreign taxes.

Q: What will happen to outstanding Genworth equity compensation awards in the merger?

A: For information regarding the treatment of outstanding Genworth equity awards, see the section entitled The Merger Agreement Treatment of Stock Options and Other Equity Incentive Awards, beginning on page 112.

Q: Where and when will the special meeting of stockholders be held?

A: The special meeting of Genworth s stockholders will be held at The Westin Richmond located at 6631 West Broad Street, Richmond, Virginia 23230 on March 7, 2017, at 9:00 a.m. Eastern Time.

Q: Who is entitled to vote at the special meeting?

A: Only holders of record of Genworth common stock as of the close of business on January 17, 2017, the record date for the special meeting, are entitled to vote at the special meeting. Holders of Genworth 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 special meeting.

Q: What proposals will be considered at the special meeting?

At the special meeting, you will be asked to consider and vote on:

a proposal to adopt the merger agreement;

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a proposal to approve, by a non-binding advisory vote, the compensation that may be paid or become payable to Genworth s named executive officers (which we refer to as ***NEOs***) that is based on or otherwise relates to the merger, as described in the section entitled The Merger Interests of Certain Persons (Directors and Officers) in the Merger, beginning on page 94; and

a proposal to adjourn the special meeting to a later date or time if necessary or appropriate, including to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

Q: What vote is required to approve each of the proposals?

A: The proposal to adopt the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Genworth common stock entitled to vote on such matter at the special meeting.
Abstentions and failures to vote your shares will have the same effect as a vote AGAINST the proposal to adopt the merger agreement.

The approval of the non-binding executive compensation advisory proposal requires the affirmative vote of the holders of a majority in voting power of the shares of Genworth common stock which are present at the special meeting in person or by proxy and entitled to vote on such matter. Although the Board intends to consider the vote resulting from this proposal, the vote is advisory only and, therefore, is not binding on Genworth or Asia Pacific or any of their respective subsidiaries, and, if the merger agreement is adopted by Genworth s stockholders and the merger is completed, the compensation that is based on or otherwise relates to the merger will be payable to our NEOs, even if this proposal is not approved.

The approval of the proposal to adjourn the special meeting, if necessary or appropriate, including to solicit additional proxies in favor of the adoption of the merger agreement, requires the affirmative vote of the holders of a majority in voting power of the shares of Genworth common stock which are present at the special meeting in person or by proxy and entitled to vote on such matter. Pursuant to the merger agreement, if a quorum is not present at the special meeting, such affirmative vote may adjourn the meeting to a date that is a business day and no more than 30 days after the previous meeting date.

Q: Are there any voting agreements with existing Genworth stockholders relating to the proposals contained in this proxy statement?

A: No. Genworth is not party to any voting agreements with existing Genworth stockholders relating to the vote on the proposals contained in this proxy statement.

Q: How does the Board recommend that I vote on the proposals?

A:

The Board carefully reviewed and considered the terms and conditions of the merger agreement, the merger and the other transactions contemplated by the merger agreement. The Board has (i) unanimously determined that the merger is fair to, and in the best interests of, Genworth and its stockholders, approved and declared advisable the merger agreement and the merger and the other transactions contemplated by the merger agreement and resolved to recommend adoption of the merger agreement to the holders of Genworth common stock and (ii) unanimously directed that the merger agreement be submitted to the holders of Genworth common stock for their adoption. Accordingly, the Board unanimously recommends a vote **FOR** the proposal to adopt the merger agreement. The Board also unanimously, by those directors present, recommends a vote **FOR** the non-binding executive compensation advisory proposal and a vote **FOR** the proposal to adjourn the special meeting, if necessary or appropriate, including to solicit additional proxies.

For a discussion of the factors that the Board considered in determining to recommend the adoption of the merger agreement, see the section entitled The Merger Reasons for the Board s Recommendation, beginning on page 65. In addition, in considering the Board recommendation with respect to the merger agreement, you should be aware that some of our directors and executive officers have interests that may be

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different from, or in addition to, the interests of Genworth s stockholders generally. See the section entitled The Merger Interests of Certain Persons (Directors and Officers) in the Merger, beginning on page 94, and related discussion in the section entitled The Merger Background of the Merger, beginning on page 30.

Q: Do I need to attend the special meeting in person?

A: No. It is not necessary for you to attend the special meeting in order to vote your shares. You may vote by proxy by mail, by telephone or through the Internet, as described in more detail below.

Q: How many shares need to be represented at the special meeting?

A: The presence at the special meeting, in person or by proxy, of a majority in voting power of the outstanding shares of stock entitled to vote at the special meeting will constitute a quorum for the purpose of considering the proposals. As of the close of business on the record date, there were 498,407,541 shares of Genworth common stock issued and outstanding and no shares of any other class of stock were issued and outstanding. If you are a Genworth stockholder as of the close of business on the record date and you vote by proxy by mail, by telephone or through the Internet, or you vote in person at the special meeting, then your shares will be considered part of a quorum. If you hold your shares in the name of a bank, broker, trust or other nominee and you provide your bank, broker, trust or other nominee with voting instructions, then your shares will be counted in determining the presence of a quorum; otherwise, your shares will not be counted in determining the presence of a quorum.

All shares of Genworth common stock held by stockholders that are present in person, or represented by proxy, and entitled to vote at the special meeting, regardless of how such shares are voted or whether such stockholders have indicated on their proxy that they are abstaining from voting, will be counted in determining the presence of a quorum. In the absence of a quorum, the special meeting may be adjourned.

Q: Why am I being asked to consider and cast a non-binding advisory vote to approve the compensation that may be paid or become payable to Genworth s NEOs that is based on or otherwise relates to the merger?

A: The SEC has adopted rules that require companies to seek a non-binding advisory vote to approve certain compensation that may be paid or become payable to their NEOs that is based on or otherwise relates to corporate transactions such as the merger. In accordance with these rules, Genworth is providing its stockholders with the opportunity to cast a non-binding advisory vote on compensation that may be paid or become payable to Genworth s NEOs in connection with the merger. For additional information, see the section entitled Proposal 2: Non-Binding Compensation Advisory Proposal, beginning on page 142.

Q: What will happen if Genworth s stockholders do not approve the non-binding compensation advisory proposal?

A: The vote to approve the non-binding compensation advisory proposal is a vote separate and apart from the vote to adopt the merger agreement. Because an approval of the non-binding compensation advisory proposal is not a condition to completion of the merger and is advisory in nature only, it will not affect the merger and will not be binding on Genworth or Asia Pacific or any of their respective subsidiaries. Accordingly, if the merger agreement is adopted by Genworth s stockholders and the merger is completed, the merger-related compensation may be paid or become payable to our NEOs even if this proposal is not approved.

Q: Are Genworth s stockholders eligible to assert appraisal rights?

A: Yes. Under Section 262 of the DGCL, appraisal rights will be available to Genworth s stockholders in connection with the merger, provided that they follow the procedures and satisfy the conditions set forth in Section 262 of the DGCL. For more information regarding appraisal rights, see the section entitled

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Appraisal Rights, beginning on page 144, and a copy of Section 262 of the DGCL is attached as Annex D to this proxy statement. Failure to comply fully with Section 262 of the DGCL will result in the inability to exercise your appraisal rights.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this proxy statement, the Annexes attached to this proxy statement and other documents referred to or incorporated by reference in this proxy statement, please vote your shares of Genworth common stock using one of the alternative methods described below as soon as possible. You will be entitled to one vote for each share of Genworth common stock that you owned on the record date.

Q: How do I vote my shares?

A: *Record Holders*. Stockholders of record of Genworth common stock may vote their shares in person at the special meeting, or may submit a proxy to cause their shares to be represented and voted at the special meeting. 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 11:59 p.m. Eastern Time on the day before the special meeting. Voting instructions appear on your proxy card. If you grant a proxy by telephone or by Internet, please have your proxy card available.

Beneficial Holders. If you are the beneficial owner, but not the record owner, of Genworth common stock because you hold your shares through your bank, broker, trust or other nominee, you will receive instructions about voting from the bank, broker, trust or other nominee that is the stockholder of record of your shares. Unless you give your bank, broker, trust or other nominee instructions on how to vote your shares of Genworth common stock, your bank, broker, trust or other nominee will not be able to vote your shares on the proposals. Your ability to vote by proxy over the Internet or by telephone depends on the voting procedures of your bank, broker, trust or other nominee. If you wish to attend the special meeting to vote in person, you will have to contact your bank, broker, trust or other nominee to obtain its proxy and bring that document with you to the meeting.

Retirement Plan Holders. If you hold shares of Genworth common stock through the Retirement and Savings Plan, the Canada Plan or the Ireland Plan, you will receive instructions about how to direct the trustee of your plan to vote your shares. Please review these voting instructions to determine your ability to vote by proxy over the Internet or by telephone.

Proxies or voting instruction forms submitted by holders of record of Genworth common stock by mail, telephone or Internet will be voted in the manner indicated by the individuals named on the proxy or the voting instruction form. If you submit your proxy by mail, by telephone or through the Internet voting procedures, but do not include **FOR**, **AGAINST** or **ABSTAIN** on one or more of the proposals to be voted upon, your shares of Genworth common stock will be voted **FOR** each of those proposals. If you indicate **ABSTAIN** on a proposal to be voted upon, it will have the same effect as a vote **AGAINST** that proposal. If you do not submit a proxy or otherwise vote your shares of Genworth common stock using one of the alternative voting methods described above, it will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement, but will have no effect on approval of the non-binding compensation advisory proposal or the approval of the proposal to adjourn the special meeting if necessary or appropriate.

Q: What if I fail to instruct my bank, broker, trust or other nominee how to vote?

A: Your bank, broker, trust or other nominee will **NOT** be able to vote your shares of Genworth common stock unless you have properly instructed your bank, broker, trust or other nominee on how to vote. If you hold your shares through the Retirement and Savings Plan and submit your voting instruction form but do not specify how to vote your shares, the shares credited to your account will be voted by the trustee in the same proportion that it votes shares in other accounts for which it received timely instructions. If, however, you

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hold shares through the Canada Plan or the Ireland Plan, and, in either case, you do not direct how to vote those shares, those shares will **NOT** be voted. Because the proposal to adopt the merger agreement requires the affirmative vote of a majority of the outstanding shares of Genworth common stock entitled to vote at the special meeting, the failure to provide your nominee with voting instructions will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement.

Q: May I change my vote after I have mailed my proxy card or after I have submitted my proxy by telephone or through the Internet?

A: Yes, you may change or revoke your proxy at any time before the special meeting by:

subsequently granting a proxy by telephone or by Internet in accordance with the instructions on the proxy card;

returning a later-dated proxy card;

sending your notice of revocation to Genworth s Corporate Secretary at 6620 West Broad Street, Richmond, Virginia 23230; or

attending the special meeting and voting in person.

If you hold your shares of Genworth common stock in the name of a bank, broker, trust or other nominee, you should contact such bank, broker, trust or other nominee to obtain instructions as to how to revoke or change proxies. If you submit your changed proxy or revocation by telephone or by Internet, it must be received by 11:59 p.m. Eastern Time on the day before the special meeting. If you submit your changed proxy or revocation by another method specified above, it must be received before the polls close for voting. Attendance at the meeting alone will not revoke a previously submitted proxy, you must also vote at the meeting to revoke or change a previously submitted proxy.

All properly submitted proxies received by Genworth before the special meeting that are not revoked or changed prior to being exercised at the special meeting will be voted at the special meeting in accordance with the instructions indicated on the proxies or, if no instructions were provided, **FOR** each of the proposals.

Q: What does it mean if I receive more than one proxy card?

A: If you receive more than one proxy card, it means that you hold shares of Genworth common stock that are registered in more than one account. For example, if you own your shares in various registered forms, such as jointly with your spouse, as trustee of a trust or as custodian for a minor, you will receive, and you will need to sign and return, a separate proxy card for those shares because they are held in a different form of record ownership. Therefore, to ensure that all of your shares are voted, you will need to submit your proxies by properly completing and mailing each proxy card you receive or by telephone or through the Internet by using the

different voter control number(s) on each proxy card.

Q: What happens if I sell my shares of Genworth common stock before the special meeting?

A: The record date for the special meeting is earlier than the expected date of the closing of the merger. If you own shares of Genworth common stock as of the close of business on the record date but transfer your shares prior to the special meeting, you will retain your right to vote at the special meeting, but the right to receive the merger consideration will pass to the person who holds your shares as of the effective time of the merger.

Q: If I hold my shares in certificated form, should I send in my stock certificates now?

A: No. A letter of transmittal with instructions for the surrender of certificates representing shares of Genworth common stock will be mailed to Genworth s stockholders if the merger is completed. You must return your stock certificates in accordance with such instructions in order to receive merger consideration after receiving such letter of transmittal. PLEASE DO NOT SEND IN YOUR STOCK CERTIFICATE(S) NOW.

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Q: When is the merger expected to be completed?

A: We and Asia Pacific are working toward completing the merger as quickly as possible. We currently expect the closing of the merger to occur by mid 2017, but we cannot be certain when or if the conditions to the merger will be satisfied or, to the extent permitted, waived. The merger cannot be completed until the conditions to closing are satisfied (or, to the extent permitted, waived), including the adoption of the merger agreement by Genworth s stockholders and the receipt of certain regulatory approvals. For additional information, see the section entitled The Merger Agreement Conditions to the Merger, beginning on page 133.

Q: If the merger is completed, when can I expect to receive the merger consideration for my shares of Genworth common stock?

A: Promptly after completion of the merger, you will be sent a letter of transmittal describing how you may exchange your certificated shares of Genworth common stock and/or your book-entry shares for the merger consideration. You should not send your Genworth common stock certificates, or in the case of book-entry shares, the customary agent s message, to us or anyone else until you receive such instructions.

Q: What happens if the merger is not completed?

A: If the proposal to adopt the merger agreement does not receive the required approval from Genworth s stockholders, or if the merger is not completed for any other reason, you will not receive any consideration from Asia Pacific or Merger Sub for your shares of Genworth common stock. Instead, Genworth will remain a public company and Genworth common stock will continue to be listed and traded on the NYSE and holders of shares of Genworth common stock will continue to be subject to risks and opportunities with respect to their ownership of publicly traded Genworth common stock. If the merger is not completed, there can be no assurance as to the effect of these risks and opportunities on the future value of our common stock, including the risk that the market price of our common stock may decline to the extent that the current market price of our common stock reflects a market assumption that the merger will be completed

In addition, if the merger agreement is terminated under specified circumstances, Genworth may be required to pay Asia Pacific a $105 million termination fee, and, upon termination of the merger agreement under other specified circumstances, Asia Pacific may be required to pay Genworth a $210 million termination fee. See the section entitled The Merger Agreement Termination Fees, beginning on page 136.

Q: Are there any requirements if I plan on attending the special meeting?

A: If you wish to attend the special meeting, you should be prepared to present valid photo identification for admittance. If a bank, broker, trust or other nominee is the record holder 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 as of the record date, or presentation of a valid proxy from a bank, broker, trust or other nominee that is the record owner of your shares, would be acceptable proof of your beneficial

ownership, but in order to vote such shares at the special meeting, you will need to provide a legal proxy from the bank, broker, trust or other nominee that is the stockholder of record for your shares of Genworth common stock giving you the right to vote the shares at the special meeting. Cameras, sound or video recording devices or any similar equipment, or the distribution of any printed materials, will not be permitted at the special meeting without Genworth s prior approval.

Q: Where can I find more information about Genworth?

A: Genworth files annual, quarterly and current reports, proxy statements and other information with the SEC. **Genworth stockholders are urged to read the proxy statement (including all amendments and supplements thereto) and all other relevant documents which Genworth will file with the SEC when they become available, because they will contain important information about the proposed transaction and related matters.** You may read and copy any document Genworth files with the SEC at

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the SEC s public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Genworth s SEC filings are also available to the public at the SEC s website at *www.sec.gov*. For a more detailed description of the information available, see the section entitled Where You Can Find More Information, beginning on page 155.

Q: Who can help answer my questions?

A: For additional questions about the merger, assistance in submitting proxies or voting shares of Genworth common stock, additional copies of the proxy statement, or the enclosed proxy card(s), please contact our proxy solicitor:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

888-877-5360

If your shares are held for you by a bank, broker, trust or other nominee, you should also call your bank, broker, trust or other nominee for additional information.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This communication includes certain statements that may constitute forward-looking statements within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Forward-looking statements may be identified by words such as expects, intends, anticipates, plans, believes, seeks, estimates, will or words of similar meaning and include, but are not limited to, statements regarding the outlook for Genworth s future business and financial performance. Forward-looking statements are based on management s current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially from those in the forward-looking statements, and factors that may cause such a difference include, but are not limited to, risks and uncertainties related to:

- the risk that the merger may not be completed in a timely manner or at all, which may adversely affect Genworth s business and the price of Genworth common stock;
- the ability of the parties to obtain stockholder or regulatory approvals, or the possibility that they may delay the merger or that materially burdensome regulatory conditions may be imposed in connection with any such regulatory approvals;
- the risk that a condition to closing of the merger may not be satisfied;
- potential legal proceedings that may be instituted against Genworth or our directors following announcement of the merger;
- the risk that the announcement or consummation of the proposed merger disrupts Genworth s current plans and operations;
- potential adverse reactions or changes to Genworth s business relationships with clients, employees, suppliers or other parties or other business uncertainties resulting from the announcement of the merger or during the pendency of the merger, including but not limited to such changes that could affect Genworth s financial performance;
- certain restrictions during the pendency of the merger that may impact Genworth s ability to pursue certain business opportunities or strategic transactions;
- continued availability of capital and financing to Genworth before the consummation of the merger;
- further rating agency actions and downgrades in Genworth s financial strength ratings;

changes in applicable laws or regulations;

the amount of the costs, fees, expenses and other charges related to the merger;

the risks related to diverting management s attention from Genworth s ongoing business operations;

the impact of changes in interest rates and political instability; and

other risks and uncertainties described in Genworth s Annual Report on Form 10-K, filed with the SEC on February 26, 2016 for our fiscal year ended December 31, 2015, and Genworth s Quarterly Reports on Form 10-Q filed with the SEC on April 29, 2016, August 3, 2016 and November 8, 2016, for our fiscal quarters ended March 31, 2016, June 30, 2016, and September 30, 2016, respectively.

Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Genworth s consolidated financial condition, results of operations, credit rating or liquidity. Accordingly, forward-looking statements should not be relied upon as representing Genworth s views as of any subsequent date, and Genworth does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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PARTIES TO THE MERGER

Genworth

Genworth Financial, Inc. is a financial services company dedicated to helping meet the homeownership and long-term care needs of its customers. Genworth operates its business through the following five operating segments:

U.S. Mortgage Insurance. In the U.S., Genworth offers mortgage insurance products predominantly insuring prime-based, individually underwritten residential mortgage loans (which we refer to as ***flow mortgage insurance***). Genworth selectively provides mortgage insurance on a bulk basis (which we refer to as ***bulk mortgage insurance***) with essentially all of our bulk writings being prime-based.

Canada Mortgage Insurance. Genworth offers flow mortgage insurance and also provides bulk mortgage insurance that aids in the sale of mortgages to the capital markets and helps lenders manage capital and risk in Canada.

Australia Mortgage Insurance. In Australia, Genworth offers flow mortgage insurance and selectively provides bulk mortgage insurance that aids in the sale of mortgages to the capital markets and helps lenders manage capital and risk.

U.S. Life Insurance. Genworth offers long-term care insurance products as well as services traditional life insurance and fixed annuity products in the U.S.

Runoff. The Runoff segment includes the results of non-strategic products which are no longer actively sold but Genworth continues to service its existing blocks of business. Genworth s non-strategic products primarily include our variable annuity, variable life insurance, institutional, corporate-owned life insurance and other accident and health insurance products. Institutional products consist of: funding agreements, funding agreements backing notes and guaranteed investment contracts.

In addition to its five operating business segments, Genworth also has Corporate and Other activities which include debt financing expenses, unallocated corporate income and expenses, eliminations of inter-segment transactions and the results of other businesses that are managed outside of its operating segments, including certain smaller international mortgage insurance businesses and discontinued operations (which we refer to as the ***corporate and other activities***).

Shares of Genworth common stock are listed on the NYSE and trade under the symbol *GNW*.

Genworth s principal executive offices are located at 6620 West Broad Street, Richmond, Virginia 23230, and its telephone number is (804) 281-6000. Its website address is *www.genworth.com.* Unless expressly incorporated by reference into this proxy statement, the information provided on Genworth s website is not part of this proxy statement and is not incorporated by reference in this proxy statement by this or any other reference to Genworth s website in this proxy statement.

A detailed description of Genworth s business is contained in its Annual Report on Form 10-K, filed with the SEC on February 26, 2016 for our fiscal year ended December 31, 2015, which is incorporated by reference into this proxy statement. See the section entitled Where You Can Find More Information, beginning on page 155, for more information.

Asia Pacific

Asia Pacific Global Capital Co., Ltd. is a newly formed limited liability company incorporated in July 2016 in Tianjin, PRC. Asia Pacific is a subsidiary of China Oceanwide, a privately held financial holding group headquartered in Beijing, China, with well-established and diversified businesses, including insurance operations in China and real estate assets globally, including in the U.S. Asia Pacific was established to hold China

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Oceanwide s investment in Genworth and currently has no operations. Asia Pacific s registered capital is approximately $3.08 billion and it is directly owned by China Oceanwide (40%), Wuhan (25%) and Oceanwide Capital (35%).

Asia Pacific s registered address is 1703E-130, Tower 1, Kuangshi International Building, Yingbin Avenue, Tianjin Free Trade Pilot Area (Central Business District), Tianjin, PRC and its telephone number is +86 10 85259639.

Merger Sub

Asia Pacific Global Capital USA Corporation is a Delaware corporation formed in September 2016 by Asia Pacific Insurance USA Holdings Corporation solely for the purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement. Merger Sub is a wholly owned subsidiary of Asia Pacific Insurance USA Holdings Corporation and has not engaged in any business activities to date other than activities incidental to its formation and as contemplated by the merger agreement. Upon the completion of the merger, Merger Sub will cease to exist and Genworth will continue as the surviving corporation. Merger Sub s principal place of business is located at 160 Greentree Drive, Suite 101, Dover, Delaware 19904 and its telephone number is (855) 685-3513.

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THE SPECIAL MEETING

Date, Time and Place of the Special Meeting

This proxy statement is being furnished to Genworth s stockholders as part of the solicitation of proxies by the Board for use at the special meeting and at any properly convened meeting following an adjournment or postponement of the special meeting. The special meeting will be held on March 7, 2017, at 9:00 a.m. Eastern Time, at The Westin Richmond located at 6631 West Broad Street, Richmond, Virginia 23230.

Purpose of the Special Meeting

At the special meeting, Genworth s stockholders as of the record date will be asked to consider and vote on the following proposals:

- a proposal to adopt the merger agreement, pursuant to which, subject to the satisfaction or waiver of certain conditions, Merger Sub will merge with and into Genworth, with Genworth continuing as the surviving corporation and a wholly owned subsidiary of Asia Pacific;

- a proposal to approve, by a non-binding advisory vote, the compensation that may be paid or become payable to Genworth s NEOs that is based on or otherwise relates to the merger; and

- a proposal to adjourn the special meeting to a later date or time if necessary or appropriate, including to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

For the merger to be consummated, Genworth s stockholders must adopt the merger agreement by the affirmative vote of the holders of a majority of the outstanding shares of Genworth common stock entitled to vote on such matter at the special meeting. If the stockholders fail to adopt the merger agreement, the merger will not occur. A copy of the merger agreement is attached to this proxy statement as Annex A, and the material provisions of the merger agreement are described in the section entitled The Merger Agreement, beginning on page 110.

The vote on executive compensation payable in connection with the merger is a vote separate and apart from the vote to adopt the merger agreement. Accordingly, a stockholder may vote to approve the executive compensation and vote not to adopt the merger agreement and vice versa. Because the vote on executive compensation is only advisory in nature, it will not be binding on either Genworth or Asia Pacific. Accordingly, if the merger agreement is adopted by Genworth s stockholders and the merger is completed, the merger-related compensation may be paid or become payable to Genworth s NEOs in accordance with the terms of their compensation agreements or arrangements even if the stockholders fail to approve the proposal.

Genworth does not expect a vote to be taken on matters other than those specified above at the special meeting or any adjournment or postponement thereof.

Recommendation of the Board

The Board carefully reviewed and considered the terms and conditions of the merger agreement, the merger and the other transactions contemplated by the merger agreement. The Board has (i) unanimously determined that the merger is fair to, and in the best interests of, Genworth and its stockholders, approved and declared advisable the merger agreement and the merger and the other transactions contemplated by the merger agreement and resolved to recommend adoption of the merger agreement to the holders of Genworth common stock and (ii) unanimously directed that the merger agreement be submitted to the holders of Genworth common stock for their adoption. Accordingly, the Board unanimously recommends a vote **FOR** the proposal to adopt the merger agreement.

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The Board also unanimously, by those directors present, recommends a vote **FOR** the non-binding executive compensation advisory proposal and the vote **FOR** the proposal to adjourn the special meeting if necessary or appropriate, including to solicit additional proxies.

Required Vote

Merger Agreement. The proposal to adopt the merger agreement requires the affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of Genworth common stock entitled to vote on such matter.

Merger-Related Executive Compensation. The approval of the non-binding executive compensation advisory proposal requires the affirmative vote of the holders of a majority in voting power of the shares of Genworth common stock which are present at the special meeting in person or by proxy and entitled to vote on such matter.

Adjournment of the Special Meeting. The approval of the proposal to adjourn the special meeting, if necessary or appropriate, including to solicit additional proxies in favor of the adoption of the merger agreement, requires the affirmative vote of the holders of a majority in voting power of the shares of Genworth common stock which are present at the special meeting in person or by proxy and entitled to vote on such matter. Pursuant to the merger agreement, even if a quorum is not present at the special meeting, such affirmative vote may adjourn the meeting to a date that is a business day and no more than 30 days after the previous meeting date.

Record Date, Quorum

Only holders of record of Genworth common stock as of the close of business on the record date of January 17, 2017 are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements thereof. Holders of Genworth 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 special meeting.

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. As of the close of business on the record date, there were 498,407,541 shares of Genworth common stock issued and outstanding and no shares of any other class of stock were issued and outstanding. If you are a Genworth stockholder as of the close of business on the record date and you vote by proxy by mail, by telephone, through the Internet or vote in person at the special meeting, then your shares will be considered part of a quorum. If you hold your shares in the name of a bank, broker, trust or other nominee and you provide your bank, broker, trust or other nominee with voting instructions, then your shares will be counted in determining the presence of a quorum; otherwise, your shares will not be counted in determining the presence of a quorum.

All shares of Genworth common stock held by stockholders that are present in person, or represented by proxy, and entitled to vote at the special meeting, regardless of how such shares are voted or whether such stockholders have indicated on their proxy that they are abstaining from voting, will be counted in determining the presence of a quorum. In the absence of a quorum, the special meeting may be adjourned.

Voting by Directors and Officers

As of the close of business on the record date of January 17, 2017, Genworth s directors and executive officers were entitled to vote approximately 1,764,534 shares of Genworth common stock, or approximately 0.36% of the total shares issued and outstanding as of such date. We currently expect that Genworth s directors and executive officers will vote their shares in favor of the proposal to adopt the merger, and in favor of the other proposals to be considered

at the special meeting, although they do not have an obligation to do so.

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Voting, Proxies, Revocation of Proxies

Record Holders. Stockholders of record may vote their shares in person at the special meeting, or may submit a proxy to cause their shares to be represented and voted at the special meeting. 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 11:59 p.m. Eastern Time on the day before the special meeting. Voting instructions appear on your proxy card. If you grant a proxy by telephone or by Internet, please have your proxy card available.

Beneficial Holders. If you are the beneficial owner, but not the record owner of Genworth common stock because you hold your shares through your bank, broker, trust or other nominee, you will receive instructions about voting from the bank, broker, trust or other nominee that is the stockholder of record of your shares. Unless you give your bank, broker, trust or other nominee instructions on how to vote your shares of Genworth common stock, your bank, broker, trust or other nominee will not be able to vote your shares on the proposals. Your ability to vote by proxy over the Internet or by telephone depends on the voting procedures of your bank, broker, trust or other nominee. If you wish to attend the special meeting to vote in person, you will have to contact your bank, broker, trust or other nominee to obtain its proxy and bring that document with you to the meeting.

Retirement Plan Holders. If you hold shares of Genworth common stock through the Retirement and Savings Plan, the Canada Plan or the Ireland Plan, you will receive instructions about how to direct the trustee of your plan to vote your shares. Please review these voting instructions to determine your ability to vote by proxy over the Internet or by telephone. If you hold your shares through the Retirement and Savings Plan and submit your voting instruction form but do not specify how to vote your shares, the shares credited to your account will be voted by the trustee in the same proportion that it votes shares in other accounts for which it received timely instructions. If you hold shares through the Canada Plan or the Ireland Plan, and, in either case, you do not direct how to vote those shares, those shares will not be voted.

Proxies or voting instruction forms submitted by holders of record of Genworth common stock by mail, telephone or Internet will be voted in the manner indicated by the individuals named on the proxy or the voting instruction form. If you submit your proxy by mail, by telephone or through the Internet voting procedures, but do not include **FOR**, **AGAINST** or **ABSTAIN** on one or more of the proposals to be voted upon, your shares of Genworth common stock will be voted in favor of each of those proposals. If you indicate **ABSTAIN** on a proposal to be voted upon, it will have the same effect as a vote **AGAINST** that proposal. If you do not submit a proxy or otherwise vote your shares of Genworth common stock using one of the alternative voting methods described above, it will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement, but will have no effect on approval of the non-binding compensation advisory proposal or the approval of the proposal to adjourn the special meeting if necessary or appropriate.

YOU SHOULD NOT SEND IN YOUR SHARE CERTIFICATE(S) WITH YOUR PROXY CARD. A letter of transmittal with instructions for the surrender of certificates representing shares of Genworth common stock will be mailed to stockholders if the merger is completed.

Revocation of Proxies

Any proxy given by any Genworth stockholder may be revoked at any time before it is voted at the special meeting by doing any of the following:

submitting another proxy by telephone or by Internet, in accordance with the instructions on the proxy card;

delivering a signed written notice of revocation bearing a date later than the date of the proxy to Genworth s Corporate Secretary at 6620 West Broad Street, Richmond, Virginia 23230 stating that the proxy is revoked;

submitting a later-dated proxy card relating to the same shares of Genworth common stock; or

attending the special meeting and voting in person (your attendance at the special meeting will not, by itself, revoke your proxy; you must vote in person at the special meeting).

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If you hold your shares of Genworth common stock in the name of a bank, broker, trust or other nominee, you should contact such bank, broker, trust or other nominee to obtain instructions as to how to revoke or change proxies. If you submit your changed proxy or revocation by telephone or by Internet, it must be received by 11:59 p.m. Eastern Time on the day before the special meeting. If you submit your changed proxy or revocation by another method specified above, it must be received before the polls close for voting. Attendance at the meeting alone will not revoke a previously submitted proxy.

Adjournments and Postponements

Although it is not currently expected, the special meeting may be adjourned or postponed one or more times to a later day or time if necessary or appropriate, including to solicit additional proxies in favor of the proposal to adopt the merger agreement. Your shares will be voted on any adjournment proposal in accordance with the instructions indicated in your proxy or, if no instructions were provided, **FOR** the proposal.

Effect of Abstentions

An abstention occurs when a stockholder attends a meeting, either in person or is represented by proxy, but abstains from voting. Abstentions will be included in the calculation of the number of shares of common stock present or represented at the special meeting for purposes of determining whether a quorum has been achieved. Abstaining from voting will have the same effect as a vote **AGAINST** all of the proposals in this proxy statement, including the proposal to adopt the merger agreement.

If a bank, broker, trust or other nominee returns a proxy card indicating that it has not received voting instructions from the beneficial owner and does not have discretionary authority to vote as to a particular proposal because it is a non-routine matter (which we refer to as ***broker non-votes***), those shares held by such bank, broker, trust or other nominee on behalf of such beneficial owner will be treated as not entitled to vote on that matter. Under applicable stock exchange rules, all of the proposals in this proxy statement are non-routine matters, so there can be no broker non-votes at the special meeting. Accordingly, if your shares are held in the name of a bank, broker, trust or other nominee, your shares will **NOT** be considered present for purposes of determining a quorum and such bank, broker, trust or other nominee will **NOT** be able to vote your shares of Genworth common stock on any of the proposals, unless you have properly instructed your bank, broker, trust or other nominee how to vote. The failure to provide your bank, broker, trust or other nominee with voting instructions will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement and will reduce the number of shares necessary to approve the other proposals in this proxy statement.

Solicitation of Proxies

Genworth is soliciting the enclosed proxy card on behalf of the Board and will bear the expenses in connection with the solicitation of proxies. In addition to solicitation by mail, Genworth and its directors, officers and employees may solicit proxies in person, by telephone or by electronic means. Genworth s directors, officers and employees will not be paid additional remuneration for their efforts.

Genworth has engaged Georgeson LLC (which we refer to as ***Georgeson***) to assist in the solicitation of proxies for the special meeting for a fee of approximately $25,000, plus distribution costs and other costs and expenses. Copies of proxy solicitation materials will be supplied to brokers, dealers, banks and voting trustees, or their nominees, for the purpose of soliciting proxies from beneficial owners of shares of Genworth s common stock and Genworth will reimburse such record holders for their reasonable expenses.

Questions and Additional Information

If you have any questions about how to vote or direct a vote in respect of your shares of Genworth common stock, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please call our proxy solicitor, Georgeson, toll-free at 888-877-5360.

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PROPOSAL 1: ADOPTION OF THE MERGER AGREEMENT

As discussed elsewhere in this proxy statement, Genworth s stockholders will consider and vote on a proposal to adopt the merger agreement. You should carefully read this proxy statement in its entirety for more detailed information concerning the merger agreement and the transactions contemplated thereby, including the merger. In particular, you should read the merger agreement, attached as Annex A to this proxy statement, in its entirety. See the sections entitled The Merger, beginning on page 30 and The Merger Agreement, beginning on page 110.

The Board unanimously recommends that Genworth stockholders vote **FOR** the proposal to adopt the merger agreement.

If you return a properly executed proxy card, but do not indicate instructions on your proxy card, your shares of Genworth common stock represented by such proxy card will be voted **FOR** the proposal to adopt the merger agreement.

The approval of the proposal to adopt the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Genworth common stock entitled to vote on such matter.

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THE MERGER

Description of the Merger

Genworth is seeking the approval by Genworth s stockholders of the adoption of the merger agreement that Genworth entered into on October 21, 2016, with Asia Pacific and Merger Sub, as it may be amended from time to time, pursuant to which, subject to the satisfaction or waiver of specified conditions, Merger Sub will merge with and into Genworth. As a result of the merger, Merger Sub will cease to exist and Genworth will survive as an indirect, wholly owned subsidiary of Asia Pacific. The Board has unanimously approved the merger agreement and the other transactions contemplated thereby, including the merger, and unanimously recommends that Genworth s stockholders vote **FOR** the proposal to adopt the merger agreement.

Pursuant to the merger agreement, upon completion of the merger, each share of Genworth common stock that is issued and outstanding immediately prior to the effective time of the merger (other than excluded shares, as described under The Merger Agreement Merger Consideration beginning on page 111) will cease to be outstanding, will be canceled and cease to exist and will be automatically converted into the right to receive $5.43 per share, in cash, without interest and less any applicable withholding taxes.

Genworth common stock is currently registered under the Exchange Act and is listed on the NYSE under the symbol *GNW*. Following the consummation of the merger, Genworth common stock will be delisted from the NYSE, deregistered under the Exchange Act and cease to be publicly traded.

Background of the Merger

The Board and Genworth s management regularly review and evaluate Genworth s long-term strategic plans and competitive positioning in the marketplace with the goal of maximizing stockholder value.

2012 Stockholder Value Strategy

In October 2012, Genworth announced a strategy designed to enhance stockholder value. The strategic plan called for designating Genworth s U.S. life insurance business (which includes its long-term care (which we refer to as ***LTC***) insurance business, life insurance and fixed annuities businesses) and its global mortgage insurance business as core businesses, and designating the remaining businesses to be non-core. The core businesses would focus on their distinct strategic advantages, operating as independent businesses, and they would prioritize generating cash, achieving new business returns in excess of related cost of capital, and improving in-force performance. The non-core businesses, including Genworth s lifestyle protection insurance business, its wealth management business and the businesses in its runoff segment, were to be monetized over time, generating cash that would be used to reduce holding company debt and to provide capital to support the core businesses.

From October 31, 2012 to October 31, 2014, Genworth s closing stock price increased from $5.96 to $13.99.

Strategic Review of Businesses

During the second quarter of 2014, Genworth experienced meaningful increases in adverse claims experience for its LTC insurance products, particularly in older blocks of policies, resulting in significant deterioration in U.S. life insurance income. During the third quarter of 2014, Genworth completed its annual review of its LTC insurance claim reserves and determined it would be required to significantly increase its LTC insurance claim reserves, also referred to as disabled life reserves.

At an October 2014 Board meeting, Genworth s management noted that while the global mortgage insurance business was close to performing as forecasted, the U.S. life insurance business was still underperforming from a commercial and financial perspective, primarily due to the LTC insurance business. Because of the expected reserve increases, among other things, the U.S. life insurance business would not be able to pay planned 2014 and 2015 dividends to Genworth Holdings Inc., a wholly-owned subsidiary of Genworth (which we refer to as ***Genworth Holdings***).

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Because Genworth Holdings is the obligor on a substantial amount of public unsecured debt and is a holding company that relies on dividends or other distributions from its insurance company subsidiaries to service, refinance and/or reduce that debt, the deterioration of the LTC insurance business and the risk of further future deterioration created several key concerns. Not only would Genworth s life insurance subsidiaries that carry out Genworth s LTC insurance business (including GLIC) be unable to pay the previously planned 2014 and 2015 dividends, but the negative capital impact of the LTC claim reserves on GLIC, also prevented GLAIC, a subsidiary of GLIC that is Genworth s principal life insurance and annuity business insurance subsidiary, from paying dividends indirectly to Genworth Holdings, in effect trapping cash below GLIC. Therefore, Genworth Holdings would not be able to rely on those dividends to service, refinance and/or reduce Genworth Holdings debt. At the same time, US MI, although not a subsidiary of Genworth Holdings, but a potential source of credit support to Genworth for its part also required significant additional capital to satisfy the Private Mortgage Insurer Eligibility Requirements (***PMIERs***) established by Fannie Mae and Freddie Mac which were proposed to come into effect by the end of 2015. Genworth Holdings substantial debt, together with the inability of the U.S. life insurance business and US MI to help, at such time, service this debt, created refinancing risk for Genworth Holdings debt and the risk of negative ratings downgrades for Genworth, which in turn could lead to ratings downgrades for Genworth s mortgage businesses and a corresponding negative impact on the performance of Genworth s mortgage insurance businesses. As a result, reducing Genworth Holdings debt and strengthening the capital of Genworth s subsidiaries, including through potential asset sales, were seen as key priorities.

On November 5, 2014, Genworth announced its third quarter 2014 results, which included (i) a reserve increase of $531 million and a related $345 million after-tax charge, resulting from its annual LTC insurance claim reserve review and (ii) a $517 million after-tax non-cash goodwill impairment charge resulting from the completion of life insurance and LTC insurance goodwill testing. Genworth also announced that during the fourth quarter of 2014, it would conduct its annual LTC margin review, and that it expected a material reduction in its margins.

Following the November 5, 2014, announcement, S&P downgraded Genworth Holdings from BBB- (investment grade) to BB+. S&P publicly announced that its downgrade was attributable to the downgrade of Genworth s core life insurance companies and, because Genworth debt servicing relied on the dividend capacity from its primary subsidiaries globally, Genworth s management s intent to limit dividends from its U.S. life insurance subsidiaries to Genworth and US MI s inability to pay dividends to Genworth further constricted Genworth Holdings already less-than-adequate financial flexibility. Similarly, on the same date, Moody s Investor Services Inc. (which we refer to as ***Moody s***) publicly stated that it was placing Genworth Holdings under review because (i) the LTC insurance claims reserve charge was higher than expected, (ii) Moody s believed Genworth Holdings remained exposed to further, significant deterioration in its legacy block of business, (iii) the recent goodwill impairment related to both the life insurance and LTC insurance businesses of $350 million and $200 million, respectively, indicated weaknesses within those businesses and (iv) over the past several years, Genworth had struggled to generate a consistent level of life insurance sales.

From November 5, 2014 to November 6, 2014, Genworth s closing stock price decreased from $14.07 to $8.66.

In December 2014, following Genworth s third quarter earnings release and the resulting adverse rating agency actions, the Board directed Genworth s management to commence an evaluation of Genworth s long-term strategies, including a review of potential divestitures and other strategic opportunities that might be available to Genworth. The Board directed Genworth s management to focus on, among other things, reducing indebtedness and protecting the value of Genworth s mortgage insurance businesses, including through the potential separation or insulation of the LTC insurance business, which had presented financial and operational challenges for Genworth and affected Genworth s overall financial results, and with respect to which there were significant uncertainties regarding future performance, results of operations and capital adequacy levels. Genworth engaged Goldman Sachs and Lazard to act

as financial advisors to Genworth in connection with Genworth s evaluation of strategic alternatives. Each was engaged because of, among other factors, its substantial experience, knowledge of the insurance industry and familiarity with Genworth.

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On January 7, 2015 and January 8, 2015, and in subsequent meetings thereafter, Genworth s management, with the assistance of representatives of Goldman Sachs, Lazard, Willkie, Farr & Gallagher LLP (which we refer to as ***Willkie***), counsel to Genworth, and Weil, Gotshal & Manges LLP (which we refer to as ***Weil***), counsel to Genworth, met to review and discuss the strategic opportunities available to Genworth that could enhance value to stockholders. From time to time throughout January and early February 2015, members of Genworth s management met to develop a strategic plan. During these meetings, members of Genworth s management discussed with representatives of Goldman Sachs and Lazard the advantages and disadvantages of the various potential opportunities under consideration.

In January 2015, consistent with its earlier 2012 strategic plan, Genworth, with the assistance of Barclays Capital Inc., as its financial advisor, initiated an auction process to sell its lifestyle protection insurance business. As a result of the auction process, and after consideration and approval by the Board, on July 22, 2015, Genworth entered into a definitive agreement to sell its lifestyle protection insurance business to AXA S.A. The sale of that business closed on December 1, 2015 for a purchase price of 465 million.

On February 5, 2015, at a meeting of the Board, Genworth s management reviewed with the Board the potential opportunities available to Genworth that had been evaluated by management, and presented management s recommended long-term strategic plan. This strategic plan included:

- the restructuring and integration of Genworth s headquarters operations with its U.S. life insurance business to reduce costs;

- the execution of its previously planned sale of Genworth s lifestyle protection insurance business and the sale of the European mortgage insurance business which the Board had determined in February 2015 would be an appropriate means to exit the European mortgage insurance market, generate capital from a lower return business and support Genworth s plan to be PMIERs compliant;

- the recapture by GLAIC of certain U.S. life insurance blocks of business that it had ceded to Brookfield Life and Annuity Insurance Company Limited, Genworth s primary Bermuda domiciled reinsurance subsidiary (which we refer to as ***BLAIC***), and the subsequent repatriation of LTC insurance blocks of business and single premium deferred annuity blocks of business that GLIC had ceded to BLAIC (the recapture transactions were completed by July 1, 2016 and the repatriation transaction was completed on October 1, 2016);

- the potential sale of all or part of the U.S. life insurance and annuity businesses excluding the LTC insurance business (which we refer to as the ***L&A businesses***), in order to reduce the level of Genworth Holdings debt; and

- the preservation of future options to separate the LTC insurance business from Genworth s mortgage insurance businesses, with the goal, among other things, of preventing any potential future deterioration in the LTC insurance business from having a negative impact on the ratings, competitiveness in the market place and value of Genworth s mortgage insurance businesses.

Genworth s management noted that the plan was subject to further diligence related to regulatory matters, rating implications, legal considerations, tax analysis, LTC insurance financial projection analysis, and valuation considerations.

On February 10, 2015, Genworth announced a $478 million after-tax charge (among other LTC insurance related charges) related to an increase in LTC insurance acquired block reserves resulting from its fourth quarter reserve review. In connection with the fourth quarter reserve review, Genworth announced plans for additional LTC insurance in-force rate actions or benefit reductions.

On February 10, 2015, Genworth also publicly announced that it had commenced a broad strategic review of its businesses.

Following the February 10, 2015 announcement, S&P downgraded Genworth Holdings to BB- and Moody s downgraded Genworth Holdings from Baa3 (investment grade) to Ba1. S&P publicly stated that its downgrade

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was largely attributable to the downgrade of Genworth s core life insurance companies because (i) Genworth Holdings was highly reliant upon the dividend capacity of its subsidiaries to fund its debt servicing requirements of approximately $280 million annually and the repayment of Genworth s next debt maturity of $300 million in December 2016, (ii) US MI was unlikely to pay dividends until at least 2016, (iii) Genworth s management indicated a likely extension of its self-imposed dividend stoppage from its U.S. life insurance subsidiaries to Genworth and (iv) S&P determined that the constraint on Genworth s financial flexibility was likely to persist, as Genworth Holdings would have to rely on Genworth Australia and Genworth Canada for dividends in 2015 and 2016. Moody s publicly stated that its downgrade was attributable, among other things, to (i) Moody s belief that Genworth Holdings remained highly concentrated in the LTC insurance business and exposed to further deterioration in its legacy block, (ii) Genworth s being largely reliant on the continued approvals of LTC insurance rate increases by U.S. state insurance regulators to mitigate the financial impact of further adverse experience, (iii) over the past several years, Genworth s struggle to generate a consistent level of life insurance sales, without which Genworth would become further concentrated in LTC insurance business, weakening Genworth Holdings risk profile and franchise, and (iv) the fourth quarter of 2014 goodwill impairment related to both the life insurance and LTC insurance businesses, which also indicated weaknesses within those businesses.

From November 6, 2014 to February 28, 2015, Genworth s closing stock price declined from $8.66 to $7.75.

Life and Annuity Transaction Auction Process

At a meeting of the Board on February 20, 2015, the Board reviewed with Genworth s management a planned auction process to sell Genworth s L&A businesses together, or its life insurance business and certain term life insurance blocks separately (a potential transaction that we refer to as the ***Life and Annuity Transaction***) and the criteria to evaluate potential proposals.

The Life and Annuity Transaction auction process resulted in Genworth s receipt of 15 preliminary indications of interest. As part of the auction process, each of the parties who submitted a preliminary indication of interest was invited to submit a proposal to acquire the L&A businesses by April 3, 2015, after its further examination of the opportunity. In April 2015, Genworth received 7 preliminary non-binding proposals to acquire all or portions of its L&A businesses, including a bid from Company A, who submitted the proposal with the highest proposed purchase price, Company C, Company D, and four other bidders.

Between March 24, 2015 and April 17, 2015, Genworth provided all of the Life and Annuity Transaction bidders, including Company A, access to a secure online data room in order for them to conduct due diligence of Genworth s L&A businesses. In addition, bidders attended in-person meetings with Genworth s management between April 6, 2015 and April 10, 2015 and between June 1, 2015 and June 16, 2015.

At each of the seven separate meetings of the Board that were held between March 2015 and July 2015, Genworth s management reviewed the status of the Life and Annuity Transaction auction process and, in certain instances, the material terms of, and key differences among, the various proposals. During these meetings, the directors, certain members of management and Genworth s financial and legal advisors discussed, among other things, the criteria being used to evaluate the proposals, including net proceeds to Genworth Holdings, certainty of closing (including the likelihood of obtaining required regulatory approvals), counterparty risk, the scope of the assets to be sold, the legal, debt, tax, and ratings implications of each proposal, and the alternatives available to Genworth to a sale of the L&A businesses.

Potential Whole-Company Transaction with Company B

Genworth s review of strategic alternatives, including the auction processes it commenced with respect to the sales of its lifestyle protection insurance business and its L&A businesses, and its public disclosures regarding its review, led to Genworth s receipt of certain inquiries and indications of interest from third parties with respect to

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a sale of all of the outstanding capital stock of Genworth. The first of such inquiries Genworth received was from Company B, a non-U.S. entity. On April 14, 2015, Mr. Joseph Pehota, Genworth s Senior Vice President Corporate Development, was contacted by a representative of Company B, who requested a meeting to discuss a potential transaction with Genworth. On April 21, 2015, Genworth and Company B entered into a confidentiality agreement that contained a standstill provision that restricted Company B from acquiring or taking other specified actions with respect to Genworth s equity securities unless invited to do so by the Board. On April 22, 2015, Mr. Thomas McInerney, Chief Executive Officer of Genworth, and Mr. Pehota met with representatives of Company B. At that meeting, representatives of Company B expressed an interest in a transaction involving Genworth, but did not make any proposal for Genworth.

From February 28, 2015 to May 4, 2015 Genworth s closing stock price increased from $7.75 to $9.15.

On May 4, 2015, the Board received a written indication of interest from Company B to purchase all of the issued and outstanding shares of Genworth common stock for a purchase price of $12.50 per share, subject, among other things, to completion of its due diligence review of Genworth. After receiving this indication of interest, Genworth s management provided Company B with certain company information it requested in connection with Company B s due diligence review of Genworth.

At each of the three separate meetings of the Board held between May 5, 2015 and June 22, 2015, the directors discussed with Genworth s management and representatives of Goldman Sachs, Lazard, and Willkie, among other things, the proposed terms of the potential transaction with Company B, including a reduction in price offered by Company B to $10-11 per share (as described below), Genworth s management s and the Board s concerns regarding Company B s relative lack of experience with U.S. state insurance regulators and the execution risk of the transaction proposed by Company B, particularly from a regulatory perspective.

On four separate occasions during that period, Mr. McInerney, alone or together with other members of management, met in person or by phone with representatives of Company B to discuss, among other things, further information required by Genworth from Company B to assess the likelihood that Company B could execute an acquisition of Genworth. Company B continued with its due diligence investigation of Genworth during that time, particularly with respect to Genworth s LTC insurance business, which included in-person meetings with Genworth s management on May 21, 2015, during which diligence matters were discussed.

On May 5, 2015, after receipt of Genworth s management s recommendations, the Board authorized Genworth to effectuate the sale of a 14.2% stake in Genworth Australia through a fully underwritten sale to equity market investors. On May 11, 2015, Genworth indirectly sold a 14.2% stake in Genworth Australia as contemplated by the Board, reducing its equity ownership in Genworth Australia to 52% of Genworth Australia s outstanding capital stock. The sale generated approximately $226 million of net proceeds.

From May 4, 2015 to June 15, 2015, Genworth s closing stock price declined from $9.15 to $7.87.

On June 15, 2015, Company B sent a letter to Genworth, pursuant to which it stated that it was reducing its potential offer price to $10-$11 per share and requesting that Genworth grant Company B exclusivity pursuant to an exclusivity agreement. Company B attributed this reduction to, among other things, the results of its diligence investigation and its analysis of the LTC insurance business.

Following receipt of Company B s June 15, 2015 letter, representatives of Company B and Genworth discussed Company B s interest in a transaction with Genworth. During this discussion, in response to indications that Company B might withdraw its offer to purchase all of Genworth, Mr. McInerney suggested to representatives of Company B

that if Company B was not interested in acquiring all of Genworth, it should consider whether it would be interested in acquiring Genworth s U.S. life insurance business (including the L&A businesses and LTC insurance business).

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On June 22, 2015, certain members of Genworth s management provided the Board with an update on the status of the various strategic alternatives currently under its review. During this update, Genworth s management noted the continuing uncertainty regarding (i) Company B s commitment to executing a transaction with Genworth and (ii) certain aspects of Company B s proposal, including among other things with respect to valuation, certainty of closing and impact on ratings. After consulting with the Board and Genworth s financial advisors, Genworth s management determined to continue discussions with Company B on a non-exclusive basis while continuing to pursue other strategic alternatives.

Potential L&A and LTC Transaction with Company B and Life and Annuity Transaction with Company A

On July 1, 2015, Company B sent a letter to the Board in which it withdrew its proposal to purchase all of the outstanding capital stock of Genworth and proposed instead to purchase Genworth s U.S. life insurance business (including the L&A businesses and LTC insurance business), and related run-off assets, for a purchase price of $3 billion (a potential transaction which we refer to as the ***L&A and LTC Transaction***).

In July 2015, Mr. McInerney contacted a representative of Company A to discuss the status of Company A s proposal with respect to the Life and Annuity Transaction. During that call, in an effort to generate competition with Company B, Mr. McInerney suggested that Company A revise its proposal to include the acquisition by Company A of the LTC insurance business.

On July 2, 2015, a representative of Willkie delivered a draft stock purchase agreement with respect to the potential L&A and LTC Transaction to Company B s legal counsel.

By July 14, 2015, Genworth had received four definitive proposals in connection with the Life and Annuity Transaction, including proposals from Company A, Company C and Company D. Company A s bid proposed the highest purchase price for Genworth s L&A businesses but it did not include a proposal to acquire the LTC insurance business.

On July 16, 2015, at a meeting of the Board at which members of Genworth s management and representatives of Goldman Sachs, Lazard, Willkie and Weil were present, Genworth s management reviewed with the Board the material terms of, and key differences among, the bids received in connection with the Life and Annuity Transaction auction process. Management noted that each of the bidders had reduced its aggregate purchase price significantly from the price reflected in its first round proposals. Genworth s management also reviewed with the Board the current status of Genworth s discussions with Company B regarding the potential L&A and LTC Transaction. Following discussion, the Board instructed management to focus its attention on negotiations with Company B with respect to the potential L&A and LTC Transaction, but also to continue to negotiate with Company A with respect to the Life and Annuity Transaction.

On July 19, 2015, at a meeting of the Board, the directors, members of Genworth s management and Genworth s legal and financial advisors discussed Genworth s proposed response to Company B s July 1, 2015 proposal with respect to the L&A and LTC Transaction. Following that meeting, at the direction of the Board, Mr. McInerney delivered to Company B a letter in which, among other things, Genworth urged Company B to increase its price and provide greater clarity on the source of its financing.

Termination of Discussions with Company A and Company B and Pursuit of Other Transactions

On July 23, 2015, Mr. McInerney spoke with representatives of Company B. During that conversation, representatives of Company B informed Mr. McInerney that Company B would be willing to proceed with the L&A and LTC

Transaction for a purchase price of $3 billion only if Genworth were willing to provide up to $2 billion of downside protection to Company B with respect to liabilities relating to the LTC insurance business through 2023. Mr. McInerney informed the representatives of Company B that Company B should present its revised proposal to Genworth in writing. Company B declined to do so.

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At the July 29, 2015 portion of a meeting of the Board held on July 28 and 29, 2015, the directors, members of Genworth s management and representatives of Goldman Sachs, Lazard, Willkie and Weil discussed Company B s oral L&A and LTC Transaction proposal made to Mr. McInerney on July 23, 2015. After discussion, the Board directed management to cease discussions with Company B as a result of its requirement for Genworth to retain a large, long-term exposure to liabilities relating to its LTC insurance business and concerns regarding Company B s commitment to completing a transaction with Genworth.

Also, at the portion of that meeting of the Board held on July 29, 2015, the Board discussed the status of the Life and Annuity Transaction auction process and related considerations. The Board noted, among other things, that the final proposals received by Genworth would not have provided Genworth Holdings with enough proceeds to reduce Genworth Holdings outstanding debt obligations to a level that would enable Genworth to avoid ratings downgrades of Genworth Holdings and/or its mortgage businesses without separating the LTC insurance business from the other businesses. Genworth s management indicated that based on discussions with the relevant rating agencies, Genworth s management believed that if Genworth consummated the proposed Life and Annuity Transaction, even at the price proposed by the highest Life and Annuity Transaction bidder, and did not concurrently sell or separate its LTC insurance business, Genworth Holdings and/or U.S. Mortgage Insurance (which we refer to as ***US MI***) would incur significant ratings downgrades. After this discussion and as a result of the considerations discussed at that meeting, including the potential for the ratings downgrades to have a negative effect on the value and competitiveness of US MI, the Board directed management to terminate discussions with the bidders regarding the Life and Annuity Transaction but to proceed with other alternatives, including the sales of certain blocks of the term life insurance products written by GLAIC, GLIC and Genworth Life Insurance Company of New York, Genworth s New York domiciled life insurance company, which is currently partially owned by GLAIC (which we refer to as ***GLICNY***) that were reinsured by two Genworth subsidiaries, River Lake Insurance Company and River Lake Insurance Company II.

On July 29, 2015, Genworth received an indication of interest from AmTrust Financial Services, Inc. (which we refer to as ***AmTrust***) for the purchase of Genworth s European mortgage insurance business. After several months of negotiations with AmTrust and after consideration and approval of such transaction by the Board, on October 26, 2015, Genworth entered into an agreement to sell its European mortgage insurance business to AmTrust, which it announced on October 27, 2015. The sale of that business closed on May 9, 2016 for net proceeds of approximately $50 million.

From June 15, 2015 to August 4, 2015, Genworth s closing stock price declined from $7.87 to $7.02.

On August 4, 2015, Genworth announced that as part of its review of strategic options, it had completed its evaluation of alternatives to sell all or part of its L&A businesses and had determined that a large scale transaction (including a legal entity sale) was not in the best interests of stockholders at that time, after considering, among other things, financial and ratings interdependencies across its businesses. However, Genworth stated it might pursue a couple of targeted smaller block transactions to improve its regulatory capital.

From August 4, 2015 to August 5, 2015, Genworth s closing stock price decreased from $7.02 to $5.65.

On September 30, 2015, Genworth announced that it had entered into an agreement to sell certain blocks of term life insurance products that were reinsured by River Lake Insurance Company and River Lake Insurance Company II to Protective Life Insurance Company. This transaction became effective on January 1, 2016 and generated capital in excess of $150 million in aggregate to Genworth and tax benefits of approximately $175 million to Genworth Holdings, which were settled in July 2016 and which Genworth committed to the Virginia Bureau of Insurance would be used to execute the restructuring plan for its U.S. life insurance business.

Renewed Discussions with Company A

In September 2015, at the request of Company A, Mr. McInerney met with a representative of Company A. During this meeting, the representative of Company A indicated that Company A remained interested in

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exploring a potential transaction with Genworth and inquired as to whether Genworth would be interested in re-opening discussions regarding the sale of its L&A businesses to Company A. Mr. McInerney told the representative of Company A that, based on previous discussions with the Board, he believed the Board might be willing to consider a sale of the L&A businesses that also included a sale of the LTC insurance business and was structured in a manner that would result in Genworth Holdings receiving at least $1 billion in net proceeds to reduce outstanding debt to a level sufficient to enable Genworth which, following such a transaction, would primarily be a mortgage insurance business to successfully continue to operate as a public company including, among other things, from a commercial, ratings and regulatory perspective. Mr. McInerney relayed Company A s interest in pursuing a strategic transaction with Genworth to the Board at a meeting of the Board held on October 14-15, 2015.

At the direction of the Board, from October 2015 to December 2015, members of Genworth s management and representatives of Company A discussed the viability of a possible transaction involving the purchase by Company A of Genworth s L&A businesses and LTC insurance businesses, and Genworth granted Company A access to certain non-public information to enable Company A to conduct due diligence on the LTC insurance business. Members of Genworth s management also discussed the concept of such a transaction with the Delaware Department of Insurance in November 2015. During this time, Genworth s management also continued to explore other strategic alternative opportunities, including informal discussions between representatives of Genworth and each of Company C and Company D regarding a potential transaction between Genworth, on the one hand, and Company C or Company D, on the other hand. During such discussions, representatives of Genworth informed representatives of each of Company C and Company D that if they had continued interest in a potential transaction with Genworth they should submit an indication of interest to Genworth for the Board s consideration.

During the same time period, Genworth s management and the Board began discussing a series of internal restructuring actions, which, subject to regulatory and other potential third-party approvals, aimed at separating and isolating its LTC insurance business. These actions would be part of a multi-phased plan that was intended to (i) align substantially all of Genworth s in-force L&A businesses under GLAIC, Genworth s Virginia domiciled life insurance company, and all LTC insurance business under GLIC, Genworth s Delaware domiciled life insurance company; and (ii) separate GLAIC and GLIC ownership through the unstacking (which we define in the section entitled Summary Conditions to the Merger, beginning on page 133), so that both subsidiaries were wholly-owned by an intermediate holding company. To further isolate Genworth s LTC insurance business from its other businesses and cause it to be excluded from Genworth s public debt covenants, it was contemplated that GLIC and GLICNY might ultimately become direct subsidiaries of Genworth and no longer subsidiaries of Genworth Holdings.

On December 7, 2015, Mr. McInerney received a telephone call from a representative of Company A, during which the representative of Company A made a verbal indication of interest regarding two alternative transactions with Genworth (described below). On December 8, 2015, the Board received a written indication of interest from Company A, consistent with its verbal proposal, in which Company A offered Genworth two options:

The first option was for Company A to acquire Genworth s L&A businesses (a transaction similar in substance to the previously considered Life and Annuity Transaction) for a cash purchase price of $1.7 billion, assuming that GLAIC s total adjusted capital at closing and following the completion of various reinsurance transactions, was $1.985 billion (which was the amount of its total adjusted capital as of the reference valuation date of December 31, 2014). The proposal included a true-up mechanism that would cause the proposed purchase price to be adjusted based on changes in the total adjusted capital of GLAIC through the closing date. As a result of deterioration in GLAIC s financial condition after December 31, 2014, and other assumptions underlying Company A s bid, the projected purchase price represented by Company A s offer to acquire the L&A businesses was estimated by Genworth and Company A to be approximately $1.347 billion. The transaction would also include an additional $565 million in ceding

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commissions that would be paid to GLIC in connection with certain related reinsurance transactions. That proposed price was conditioned on the ability of GLAIC to reinsure 100% of its variable annuity business to GLIC (a transaction that would require insurance regulatory approval). If GLAIC were required to keep the variable annuity business, the purchase price would be reduced by an additional $350 million to a projected amount of $997 million. The proposed transaction was contingent on Genworth obtaining regulatory approval for, and completing prior to the closing of the transaction, a separation of its LTC insurance business from its L&A businesses as a result of which (i) all of Genworth s non-New York LTC insurance business would be insured and reinsured by GLIC, (ii) substantially all of the L&A business that was written by GLIC and GLICNY (other than the variable annuities business) would be reinsured by GLAIC and (iii) GLAIC would no longer be a subsidiary of GLIC (we refer to these transactions, collectively, as the ***Restructuring***). The successful completion by Genworth of a consent solicitation from holders of its outstanding debt was potentially required to permit Genworth to complete the transaction with Company A and other potential strategic options being considered by the Board at that time.

The second option was for Company A to acquire Genworth s L&A businesses for the same cash purchase price as in option one, and for two newly created affiliates of Company A to acquire Genworth s LTC insurance business, as described below. Specifically, the first affiliate would acquire GLIC (which would by then have been restructured to hold directly or indirectly through its ownership of GLICNY all of the LTC insurance business, GLAIC s variable annuities business and certain term life insurance business written during the year 2000). The consideration for the acquisition of GLIC would not include any cash at the closing, but instead would be three separate securities to be issued to Genworth: a surplus note; a priority share and a performance share. The surplus note and the priority share, collectively, would give Genworth the right to receive 100% of all dividend distributions from GLIC that were generated by GLIC s in-force business as of the closing date until the aggregate of all such distributions equaled $1 billion, plus an additional 3.5% annually on the difference between $1 billion and the amount previously paid to Genworth under the surplus note and the priority share. The principal amount of the surplus note would be determined through discussions with U.S. state insurance regulators. The performance share would entitle Genworth to 50% of all additional dividend distributions made by GLIC with respect to the in-force business as of the closing date after GLIC s obligations with respect to the surplus note and the priority share had been satisfied. Company A would receive the remaining 50% of such distributions, and also would receive an oversight and advisory fee and an asset management fee from GLIC, which would be paid to Company A regardless of whether GLIC made any payments in respect of the surplus note or made any dividend distributions with respect to its in-force business. The second affiliate would acquire Genworth North America Corporation and certain operational assets for nominal consideration. This affiliate would be paid a servicing fee from GLIC regardless of whether GLIC made any payments in respect of the surplus note or made any dividend distributions with respect to its in-force business. We refer to this collection of transactions, together with other related actions, agreements and transactions proposed by Company A in connection with such transactions, as the ***L&A Plus LTC Separation Transaction***.

On December 9, 2015 and December 10, 2015, at a meeting of the Board at which members of Genworth s management, Goldman Sachs and Lazard were present, members of management reviewed with the Board the written proposal received from Company A with respect to the L&A Plus LTC Separation Transaction and additional strategic transactions that management proposed to continue to pursue in addition to the L&A Plus LTC Separation Transaction. Among other things, management noted that Company A had requested that Genworth grant Company A exclusivity. During this meeting, management noted that Genworth expected to receive a separate proposal from Company D on December 14, 2015, although it was expected, based on Company D s final bid submitted in July 2015, that such proposal would be inferior, from a financial point of view, to the current proposal from Company A. After discussion among the directors, management and representatives of Goldman Sachs and Lazard, the Board instructed management to review the expected proposal from Company D and, if and only if such proposal from Company D was confirmed by management to be financially inferior to Company A s proposal, to execute a 45-day exclusivity agreement with Company A.

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On December 14, 2015, the Board received an indication of interest from Company D to purchase Genworth s L&A businesses. The proposal indicated that Company D was willing to consider an additional transaction in which it would reinsure the interest rate risk relating to the LTC insurance business. After discussions with financial advisors, Genworth s management determined that the proposal from Company D was inferior, from a financial point of view, to that of Company A. On that same date, Genworth received an indication of interest from Company C to purchase Genworth s U.S. life insurance and annuity businesses on substantially similar terms as its previous final proposal in connection with the Life and Annuity Transaction auction process and, in addition, it would consider reinsuring certain unspecified blocks of Genworth s LTC insurance policies issued prior to 2002 for which significant experience data were available. After discussions with financial advisors, Genworth s management determined that the proposal from Company C was inferior, from a financial point of view, to that of Company A.

On December 15, 2015, in connection with Genworth s management s delivery of a comparison of financial terms of the proposals received from Company A, Company B and Company C, Genworth s management informed the Board that Company A s proposal was superior to the proposals received from Company B and Company C. After giving the Board an opportunity to review, pursuant to the Board s instructions, Genworth s management confirmed that it would enter into a 45-day exclusivity agreement with Company A.

On December 16, 2015, Company A and Genworth entered into an exclusivity agreement, which provided for the parties to engage in exclusive negotiations regarding the L&A Plus LTC Separation Transaction for a period of 45 days. The exclusivity agreement provided that it would automatically extend for an additional 30 days if Company A and Genworth continued to engage in good faith negotiations with respect to a potential transaction and neither party had terminated such discussions or the exclusivity agreement by the end of such initial 45-day period. The exclusivity agreement also provided that Genworth could, in all cases, participate in discussions and negotiations with, and furnish information concerning Genworth and its subsidiaries and businesses to, any third party that submitted an unsolicited proposal to acquire all of the outstanding shares of Genworth common stock. It also permitted Genworth to enter into a definitive agreement with respect to such a transaction, subject to a requirement that Genworth reimburse Company A for a portion of its transaction expenses in certain circumstances. This exclusivity agreement was subsequently extended four separate times. It was extended on January 29, 2016 for an additional 30 days. On February 26, 2016, it was extended through March 21, 2016 pursuant to an agreement that also added an exception allowing Genworth to sell its term life new business platform to Pacific Life Insurance Company (which we refer to as ***Pacific Life***). On April 1, 2016, it was extended through May 20, 2016, and on June 1, 2016, it was extended through June 30, 2016. The exclusivity agreement expired on June 30, 2016 without further extension.

Also on December 16, 2015, representatives of Company A and Genworth met with representatives of the Virginia Bureau of Insurance to introduce them to the concept of the L&A Plus LTC Separation Transaction.

On January 15, 2016, the Board engaged Richards, Layton & Finger, P.A. (which we refer to as ***RLF***) to serve as its Delaware counsel with respect to the L&A Plus LTC Separation Transaction and Genworth s review of strategic alternatives.

Also on January 15, 2016, representatives of Company A and Genworth met with representatives of the New York Department of Financial Services to introduce them to the concept of the L&A Plus LTC Separation Transaction.

On January 21, 2016 and January 22, 2016, representatives of Company A and Genworth met with representatives of the Virginia Bureau of Insurance and the Delaware Department of Insurance, respectively, to discuss with them the L&A Plus LTC Separation Transaction. Following these meetings, representatives of Company A and Genworth met again with representatives of the Virginia Bureau of Insurance and the Delaware Department of Insurance, individually and in groups, at various times while they were negotiating the proposed L&A Plus LTC Separation

Transaction.

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During the period from January 4, 2016 to June 21, 2016, Genworth and Company A remained engaged in negotiations regarding the proposed L&A Plus LTC Separation Transaction. Throughout this time, Company A and Genworth proposed many different iterations of the L&A Plus LTC Separation Transaction and the material terms of that transaction. During this time, the Board and, after it was established in March 2016, the Strategic Transactions Committee, comprised of independent directors (which we refer to as the ***STC***) (the formation of which is described below), was kept apprised of material developments with respect to the discussions and negotiations relating to the L&A Plus LTC Separation Transaction. On several occasions, the Non-Executive Chairman of the Board, James S. Riepe, participated directly in discussions with representatives of Company A regarding the material terms of the proposed L&A Plus LTC Separation Transaction. Board or STC meetings at which the L&A Plus LTC Separation Transaction and the ongoing discussions with Company A were discussed among the directors and with management and the financial and legal advisors of Genworth and the Board or the STC, as applicable, were held 12 times between January 26, 2016 and June 6, 2016.

On January 12, 2016, Genworth s management delivered to Genworth s executives and employees working directly on the proposed L&A Plus LTC Separation Transaction guidelines prepared by Weil prohibiting any discussion between Genworth executives and Company A concerning post-closing employment by Company A or the terms thereof unless expressly permitted by the Board.

From August 5, 2015 to February 4, 2016, Genworth s closing stock price declined from $5.65 to $2.79.

On February 4, 2016, Genworth announced its fourth quarter 2015 results, which included a $194 million after-tax charge associated with its universal life insurance products, following its annual review of life insurance assumptions during the fourth quarter. Genworth also announced its plans to initiate the U.S. Life Restructuring. Genworth indicated these actions were focused on addressing LTC insurance legacy block issues that continued to pressure ratings across the organization. Genworth also announced its decision to suspend all sales of traditional life insurance and fixed annuity products in the first quarter of 2016, due to challenges selling these products with less competitive ratings, low market share, low new business returns, and the capital intensive nature of these products.

Following the February 4, 2016, announcement, S&P downgraded Genworth Holdings to B and Moody s downgraded Genworth Holdings from Ba1 to Ba3. S&P publicly stated that its downgrade was attributable to Genworth Holdings continued less-than-adequate financial flexibility (due to its reliance on the dividend capacity of its international mortgage insurance subsidiaries and holding company cash to fund its debt-servicing requirements of approximately $260 million annually, as well as debt repayment requirements). Similarly, Moody s stated that its downgrade resulted from (i) the deterioration in the financial flexibility of Genworth Holdings which was somewhat offset by Genworth s recent announcement that it was exploring options to separate and isolate its LTC insurance business, (ii) Genworth Holdings modest dividend capacity in the aggregate from its insurance subsidiaries, relative to its debt load and (iii) Genworth Holdings large upcoming debt maturities in 2018, and especially 2020 and 2021.

From February 4, 2016 to February 17, 2016, Genworth s closing stock price declined from $2.79 to $1.93.

In February 2016, following Genworth s decision to suspend sales of its traditional life insurance and annuity products and informed by past discussions with representatives of Pacific Life during Genworth s previous Life and Annuity Transaction auction in which Pacific Life participated, Mr. McInerney contacted a representative of Pacific Life to explore whether Pacific Life would be interested in acquiring Genworth s term life insurance new business operations. On April 25, 2016, Genworth entered into an agreement to sell its term life insurance new business platform to Pacific Life. The sale was completed on June 24, 2016 for $29 million in cash.

In February 2016, representatives of Genworth and Company A negotiated, among other things, the economic terms of the proposed L&A Plus LTC Separation Transaction and ways in which greater certainty could be

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provided to Genworth with respect to the expected proceeds to be received as a result of the completion of the L&A Plus LTC Separation Transaction. Among other things, Genworth negotiated for Company A to absorb the changes to the purchase price that otherwise would have resulted by giving effect to the announced statutory reserve charges and further to increase its price by $300 million, such that the projected purchase price would be approximately $1.7 billion. Representatives of Genworth also negotiated for Company A to provide more certainty around the proceeds to Genworth Holdings and increase the share of any potential future distributions from the LTC insurance business that would be retained by Genworth s stockholders.

In March 2016, following Genworth s request for an increased price for the L&A businesses, a representative of Company A notified Genworth that, as a result of findings from its ongoing due diligence of Genworth and based on its valuation model, Company A reduced the proposed purchase price for the L&A businesses by $150 million and the proposed aggregate ceding commission to be paid to GLIC and its subsidiary by $54 million. However, Company A indicated that it was willing to offset this reduction by increasing the strategic premium included in its valuation model by $50 million, absorbing statutory reserve charges that were announced in February 2016 and creating an additional $31 million of value to Genworth by making certain adjustments to the intercompany transactions contemplated as part of the L&A Plus LTC Separation Transaction. Also in March 2016, Company A and Genworth negotiated, among other things, a fixed price construct for the L&A Plus LTC Separation Transaction and mechanisms to increase certainty of expected proceeds to Genworth, including the introduction of a collar that would require Company A to bear the risk of up to $300 million in further deterioration of the financial condition of the L&A businesses (including inherent short-term volatility in the variable annuity block) prior to the closing. The introduction of the collar mechanism caused Company A to reduce its proposed purchase price by an additional $50 million. These changes collectively had the effect of reducing the projected purchase price to approximately $1.3 billion.

On March 31, 2016, representatives of Genworth and Company A met in Dover, Delaware, with representatives of the Delaware Department of Insurance to further discuss with those representatives the proposed terms and merits of the L&A Plus LTC Separation Transaction as well as the desired timeline for that transaction.

In April 2016, Company A and Genworth negotiated, among other things, the economic terms of the performance share and priority share in GLIC and the terms that would govern the ongoing management and administration of GLIC after the closing. Company A and Genworth also continued to negotiate the economic terms of the transaction, the potential fixed price construct, the treatment of earnings from the L&A businesses between the signing of the definitive agreement with respect to the L&A Plus LTC Separation Transaction and the closing, and other terms of that transaction. During these discussions, Company A informed Genworth that it was further reducing its price by 50% of the projected earnings from the L&A businesses during the period from the signing of a definitive agreement with respect to the L&A Plus LTC Separation Transaction and the closing of the transaction, which was calculated by the parties to represent a further reduction of approximately $8 million.

On April 11, 2016, representatives of Genworth and Company A met in New York, New York, with representatives of the New York Department of Financial Services. On April 20, 2016, representatives of Genworth and Company A met in Wilmington, Delaware, with representatives of the Delaware Department of Insurance. During both meetings, Genworth and Company A reviewed the Restructuring that would be required under the L&A Plus LTC Separation Transaction.

On April 28, 2016, representatives of Genworth and Company A again discussed the proposed terms of the L&A Plus LTC Separation Transaction with representatives of the Delaware Department of Insurance. During that meeting and in subsequent conversations, representatives of the Delaware Department of Insurance raised questions and potential concerns with respect to the terms of the L&A Plus LTC Separation Transaction, including specifically: the management, capital position and financial condition of GLIC after the closing; the interplay between Genworth s

continued economic interest in the LTC insurance business through the priority

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share and the performance share and the ongoing need for GLIC to pursue regulatory approval for rate increases with respect to the LTC insurance business; and the benefits to policyholders of LTC insurance policies written by GLIC under the proposed L&A Plus LTC Separation Transaction.

After that meeting, Genworth and Company A continued to discuss potential alternative terms with respect to the L&A Plus LTC Separation Transaction. On May 19, 2016, representatives of Genworth and Company A met with representatives of the Delaware Department of Insurance, the New York Department of Financial Services, the North Carolina Department of Insurance and the Virginia Bureau of Insurance. During that meeting, the regulators raised a number of questions and concerns regarding the L&A Plus LTC Separation Transaction, including with respect to the difficulty in approving the Restructuring (including the full separation of the L&A businesses from the LTC insurance business). Specifically, the regulators focused on the need for a simultaneous contribution of capital to GLIC or another transaction that would provide value to GLIC in exchange for transferring its ownership in GLAIC to an upstream subsidiary of Genworth such that GLAIC would no longer be a subsidiary of GLIC, and the interplay between the potential economic benefits to Genworth and Company A of the proposed L&A Plus LTC Separation Transaction and the ongoing need for GLIC to pursue regulatory approval for rate increases with respect to the LTC insurance business.

After the May 19, 2016 meeting, Genworth and Company A continued to discuss and negotiate potential terms of a L&A Plus LTC Separation Transaction. These discussions included proposals whereby Genworth would no longer have any continued economic interest in the LTC insurance business after the closing; the LTC insurance business would be sold for no consideration and all of the potential economic benefits with respect to the LTC insurance business would inure to the benefit of LTC policyholders or to both the LTC policyholders and Company A. Genworth and Company A also had additional discussions with the insurance regulators with respect to the proposed L&A Plus LTC Separation Transaction.

On June 10, 2016, representatives of Genworth and Company A met in Dover, Delaware, with representatives of the Delaware Department of Insurance and on June 15, 2016, they met in Richmond, Virginia, with representatives of the Virginia Bureau of Insurance. During both meetings, Genworth and Company A proposed potential solutions aimed at addressing the concerns expressed by certain U.S. state insurance regulators with respect to completing the unstacking and the reliance on regulatory approval for rate increases with respect to the LTC insurance business. Immediately after the conclusion of the Delaware meeting, Genworth s representatives (without Company A) continued their meeting with representatives of the Delaware Department of Insurance regarding alternatives to the L&A Plus LTC Separation Transaction. During this second part of the meeting, Genworth informed the Delaware Department of Insurance of the potential of a sale of the entire company to China Oceanwide.

On June 16, 2016, at a meeting between representatives of Genworth s management and Willkie, on the one hand, and Company A and its legal counsel, on the other hand, representatives of Company A indicated that it was no longer interested in proceeding with the L&A Plus LTC Separation Transaction on its then current terms. Instead, Company A proposed to separate the sale of the L&A businesses, which it proposed to complete in 2016, from the sale of the LTC insurance business and the related transfer of operational assets and personnel as contemplated by the L&A Plus LTC Separation Transaction, which it proposed to complete in 2017, and then only if Company A and Genworth were able to negotiate mutually acceptable terms with respect to such sale and receive reasonable assurances from the relevant insurance regulators that such sale was not objectionable from a regulatory perspective. Under this proposal, Company A would proceed with the acquisition of Genworth s L&A businesses (i.e. a transaction similar in substance to the previously considered Life and Annuity Transaction), and such acquisition would not be contingent on the completion, or affected by the abandonment, of the subsequent acquisition of the LTC insurance business. After such meeting with Company A, representatives of Genworth and Willkie had a telephone conversation with representatives of the Delaware Department of Insurance in which the status of the transaction was discussed. On that call,

representatives of the Delaware Department of Insurance again expressed concerns regarding the unstacking and indicated that they could not provide reasonable assurances that GLIC would receive regulatory approval to dividend all of the proceeds from the sale of the L&A

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businesses to Genworth Holdings without a significant capital infusion or other transaction that would contribute to GLIC fair value that was comparable to that of the L&A businesses being sold, and that the Delaware Department of Insurance would need to analyze fully any specific proposal Genworth presented to it with respect to any such dividends in light of GLIC s capital position and prospects. After receiving such feedback, Genworth s management, with the assistance of its financial and legal advisors and after discussion with the STC, determined to focus its efforts with Company A on structuring a potential transaction in connection with which Genworth could obtain regulatory approval for a partial unstacking in which Genworth would be permitted to dividend out of GLIC an amount equal to approximately 50% of the proceeds of the sale of the L&A businesses. The goal of such a partial unstacking would be to provide Genworth with cash in an amount sufficient to allow it to repay its debt maturing in 2018.

On June 21, 2016, Company A sent Genworth a new written proposal for the acquisition of the L&A businesses under the L&A Plus LTC Separation Transaction on the terms that had been discussed by the parties. The proposed purchase price for such businesses had been reduced by an additional $56 million from the price proposed by Company A in April 2016, to approximately $1.247 billion, and the collar had been eliminated. The proposed ceding commissions to be paid to GLIC and its subsidiary in connection with the related reinsurance transactions had also been reduced, to an aggregate of $175 million. The proposal also included the sale to Company A of Genworth s investment management operations for no additional consideration.

On June 28, 2016 and June 30, 2016, respectively, representatives of Genworth met in Wilmington, Delaware, with representatives of the Delaware Department of Insurance and in Richmond, Virginia, with representatives of the Virginia Bureau of Insurance. During those meetings, Genworth presented to the regulatory representatives the details and potential timing of a transaction with Company A similar in substance to the previously considered Life and Annuity Transaction and how the sale of GLAIC would fit into Genworth s long-term debt strategy. Genworth also offered a brief update as to the status of the proposed transaction with China Oceanwide.

While Genworth and Company A were engaged in these negotiations, a number of other developments occurred.

Initiation of Discussions with China Oceanwide and Company D

In May 2015, representatives of Willis Securities, Inc. (which we refer to as ***Willis Capital Markets & Advisory***), a financial advisor engaged by China Oceanwide USA Holdings Co. Ltd., an indirect subsidiary of China Oceanwide, contacted Mr. McInerney by email to indicate that China Oceanwide was interested in a potential transaction with Genworth. From May 2015 to January 2016, several interactions took place between Willis Capital Markets & Advisory and Mr. Pehota during which Mr. Pehota expressed on several occasions that Genworth would be receptive to considering a potential transaction with China Oceanwide under acceptable terms and conditions. In November 2015, Willis Capital Markets & Advisory reaffirmed China Oceanwide s interest in Genworth and requested a meeting with Mr. McInerney.

In addition, in January 2016, a representative of Company D informed a representative of Goldman Sachs that Company D was interested in exploring a potential purchase by Company D of all the outstanding shares of Genworth common stock. No specific price was stated.

On January 28, 2016, Mr. McInerney and Mr. Pehota met at Genworth s headquarters in Richmond, Virginia, with Mr. Xiaoxia Zhao, President and Chief Executive Officer of China Oceanwide s insurance group, Mr. Xuan Wang, a Vice President of China Oceanwide s insurance group and representatives of Willis Capital Markets & Advisory, to discuss China Oceanwide s potential interest in a transaction involving Genworth, and facts regarding China Oceanwide. At that meeting, representatives of China Oceanwide expressed an interest in a

transaction involving Genworth, but did not make any proposal. The representatives of China Oceanwide and Willis Capital Markets & Advisory indicated to Messrs. McInerney and Pehota that China Oceanwide had sufficient available cash to complete an acquisition of all of Genworth common stock, that its preliminary view of Genworth s aggregate value was approximately $3 billion, and that it might be willing to deploy additional

capital to Genworth s subsidiaries to support the LTC insurance business. At the end of the meeting, the parties agreed to have another discussion after Genworth s upcoming earnings release. After the meeting, Mr. McInerney briefed Mr. Riepe on the details of the meeting.

On February 5, 2016, the Board received from China Oceanwide a preliminary, non-binding indication of interest to purchase all of the issued and outstanding shares of Genworth common stock for an aggregate purchase price of $3 billion subject, among other things, to the completion of a due diligence investigation of Genworth, including actuarial reviews of the reserves relating to Genworth s LTC insurance, life insurance and annuity and U.S. mortgage insurance businesses. Messrs. McInerney and Zhao and their respective financial advisors spoke briefly that same day regarding China Oceanwide s interest in a transaction involving Genworth. During that call, Mr. Zhao reiterated China Oceanwide s interest in the transaction on the potential terms discussed at the January 28, 2016 meeting and representatives of Goldman Sachs and Lazard agreed to circulate certain questions to China Oceanwide to further Genworth s ability to assess China Oceanwide s proposal.

On February 6, 2016, representatives of Lazard and Goldman Sachs sent an email to representatives of Willis Capital Markets & Advisory requesting, among other things, that China Oceanwide clarify certain aspects of its proposal prior to a meeting of the Board that was scheduled for February 17-18, 2016. Specifically, the email requested that China Oceanwide provide: (i) an explanation of the due diligence investigation of Genworth that China Oceanwide had completed to date based on publicly available documents; (ii) a confirmation of the merger consideration that China Oceanwide proposed to pay in connection with the merger on both an aggregate and per share basis; (iii) details regarding the expected sources of financing for the amounts that China Oceanwide would be required to pay in connection with the merger, including confirmation that liquid cash resources were available to China Oceanwide for this purpose; (iv) a description of the expected strategy for Genworth s businesses under China Oceanwide s ownership; (v) a description of China Oceanwide s expectations and assumptions for Genworth s ratings under China Oceanwide s ownership, including China Oceanwide s plans to achieve any targeted ratings and the capital available to China Oceanwide to achieve such ratings; (vi) confirmation of China Oceanwide s understanding that Genworth would not enter into a definitive agreement with China Oceanwide with respect to the merger without a meaningful reverse termination fee that would be payable by China Oceanwide to Genworth if the merger failed to close under certain circumstances; (vii) a description of China Oceanwide s plans for Genworth s management team; (viii) an explanation of China Oceanwide s relationship, and any previous discussions China Oceanwide had, with regulators in the United States, particularly U.S. state insurance regulators; (ix) confirmation that China Oceanwide has no state-related or government ownership; (x) a description of China Oceanwide s plan and timetable for completing its due diligence investigation of Genworth; and (xi) a confirmation of the legal, accounting and actuarial advisors that China Oceanwide had engaged in connection with the proposed merger.

On February 16, 2016, a representative of Willis Capital Markets & Advisory responded in writing on behalf of China Oceanwide to the requests made by Lazard and Goldman in their February 6, 2016 email. In this writing, the representative of Willis Capital Markets & Advisory confirmed that: (i) China Oceanwide had completed preliminary diligence based on publicly available information; (ii) the merger consideration proposed by China Oceanwide was $3 billion in the aggregate, which China Oceanwide calculated to equate to approximately $6.03 per share based on public share count information available to it; (iii) the merger consideration would be payable in cash; (iv) the merger consideration would be funded through cash-on-hand at China Oceanwide and its affiliates, for which China Oceanwide represented to have over $20 billion in cash, cash equivalents and available-for-sale assets; (v) China Oceanwide planned to continue, support and expand Genworth s existing operations; (vi) China Oceanwide was still evaluating the ratings it expected for Genworth under China Oceanwide s ownership, but that it generally expected them to be consistent with the ratings Genworth held prior to its most recent downgrades in November 2014; (vii) China Oceanwide was prepared to offer terms regarding a customary reverse termination fee in connection with the merger; (viii) China Oceanwide expected to retain Genworth s management team and to rely on them to operate the

business; (ix) it had engaged in discussions regarding the regulatory approval process with attorneys who had experience with U.S. state insurance regulators; (x) China Oceanwide had no state-related or governmental ownership; (xi) China Oceanwide

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expected to complete its due diligence investigation of Genworth within four weeks after being granted access to requested information; and (xii) China Oceanwide had engaged advisors to help it evaluate, negotiate and consummate the merger.

That same day, Mr. McInerney spoke with Messrs. Zhao and Wang regarding the information provided by the representative of Willis Capital Markets & Advisory on behalf of China Oceanwide.

On February 17, 2016, the Board received a new proposal from Company D. This proposal provided Genworth with two options. The first option was for Company D to purchase all of the issued and outstanding shares of Genworth common stock for a purchase price of $3.50 per share conditioned on, among other things, the parties obtaining regulatory approval for a dividend of at least $1.8 billion to be paid by GLIC, and the separation and isolation of the LTC insurance business from Genworth s other businesses. The second option was for Company D to make a $750 million preferred equity investment in Genworth, which would be secured by a lien on the shares of Genworth s U.S. mortgage insurance holding company. Each of these options was subject to additional due diligence to be conducted by Company D.

On February 17, 2016, Genworth s closing stock price was $1.93.

At a meeting of the Board held on February 17-18, 2016, which was also attended by members of Genworth s management and representatives of Goldman Sachs, Lazard, Willkie, Weil, and RLF, representatives of Weil and RLF reviewed with the Board the fiduciary duties of the directors when evaluating a strategic opportunity (including the sale of all of the outstanding shares of Genworth common stock). In addition to discussions about the status of negotiations with Company A regarding the L&A Plus LTC Separation Transaction, the Board discussed with management and Genworth s advisors the terms of the proposals made by China Oceanwide and Company D. The discussion included, among other things, a brief accounting of recent insurance industry precedent transactions involving Chinese acquirors and some of the challenges faced by the parties in those transactions, including difficulties in obtaining regulatory approvals to complete the acquisitions and negative ratings implications resulting from those transactions. A representative of Goldman Sachs also led a discussion regarding Genworth s financing and debt repayment options and indicated that, in its current financial position, Genworth s refinancing alternatives were limited. At the end of the meeting, the Board instructed management to continue negotiations with Company A regarding the L&A Plus LTC Separation Transaction and, concurrently, to work with China Oceanwide and Company D to facilitate their due diligence investigation of Genworth.

In addition, during the Board s meeting, the Board received an update regarding ongoing federal securities law class actions then pending in both the United States District Court for the Eastern District of Virginia, relating to Genworth s LTC insurance business (which we refer to as the ***LTC Class Action***), and in the United States District Court for the Southern District of New York, relating to Genworth Australia s mortgage insurance business (which we refer to as the ***Australia MI Class Action***). Weil (which is also counsel to Genworth in the LTC Class Action) and Dentons US LLP (Genworth s outside counsel in the Australia MI Class Action) led separate discussions regarding the merits of the claims asserted in the LTC Class Action and the Australia MI Class Action, respectively, and the status of those actions. Simpson Thacher & Bartlett LLP (which served as outside counsel to a committee of the Board that reviewed certain stockholder demands that the Board has received (which we refer to as the ***Demand Committee***) relating to the events and circumstances underlying the LTC Class Action and the Australia MI Class Action, which we refer to as ***Simpson Thacher***), also joined for a portion of the meeting to discuss the Demand Committee s review of a stockholder demand relating to events and circumstances underlying the LTC Class Action, including the Demand Committee s investigation into underlying facts with the assistance of Simpson Thacher, and the Demand Committee s recommendation with respect to the merits and likelihood of success of potential derivative claims that the stockholder alleged should be filed on behalf of Genworth against various directors and officers.

During the week of February 21, 2016, representatives of Genworth sent draft confidentiality agreements to representatives of each of China Oceanwide and Company D. Each of these drafts included a standstill

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provision that applied to debt and equity securities of Genworth that would restrict China Oceanwide and Company D from acquiring or taking other specified actions with respect to such securities unless invited to do so by the Board.

On February 27, 2016, representatives of Company D provided comments to the confidentiality agreement to representatives of Willkie. Between February 27, 2016 and March 3, 2016, Genworth and Company D negotiated the terms of such confidentiality agreement. On March 3, 2016, Company D executed the final negotiated draft of such confidentiality agreement, which included a standstill provision that applied to debt and equity securities of Genworth.

On February 29, 2016, representatives of Goldman Sachs and Lazard had a telephone conversation with representatives of Willis Capital Markets & Advisory in which Willis Capital Markets & Advisory (i) again confirmed China Oceanwide s interest in engaging in the merger, and (ii) provided an update on China Oceanwide s expectations regarding the timing of the proposed merger. Willis Capital Markets & Advisory advised Genworth that China Oceanwide had decided to engage Sullivan & Cromwell LLP (which we refer to as ***Sullivan & Cromwell***) as its legal advisor and Citigroup Global Markets Asia Limited (which we refer to as ***Citi***) as a financial advisor in addition to Willis Capital Markets & Advisory, in connection with the merger.

On February 29, 2016, Genworth s closing stock price was $2.12.

On March 1, 2016, representatives of Willis Capital Markets & Advisory delivered a preliminary due diligence request list to representatives of Goldman Sachs, Lazard and Willkie on behalf of China Oceanwide.

On March 2, 2016, representatives of China Oceanwide s advisors provided to representatives of Genworth s advisors comments on the proposed confidentiality agreement. Between March 2, 2016 and March 4, 2016, Genworth and China Oceanwide negotiated the terms of the confidentiality agreement. On March 4, 2016, China Oceanwide, through one of its subsidiaries, entered into the final negotiated draft of this confidentiality agreement, which included a standstill provision that applied to debt and equity securities of Genworth.

Also on March 4, 2016, representatives of Goldman Sachs and Lazard had a telephone conversation with representatives of Willis Capital Markets & Advisory and Citi regarding China Oceanwide s due diligence process and the expected timeline of the proposed merger. In addition, Genworth granted China Oceanwide and Company D access to a secure online data room in order for them to begin their due diligence investigation of Genworth s non-public information.

Also, on March 4, 2016, Genworth commenced a consent solicitation with respect to its outstanding debt securities in order to amend the terms of the indenture pursuant to which such debt securities were issued to facilitate a potential sale of all or part of Genworth s L&A businesses and increase Genworth s flexibility to pursue other potential strategic alternatives. The consent solicitation was successfully completed on March 22, 2016.

From March 4, 2016 through March 6, 2016, representatives of Genworth, Goldman Sachs, Lazard and Willkie had discussions with representatives of Company D regarding the potential implications of Genworth s consent solicitation process to Company D and its proposal.

On March 15, 2016, Genworth received a letter from Company D in which Company D expressed its continued interest in engaging in a transaction involving Genworth and requesting that Genworth provide it access to additional information in connection with its due diligence investigation of Genworth.

At a meeting of the Board held on March 16, 2016 and March 17, 2016, which was also attended by members of Genworth s management and representatives of Goldman Sachs, Lazard, Willkie, Weil and RLF, the Board reviewed,

among other things, the status of its discussions with Company A regarding the L&A Plus LTC Separation Transaction and the indications of interest received from China Oceanwide and from Company D. At

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the conclusion of the meeting, the Board directed management to continue negotiations with Company A with respect to the L&A Plus LTC Separation Transaction but also to engage with China Oceanwide and Company D with respect to their respective proposals to purchase all of Genworth and to explore with Genworth s primary U.S. state insurance regulators the viability of an acquisition of Genworth by China Oceanwide. Also at this meeting of the Board, Genworth s management reviewed with the Board the March projections (see the section entitled Certain Genworth Unaudited Financial Projections, beginning on page 85).

In addition, during the Board s meeting on March 17, 2016, Simpson Thacher joined for a portion of the meeting to further discuss the Demand Committee s review and consideration of the stockholder demand relating to events underlying the LTC Class Action, which had been previously discussed with the Board at its meeting on February 17-18, 2016, in light of an agreement by Genworth to settle the LTC Class Action, which had been publicly announced on March 11, 2016. During this discussion, the Board determined that the settlement of the LTC Class Action did not change the Demand Committee s recommendation or the Board s prior conclusions with respect to the merits and likelihood of success with respect to potential derivative claims on behalf of Genworth relating to the events and circumstances underlying the LTC Class Action. After Simpson Thacher departed the meeting, the Board engaged in a further discussion regarding the status of the LTC Class Action settlement and the Australia MI Class Action, as well as two additional stockholder demands relating to the events and circumstances underlying the LTC Class Action and the Australia MI Class Action, which the Board determined to refer to the Demand Committee for a review and recommendation.

At this same meeting, the Board unanimously approved the formation of the STC comprised solely of independent directors. The purpose of the STC was to evaluate the strategic direction of Genworth, including potential strategic transactions involving Genworth, and to report and make recommendations to the full Board with respect to any such strategic transaction.

On March 22, 2016, at the direction of the Board, Mr. McInerney sent a letter to China Oceanwide in which he informed China Oceanwide that the Board was concerned with the risk that China Oceanwide would be unable to complete a potential acquisition of Genworth in light of the fact that it had no prior experience with either U.S. insurance company acquisitions or U.S. state insurance regulators. He also informed China Oceanwide that the Board had instructed Genworth s management to have discussions about China Oceanwide s proposal with Genworth s primary U.S. state insurance regulators to solicit their views about the viability of China Oceanwide s proposed acquisition of Genworth and the likelihood that it would be able to obtain necessary regulatory approvals to complete such an acquisition. In the letter, Mr. McInerney requested that China Oceanwide provide to Genworth additional information regarding China Oceanwide s ownership, organizational structure, sources of funds, certain financial statements, and future plans for Genworth s businesses to facilitate discussions with regulators. Mr. McInerney encouraged China Oceanwide to continue its due diligence investigation of Genworth through its review of information that was made available to it through the secure online data room, but also notified China Oceanwide that in-person meetings and further diligence discussions between the parties would not be held until Genworth had received favorable input from its insurance regulators regarding the proposed merger.

Between March 22, 2016 and the execution of the merger agreement on October 21, 2016, Genworth was generally engaged in regular formal and informal discussions, and otherwise communicated regularly, with its principal U.S. state insurance regulators regarding the strategic alternatives being considered by Genworth, including the transactions that were discussed during that time with Company A and the viability of China Oceanwide as a potential acquiror of Genworth.

Termination of discussions with Company D

On March 29, 2016, representatives of Company D met with representatives of Genworth to discuss matters relating to Company D s due diligence investigation of Genworth. After this meeting, Genworth did not receive any proposals, indications of interest or material inquiries from Company D.

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Ongoing Discussions with China Oceanwide and Company A

On April 6, 2016, representatives of Willis Capital Markets & Advisory, on behalf of China Oceanwide, delivered to representatives of Lazard additional information regarding China Oceanwide, including information regarding its ownership, organizational structure, financial condition, sources of funding and its future plans for Genworth s businesses.

On April 19, 2016, the STC held a meeting at which members of management and representatives of Goldman Sachs, Lazard, Willkie, Weil and RLF were present. During this meeting, the members of the STC and Genworth s advisors discussed, among other things, the status of discussions with Company A regarding the terms of the L&A Plus LTC Separation Transaction, the information provided by China Oceanwide, and the potential viability of an acquisition of Genworth by China Oceanwide. The STC and Genworth s advisors also discussed possible concerns that may be raised by Genworth s U.S. state insurance regulators with respect to China Oceanwide s proposed acquisition of Genworth. Following this discussion, the STC directed management to request a meeting with the Virginia Bureau of Insurance to discuss China Oceanwide s proposal.

On April 28, 2016, Genworth announced its financial results for the first quarter ended March 31, 2016. From April 28, 2016 to April 29, 2016, Genworth s stock price increased from $2.86 to $3.43.

The STC met on May 6, 2016, and the full Board met on May 11, 2016 and May 12, 2016, in each case, with members of management and Genworth s advisors present. At these meetings, the STC and the Board discussed, among other things, Genworth s ongoing discussions with its principal U.S. state insurance regulators and the concerns they raised with respect to both the proposed acquisition of Genworth by China Oceanwide and the terms that were then being discussed by Genworth and Company A in connection with the L&A Plus LTC Separation Transaction. At the May 11-12, 2016 meeting, the Board appointed another independent director as an alternate member of the STC.

On May 16, 2016, Mr. McInerney had a telephone conversation with Mr. Zhao in which they discussed upcoming meetings planned for that week. On May 17, 2016, representatives of Genworth, China Oceanwide, Willis Capital Markets & Advisory, Citi and Sullivan & Cromwell jointly had a meeting with representatives of the Virginia Bureau of Insurance in which they discussed China Oceanwide s proposal to acquire Genworth and its plans regarding the operation of Genworth s businesses after the closing.

On May 18, 2016, representatives of Genworth held due diligence sessions at Genworth s offices in Richmond, Virginia, with representatives of China Oceanwide. Representatives of Goldman Sachs and Lazard, and representatives of Willis Capital Markets & Advisory, Citi, Sullivan & Cromwell, Willis Towers Watson, actuarial advisor to China Oceanwide, and PricewaterhouseCoopers LLP, an accounting advisor to China Oceanwide, were also present. During such sessions, representatives of Genworth made presentations to China Oceanwide regarding Genworth s businesses and operations and China Oceanwide asked questions of the representatives of Genworth in connection with its due diligence investigation of Genworth. At the end of these meetings, China Oceanwide indicated that it would continue to conduct its due diligence investigation of Genworth and assess its proposal with respect to the merger. After these meetings, China Oceanwide continued its due diligence investigation of Genworth, and representatives of Genworth made other presentations or answered questions from China Oceanwide regarding different aspects of Genworth s operations.

On May 20, 2016, representatives of Goldman Sachs and Lazard jointly sent a letter to China Oceanwide in which they set forth Genworth s expectations regarding any definitive proposal from China Oceanwide with respect to the merger. The letter requested that China Oceanwide provide its revised proposal with respect to the merger by June 10, 2016, and for China Oceanwide to include in such new proposal clarifications regarding certain items, including the

amount of, and proposed terms with respect to, the reverse termination fee that would be required to be paid by China Oceanwide to Genworth if the merger agreement were to be terminated under certain circumstances. On May 24, 2016, representatives of China Oceanwide, Willis Capital Markets &

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Advisory and Citi met with representatives of Genworth and discussed the potential meetings and discussions that the parties may engage in with Genworth s insurance regulators in the context of the proposed transaction with China Oceanwide. During this meeting, Willis Capital Markets & Advisory and Citi indicated that it was China Oceanwide s expectation that Genworth s continued execution and completion of certain steps with respect to the complete separation of the life insurance and annuity businesses from the LTC insurance business be a closing condition to the proposed transaction with China Oceanwide. During the discussion, Genworth suggested that additional capital would likely be required to facilitate the completion of such separation, and further suggested that at least $250 million might be required in addition to the tax benefits of approximately $175 million from the reinsurance transaction with Protective Life Insurance Company, which Genworth had already committed to the Virginia Bureau of Insurance to execute the restructuring plan for the U.S. life insurance business.

On June 6, 2016, the STC met with members of Genworth s management and representatives of Goldman Sachs, Lazard, Willkie, Weil and RLF to discuss, among other things, the status of discussions with Company A regarding the L&A Plus LTC Separation Transaction and the status of discussions with China Oceanwide, as well as China Oceanwide s ongoing due diligence investigation of Genworth. The STC discussed the viability of the merger and decided that Genworth should not request a meeting among Genworth, China Oceanwide and the Delaware Department of Insurance unless and until China Oceanwide provided Genworth with an acceptable revised proposal with respect to the merger, and acceptable supporting documentation regarding China Oceanwide and its financial position and organizational and ownership structures.

On June 15, 2016, China Oceanwide delivered to representatives of Goldman Sachs and Lazard a revised proposal with respect to the merger. The revised proposal reflected a reduction in the merger consideration proposed to be paid by China Oceanwide from approximately $6.03 per share to $5.43 per share. At the time, the proposed merger consideration of $5.43 per share represented a 76% premium to the closing price of Genworth s common stock on June 14, 2016, the final trading day before the revised proposal was received by Genworth. The revised proposal included, among other things, a commitment by China Oceanwide to contribute an additional $250 million to facilitate the complete separation of the LTC insurance business from Genworth s other businesses, contingent on such separation being completed at or prior to the closing of the merger. The revised proposal was also conditioned on, among other things: (i) pre-signing confirmation from relevant rating agencies that, without any additional action or capital contributions by Genworth or China Oceanwide, certain of Genworth subsidiaries ratings would be upgraded by at least one notch from their current ratings after giving effect to the separation of the LTC insurance business from Genworth s other businesses; and (ii) the entry into employment agreements with key members of Genworth s executive management team. The revised proposal also contemplated additional pre-signing joint discussions with relevant insurance regulatory authorities in the U.S. and internationally, including in Canada and Australia. Finally, it contemplated reciprocal termination and reverse termination fees equal to $112 million, or approximately 4% of the proposed aggregate transaction consideration. The reverse termination fee would be payable by China Oceanwide in the event it failed to obtain any PRC regulatory approvals necessary for the completion of the merger. In connection with its revised proposal, China Oceanwide requested that Genworth agree to negotiate with China Oceanwide on an exclusive basis for a period of not less than 30 days.

On June 15, 2016, Genworth s closing stock price was $3.15.

On June 21, 2016, Company A sent Genworth the new written proposal for the acquisition of the L&A businesses described above under option 1 of the L&A Plus LTC Separation Transaction.

On June 23, 2016, the STC held a meeting at which members of Genworth s management and representatives of Goldman Sachs, Lazard, Willkie, Weil and RLF were present. The STC discussed the proposal made by Company A on June 21, 2016 pursuant to which it had offered to acquire only Genworth s L&A businesses. The STC determined

that it was willing to consider a sale of only the L&A businesses to Company A, so long as it retained flexibility to negotiate a sale of all of Genworth to China Oceanwide or any other bidder that made a similar proposal. Mr. McInerney conveyed these terms to representatives of Company A on June 24, 2016.

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Also at the June 23, 2016 meeting held by the STC, representatives of Genworth s management, Goldman Sachs, Lazard, Willkie and RLF provided an update to the STC regarding China Oceanwide s revised proposal. Following discussion, the STC instructed Genworth s management and advisors to respond to China Oceanwide s proposal to address the issues discussed with the STC at this meeting, including: (i) concerns regarding China Oceanwide s ability to obtain required insurance regulatory approvals to complete the merger, including as a result of issues regarding its financial wherewithal to complete the merger and any relationships it may have with PRC governmental authorities; (ii) the reasons for the reduction in the proposed merger consideration; (iii) the proposed pre-signing condition relating to Genworth s ratings; and (iv) the proposed termination and reverse termination fees.

Also on June 23, 2016, at the direction of the STC, Genworth sent a letter to representatives of China Oceanwide in which Genworth, among other things: (i) requested that China Oceanwide deliver to Genworth a substantially complete draft of a Form A application for the acquisition of control by China Oceanwide and its controlling persons of Genworth s regulated insurance subsidiaries in a form that China Oceanwide would expect to deliver to insurance regulators, together with audited financial statements for China Oceanwide and confirmation that there is no direct or indirect ownership of China Oceanwide by the government of the PRC; (ii) requested that China Oceanwide explain its rationale for the reduction in the proposed merger consideration from approximately $6.03 to $5.43 per share; (iii) informed China Oceanwide that the achievement of ratings upgrades should not be a condition to the transaction; (iv) proposed that the termination fee be reduced to 2.5% of the proposed aggregate transaction consideration to be paid by Genworth pursuant to the merger (such 2.5% equaling approximately $70 million), that the reverse termination fee be increased to 10% of the proposed aggregate transaction consideration to be paid by China Oceanwide pursuant to the merger (such 10% equaling approximately $280 million) and that the reverse termination fee be payable by China Oceanwide to Genworth if China Oceanwide fails to obtain *any* regulatory approval required to be obtained by it in connection with the merger or if China Oceanwide breaches the definitive transaction agreement; (v) requested confirmation that any additional capital contribution by China Oceanwide to facilitate the unstacking would not reduce the merger consideration to be paid to Genworth s stockholders; and (vi) proposed a definition of burdensome condition that would be used as the standard for determining when China Oceanwide may have a right under the definitive transaction agreement not to close the merger under certain circumstances relating to the regulatory approval process. In its letter, Genworth requested that China Oceanwide complete its due diligence investigation of Genworth and submit its final proposal, including a proposed draft of the merger agreement, by July 15, 2016. Representatives of Goldman Sachs and Lazard had subsequent clarifying conversations with representatives of Willis Capital Markets & Advisory and Citi regarding the matters contemplated by this letter.

On July 1, 2016, Company A sent Genworth a revised proposal with respect to the acquisition of Genworth s L&A businesses. In such proposal, Company A agreed to exclude from the transaction the acquisition of Genworth s investment management operations, which would instead remain with Genworth. In lieu of the acquisition of the investment management operations, Company A indicated that it was reducing its purchase price for the L&A businesses by an additional $97 million. The proposal also excluded from the transaction the annuity business written by GLICNY. Company A indicated that this exclusion caused the purchase price to be decreased by an additional $10 million. In addition, Company A indicated in its proposal that, because of what Company A described as a deterioration in its long-term outlook for interest rates and credit experience, it was (i) reducing the purchase price by an additional $50 million and (ii) changing its proposal such that, rather than all cash, Genworth would receive a combination of cash and $150 million of amortizing preferred stock in Company A as consideration for the sale of the L&A businesses.

Also on July 1, 2016, the Board held a meeting at which members of Genworth s management and representatives of Goldman Sachs, Lazard, Willkie, Weil and RLF were present. Genworth s management reviewed the current status of the discussions with Company A and China Oceanwide, and the feedback it received from certain of Genworth s principal U.S. state insurance regulators regarding the proposed transactions. Following this discussion, the Board

concluded that Genworth s management and advisors should continue to negotiate with both Company A and China Oceanwide.

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Between July 1, 2016 and July 7, 2016, representatives of Genworth s management and its advisors had conversations with representatives of Company A and its advisors regarding the purchase price, form of consideration and other aspects of Company A s July 1 proposal with respect to the acquisition of Genworth s L&A businesses.

On July 7, 2016, Genworth received from Company A a revised proposal for the acquisition of Genworth s L&A businesses in which, among other things, Company A increased its price by $100 million and increased the proposed rate of return on the preferred stock it proposed to issue to Genworth in the transaction.

Also on July 7, 2016, Genworth received from China Oceanwide and its advisors: (i) a letter in which it confirmed its proposed price of $5.43 per share, which at the time represented a 131% premium to the $2.35 closing price of Genworth s shares on July 6, 2016 (the last trading day prior to the date of such letter), indicated that it intended to retire Genworth s outstanding debt maturing in 2018 in connection with the merger and renewed its request to negotiate with Genworth on an exclusive basis; (ii) an initial draft of a Form A application for the acquisition of control by China Oceanwide and its controlling persons of Genworth s regulated insurance subsidiaries in a form that China Oceanwide expected to deliver to the Delaware Department of Insurance; and (iii) a draft of a proposed merger agreement. The draft of the proposed merger agreement contemplated, among other things, (x) a termination fee to be paid by Genworth equal to 3.75% of the proposed aggregate merger consideration, (y) a reverse termination fee to be paid by China Oceanwide equal to 7.5% of the proposed aggregate merger consideration that would be (a) payable only if the failure of the merger to be consummated resulted from China Oceanwide s failure to obtain regulatory approvals from governmental authorities in the PRC or from a material uncured breach of the merger agreement by China Oceanwide which led to the failure of a closing condition and (b) secured by either a cash escrow account or a letter of credit to be put in place concurrently with the execution of the merger agreement, a proposed definition of burdensome condition, and (z) a condition to China Oceanwide s obligations to consummate the merger that certain unidentified key employees would remain employed by Genworth through the closing (subject to certain exceptions) and would not have announced an intention not to honor the terms of a new employment agreement that China Oceanwide contemplated to be executed concurrently with the execution of the merger agreement.

On July 10, 2016, the STC met with members of management and representatives of Goldman Sachs, Lazard, Willkie, Weil and RLF. During this meeting, the STC discussed with management and Genworth s advisors the proposals and information received from Company A and China Oceanwide. A representative of Lazard also reported on a recent discussion with Mr. Lu Zhiqiang, the Chairman and President of China Oceanwide (to whom we refer as ***Chairman Lu***), which took place on July 8, 2016, when such representative was in Beijing, China on matters unrelated to Genworth, during which Chairman Lu conveyed China Oceanwide s seriousness in pursuing a transaction with Genworth. After discussion, the STC directed Genworth s management to: (i) complete its due diligence investigation of China Oceanwide in order to decide whether to move forward with discussions with Genworth s principal U.S. state insurance regulators and Genworth s rating agencies regarding China Oceanwide s proposal; and (ii) inform Company A that Genworth required that the proposed consideration for the sale of the L&A businesses be all cash, that the proposal include a collar or similar mechanism to protect Genworth against further deterioration in the purchase price of GLAIC due to the proposed true-up mechanism, and that the transaction result in at least $600 million of unrestricted cash proceeds being available to Genworth to be used to repay outstanding indebtedness. Genworth informed Company A of these responses through a letter that was sent to Company A on July 11, 2016.

On July 13, 2016, representatives of Genworth s management, China Oceanwide and their respective financial and legal advisors met to discuss the terms of China Oceanwide s proposed transaction. During such meeting, representatives of Willkie discussed with representatives of Sullivan & Cromwell the additional information that should be added to the draft of an illustrative Delaware Form A application provided by China Oceanwide on July 7, 2016. The parties discussed the information, including the status of China Oceanwide s preparation of financial statements, that would be submitted to regulators in connection with the regulatory approval process relating to the

merger. The parties also discussed, among other things, the proposed definition of burdensome

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condition and the implications of that definition on the regulatory approval process in connection with the merger, and the size of the termination fee and the reverse termination fee and the circumstances in which such fees would be payable. Representatives of Genworth also rejected the inclusion of any condition relating to the continued employment of any Genworth employees. Finally, the parties discussed a process in which Genworth and China Oceanwide would jointly approach Genworth s principal U.S. state insurance regulators, as well as Moody s and S&P, in order to obtain their preliminary assessments regarding the merger. In addition, the representatives of China Oceanwide indicated that Chairman Lu would like to invite members of Genworth s management team to Beijing, China