

# Aflac Incorporated

Guidelines on Significant Corporate Governance Issues

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Amended as of February 13, 2018

## A. DIRECTOR RESPONSIBILITIES

### 1. Director Responsibilities

The business and affairs of the Company shall be managed under the direction of the Board. A director is expected to spend the time and effort necessary to properly discharge such director's responsibilities. Accordingly, a director is expected to regularly attend, in person if at all practicable, meetings of the Board and committees on which such director sits, with the understanding that on occasion a director may be unable to attend a meeting. A director who is unable to attend a meeting is expected to notify the Chairman of the Board or the Chairman of the appropriate committee in advance of such meeting.

# B. BOARD COMPOSITION

## 1. Size of the Board

The maximum number of Board seats has been established at 25 by the Bylaws of the Company. It is the sense of the Board that the current membership is the appropriate size for the Board at the present time. However, the Board will consider increasing or decreasing the number of Board seats if appropriate in the future. The Company also has a number of Emeritus directors at present who may attend meetings but who do not vote. The Board does not have a policy limiting the number of Emeritus directors.

## 2. Mix of Management and Independent Directors

The Board believes that as a matter of policy, a majority of the members of the Board of Directors should be independent. The Board is willing to have members of management, in addition to the Chief Executive Officer, as directors, but the Board believes that management should encourage senior managers to understand that Board membership is not necessary or a prerequisite to any higher management position in the Company. On matters of corporate governance, decisions should be made by the independent directors.

## 3. Independent Directors

An independent director is one who qualifies as independent under the listing standards of the New York Stock Exchange (the "NYSE"). The Board shall review annually the relationship that each director has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Following such annual review, only those directors who the Board affirmatively determines have no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) will be considered independent directors, subject to additional qualifications prescribed under the listing standards of the NYSE.

Each independent director shall submit a letter of resignation for consideration by the Board, as soon as practicable, if there is a change in circumstances that may affect the Board's evaluation of such director's independence under New York Stock Exchange (NYSE) listing standards.

## 4. Emeritus and Advisory Directors

Emeritus directors are those individuals who have left the Board after having served a minimum of five years and having attained the age of 55 or older.

Advisory directors are those individuals, who, because of their anticipated value to the Company, are asked to serve when there is no official director position available on the Board.

Neither Emeritus nor Advisory directors may vote on any issue, but may attend regular and special meetings of the Board. Non-employee Emeritus directors who began their Board service prior to May 2001, shall be entitled to compensation under the Board's retirement plan, but shall otherwise serve without compensation. Advisory directors are paid the equivalent of a director.

## 5. Nomination of Directors

The Board has delegated to the Corporate Governance Committee the responsibility of selecting and recommending to the shareholders nominees for membership on the Board. The Corporate Governance Committee is also responsible for reviewing any shareholder nominees. In discharging this responsibility, the Corporate Governance Committee may receive input from other Board members. In its selection, the Corporate Governance Committee should consider such factors as values and disciplines, ethical standards, diversity (including gender, ethnicity, race, color, and national origin), background, skills and experience of the nominee, within the context of the characteristics and needs of the Board as a whole.

#### 6. Retirement Age

It is the sense of the Board that the retirement age for directors of 75 is appropriate.

#### 7. Term Limits

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold a disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations, and therefore, provide an increasing contribution to the Board as a whole.

#### 8. Staggered Terms

From a corporate governance perspective, it is the sense of the Board to elect each director to a one year term as opposed to a staggered election of directors.

#### 9. Directors Who Change Their Present Job Responsibility; Other Board Relationships

It is the sense of the Board that individual directors who change the job responsibility they held when they were elected to the Board should submit a letter of resignation for consideration by the Board. It is not the sense of the Board that in every instance the directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, via the Corporate Governance Committee, to review the continued appropriateness of Board membership under these circumstances. Directors are encouraged to limit the number of boards of other companies on which they serve, taking into account potential board attendance, participation and effectiveness on these boards.

## C. OTHER BOARD MATTERS

#### 1. Director Ownership Guidelines

It is the policy of the Board that directors should have an ownership interest in the Company. The Corporate Governance Committee shall establish guidelines for stock ownership of the Company by directors.

## 2. Board Access to Management

Board members shall have complete access to the Company's management and, as appropriate, to the Company's outside advisors. Board members shall coordinate such access through the Chief Executive Officer and Board members will use judgment to assure that this access is not distracting to the business operation of the Company.

## 3. Board Orientation and Continuing Education

The Company shall provide new directors with a director orientation program to familiarize such directors with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, code of business conduct and ethics, corporate governance guidelines, principal officers, internal auditors and independent auditors. Each director is expected to participate in continuing education programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director. In addition, it is highly recommended that each director attend (either in person or via webcast) the Company's annual presentation to financial analysts. It is also highly recommended that directors listen to the Company's quarterly conference calls with financial analysts. This policy will ensure that the director is sufficiently informed of the material aspects of the Company's public disclosures, financial condition and business operations.

## 4. Lead Non-Management Director

If the Chairman and Chief Executive Officer is the same person, or if the Chairman is not independent, the Board believes that an independent director should be appointed to serve as the lead non-management director (the "Lead Non-Management Director"). The Lead Non-Management Director, upon a recommendation by the Corporate Governance Committee, shall be elected by the Board on an annual basis (effective at the first Board of Director's meeting following the Annual Meeting of Shareholders). Although elected annually, the Lead Non-Management Director is generally expected to serve for more than one year, but no more than four years. The Lead Non-Management Director's duties will include consulting with the Chairman and Secretary in establishing the agenda for Board meetings; setting the agenda for, and leading, all executive sessions of the Non-employee Directors; when appropriate, discussing with the Chairman matters addressed at such executive sessions; presiding over meetings of the Board at which the Chairman is not present; presiding over discussions of the Board when the topic presents a potential conflict of interest for the Chairman; facilitating discussions, between Board meetings, among the Non-employee Directors as appropriate; serving as a liaison between the Non-employee Directors and the Chairman of the Board; serving as a liaison between management and the Board; and, in coordination with the Chairman, facilitating the annual Board self-evaluation. Furthermore, the Lead Non-Management Director has the ability to call meetings of the independent Directors.

## 5. Assessing Board Performance

The Corporate Governance Committee is responsible for overseeing and managing the process for the evaluation of the Board as a whole and for reporting the performance of evaluation results to the Board on an annual basis, or when deemed necessary by the Corporate Governance Committee.

# D. BOARD LEADERSHIP

## 1. Selection of Chairman and Chief Executive Officer

The Board should be free to make this choice any way that seems best for the Company at a given point in time. The Board does not have a policy, one way or the other, on whether or not the role of the Chairman and Chief Executive Officer should be separate and, if it is to be separate, whether the Chairman should be selected from the nonemployee directors or be an employee.

## 2. Executive Committee; Selection of Chairman of the Executive Committee

Since the Audit and Risk, Compensation, and Corporate Governance Committees are made up exclusively of independent directors, it is the sense of the Board that a majority of the Executive Committee need not consist of independent directors. The Chairman of the Executive Committee will be a director designated by the Board of Directors.

# E. BOARD MEETINGS

## 1. Selection of Agenda Items for Board Meetings

The Chairman of the Board and Secretary will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of item(s) on the agenda.

## 2. Board Materials Distributed in Advance

Information and data that are important to the Board's understanding of agenda items may be distributed in writing to the Board before the Board meets.

As a general rule, materials on non-routine or unusual subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting.

## 3. Executive Session of Directors

The Board, including Emeritus Board members, may meet in executive session from time to time at the discretion of the non-management directors.

#### 4. Executive Sessions of Non-Management Directors

The non-management directors of the Board, including non-management Emeritus directors, will meet in executive session on a regularly scheduled basis and at such other times as may be requested by a majority of the non-management directors. Other persons may attend meetings of non-management directors upon the request of the non-management directors. The Compensation Committee's annual evaluation of Chief Executive Officer performance shall be reported at an executive session of the non-management directors on an annual basis.

## F. COMMITTEE MATTERS

### 1. Number, Structure and Independence of Committees

The current principal seven committees are Audit and Risk, Executive, Compensation, Finance and Investment, Corporate Development, Sustainability, and Corporate Governance. The current committee structure of the Company seems appropriate. There will, from time to time, be occasions on which the Board may want to form a new committee or disband a current committee depending upon the circumstances. Committee membership will consist of only independent directors as defined in Section B.3 above for the Audit and Risk, Corporate Governance, and Compensation Committees.

### 2. Assignment of Committee Members

The Board is responsible, after consultation with the Chairman of the Board and the recommendations of the Corporate Governance Committee, and with consideration of the desires of individual Board members, for the assignment of Board members to various committees.

## G. LEADERSHIP DEVELOPMENT AND

# EVALUATION

## 1. Chief Executive Officer Performance Review

The Compensation Committee has the responsibility of ensuring that it has in place performance measures and objectives to be used to evaluate Chief Executive Officer performance. The Compensation Committee has the responsibility of performing the annual evaluation of Chief Executive Officer and reporting it to an executive session of non-management directors. The Compensation Committee uses its evaluation results in the course of its deliberations when considering the compensation of the Chief Executive Officer.

## 2. Succession Planning and Management Development

The Board, in coordination with the Corporate Governance Committee, shall ensure that the Company has in place appropriate planning to address Chief Executive Officer continuity succession planning and succession planning for key executives to ensure continuity in senior management. The Board, in coordination with the Corporate Governance Committee, shall also ensure that the Company has in place appropriate steps to address emergency Chief Executive Officer succession planning in the event of extraordinary circumstances. The Chief Executive Officer, in coordination with the General Counsel and the head of Human Resources, shall periodically provide recommendations and evaluations of potential successors, along with a review of any development planning related to such individuals, to the Corporate Governance Committee. The Company's succession plan for key executives shall include the identification of potential candidates, using criteria which reflect the Company's business strategy, developed in coordination with the Chief Executive Officer and executive management. The Chief Executive Officer shall review executive succession planning and management development at an annual executive session of non-management directors. The Company shall report on its succession planning policies and procedures in its proxy statement for each annual meeting of shareholders.

# H. BOARD COMPENSATION

## 1. Board Compensation

It is the sense of the Board that a review of Board compensation should be undertaken by the Compensation Committee at least every 2 years or at such other times as circumstances may warrant. As part of a director's total compensation and to create a direct linkage with corporate performance, the Board believes that a meaningful portion of a director's compensation should be provided in equity awards. Changes in Board compensation, if any, should come at the suggestion of the Compensation Committee but with full discussion and concurrence by the Board.

# I. TRANSITION

## 1. Transition

These guidelines mandate a number of changes from the Company's current practice. It is understood that a reasonable amount of time is necessary to fully implement the required changes. Therefore, these guidelines shall not become effective until such time as is required by the NYSE listing standards unless an earlier date is mandated by law, regulation or NYSE listing standard for any particular matter.

Appendix A

## Aflac Incorporated

# Director Resignation Policy

Aflac Incorporated Board  
February 10, 2009

Any Director who fails to receive the required number of votes for re-election in accordance with the Bylaws will, within five days following the certification of the shareholder vote, tender his or her written resignation to the Chairman of the Board for consideration by the Corporate Governance Committee (the "Committee").

The Committee will consider such tendered resignation and make a recommendation to the Board concerning the acceptance or rejection of such resignation. In determining its recommendation to the Board, the Committee will consider all factors deemed relevant by the members of the Committee including, without limitation, the stated reason or reasons why shareholders voted against such Director's re-election, the qualifications of the Director (including, for example, whether the Director serves on the Audit Committee of the Board as an "audit committee financial expert" and whether there are one or more other Directors qualified, eligible and available to serve on the Audit Committee in such capacity), and whether the Director's resignation from the Board would be in the best interests of the Company and its shareholders.

The Committee also will consider a range of possible alternatives concerning the Director's tendered resignation as the members of the Committee deem appropriate, including, without limitation, acceptance of the resignation, rejection of the resignation or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Committee to have substantially resulted in such Director failing to receive the required number of votes for re-election.

The Board will take formal action on the Committee's recommendation no later than 90 days following the date of the shareholders' meeting at which the election occurred. In considering the Committee's recommendation, the Board will consider the information, factors and alternatives considered by the Committee and such additional information, factors and alternatives as the Board deems relevant.



Following the Board's decision on the Committee's recommendation, the Company, within four business days after such decision is made, will publicly disclose, in a Form 8-K filed with the Securities and Exchange Commission, the Board's decision, together with a full explanation of the process by which the decision was made and, if applicable, the Board's reason or reasons for rejecting the tendered resignation.

No Director who, in accordance with this Policy, is required to tender his or her resignation, shall participate in the Committee's deliberations or recommendation, or in the Board's deliberations or determination, with respect to accepting or rejecting his or her resignation as a Director. If a majority of the members of the Committee fail to receive the required number of votes for re-election, then the independent Directors then serving on the Board who were elected at the shareholders' meeting at which the election occurred, and the independent Directors, if any, who were not standing for election at such shareholders' meeting, will appoint an ad hoc Board committee from amongst themselves (the "Ad Hoc Committee"), consisting of such number of Directors as they may determine to be appropriate, solely for the purpose of considering and making a recommendation to the Board with respect to the tendered resignations. The Ad Hoc Committee shall serve in place of the Committee and perform the Committee's duties for purposes of this Policy. Notwithstanding the foregoing, if an Ad Hoc Committee would have been created but fewer than three Directors would be eligible to serve on it, the entire Board (other than the individual Director whose resignation is being considered) will make the determination to accept or reject the tendered resignation without any recommendation from the Committee and without the creation of an Ad Hoc Committee.

This Policy, as it may from time to time be amended, will be included in the "Corporate Governance" section of the Company's website as an appendix to the Company's Guidelines on Significant Corporate Governance Issues and summarized or included in the Company's proxy statement for each meeting of shareholders (annual or special) at which Directors are to be elected.