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## Code of Business Conduct and Ethics

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# **CODE OF BUSINESS CONDUCT AND ETHICS**

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**FOR PERSONNEL OF  
AFLAC INCORPORATED  
AND ALL ITS SUBSIDIARIES**

**May 2003**

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## MESSAGE FROM THE CEO

At Aflac we expect all of our officers, directors and employees to conduct business in an ethical and lawful manner. Honesty and integrity are the backbone of the relationship of trust we have developed over the years with our clients, policyholders, sales associates, suppliers and governmental regulators. This Code of Business Conduct and Ethics (hereinafter referred to as the "Code"), is a formal statement of the ethical and legal conduct, and common sense standards that set the tone for all of Aflac's business activities. Our goal is to conduct our business in a framework of integrity of which we can all be proud.

The standards presented in this Code obviously cannot cover every situation in our business environment. The important concept is that Aflac is committed to the principles of ethical and lawful business conduct, and all of our business decisions should be evaluated in this light. Because our business depends on the reputation of all of us for integrity and principled business conduct, in many instances, the policies discussed in this Code go beyond the requirements of the law.

All employees, officers and directors are expected to know, understand and comply with the policies set forth in this Code. Read the Code carefully and make sure that you understand it, the consequences of non-compliance, and the Code's importance to the success of the Company. You will be requested to sign a statement of compliance, and on an annual basis you will be asked to renew that pledge indicating that you understand this Code and will continue to abide by its provisions.

Joey M. Loudermilk, Executive Vice President, General Counsel and Corporate Secretary, has overall Aflac responsibility for corporate compliance with this Code. Any concerns regarding the application of the Code's provisions should be directed to Tom McKenna, Corporate Compliance Coordinator, (1) at the Aflac Helpline number, 1-800-981-6497; (2) by fax, 706-596-3577; or (3) by mail to 1932 Wynnton Road, Columbus, Georgia 31999-0001. You are also responsible for reporting any suspected violations of the Code to the Corporate Compliance Coordinator, at the earliest possible time, which you may do anonymously if you wish. The Corporate Compliance Coordinator is also responsible for periodically reviewing and updating this Code as necessary.

Our conduct should reflect the Company's values, demonstrate ethical leadership, and promote a work environment that upholds the Company's reputation for integrity, ethical conduct and trust.

Sincerely,



Daniel P. Amos  
Chief Executive Officer

# COMPLIANCE

## **Compliance With Applicable Laws and Regulations**

Each employee, officer and director, while acting on behalf of Aflac Incorporated or its subsidiaries, shall comply with all applicable governmental laws, rules and regulations.

While Aflac does not expect all its personnel to be experts in law and governmental regulations, we do expect you to be familiar with those laws that apply to your areas of responsibility and to know enough to ask questions and seek advice from supervisors, lawyers or other appropriate personnel if you have any doubt about the propriety or legality of any matter. Tom McKenna, Aflac's Corporate Compliance Coordinator, is available for you to ask questions, seek guidance or to report suspected misconduct. He may be reached (1) at the Aflac Helpline number, 1-800-981-6497; 2) by fax, 706-596-3577; or (3) by mail to Aflac Worldwide Headquarters, 1932 Wynnton Road, Columbus, Georgia 31999-0001. Aflac expects you to use your best judgment and to make a good faith effort to comply with this Code and the law.

## **Compliance With Special Insurance Laws and Regulations**

In addition to the general laws and regulations with which Aflac personnel must comply, there are also many specific laws and regulations on the federal, state and local levels regarding insurance companies such as Aflac. It is our intent to fully comply with these industry-specific regulations.

In summary, Aflac and its insurance subsidiaries are subject to state regulations in the United States as an insurance holding company system. Such regulations generally provide that transactions between companies within the system must be fair and equitable. In addition, transfer of assets among such affiliated companies, certain dividend payments from insurance subsidiaries, and material transactions between companies within the system are subject to prior notice to, or approval by, state regulatory authorities.

Aflac and its insurance subsidiaries are also subject to regulation and supervision in other respects in the states and other jurisdictions in which they do business. In general, the insurance supervisory agencies have broad administrative powers over every aspect of our business. This power extends to matters such as: granting and revoking licenses to transact business, regulating trade practices, prior approval of forms of policies and premium rate increases, and filing of annual reports and financial statements prepared in accordance with required insurance accounting practices. (The business of Aflac in Japan is subject to similar broad regulation by the Japanese Ministry of Finance.)

All Aflac personnel are expected to understand and comply with all regulations and rules insofar as they relate to their responsibilities. More information on the rules and regulations summarized here can be obtained from the Corporate Compliance Coordinator.

## **Compliance With Internal Policies and Procedure**

Corporate and departmental policies and procedures define how we conduct our business and how business tasks are to be performed. So that our operations will be conducted in a consistent and quality manner, you are expected to comply with these policies and procedures in performing your job responsibilities. Internal policies and procedures (which may be obtained from the Corporate Compliance Coordinator) should not conflict with the basic provisions of this *Code*.

## Antitrust and Trade Regulation Compliance

Fair competition is fundamental to the continuation of the free enterprise system. While Aflac competes vigorously and creatively in its many business activities, its efforts in the marketplace must be conducted in a fair and equitable manner, and in strict accordance with applicable competition and trade practice laws and regulations. In some circumstances, Aflac's policies concerning acceptable business conduct are more stringent than the law may require.

Each employee, officer and director should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. You may not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Under no circumstances shall any employee, officer or director, or individual otherwise associated with Aflac, be a party to any agreement, collusion or concerted activity of any type involving any competitor, customer or any other party, that is in restraint of trade or in violation of applicable antitrust laws and regulations. Some of the most serious antitrust offenses are agreements between competitors that restrain trade, such as agreements to fix prices, restrict output or control the quality of products or services, or to divide a market for customers, territories, products, services or purchases. You should not agree with any competitor on any of these topics, as these agreements – even unwritten, informal understandings – are virtually always unlawful.

You should avoid unnecessary involvement in situations from which an unlawful agreement may be inferred. For that reason, contacts with competitors must be kept to an absolute minimum. Moreover, you are prohibited from exchanging or otherwise disclosing to unauthorized persons competitively sensitive information such as fees charged, profit margins, and credit and billing practices that could affect or facilitate illegal conduct. You should conduct all contacts with competitors as if they were completely in the public view.

Further information concerning the principal antitrust laws applicable to the Company and the Company's policies with respect to such laws is contained in Aflac's *Antitrust Law Policy*, a copy of which may be obtained from the Corporate Compliance Coordinator. In addition, any questions about what is permissible conduct should be raised with the Coordinator. In particular, Company personnel should never assume that the special federal antitrust treatment of certain insurance business activities (known as McCarran-Ferguson) fully protects the Company from claims of antitrust misconduct.

This is a complex issue and therefore all questions concerning the applicability of antitrust rules to a proposed course of conduct should be directed to the Corporate Compliance Coordinator or Company Legal Department before acting.

## **CODE OF ETHICS FOR CHIEF EXECUTIVE AND SENIOR FINANCIAL OFFICERS**

This section of the Code sets forth the Company's Code of Ethics for the Chief Executive and Senior Financial Officers ("Code for Senior Officers"). The standards set forth in this section are applicable to all officers, directors and employees, but have special relevance to the Chief Executive Officer, the Chief Financial Officer and the Chief Accounting Officer ("Senior Officers").<sup>1</sup>

### **Compliance with Laws, Rules and Regulations**

Senior Officers and all officers, directors and employees are required to comply with the laws, rules and regulations that govern the conduct of our business. In addition, Senior Officers also have leadership responsibilities that include creating a culture of high ethical standards and commitment to compliance, maintaining a work environment that encourages employees to raise concerns, and promptly addressing employee compliance concerns.

### **Disclosures**

It is Company policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in all other public communications made by the Company. Senior Officers and all officers, directors and employees are required to abide by Company standards, policies and procedures designed to promote compliance with this policy.

### **Conflicts of Interest**

Senior Officers are required to act in an honest and ethical manner, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Before making any investment, accepting any position or benefits, participating in any transaction or business arrangement or otherwise acting in a manner that creates or appears to create a conflict of interest, Senior Officers must make full disclosure of all facts and circumstances to, and obtain the prior written approval of the Audit Committee of the Board of Directors.

### **Reporting Violations and Accountability**

Senior Officers must report any suspected violation of this Code for Senior Officers. The Chief Accounting Officer shall report any suspected violations to the Chief Financial Officer or the Chief Executive Officer. The Chief Financial Officer shall report any suspected violations to the Chief Executive Officer. If upon investigation of the facts and circumstances of the suspected violation it is determined that a violation has occurred, the Chief Executive Officer shall report the violation to the Audit Committee of the Board of Directors. Subject to applicable law, violations of this Code for Senior Officers may be subject to disciplinary action, up to and including discharge.

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<sup>1</sup> This Code for Senior Officers is intended to satisfy the requirements of section 406 of the Sarbanes-Oxley Act of 2002 and the SEC's regulations promulgated pursuant thereto. Amendments to the Code for Senior Officers will be disclosed as required by law or regulations.

## **BOOKS AND RECORDS**

### **Maintenance of Corporate Books, Records and Accounts**

All Company personnel are responsible for maintaining accurate records regarding the financial and administrative transactions of the Company. You must complete all Company records accurately, truthfully, and in a timely manner. Financial activities are to be recorded in compliance with all applicable laws and accounting practices. To ensure that accurate financial and administrative information is maintained, Company personnel should not permit or take any action that would result in the inaccurate recording of entries in Company books, records and ledgers. False or misleading entries should not be made in any Company books, records or accounts. No asset, fund, expenditure or account should be established unless it is accurately reflected in the records of the Company.

The Company will maintain all financial records for the time periods required by the federal tax, state insurance and other applicable laws and regulations. (The Company's records retention policies for particular categories of documents can be obtained from the Corporate Compliance Coordinator.) Under no circumstances are Company records to be destroyed selectively or to be maintained outside Company premises or designated storage facilities.

If you learn of a subpoena or a pending, imminent or contemplated litigation or government investigation, you should immediately contact the Legal Department. You must retain and preserve ALL records that may be responsive to the subpoena or relevant to the litigation or that may pertain to the investigation until you are advised by the Legal Department as to how to proceed. You must not destroy or alter any such records in your possession or control. You must also affirmatively preserve from destruction all relevant records that without intervention would automatically be destroyed or erased (such as e-mails and voicemail messages). Destruction of such records, even if inadvertent, could seriously prejudice the Company. Any questions regarding whether a particular record pertains to a pending, imminent or contemplated investigation or litigation or may be responsive to a subpoena or regarding how to preserve particular types of records should be directed to the Legal Department.

### **Contracts and Agreements**

All contracts and agreements entered into by Aflac and its subsidiaries must be in compliance with all applicable laws and regulations, including, where applicable, the business associate provisions of the privacy regulations issued pursuant to the Health Insurance Portability and Accountability Act of 1996. Contracts with outside parties should be in writing and should include a complete description of all obligations of the various parties as well as details on fees and compensation to be paid. Aflac's Legal Department should review contracts in the negotiation stage, and should endorse all contracts prior to final approval and execution. An executed copy of all current contracts should be maintained on file in the Purchasing Department. Contracts must be signed by an authorized officer of the Company, as directed by corporate policy. The requirement for Legal Department review does not apply to standard insurance contracts issued by Aflac in the normal course of business.

### **Confidentiality**

Aflac officers, directors and employees have access to extensive files of information regarding customers, suppliers, employees and consultants. Much of this information is confidential and we have an obligation to keep it that way. In this regard, information about our policyholders is particularly sensitive. They must be able to trust that we will treat such information with care and not disclose it except as may be required or

permitted by law. Aflac's Privacy Policy and Procedures govern the use and disclosure of policyholder information, and any questions in this regard should be referred to Aflac's Privacy Office.

In addition, there are technical information, financial data and internal procedures regarding the way we do business that should also be kept confidential for competitive reasons. Release of this information without authorization could violate a Company obligation to maintain the confidentiality of the information and could also cause Aflac to suffer a financial loss, place us at a competitive disadvantage or create a potentially embarrassing situation.

The maintenance and disclosure of financial information is also subject to the requirements of the federal securities laws and regulations. Only authorized Company personnel (as defined by your job description or as designated by senior management) should release information to the public. If there is any question as to whether information should be released, consult the Corporate Compliance Coordinator or Aflac's Privacy Office. (See also the sections of this *Code* on Disclosure of Confidential Information, Data Integrity and Use of Inside Information and Investment Activities.)

## **CORPORATE ASSETS**

### **Use of Corporate Funds and Assets**

Company funds and assets should not be used for any unlawful or unauthorized purpose. The payment or receipt of bribes, kickbacks, secret commissions or other unlawful payments is prohibited. Corporate funds may only be expended lawfully and as appropriately authorized. (See the related discussion of these matters in the sections of this Code on Political Activities, Relations With Outside Parties and The Foreign Corrupt Practices Act.)

Except as specifically authorized, Company assets may be used only for Company business purposes. Company assets may be both tangible and intangible and include, but are not limited to: Aflac employees, buildings, property, vehicles, equipment, patents, trade names and marks, Aflac-developed computer programs and other intellectual property. Any exceptions to this policy as to the use of Company assets should be documented in writing and approved by a senior officer of the Company prior to the event.

### **Purchasing**

The Aflac *Purchasing Policies and Procedures Manual* covers the detailed policies under which all purchasing activities are to be conducted. If you are involved in any purchasing transaction or activity, you are responsible for compliance with the provisions of that document, which may be obtained from the Corporate Compliance Coordinator.

All Company purchases should be made strictly on the basis of quality, suitability, service, price and efficiency. We should treat our suppliers fairly and equitably. It is the policy of Aflac to award orders and contracts on the basis of merit and without favoritism. Purchases from and contracts with companies owned or controlled by employees, officers or directors or members of their family are allowed as long as the transaction fully complies with the Conflicts of Interest provisions of this Code, and is entered into upon the same terms and conditions available to any other supplier. These purchases must also meet all of the specified standards of quality, suitability, service, price and efficiency.

## **EXTERNAL RELATIONS**

### **Political Activities**

Aflac encourages its directors, officers and employees to be active in the political process, but such activities must be conducted on their own time and not in the name of Aflac or its subsidiaries. While Aflac as a corporation has a significant interest in many governmental issues on a local, state and national level, there are laws that limit the degree of involvement of the Company in political activities.

Corporate payments of cash and the use of corporate facilities (e.g., corporate-owned aircraft), services or merchandise for political activities are strictly regulated. Any Aflac payments or transactions in any way connected or related to individuals, issues or causes in the political, legislative or governmental process (including legislators, political candidates or government officials) are, likewise, strictly regulated.

However, there are a few limited ways in which the Company can participate in the political process without violating applicable rules and regulations. For example, Company expenditures on issue-related support or opposition to particular legislation, regulation or governmental action may be permissible in some circumstances. Before any such expenditures or contributions are made, however, they must be reviewed and approved in writing, in advance, by Aflac's Legal Department.

Aflac's political action committee (Aflac PAC), which is funded by contributions from directors, officers, employees and associates, can legally make political contributions and is not limited by the provisions in this Code covering political activities. Aflac PAC supports candidates who have taken responsible positions on issues regarding corporate business, insurance, international trade and various social issues. Reports are made to the Federal Election Commission on a monthly basis that detail the money raised and how it is spent.

In certain foreign countries, United States corporations may make political contributions to candidates and committees. However, any such contribution must comply with local law and the United States Foreign Corrupt Practices Act (summarized in a later section), which prohibits giving anything of value to a foreign governmental official for the purpose of obtaining or retaining business or securing any improper advantage. Therefore, each proposed payment must be reviewed by the Company's Legal Department, which shall prepare a written legal opinion confirming compliance with these laws prior to any payment being made. In addition, the Aflac Chief Executive Officer, who may rely on such an opinion, is responsible for authorizing each political contribution to any candidate or committee in foreign countries. All contributions or payments made will be accurately reflected on the Company's books and records and will be reported annually by the Chief Executive Officer to the Board of Directors.

### **Lobbying the Federal and State Government**

If a Company employee, officer, director or his or her agent contacts a United States Senator or Congressman or his or her staff in any manner, directly or indirectly, in person or by telephone or letter on behalf of the Company for the purpose of influencing legislation, that person may have to register as a lobbyist with the Clerk of the House of Representatives and the Secretary of the Senate. Once registered as a lobbyist, the person is required to file quarterly reports disclosing expenditures made for the purpose of lobbying. Therefore, before any Company personnel makes a contact that may trigger the lobby registration and reporting requirements, written approval must be obtained from the Legal Department.

In addition, each state has its own lobbying registration and reporting requirements. The requirements vary depending on the state. Indeed, some states require lobbying registration and reporting if a person attempts to influence: (i) legislative action; (ii) formal rule making or regulatory action by an executive agency; or (iii)

any official action or decision of any executive agency, including decisions regarding financial arrangements entered into by such agency. Before engaging in any of these activities in any state, you must first obtain written approval from the Company Legal Department, and register and report as required.

### **Advertising and Promotions**

Aflac will not engage in any unfair competition or deceptive advertising practices. The Compliance Department should review and approve all advertising in advance. Advertising used by Aflac must be true and not deceptive in any manner. All claims of fact made in our advertising should be substantiated by supporting data before they are made. Where necessary, advertising should be approved by various regulatory bodies, including state insurance departments.

## **EMPLOYEE RELATIONS**

### **Non-Discriminatory, Safe and Fair Employment**

It is the policy of Aflac and its subsidiaries to be in full compliance with all applicable federal, state and local laws and regulations regarding employment practices. We will provide a safe and healthy work place for our employees and they will be compensated in a fair and equitable manner. Aflac will promote equal opportunity in all areas of employment and will not tolerate discrimination on the basis of race, color, national origin, citizenship status, veteran status, pregnancy, religion, age, sex, marital status, disability or any other basis prohibited by law in recruiting, hiring, placement, promotion, or any other condition of employment.

Aflac is committed to having a work environment that is free not only of discrimination, but also of unwelcome, unsolicited and discriminatory sexual advances or harassment.

For additional guidance on these or other specific employment-related issues, including guidance regarding reporting sexual and other forms of harassment, discrimination, or other suspected misconduct, please refer to the *Employee Handbook* or contact the Aflac Human Resources Department.

### **Employee Expenses**

Aflac expects all its employees, officers and directors to comply with all Company policies, procedures, standards and requirements when reporting their authorized travel, entertainment, local business and relocation expenses. The Aflac *Travel and Relocation Policy* (or other applicable subsidiary policy) contains the policies, procedures, standards and requirements with which employees are required to conform when incurring and reporting these types of business expenses. Any questions or issues not specifically covered by the Aflac *Travel and Relocation Policy* should be referred to the Corporate Travel Department prior to the expenses being incurred. (See also the section of this *Code* on Meals, Entertainment and Travel.)

### **Gifts to Employees**

Aflac wants to be fair to all its employees regardless of where they work or for whom they work. For this reason, Company-paid gifts to employees and officers are prohibited, except as part of a Human Resources Department-approved employee incentive program. The term “gift” includes such items as incentives, money, clothing, consumables, entertainment and merchandise. Personal gifts from officers or managers to their employees are allowed for special occasions as long as they convey no message other than appreciation for work effort and are not paid for by Company funds.

## COMMUNICATIONS

### External Communications

Aflac officers, directors and employees are prohibited from knowingly making any false or fraudulent statement to a government official or anyone else.

### Communications With Management and Auditors

At Aflac, the lines of communication between employees, management and our auditors are always open. Significant or sensitive issues facing the Company must always be promptly communicated to your supervisor and, as appropriate, passed on to senior management. Concealment of information makes this *Code* ineffective. Therefore, it is our policy that there will be no concealment of information regarding any aspect of the Company, its operations, finances or personnel, either from Aflac's management or its internal or external auditors.

### Contact and Communication With the Media

Aflac will respond in a timely, accurate and appropriate manner to all legitimate requests for information from the media or any other external organization, association or individual. All such requests should be referred to the Senior Vice President, Director of Public Relations. Any public announcements to the media or other external groups will be made only by authorized Company personnel to ensure that the information distributed is accurate and consistent.

## CONFLICTS OF INTEREST

You are expected to dedicate your best efforts to advancing the Company's interests and to use objective and unbiased standards when making decisions that affect the Company. A conflict of interest occurs when your private interests interfere in any way, or even appear to interfere, with the interests of the Company. Your obligation to conduct the Company's business in an honest and ethical manner includes the ethical handling of actual or apparent conflicts of interest between personal and business relationships.

The principles contained within this Conflicts of Interest section are intended to apply to directors, officers and employees and any member of their families who may be involved in any relevant ownership, transaction or activity. Family is defined as your spouse, children, legal dependents and parents.

Written interpretations relating to conduct or relationships under these Conflicts of Interest rules may be obtained from the Corporate Compliance Coordinator. (The provisions stated in this Conflicts of Interest section are not intended to limit in any way your receipt of salary, bonuses or other approved compensation from the Company.)

### Improper Personal Benefits from the Company

Conflicts of interest arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. You may not accept any benefits from the Company that have not been duly authorized and approved pursuant to Company policy and procedure, including any Company loans or guarantees of your personal obligations.

### **Insurance Coverage/Claims**

You may not participate in any decision concerning the issuance of an insurance policy by the Company or regarding the payment of any claim made under a policy if you are related to the applicant or claimant by blood or marriage.

### **Financial Interests in Other Businesses**

Neither you nor a member of your family may own an interest in a company that competes with Aflac. You may not own an interest in a company that does business with Aflac (such as an Aflac supplier) without the prior written approval of the Aflac Legal Department. However, it is not considered a conflict of interest (and therefore prior written approval is not required) to make investments in competitors, clients or suppliers that are listed on a national or international securities exchange so long as the total value of the investment is less than 2% of the outstanding stock of the corporation and the amount of the investment is not so significant that it would affect your business judgment on behalf of Aflac.

### **Outside Employment**

You should not be employed by or serve in any capacity with any Company that is competing with Aflac or any of its subsidiaries. Without prior written approval from the Aflac Legal Department, you may not be a supplier or be employed by, serve as a director of or represent a supplier to Aflac. If you are an officer or employee of Aflac, you may not accept a directorship of another corporation (other than a subsidiary corporation or affiliated entity) unless approval has been obtained from the Aflac Legal Department.

You are prohibited from conducting outside business activities (as either an employee of another firm or self-employed) during your normal working hours. Use of Company resources for these outside business activities is also prohibited. Also, you should not hold outside employment that might interfere or take away from the time you are required to devote to Aflac.

### **Corporate Opportunities**

As employees, officers and directors of Aflac, we owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. If you learn of a business or investment opportunity through the use of corporate property or information or your position at the Company, such as from a competitor or actual or potential customer, vendor or business associate of the Company, you may not participate in the opportunity or make the investment without the prior written approval of the Aflac Legal Department. Such an opportunity should be considered an investment opportunity for Aflac.

### **Disclosure of Confidential Information**

You may not disclose to unauthorized persons or entities any confidential business information regarding corporate operations, finances, customers, employees or associates at Aflac; nor may you make use of such information to further your personal interests to the Company's disadvantage or detriment. Unauthorized persons and entities could include other Aflac employees and officers, non-employees, as well as other companies and organizations that are not specifically authorized to receive such information. Aflac's Privacy Policy and Procedures govern the use and disclosure of policyholder information, and any questions in this regard should be directed to Aflac's Privacy Office. (See also the sections of this *Code* on Confidentiality; Use of Inside Information and Investment Activities; and Data Integrity.)

## **Relations with Outside Parties – Gifts, Travel, Meals and Entertainment**

### ***General Principles***

Gifts, entertainment, travel and other considerations of value must never be given or accepted unless they are legal and in accordance with Aflac policy. All expenses Aflac incurs for gifts, entertainment or travel must be accurately recorded in its books and records.

Federal government agencies, some state agencies, legislatures, and private companies limit or prohibit the receipt of gifts, entertainment and travel. You may not provide or offer a gift to a government official without the prior approval of the Aflac Legal Department. You should never knowingly violate the rules that apply to government agencies, private companies or anyone with whom the Company does business.

Gifts, travel and entertainment given to a member of an Aflac employee's family because of their relation to the employee are considered gifts given directly to the employee.

### ***Gifts Received***

Unsolicited gifts are permissible if they are customary and commonly accepted gifts or business courtesies; not excessive in value; and given and accepted without an express or implied understanding that you are in any way obligated by your acceptance of the gift. As used in this section, gifts do not include business-related travel, entertainment, lodging and meals, which are covered in a separate section of this *Code*.

Business-related gifts valued in excess of \$100 are discouraged, but, if received, they must be reported, in writing, to the Corporate Compliance Coordinator within 10 days of receipt. The Corporate Compliance Coordinator may report any such gift to Executive Management. If, in the sole discretion of the Executive Department, a business-related gift creates or appears to create a conflict of interest, or to any degree impairs the objective business judgment of an Aflac employee, then the Executive Department reserves the sole and exclusive right in the case of a tangible gift to claim the gift in the name of Aflac and the gift shall thereupon become the property of Aflac, or in the case of an intangible gift, to require the donee to reimburse Aflac the cash value of the gift.

### ***Gift-Giving***

**Personal:** Employees, officers and directors are generally not restricted from giving personal gifts to outside parties. The term "personal gift" requires that the gift item not be a corporate asset; not be purchased using corporate funds; and not be offered or provided in connection with Company business.

**Corporate:** Gifts provided using corporate funds or corporate assets or otherwise in connection with Company business must comply with the Company's policies and procedures on corporate gift-giving and must be approved in writing in advance by a senior officer. These transactions must be reported to the Corporate Tax Department if the value of the gift is in excess of \$25. Any gift that exceeds \$500 must have the advance written approval of the Executive Department. Employees should not use their personal funds in any effort to circumvent these standards, whether they expect the Company to reimburse them or not.

### ***Meals, Entertainment and Travel***

You may provide or accept business meals, entertainment, lodging and travel, including attendance at sporting or cultural events, as long as it is associated with an occasion at which business is discussed and is provided as

a normal part of business. The value must be reasonable and allowable under Aflac's expense account procedures – even if Aflac is not paying. You must obtain prior approval from your supervisor before accepting or offering lodging or non-local travel.

### ***Government Officials and Employees***

There are strict laws that govern providing gifts, meals, entertainment, transportation and lodging, either directly or indirectly, or offering or promising anything of value to a government official or employee (both U.S. and non-U.S. officials and employees). In order to ensure compliance with these laws, you may not provide a gift or anything of value to a government official or employee in connection with Company business without prior written approval from the Corporate Compliance Coordinator or the Legal Department.

For additional information, refer to the sections of this *Code* on Political Activities, The Foreign Corrupt Practices Act, and Employee Expenses.

### **Use of Inside Information and Investment Activities**

The Company has a long-standing commitment to compliance with applicable United States and foreign securities laws and regulations. If you are aware of material nonpublic ("inside") information relating to the Company or firms with which the Company does business or which the Company is negotiating with or competing against, you may not buy or sell securities of the Company or the other firm involved. Also, you may not disclose this information to any person other than Company employees, consultants, agents and representatives who need to know it in the course of their duties for the Company, until the information has been adequately disclosed to the public and there has been an adequate opportunity for the information to be absorbed by the market.

Information is deemed "material" if a reasonable investor would consider it important in arriving at a decision to buy, sell or hold securities of a company. Examples of some types of material information are financial results, financial forecasts, changes in dividends, possible mergers, acquisitions, joint ventures, other purchases and sales or investments in companies, obtaining or losing important contracts, information concerning significant discoveries, important product developments, major litigation developments and major changes in business direction.

Information is considered to be nonpublic unless it has been adequately disclosed to the public, which means that the information must be publicly disclosed, and adequate time must have passed for the securities markets to digest the information. Examples of adequate disclosure include public filings with securities regulatory authorities and the issuance of press releases, and may also include meetings with members of the press and the public. A delay of one or two business days is generally considered a sufficient period for routine information to be absorbed by the market. Nevertheless, a longer period of delay might be considered appropriate in more complex disclosures.

The fact that you may have relied on factors other than inside information in purchasing or selling securities, while in the possession of material nonpublic information, will not absolve you from liability. While in possession of such information, you must refrain from any transaction in the Company's securities. In addition, buying Company securities "on margin" (unless arrangements are made to cover any "margin calls" in cash), or buying publicly traded "puts," "calls" or other Company "derivative" securities with fixed exercise dates may create the appearance of impropriety. Similarly, you should avoid purchases or sales of the Company's securities shortly in advance of the public release by the Company of important information, such as quarterly or year-end results.

If you have any questions as to whether certain information is material or has been adequately disclosed to the public, or if you are an officer or director needing information on the special securities law reporting, trading and other rules which apply to you, contact the Shareholder Services Department. You should abstain from trading in the affected securities or disclosing the information to people outside the Company until you have been informed that the information is not material or has been publicly disclosed and digested.

## **PROTECTION OF AUTOMATED SYSTEMS**

### **Computer System Security and Control**

Aflac utilizes an extensive array of computer equipment and automated systems in the processing of data and the maintenance of historical files. These computer resources are vital to the Company and must be protected against accidental or intentional modification or destruction. You are responsible for following the established corporate and departmental policies and procedures regarding computer assets. Key aspects of your responsibilities include:

**Password Confidentiality:** Many of our computer resources are password-protected. These passwords help to ensure that only authorized users gain access to the system and the information contained within that system. You are required to keep your password confidential. You may not attempt to obtain access to another employee's password. Passwords should not be displayed on computer terminals or programmed automatically as part of the log-on process. Any disclosure of your password should be reported to the Computer Security Administrator or your supervisor immediately.

**Data Confidentiality:** Data stored on Aflac's automated systems must be kept confidential. Part of your responsibility with regard to data confidentiality requires that you keep your password confidential. You should also take reasonable precautions regarding data displayed on your monitor and information in printed form. If you are leaving your work area, your terminal should be logged off to prevent unauthorized access.

**Data Integrity:** The accuracy and completeness of our data is of critical importance to Aflac. You are responsible for the integrity of all data files that you work with or have access to. You should not take any action that would compromise the integrity of any production data files or other files containing significant corporate information. For all automated systems, basic precautions such as security access controls and edit checks should be incorporated into the system design to ensure the accuracy, completeness and integrity of Aflac's data files. Unauthorized use of any software that is designed for the destruction of data files or for bypassing security is prohibited. (See also the sections of this *Code* on Confidentiality and Disclosure of Confidential Information.)

### **Ownership of Computer Resources and Software**

Computer programs and routines that are developed by Aflac employees as part of their job responsibilities are the property of Aflac, and Aflac retains all rights to this software.

Much of the software utilized at Aflac is licensed by the vendor for use by the Company according to specific software licensing agreements. It is Aflac's intention to comply with all requirements of software licensing agreements. Unauthorized use, modification or copying of licensed software or software documentation by company personnel is prohibited. Software that has been illegally copied or altered will not be used on any Aflac computer equipment.

# INTERNATIONAL BUSINESS

## General

Officers and employees are expected to comply with applicable laws in those countries in which they operate. Even if, in some countries, certain laws are not enforced in practice, or if violation is not subject to public criticism or censure, compliance is nonetheless required. All employees also must comply strictly with United States laws and regulations applicable to the conduct of business outside the United States. If a local law conflicts with an applicable U.S. law or a policy in this Code, you must consult the Legal Department to determine the appropriate course of action. If you have a question as to whether certain activities are prohibited, contact the Corporate Compliance Coordinator or Company Legal Department. You must abstain from the activity in question until you have been informed that the activity is not prohibited.

Some of those U.S. laws and regulations that may be applicable to our conduct outside the United States include:

**The Foreign Corrupt Practices Act:** Prohibits offering or giving anything of value to a foreign governmental official to obtain or retain business or secure any improper advantage and requires the maintenance of accurate books and records, with all Company transactions being properly recorded.

**Anti-Boycott Laws:** Prohibits United States persons, companies and their subsidiaries wherever located from taking actions or entering into agreements that have the effect of furthering the Arab boycott of Israel, or of furthering any other unsanctioned boycott of a country that is friendly to the United States.

**United States Embargoes:** Restricts, and in some cases prohibits United States persons, companies and their subsidiaries wherever located from doing business with certain other countries. A few examples of the countries currently on this restricted list (which changes periodically) include Cuba, Iran, Iraq, Libya, Angola (partial), Burma (partial) and North Korea.

**Export Controls:** Restricts travel to designated countries and prohibits (without an appropriate Commerce Department license) the export of goods, services, technology or certain types of information from the United States to designated countries, or the re-export of United States origin goods from the country of original destination to a third country. This also applies to exports of foreign-made goods with United States content. A “transfer of technology or information” can occur in circumstances as casual as a conversation, a plant tour, or innocently carrying a computer disk with protected information on it out of the United States on a business trip.

For further information on the Company’s policies in these or other international business areas, contact the Company’s Corporate Compliance Coordinator or the Legal Department.

## **PUTTING THE CODE TO WORK**

### **Questions Regarding the Code**

This Code cannot provide definitive answers to all of your questions. If you have questions regarding any of the policies discussed in this Code or if you are in doubt about the best course of action in a particular situation, you should seek guidance from your supervisor, management, Tom McKenna, or any of the other resources identified in this Code.

### **Audits of Compliance**

While we expect all covered parties to abide by the provisions of this *Code*, there will be periodic reviews made by the Internal Audit Department, our external auditors and others, where appropriate, to monitor compliance in all operations.

### **Reporting Violations of the Code**

If you know of or suspect a violation of applicable laws or regulations, the Code, or the Company's related policies, you must immediately report that information to Tom McKenna, Corporate Compliance Coordinator, (1) at the Aflac Helpline number, 1-800-981-6497; (2) by fax, 706-596-3577; or (3) by mail to 1932 Wynnton Road, Columbus, Georgia 31999-0001. You may report anonymously if you desire.

No one will be subject to retaliation because of a good faith report of suspected violations of law or this Code. In situations in which the reporting party is personally involved in the Code violation, Aflac will consider whether some measure of leniency in disciplinary actions is appropriate, based on the severity of the violation and the level of cooperation provided by the employee.

### **Reporting Complaints and Concerns Regarding Accounting, Internal Accounting Controls And Auditing Matters**

The Company is committed to compliance with applicable securities and other laws, rules, and regulations, accounting standards and internal accounting controls. It is the responsibility of each employee, officer and director promptly to report complaints or concerns regarding accounting, internal accounting controls and auditing matters ("Accounting Issues"). Reports may be made to the Corporate Compliance Coordinator at the numbers and address set forth above. Reports may be made anonymously. Reports will be treated confidentially to the extent possible. No one will be subject to retaliation because of a good faith report of a complaint or concern regarding Accounting Issues.

### **Treatment of Complaints and Retention of Records Regarding Accounting Issues**

The Corporate Compliance Coordinator will forward copies of all complaints and concerns regarding Accounting Issues to the General Counsel. The General Counsel will forward, as appropriate, complaints and concerns regarding Accounting Issues to the Audit Committee of the Board of Directors. The Corporate Compliance Coordinator will retain copies of all reports, investigative reports, summaries of reports and other documents relating to complaints and concerns regarding Accounting Issues in accordance with the Company's records retention policy.

### **Investigations of Suspected Violations**

Upon receipt of a report of a suspected violation of this Code, other Company policies or applicable laws and regulations, the Corporate Compliance Coordinator will review the issue and either take action directly or forward it to the appropriate party for investigation and ultimate resolution. Additional parties that may require notification could include Executive Management, Corporate Security, Computer Security, the Privacy Office, Internal Audit or other areas as required. All inquiries will be appropriately investigated. The results of significant investigations will be periodically communicated to Executive Management and the Audit Committee of the Board of Directors. In all situations, the investigative activities will be handled in confidence to the extent possible, and reports will be distributed only to those individuals who have a need to know.

It is imperative that reporting persons not conduct their own preliminary investigations. Investigations of alleged violations may involve complex legal issues, and acting on your own may compromise the integrity of an investigation and adversely affect both you and the Company.

### **Disciplinary Action for Noncompliance**

Aflac intends to use every reasonable effort to prevent the occurrence of conduct not in compliance with this Code and to halt any such conduct that may occur as soon as reasonably possible after its discovery. Subject to applicable law and agreements, Company personnel who violate this Code and other Company policies and procedures may be subject to disciplinary action, up to and including discharge. In appropriate circumstances, Aflac may pursue additional legal remedies.

### **Waivers of the Code**

The Company will waive application of the policies set forth in this Code only where circumstances warrant granting a waiver. Waivers of the Code for directors and executive officers may be made only by the Board of Directors as a whole or the Audit Committee of the Board and must be promptly disclosed as required by law or regulation.

### **No Rights Created**

This Policy is a statement of the fundamental principles and key policies and procedures that govern the conduct of Aflac's business. It is not intended to and does not, in any way, constitute an employment contract or an assurance of continued employment or create any rights in any employee, client, supplier, competitor, shareholder or any other person or entity.