



# NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS AND PROXY STATEMENT

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**Monday, May 4, 2015, at 10:00 a.m.**

Columbus Museum (the Patrick Theatre), 1251 Wynnton Road, Columbus, Georgia





# Aflac<sup>®</sup>

Incorporated



March 19, 2015

Dear Fellow Shareholder:

Thank you for putting your faith, confidence and resources in Aflac Incorporated. Enhancing the value of your investment remains our priority.

I hope you will attend the 2015 Annual Meeting of Shareholders that will be held on Monday, May 4, 2015, at 10:00 a.m. at the Columbus Museum in Columbus, Georgia. I'll be reporting on our business performance and strategy for the future.

Your opinion matters to us and gives us insight into your view on important topics that relate to our business and, ultimately, your investment. Whether or not you are able to attend the Annual Meeting, I encourage you to review the Proxy Statement, Proxy, 2014 Year in Review, and Annual Report on Form 10-K to learn more about your Company — and then vote your shares over the internet or by telephone in accordance with the instructions. Or, you may opt to complete, sign, date and return your proxy as soon as possible so that your shares will be represented at the Annual Meeting.

We are driven to act as good stewards of your investment and of the interests of all of our shareholders. As we embark upon our 60<sup>th</sup> year operating in the United States — and look back on our 40<sup>th</sup> year operating in Japan — we are privileged to help provide financial protection to more than 50 million people worldwide. Thank you for your continued support, which has helped establish and maintain a strong foundation for your Company.

Sincerely,

A handwritten signature in black ink that reads "Daniel P. Amos". The signature is written in a cursive, flowing style.

Daniel P. Amos

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## NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of Aflac Incorporated (the "Company") will be held on Monday, May 4, 2015, at 10:00 a.m. at the Columbus Museum (in the Patrick Theatre), 1251 Wynnton Road, Columbus, Georgia, for the following purposes, all of which are described in the accompanying Proxy Statement:

1. to elect 13 Directors of the Company to serve until the next Annual Meeting and until their successors are duly elected and qualified;
2. to consider the following non-binding advisory proposal:  
"Resolved, that the shareholders approve the compensation of the Company's named executive officers, pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including as disclosed in the Compensation Discussion and Analysis, executive compensation tables and accompanying narrative discussion in the Proxy Statement;"
3. to consider and act upon the ratification of the appointment of KPMG LLP as independent registered public accounting firm of the Company for the year ending December 31, 2015; and
4. to transact such other business as may properly come before the meeting and at any adjournments or postponements of the meeting.

The accompanying proxy is solicited by the Board of Directors (the "Board") of the Company. The Proxy Statement and the Company's 2014 Year in Review and Annual Report on Form 10-K for the year ended December 31, 2014 (together, the "Annual Report") are enclosed.

The record date for the determination of shareholders entitled to vote at the Annual Meeting is February 25, 2015, and only shareholders of record at the close of business on that date will be entitled to vote at the Annual Meeting and any adjournment thereof.

**YOUR VOTE IS IMPORTANT! WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE ANNUAL MEETING, PLEASE VOTE AS PROMPTLY AS POSSIBLE SO THAT WE MAY BE ASSURED OF A QUORUM TO TRANSACT BUSINESS. YOU MAY VOTE BY USING THE INTERNET OR TELEPHONE, OR BY SIGNING, DATING AND RETURNING THE PROXY MAILED TO THOSE WHO RECEIVE PAPER COPIES OF THIS PROXY STATEMENT. IF YOU ATTEND THE ANNUAL MEETING, YOU MAY REVOKE YOUR PROXY AND VOTE IN PERSON.**

By order of the Board of Directors,

J. Matthew Loudermilk  
Secretary

Columbus, Georgia  
March 19, 2015

**\*Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on May 4, 2015. This Proxy Statement and the Annual Report are available at [proxyvote.com](http://proxyvote.com).**

# PROXY SUMMARY

*This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider and you should read the entire Proxy Statement before voting. For more complete information regarding the Company's 2014 performance, please review the Company's Annual Report on Form 10-K. In this Proxy Statement, the terms "Company," "we," or "our" refer to Aflac Incorporated, and the term "Aflac" refers to the Company's subsidiary, American Family Life Assurance Company of Columbus, which operates in the United States ("Aflac U.S.") and as a branch in Japan ("Aflac Japan").*

## 2015 Annual Meeting of Shareholders

- **Date and Time:**  
Monday, May 4, 2015, at 10:00 a.m.
- **Place:**  
Columbus Museum (the Patrick Theatre), 1251 Wynnton Road, Columbus, Georgia
- **Record Date:**  
February 25, 2015

## Voting Matters and Board Recommendations

	<b>Our Board's Recommendation</b>
Proposal 1: Election of Directors (beginning on page 9)	✓ FOR each Director Nominee
Proposal 2: Advisory Vote to Approve Executive Compensation (page 58)	✓ FOR
Proposal 3: Ratification of Independent Registered Public Accounting Firm (page 61)	✓ FOR

## 2014 Business Highlights

In 2014, the Company delivered strong operating results. Business highlights included:

- We met our operating earnings per diluted share objective for the 25<sup>th</sup> consecutive year. Operating earnings per diluted share, excluding foreign currency effect, which we believe continues to be one of the best measures of our performance and has been a key driver of shareholder value for many years, rose 3.9% over 2013.
- We generated net earnings of \$3.0 billion.
- As of December 31, 2014, our capital ratios improved:
  - Risk-based capital ("RBC") ratio was 945%;
  - Solvency margin ratio ("SMR"), the principal capital adequacy measure in Japan, was 857%.
- Combined, we generated more than \$2.5 billion in total new annualized premium sales in the United States and Japan.
- Our total operating revenues on a currency neutral basis rose 5.7% to \$27.2 billion, reflecting solid growth in our premium income and net investment income.
- We repurchased approximately \$1.2 billion (19.7 million) of the Company's shares.
- We generated an industry-leading return on equity of 17.9%; additionally, our operating return on shareholders' equity excluding foreign currency effect ("OROE") for the full year was 22.9%.
- We increased the fourth quarter cash dividend by 5.4% and the annual dividend by 5.6%, with an objective to grow the dividend at a rate that is generally in line with operating earnings per diluted share before foreign currency effect. This marked the 32<sup>nd</sup> consecutive year in which we increased our dividend.

## **Executive Compensation Highlights (beginning on page 26)**

Our compensation philosophy, which extends to every employee level at the Company, is to provide pay-for-performance that is directly linked to the Company's results. We believe this is the most effective method for creating shareholder value and that it has played a significant role in making the Company an industry leader.

The Company's executive compensation programs reflect our corporate governance best practices principles:

- Independent Compensation Committee oversees the program;
- Independent compensation consultant hired by and reporting to the Compensation Committee;
- Rigorous pay-for-performance formulaic structure for CEO compensation, in place for 17 years, which is regularly evaluated by the Compensation Committee;
- The Compensation Committee modified the CEO pay for performance evaluation process to better align the CEO's compensation with the Company's relative financial and total shareholder return performance in the same year, eliminating the performance measurement lag that had previously existed under the program;
- For the past 17 years, 100% of the CEO's total direct compensation has been determined based on the Company's performance versus peers;
- Annual report by the independent compensation consultant to the full Board of Directors on CEO pay and performance alignment;
- First public company in the U.S. to provide shareholders with a say-on-pay vote (voluntary action starting in 2008, three years before the vote became required);
- Prohibition on entering into 10b5-1 plans (unless approved by the Compensation Committee), hedging, or future pledging of the Company's stock by executive officers and Directors;
- Stock ownership guidelines for executive officers and Directors in place since 1998; grandfathered pledged shares do not count toward the stock ownership guidelines;
- Clawback policy in place since 2007; and
- No change-in-control excise tax gross-ups.

## **Response to Say-on-Pay Vote**

The Company, which allowed shareholders a "say-on-pay" advisory vote beginning in 2008, before the requirement later imposed on companies by the Dodd-Frank Wall Street Reform and Consumer Protection Act, had received endorsement rates from our shareholders that had averaged more than 96% since its institution through 2013.

The favorable vote in 2014 (74%) was the lowest since adding the advisory vote to our proxy. Based on feedback from our shareholder engagement as well as internal analysis and external analysis, we:

- conducted a thorough analysis of best practices, which indicated that the time lag in the CEO compensation program that resulted in paying the CEO's total compensation for a given year over two proxy seasons, was performance-based yet an outlier relative to best practice;
- made modifications to the process for setting the CEO's compensation to better align our relative financial and total shareholder return performance with the CEO's pay in the same year, thus eliminating the timing disconnect under the prior method; and
- otherwise validated the components and performance measures used.

Our 2014 relative performance ranking versus our peers resulted in a decrease of 51% in total direct compensation for the CEO.

Further, for 2015, we have eliminated the overlap in performance metrics used in the annual non-equity incentive plan and long-term equity incentive plan.

## Director Nominees (beginning on page 9)

Each Director stands for election annually. The following table provides summary information about each Director nominee.

Name	Age	Year First Elected	Primary Occupation	Independent
Daniel P. Amos	63	1983	Chairman and Chief Executive Officer of Aflac Incorporated and Aflac	
Paul S. Amos II	39	2007	President of Aflac	
W. Paul Bowers	58	2013	Chairman, President and Chief Executive Officer of Georgia Power Co.	✓
Kriss Cloninger III	67	2001	President, Chief Financial Officer and Treasurer of Aflac Incorporated	
Elizabeth J. Hudson	65	1990	Chief Communications Officer for the National Geographic Society	✓
Douglas W. Johnson	71	2004	Certified Public Accountant and retired Ernst & Young LLP audit partner	✓
Robert B. Johnson	70	2002	Retired Senior Advisor, Porter Novelli PR	✓
Thomas J. Kenny*	51	#	Former Partner and Co-Head of Global Fixed Income, Goldman Sachs Asset Management	
Charles B. Knapp	68	1990	President Emeritus of the University of Georgia	✓
Joseph L. Moskowitz	61	#	Retired Executive Vice President, Primerica, Inc.	✓
Barbara K. Rimer, DrPH <sup>^</sup>	66	1995	Dean and Alumni Distinguished Professor, Gillings School of Global Public Health, University of North Carolina, Chapel Hill	✓
Melvin T. Stith	68	2012	Dean Emeritus of the Martin J. Whitman School of Management at Syracuse University	✓
Takuro Yoshida	62	2010	Chairman of Nippon Tochi-Tatemono Co., Ltd.	✓

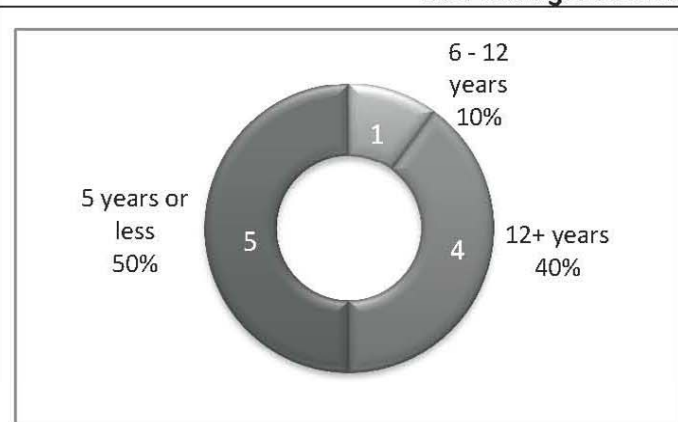
<sup>^</sup> Lead Non-Management Director

\* Appointed in 2015 to fill a vacancy

# First Year Nominated

Both the Corporate Governance Committee and the Board of Directors believe that it is appropriate to maintain a balance of longer tenured members, who bring valuable Company-specific knowledge with a historical perspective, and shorter tenured members, who bring fresh perspectives and new ideas. Since 2009, the Board of Directors has reduced its size from 17 to 13 Directors, while nominating 5 new members.

### Non-Management Director Tenure (10 Nominees)





**AFLAC INCORPORATED**

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**PROXY STATEMENT**

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**FOR ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD MONDAY, MAY 4, 2015**

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**SOLICITATION AND REVOCATION OF  
PROXY**

This Proxy Statement is furnished to shareholders in connection with the solicitation of proxies by the Board of Directors of the Company for use at the Annual Meeting of Shareholders to be held on Monday, May 4, 2015, and any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders and described in detail herein. The Annual Meeting will be held at 10 a.m. at the Columbus Museum (in the Patrick Theatre), 1251 Wynnton Road, Columbus, Georgia, directions to which may be obtained by calling (800) 227-4756.

The mailing address of our principal executive offices is Aflac Incorporated, 1932 Wynnton Road, Columbus, Georgia 31999.

All properly executed proxies returned to the Company will be voted in accordance with the instructions contained thereon. With respect to proxies returned by shareholders of record to the Company with no voting instructions indicated, the proxies will be voted FOR the

election of all Director nominees named in this Proxy Statement, FOR approval of Proposals 2 and 3, and according to the discretion of the proxy holders on any other matters that may properly come before the Annual Meeting or any postponement or adjournment thereof. Shareholders of record may also submit their proxies via the internet or by telephone in accordance with the procedures set forth in the enclosed proxy, or vote in person at the Annual Meeting. Any proxy may be revoked by the shareholder at any time before it is exercised by giving written notice to that effect to the Secretary of the Company or by submission of a later-dated proxy or subsequent internet or telephonic proxy. Shareholders who attend the Annual Meeting may revoke any proxy previously granted and vote in person orally or by written ballot.

This Proxy Statement and the accompanying proxy are being delivered to shareholders on or about March 19, 2015.

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**Solicitation of Proxies**

The Company will pay the cost of soliciting proxies. The Company will make arrangements with brokerage firms, custodians, and other fiduciaries to send proxy materials to their principals by mail and by electronic transmission, and the Company will reimburse these entities for mailing and related expenses incurred. In addition to solicitation by mail and electronic transmission, certain officers and other employees of

the Company may solicit proxies by telephone and by personal contacts. However, they will not receive additional compensation (outside of their regular compensation) for doing so. In addition, the Company has retained Georgeson Inc. to assist in the solicitation of proxies for a fee of \$9,500, plus reimbursement of reasonable out-of-pocket expenses.

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**Proxy Materials and Annual Report**

As permitted by the U.S. Securities and Exchange Commission ("SEC") rules, we are making these proxy materials available to our shareholders via the internet. Accordingly, we have mailed to most of our shareholders a notice about the internet availability of this Proxy Statement and the Company's 2014 Year in Review and Annual Report on Form 10-K for the year ended December 31, 2014 (together, the "Annual Report") instead of a paper copy of those documents. The notice contains instructions on how to access those documents over the internet, how to vote online at proxyvote.com, and how to request and receive a paper copy of our proxy materials, including this Proxy

Statement and our Annual Report. Shareholders who select the online access option to the Proxy Statement, Annual Report, and other account mailings through **aflinc**<sup>®</sup>, the Company's secure online account management system, will receive electronic notice of availability of these proxy materials. All shareholders who do not receive a notice and did not already elect online access will receive a paper copy of the proxy materials by mail. We believe this process will conserve natural resources and reduce the costs of printing and distributing our proxy materials.

## Multiple Shareholders Sharing the Same Address

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The Company is sending only one Annual Report and one Proxy Statement or notice of availability of these materials to shareholders who consented and who share a single address. This is known as “householding.” However, if a registered shareholder residing at such an address wishes to receive a separate Annual Report or Proxy Statement, he or she may contact Shareholder Services by phone at (800) 227-4756, by e-mail at [shareholder@aflac.com](mailto:shareholder@aflac.com), or by mail at the following address: Shareholder Services,

1932 Wynnton Road, Columbus, Georgia 31999. Registered shareholders who receive multiple copies of the Company’s Annual Report or Proxy Statement or notice of availability of these materials may request householding by contacting Shareholder Services using the preceding options. Shareholders who own the Company’s shares through a bank, broker, or other holder of record may request householding by contacting the holder of record.

## Description of Voting Rights

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In accordance with the Company’s Articles of Incorporation, shares of the Company’s Common Stock, par value \$.10 per share (the “Common Stock”), are entitled to one vote per share until they have been held by the same beneficial owner for a continuous period of greater than 48 months prior to the record date of the meeting, at which time they become entitled to 10 votes per share. Where a share is transferred to a transferee by gift, devise, or bequest, or otherwise through the laws of inheritance, descent, or distribution from the estate of the transferor, or by distribution to a beneficiary of shares held in trust for such beneficiary, the transferee is deemed to be the same beneficial owner as the transferor for purposes of determining the number of votes per share. Shares acquired as a direct result of a stock split, stock dividend, or other distribution with respect to existing shares (“dividend

shares”) are deemed to have been acquired and held continuously from the date on which the shares with regard to which the issued dividend shares were acquired. Shares of Common Stock acquired pursuant to the exercise of a stock option are deemed to have been acquired on the date the option was granted.

Shares of Common Stock held in “street” or “nominee” name are presumed to have been held for less than 48 months and are entitled to one vote per share unless this presumption is rebutted by providing evidence to the contrary to the Board of Directors of the Company. Shareholders desiring to rebut this presumption should complete and execute the affidavit appearing on the reverse side of their proxy. The Board of Directors reserves the right to require evidence to support the affidavit.

## Quorum and Vote Requirements

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Holders of record of Common Stock at the close of business on February 25, 2015, will be entitled to vote at the Annual Meeting. At that date, the number of outstanding shares of Common Stock entitled to vote was 438,405,772. According to the Company’s records, this represents the following voting rights:

402,992,515	Shares	@	1 Vote Per Share	=	402,992,515	Votes
<u>35,413,257</u>	Shares	@	10 Votes Per Share	=	<u>354,132,570</u>	Votes
<u>438,405,772</u>	Shares		Total		<u>757,125,085</u>	Votes

Shareholders shown above with one vote per share can rebut the presumption that they are entitled to only one vote as outlined in “Description of Voting Rights” above. If all of the outstanding shares were entitled to 10 votes per share, the total votes available would be 4,384,057,720. However, for the purposes of this Proxy Statement, it is assumed that the total votes available to be cast at the Annual Meeting will be 757,125,085.

The holders of a majority of the voting rights entitled to vote at the Annual Meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of such business that comes before the meeting. Abstentions are counted as “shares present”

at the Annual Meeting for purposes of determining whether a quorum exists. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. Broker non-votes are also counted as “shares present” at the Annual Meeting for purposes of determining whether a quorum exists.

Pursuant to the Company’s Bylaws, in an uncontested election of Directors, a Director shall be elected if the votes cast for such nominee’s election exceed the votes

cast against such nominee's election, provided a quorum is present. An abstention with respect to the election of one or more nominees will not be counted as a vote cast and will have no effect on the election of such nominee or nominees. If a nominee who is already serving as a Director is not re-elected at the annual meeting in an uncontested election, under Georgia law the Director would continue to serve on our Board of Directors as a "holdover director." However, under our Director Resignation Policy any holdover director who stood for election but the votes cast for such Director did not exceed the votes cast against such Director, must offer to tender his or her resignation to our Chairman of the Board. The Corporate Governance Committee will consider such resignation and recommend to the Board whether to accept or reject it. In considering whether to accept or reject the tendered resignation, the Corporate Governance Committee will consider all factors deemed relevant by its members, including the stated reasons why shareholders voted against such Director, the qualifications of the Director and whether the resignation would be in the best interests of the Company and its shareholders. The Board will formally act on the Corporate Governance Committee's recommendation no later than 90 days following the date of the shareholders' meeting at which

the election occurred. The Company will, within four business days after such decision is made, publicly disclose in a Form 8-K filed with the SEC, the Board's decision, together with a full explanation of the process by which the decision was made and, if applicable, the reasons for rejecting the tendered resignation. If a nominee who was not already serving as a Director is not elected at the annual meeting, that nominee would not become a Director and would not serve on our Board of Directors as a holdover director. In a contested election at an annual meeting of shareholders (a situation in which the number of nominees exceeds the number of Directors to be elected), the standard for election of Directors would be a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of Directors.

Pursuant to the Company's Bylaws, approval of Proposals 2 and 3 and any other matters to be considered at the Annual Meeting will be decided by the majority of votes cast at the Annual Meeting by the holders of shares entitled to vote on such matters. Abstentions will not be counted as votes cast and will have no effect on the outcome of the votes on Proposals 1, 2, and 3.

### **Effect of Not Casting a Vote**

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It is critical that all shareholders who hold shares in street name vote their shares if they want their votes to count in the election of Directors (Proposal 1) and the advisory vote on executive compensation (Proposal 2). If a shareholder holds shares in street name and does not instruct its bank or broker how to vote in the election of Directors or on the advisory vote on executive compensation, no votes will be cast on behalf of such shareholder with respect to such matter. Such broker non-votes will have no effect on the outcome of Proposals 1 or 2. The bank or broker does, however, have discretion to vote any uninstructed shares on the ratification of the appointment of the Company's independent registered public accounting firm (Proposal 3).

If a shareholder of record does not return the proxy card, no votes will be cast on its behalf on any of the items of business at the Annual Meeting. If a shareholder of record returns the proxy card but does not indicate any voting instructions, such proxy will be voted FOR the election of all Director nominees named in this Proxy Statement, FOR approval of Proposals 2 and 3 and according to the discretion of the proxy holders on any other matters that may properly come before the Annual Meeting or any postponement or adjournment thereof.

## Principal Shareholders

No person, as of February 25, 2015, was the owner of record or, to the knowledge of the Company, beneficial owner of more than 5% of the outstanding shares of Common Stock or of the available votes of the Company other than as shown below:

Name and Address of Beneficial Owner	Title of Class Common Stock	Amount of Beneficial Ownership		Percent of Class	Percent of Available Votes
		Shares	Votes		
Norges Bank <sup>(1)</sup> (The Central Bank of Norway) Bankplassen 2 PO Box 1179 Sentrum NO 0107 Oslo Norway	1 Vote Per Share	27,759,768	27,759,768	6.3	3.7
The Vanguard Group <sup>(1)</sup> 100 Vanguard Boulevard Malvern, PA 19355	1 Vote Per Share	26,571,051	26,571,051	6.1	3.5
State Street Corporation <sup>(1)</sup> State Street Financial Center One Lincoln Street Boston, MA 02111	1 Vote Per Share	23,558,971	23,558,971	5.4	3.1
Daniel P. Amos <sup>(2)</sup> 1932 Wynnton Road Columbus, GA 31999	10 Votes PerShare 1 Vote Per Share	5,324,059 <u>508,133</u>	53,240,590 <u>508,133</u>	1.3	6.9
		5,832,192	53,748,723		

<sup>(1)</sup> The above information is derived from Schedule 13Gs filed with the Securities and Exchange Commission, dated February 13, 2015 by Norges Bank, dated February 9, 2015 by The Vanguard Group, and dated February 11, 2015 by State Street Corporation. According to the Schedule 13G filings, Norges Bank, The Vanguard Group, and State Street Corporation have sole voting and dispositive power with respect to these shares.

<sup>(2)</sup> See footnote (1) on page 14.

## ELECTION OF DIRECTORS (Proposal 1)

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The Company proposes that the following 13 individuals be elected to the Board of Directors of the Company. The persons named below have been nominated by the Corporate Governance Committee of the Board of Directors for election as Directors and, if elected, are willing to serve as such until the next Annual Meeting of Shareholders and until their successors have been elected and qualified. It is intended that the persons named in the accompanying proxy, or their substitutes, will vote for the election of these nominees (unless specifically instructed to the contrary). However, if any nominee at the time of the election is unable or unwilling to serve or is otherwise unavailable for election, and as a result another nominee is designated, the persons named in the proxy, or their substitutes, will have discretionary authority to vote or refrain from voting in accordance with their judgment on such other nominees. The Board of Directors has no reason to believe that any of the persons nominated for election as Director will be unable or unwilling to serve. For additional information, see the "Director Nominating Process" section beginning on page 19.

Both the Corporate Governance Committee and the Board of Directors believe that it is appropriate to maintain a balance of longer tenured members, who bring valuable Company-specific knowledge with a historical perspective, and shorter tenured members, who bring fresh perspectives and new ideas. Since 2009, the Board of Directors has reduced its size from 17 to 13 Directors while nominating 5 new members.

### THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE FOLLOWING NOMINEES AS DIRECTORS.

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**Daniel P. Amos, 63**  
**Chairman and Chief**  
**Executive Officer of Aflac**  
**Incorporated and Aflac**

**Director since 1983**

Mr. Amos has been Chief Executive Officer of the Company and Aflac since 1990 and Chairman since 2001. Mr. Amos holds a bachelor's degree in risk management from the University of Georgia and has spent 38 years in various positions at Aflac. Mr. Amos served as a director of Synovus Financial Corp. from 2001 to 2011 and also served as a director of Southern Company from 2000 to 2006. *Institutional Investor* magazine has named him one of America's Best CEOs in the life insurance category five times. Mr. Amos previously served as a member of the Consumer Affairs Advisory Committee of the Securities and Exchange Commission. Under Mr. Amos' leadership, the Company became the first public company in the United States to give shareholders the opportunity to have an advisory "say-on-pay" vote on the compensation practices of the top five named executive officers. Not only did 2014 mark Mr. Amos' 25<sup>th</sup> year as CEO, but it also marked the 25<sup>th</sup> consecutive year the Company has met or exceeded our operating earnings per diluted share objective.

Mr. Amos' experience and approach deliver insightful expertise and guidance to the Company's Board of Directors on topics relating to corporate governance, people management and risk management.



**Paul S. Amos II, 39**  
**President of Aflac**

**Director since 2007**

Mr. Amos has been President of Aflac since January 2007. Prior to his current position, he also held the role of Chief Operating Officer of Aflac U.S. from February 2006 until July 2013 and held the role of executive vice president, U.S. Operations from January 2005 until January 2007. Since January 2008, Mr. Amos has also been involved with Aflac Japan sales and marketing efforts and, in his current role, he has reporting responsibilities for Aflac Japan and Aflac's Global Investment Division. Previously, Mr. Amos served as state sales coordinator for the Georgia-North sales territory. Under his leadership as state sales coordinator, the Georgia-North territory grew to become the Company's number one state operation in terms of sales. Mr. Amos holds a bachelor's degree in economics from Duke University and a master's degree in business administration from Emory University. He also holds a juris doctor degree from Tulane University.

Mr. Amos brings to the Board a deep knowledge of insurance sales, which forms the core of our business, as well as 10 years of experience at our Company, serving in various leadership roles.



**W. Paul Bowers, 58**  
**Chairman, President and**  
**Chief Executive Officer of**  
**Georgia Power Co.**

**Director since 2013**

Mr. Bowers is Chairman, President and Chief Executive Officer of Georgia Power Company, the largest subsidiary of Southern Company. Prior to assuming his current role in January 2011, Mr. Bowers served as Chief Financial Officer of Southern Company from January 2008 to August 2010. Previously, he served in various senior executive leadership positions across Southern Company in Southern Company Generation, Southern Power and the company's former U.K. subsidiary, where he was President and Chief Executive Officer of South Western Electricity LLC/Western Power Distribution. Mr. Bowers also currently serves on the board of Nuclear Electric Insurance Limited and is a member of the Atlanta Federal Reserve Bank energy advisory board. He is a graduate of the University of West Florida and also holds a master's degree in management from Troy University. In addition, he completed the Advanced Management Program at Harvard Business School.

Mr. Bowers' brings to the Board a valuable and unique perspective from his considerable financial knowledge as a former chief financial officer and national and international business experience in a highly regulated industry.



**Kriss Cloninger III, 67**  
**President, Chief Financial**  
**Officer and Treasurer of**  
**Aflac Incorporated**

**Director since 2001**

Mr. Cloninger has been President since 2001, Chief Financial Officer since 1992, and Treasurer of the Company and Executive Vice President of Aflac since 1993. Since joining the Company in 1992, he has had primary responsibility for overseeing the financial management of all Company operations, including Aflac U.S. and Aflac Japan. Prior to joining the Company, he was a principal in KPMG's insurance actuarial practice and served as a consultant to Aflac from 1977 until he joined the Company in 1992. Mr. Cloninger has been named Best CFO in the insurance/life category in America by *Institutional Investor* magazine three times. He is a member of the boards of directors of Total System Services, Inc. (TSYS), and the Tupperware Brands Corporation. Mr. Cloninger holds both a bachelor's and master's degree in business administration from the University of Texas at Austin and is a Fellow of the Society of Actuaries.

Mr. Cloninger's financial acumen and expertise in the Company's operations and corporate strategy bring a unique economic perspective to our Board of Directors.



**Elizabeth J. Hudson, 65**  
**Chief Communications**  
**Officer for the National**  
**Geographic Society**

**Director since 1990**

Ms. Hudson is the Chief Communications Officer of the National Geographic Society since April 2014 and previously served as the senior communications executive since 2000. She oversees philanthropic development and is responsible for all communications and public affairs initiatives undertaken by the National Geographic Society and its subsidiaries, including media and public relations, community engagement and social media, brand stewardship, employee communications, and related marketing-communications activities. She earned a bachelor's degree in advertising and public relations from the University of Georgia and received an honorary doctorate in commercial science from St. John's University. She has more than 40 years of experience serving on the executive management teams of several national and international organizations, including publicly traded entities and one of the world's largest scientific and research organizations. She brings extensive experience in strategic corporate communications, including financial and crisis communications management. She also co-chairs the Washington Chapter of Women Corporate Directors.

Ms. Hudson's extensive experience in communication and marketing initiatives combined with her knowledge of, exposure to and expertise in, developing and articulating sustainability programs is relevant to her role as a member of the Company's Board of Directors.



**Douglas W. Johnson, 71**  
**Certified Public**  
**Accountant**  
**and retired Ernst & Young**  
**LLP audit partner**  
**Director since 2004**

Mr. Johnson is a certified public accountant and a retired Ernst & Young LLP audit partner since 2003. He began auditing insurance companies in 1972 and spent the majority of his career focusing on companies in the life, health and property/casualty segments of the insurance industry. During Mr. Johnson's 30-year tenure with Ernst & Young and its predecessor firms, he was coordinating partner of several large multinational insurance companies and for the firm's largest American insurance client. His work experience includes extensive coordination with the audit committees of publicly held companies. Mr. Johnson holds a Bachelor of Science degree from Georgia Institute of Technology. He is a member of the American Institute of Certified Public Accountants (AICPA) and holds an MBA from the Harvard Business School.

Mr. Johnson's finance experience and leadership skills enable him to make valuable contributions to our Audit Committee, where he serves as a financial expert.



**Robert B. Johnson, 70**  
**Retired Senior Advisor,**  
**Porter Novelli PR**  
**Director since 2002**

Mr. Johnson retired from Porter Novelli PR in October 2014, at which he had been a senior advisor of since 2003. Until 2008, he served as Chairman and CEO of the One America Foundation, an organization that promotes dialogue and solidarity among Americans of all races and provides education, grants and technical equipment to disadvantaged youth of all races. Prior to this, he served in President Clinton's White House as an assistant to the President and director of the President's initiative for One America. In 2003, the Democratic National Committee ("DNC") named him Deputy Chairman, where he advised the DNC Chairman in many key areas, including political and media strategic planning and community involvement. He served two years in the Carter Administration and was one of the 30 staff members to serve the entire eight years in the Clinton White House, achieving the distinction of being one of the longest-serving African-Americans in White House history. Following his service in the Carter White House, Mr. Johnson was the Business Regulations Administrator for Washington, DC.

Promotion of diversity is important to the Company, an area that Mr. Johnson provides extensive experience to the Board. Additionally, Mr. Johnson's significant public relations experience provides the Board with valuable expertise in conducting the Company's public relations.



**Thomas J. Kenny, 51**  
**Former Partner and Co-**  
**Head of Global Fixed**  
**Income, Goldman Sachs**  
**Asset Management**

**Director Since 2015**

Mr. Kenny was appointed as a director, upon the recommendation of the Corporate Governance Committee, on February 10, 2015, to fill the vacancy on the Board of Directors created by the retirement of Mr. John Shelby Amos II on October 1, 2014. Mr. Kenny was recommended to the Corporate Governance Committee by the Chairman of the Investment and Investment Risk Committee. Mr. Kenny's extensive experience in investment management and financial markets provide the Board with valuable insight and expertise.

Mr. Kenny has served as a TIAA-CREF Trustee since December 2011. He also currently serves as the chair of the TIAA-CREF Funds Investment Committees as well as the TIAA-CREF Funds Operations Committees. Prior to his role at TIAA-CREF, Mr. Kenny held a variety of leadership positions at Goldman Sachs for 12 years, most recently serving as partner and advisory director. He also held the position of co-head of Global Cash and Fixed Income Portfolio team at Goldman Sachs Asset Management, where he was responsible for overseeing the management of more than \$600 billion in assets across multiple strategies with teams in London, Tokyo and New York. Before joining Goldman Sachs, Mr. Kenny spent 13 years at Franklin Templeton. He received a Bachelor of Arts degree from the University of California, Santa Barbara, and a master's degree in finance from Golden Gate University. He is a CFA charter holder.



**Charles B. Knapp, 68**  
**President Emeritus of the**  
**University of Georgia**

**Director since 1990**

Dr. Knapp was most recently the interim Dean of the Terry College of Business at the University of Georgia from July 1, 2013, through June 30, 2014 and is President Emeritus of the University of Georgia. During his tenure as President of the University of Georgia from 1987 to 1997, the academic reputation of the University of Georgia rose dramatically; over \$400 million in new construction was completed; there was an increased emphasis on minority recruitment; and a major fund raising campaign was successfully concluded. Dr. Knapp was president of the Aspen Institute from 1997 to 1999, and from 2000 to 2004 was a Partner with the executive search firm Heidrick and Struggles. From 2004 to 2011 he was Director of Educational Development for the CF Foundation, and from 2006 to 2011 was Chairman of the East Lake Foundation, the organization responsible for leading the revitalization of the East Lake community in Atlanta. Earlier in his career, Dr. Knapp served as the Executive Vice President and Chief Financial Officer of Tulane University and as U.S. Deputy Assistant Secretary of Labor in the Carter Administration. He holds a Ph.D. in economics from the University of Wisconsin-Madison.

Dr. Knapp's experience and knowledge provide the Board with valuable insight into the areas of finance, investments, and management.

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**Joseph L. Moskowitz, 61**  
**Retired Executive Vice**  
**President, Primerica, Inc.**

**First Year Nominated**

Mr. Moskowitz was recommended to the Corporate Governance Committee for nomination by the Chairman of the Audit Committee and the Chief Financial Officer. With 40 years of actuarial experience and leadership roles in the financial services industry, Mr. Moskowitz would provide insight into the analysis and evaluation of actuarial and financial models, which form the basis of various aspects of corporate planning, financial reporting, and risk assessment, to the Board.

Mr. Moskowitz retired from Primerica, Inc. in November 2014, at which, from 2009 until 2014, he served as Executive Vice President, where he led the Product Economics and Financial Analysis Group. Since joining Primerica in 1988, he served in various capacities, including managing the group responsible for financial budgeting, capital management support, earnings analysis, financial supplement, and analyst and stockholder communications support. He served as Chief Actuary from 1999 to 2004. Prior to joining Primerica, Mr. Moskowitz was Vice President of Sun Life Insurance Company from 1985 to 1988 and was a senior manager at KPMG from 1979 to 1985. He received his Bachelor of Science, Industrial Management, from Georgia Institute of Technology while jointly enrolled at Georgia State University, where he completed coursework in Actuarial Science. Mr. Moskowitz is a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries.

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**Barbara K. Rimer, DrPH, 66**  
**Dean and Alumni**  
**Distinguished Professor,**  
**Gillings School of Global**  
**Public Health, University**  
**of North Carolina,**  
**Chapel Hill**

**Director since 1995**

Dr. Rimer has been Dean of the University of North Carolina Gillings School of Global Public Health, Chapel Hill, NC since June 2005 and Alumni Distinguished Professor Gillings School of Global Public Health since 2003. Previously, she was director of the Division of Cancer Control and Population Sciences at the National Cancer Institute. She is a former director of Cancer Control Research and Professor of Community and Family Medicine at the Duke University School of Medicine and was elected to the Institute of Medicine in 2008. In 2012, Dr. Rimer was appointed Chairman of the President's Cancer Panel. She earned both her Bachelor of Arts in English and Masters of Public Health from the University of Michigan, and her doctorate of public health (DrPH) from the Johns Hopkins School of Hygiene and Public Health. The mission of the Gillings School of Public Health is to improve public health, promote individual well-being, and eliminate health disparities across North Carolina and around the world.

Dr. Rimer's insight and leadership are extremely relevant to the Company's business and operations in light of her particular health care experience and knowledge.

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**Melvin T. Stith, 68**  
**Dean Emeritus of the**  
**Martin J. Whitman School**  
**of Management at**  
**Syracuse University**

**Director since 2012**

Dr. Stith is Dean Emeritus of the Martin J. Whitman School of Management at Syracuse University and served as Dean from 2005 until July 2013. Prior to taking this position in 2005, Dr. Stith was the Dean Emeritus and Jim Moran Professor of Business Administration at Florida State University for thirteen years. He has been a professor of marketing and business since 1977 after having served in the U.S. Army Military Intelligence Command and achieving the rank of Captain. He holds a bachelor's degree from Norfolk State College and a master's degree in business administration and a Ph.D. in marketing from Syracuse University. Dr. Stith currently serves on the boards of Synovus Financial Corp., where he serves on the compensation committee; and Flowers Foods, Inc., a publicly held baked foods company, where he serves on the compensation and governance committees. He has also served on the boards of Correctional Services Corporation, JM Family Enterprises Youth Automotive Training Center, the Keebler Company, United Telephone of Florida, Rexall Sundown, and the Jim Moran Foundation.

Dr. Stith's leadership skills in consensus-building, risk management and executive management, and his financial acumen add an important dimension to our Board's composition.



**Takuro Yoshida, 62**  
**Chairman of Nippon Tochi-**  
**Tatemono Co., Ltd.**

**Director since 2010**

Mr. Yoshida has been the Chairman of Nippon Tochi-Tatemono Co., Ltd., a residential and commercial real estate development company in Japan, since November 2014. He was most recently President of Nippon-Tatemono Co., Ltd from January 2010 through October 2014 and served as that company's executive vice president and operating officer from May 2009 through December 2009. From 2005 through April of 2009, Mr. Yoshida held various positions which include executive director, senior operating officer, and central branch manager and operating officer of Mizuho Bank, Ltd., part of Mizuho Financial Group, Inc., which was formed in a merger between his former employer, Dai-Ichi Kangyo Bank, Ltd., and two other banks. He held various positions at Dai-Ichi Kangyo Bank, Ltd., which he joined in 1976. Mr. Yoshida graduated from the Faculty of Law, Tokyo University. Mr. Yoshida is also a representative of one of the Company's largest shareholders in Japan.

Mr. Yoshida's extensive Japan financial and managerial experience provides the Board with valuable insight and expertise relevant to the Company's Japanese business.

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Daniel P. Amos is the father of Paul S. Amos II. No other family relationships exist among any other executive officers or Directors.

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### **Directors Not Standing for Re-Election**

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Mr. David Gary Thompson, 68, is not standing for re-election and will retire at the end of his term at the Annual Meeting. Mr. John Shelby Amos, II retired from the Board effective October 1, 2014.

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The following information is provided with respect to each Director and nominee:

Name	Shares of Common Stock Beneficially Owned on February 25, 2015 <sup>(1)</sup>	Percent of Outstanding Shares	Voting Rights on February 25, 2015	Percent of Available Votes
Daniel P. Amos	5,832,192	1.3	53,748,723	6.9
John Shelby Amos II	709,733	.2	7,014,836	.9
Paul S. Amos II	2,187,049	.5	20,892,843	2.8
W. Paul Bowers	10,243	*	15,123	*
Kriss Cloninger III	993,780	.2	6,729,871	.9
Elizabeth J. Hudson	93,548	*	779,843	.1
Douglas W. Johnson	49,174	*	383,968	.1
Robert B. Johnson	36,387	*	176,174	*
Thomas J. Kenny	—	*	—	*
Charles B. Knapp	84,984	*	767,346	.1
Joseph L. Moskowitz	706	*	706	*
Barbara K. Rimer, DrPH	44,219	*	359,696	*
Melvin T. Stith	16,213	*	16,213	*
David Gary Thompson	47,727	*	223,344	*
Takuro Yoshida	3,343,967	.8	30,483,584	4.0

\* Percentage not listed if less than .1%.

(1) Includes options to purchase shares, which are exercisable within 60 days for: Daniel P. Amos, 2,490,206; John Shelby Amos II, 36,679; Paul S. Amos II, 211,632; Kriss Cloninger III, 509,419; Elizabeth J. Hudson, 31,647; Douglas W. Johnson, 33,923; Robert B. Johnson, 12,513; Charles B. Knapp, 36,679; Barbara K. Rimer, DrPH, 36,679; David Gary Thompson, 19,513; and Takuro Yoshida, 24,679. Also includes shares of restricted stock awarded under the 2004 Long-Term Incentive Plan in 2013, 2014 and 2015 for: Daniel P. Amos, 288,562; Paul S. Amos II, 68,709; and Kriss Cloninger III, 149,289, for which they have the right to vote, but may not transfer until the shares have vested three years from the date of grant if certain Company performance goals have been met. Also includes shares of restricted stock awarded under the 2004 Long-Term Incentive Plan in 2011, 2012, 2013 and 2014 for: Robert B. Johnson, 8,861; and David Gary Thompson, 8,861; and in 2012, 2013 and 2014 for: Elizabeth J. Hudson, 6,336 and Melvin T. Stith, 7,674; and in 2012 for Douglas W. Johnson 2,211; and in 2013 and 2014 for W. Paul Bowers, 4,787, which they have the right to vote, but may not transfer until the shares have vested four years from the date of grant. Includes 13,357; 350,010; and 12,906 shares pledged by John Shelby Amos II, Paul S. Amos II, and Kriss Cloninger III, respectively. For information on the Company's pledging policy, please see "Stock Ownership Guidelines; Hedging and Pledging Restrictions" on page 41.

Also includes the following shares:

Daniel P. Amos: 2,264 shares owned by his spouse; 438,271 shares owned by partnerships of which he is a partner; 15,841 shares owned by Amos Family LLC; 1,448,604 shares owned by trusts of which he is trustee; 535,545 shares owned by the SOMA Foundation Inc.; 228,866 shares owned by the Daniel P. Amos Family Foundation, Inc.; 28,124 shares owned by a trust with his spouse as trustee; 24,591 shares owned by his spouse's children; and 112,444 shares owned by the Paul S. Amos Family Foundation, Inc.

Paul S. Amos II: 93,596 shares owned by his spouse; 50,482 shares owned by his children; 166,387 shares owned by trusts with his spouse as trustee; 837,983 shares owned by trusts of which he or his children are beneficiaries; 15,000 shares owned by a partnership of which he is a partner; 32,101 shares owned by the Paul & Courtney Amos Foundation; 8,000 shares owned by the Dan Amos Dynasty Trust; 228,866 shares owned by the Daniel P. Amos Family Foundation, Inc.; and 112,444 shares owned by the Paul S. Amos Family Foundation, Inc.

Kriss Cloninger III: 31,808 shares owned by his spouse; 56 shares owned by his spouse's children; 108,970 shares owned by partnerships of which Mr. Cloninger is a partner; and 43,651 shares owned by trusts with Mr. Cloninger as trustee.

Elizabeth J. Hudson: 2,400 shares owned by her children.

Charles B. Knapp: 21,000 shares owned by his spouse.

Takuro Yoshida: 3,319,288 shares owned by The Mizuho Trust & Banking Co., Ltd. Mr. Yoshida shares the power to vote these shares.

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## DIRECTOR COMPENSATION

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Directors who also serve as employees of the Company or its subsidiaries are not entitled to compensation as Board members. For all other directors (“Non-employee Directors”), the Compensation Committee reviews the policy regarding total compensation at least every other year and recommends compensation to the Board for Non-employee Directors consistent with the policy. The policy was reviewed and amended in 2014. Under the current policy, Non-employee Directors receive \$115,000 annually for their service as such. A Non-employee Director serving on the Audit Committee receives an additional \$10,000 annually for that service. In addition, the chairs of each of the Compensation Committee, Audit Committee, Corporate Governance Committee, Investment and Investment Risk Committee, and Sustainability Committee receive additional annual fees of \$20,000, \$25,000, \$15,000, \$20,000, and \$15,000, respectively. From time to time the Board may create a Special Purpose Committee made up of Non-employee Directors; remuneration for service on these committees is determined by the Compensation Committee.

When a Non-employee Director first joins the Board of Directors, he or she is granted an award of nonqualified stock options, stock appreciation rights, restricted stock, or a combination thereof, with a value as determined by the Board of Directors not in excess of the value of a nonqualified stock option covering an aggregate of 10,000 shares of Common Stock. In the following calendar year, and for each year thereafter, each Non-employee Director may, at the discretion of the Board, receive nonqualified stock options, stock appreciation rights, restricted stock, or a combination thereof with a dollar value to approximate \$125,000 based upon (in the case of stock options and stock appreciation rights) the most current Black-Scholes-Merton three-year period valuation price of option shares as determined by Mercer LLC, the Compensation Committee’s independent compensation consultant (the “Consultant”). If the Board grants stock options, it may permit Non-employee Directors to elect to receive restricted stock in lieu thereof. In 2014, 5 of 10 Non-employee Directors received nonqualified stock options covering

9,105 shares of Common Stock, and the remaining 5 elected to receive all restricted stock. The exercise price for the stock options is the closing market price of the Common Stock on the date of grant. Options granted to each Non-employee Director become exercisable under the terms and conditions as determined by the Board of Directors at the date of grant. Grants of options made to Non-employee Directors in 2014 become exercisable in equal installments on each of the next four anniversaries of the date of the option grant, and restricted stock awards issued in 2014 become vested on the fourth anniversary of the date of the award, in each case if the Non-employee Director continues to be a Director through such respective date. However, upon cessation of service by reason of retirement, a Non-employee Director becomes immediately vested in all outstanding stock options and awards that have not yet expired, as long as the Non-employee Director has completed at least one full year of vesting. A Non-employee Director becomes 100% vested in options and stock awards upon cessation of service by reason of death, disability or change in control.

Non-employee Directors, with the exception of those who are or within one year will become retirement eligible, may elect to have all or a portion of their Board annual retainer paid in the form of immediately vested nonqualified stock options, restricted stock that vests upon four years of continued service, or a combination thereof as determined by the Board of Directors. In 2014, none of the Non-employee Directors made such an election.

The Company maintains a retirement plan for Non-employee Directors who have attained age 55 and completed at least five years of service as a Non-employee Director. Effective 2002, newly elected Non-employee Directors are not eligible for participation in this plan. The dollar value and length of payment of the annual retirement benefits were frozen effective May 3, 2010. The Non-employee Directors do not participate in any nonqualified deferred compensation plans. For additional information, please see “Stock Ownership Guidelines; Hedging and Pledging Restrictions” on page 41.

The following table identifies each item of compensation paid to Non-employee Directors for 2014.

Name <sup>(1)</sup>	Fees Earned or Paid in Cash (\$)	Stock Awards <sup>(2)</sup> (\$)	Option Awards <sup>(3)</sup> (\$)	Change in Pension Value and Nonqualified Deferred	All Other Compensation <sup>(5)</sup> (\$)	Total (\$)
				Compensation Earnings <sup>(4)</sup> (\$)		
John Shelby Amos II*	86,250	—	—	42,117	4,055,346	4,183,713
W. Paul Bowers	121,667	125,008	—	—	—	246,675
Elizabeth J. Hudson	130,000	125,008	—	36,047	—	291,055
Douglas W. Johnson	150,000	—	143,157	—	—	293,157
Robert B. Johnson	135,000	125,008	—	—	—	260,008
Charles B. Knapp	145,000	—	143,157	40,852	—	329,009
E. Stephen Purdom, MD*	38,333	—	—	—	—	38,333
Barbara K. Rimer, DrPH	130,000	—	143,157	18,996	—	292,153
Melvin T. Stith	125,000	125,008	—	—	16,360	266,368
David Gary Thompson	115,000	125,008	—	—	—	240,008
Takuro Yoshida	115,000	—	143,157	—	—	258,157

\* E. Stephen Purdom and John Shelby Amos II retired from the Board of Directors on May 4, 2014 and October 1, 2014, respectively. John Shelby Amos II presently serves as an employee of Aflac.

(1) Daniel P. Amos, Chairman and CEO; Paul S. Amos II, President, Aflac; and Kriss Cloninger III, President, CFO, and Treasurer, are not included in the table, as they are employees and thus do not receive compensation for their services as Directors. The compensation received by Messrs. Daniel P. Amos, Paul S. Amos II, and Cloninger as employees is shown in the Summary Compensation Table below.

(2) This column represents the dollar amount recognized in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("ASC 718") for financial statement purposes with respect to the 2014 fiscal year for the fair value of restricted stock granted in 2014. The fair values of the awards granted in 2014 were calculated using the closing per-share stock price on the date of grant of \$59.33 for W. Paul Bowers, Elizabeth J. Hudson, Robert B. Johnson, Melvin T. Stith and David Gary Thompson. Each Non-employee Director may elect, in the year prior to the grant, to convert all or a portion of any annual stock option grant to restricted stock based upon a conversion formula approved by the Board of Directors. As of December 31, 2014, each Non-employee Director held the following number of restricted stock awards: W. Paul Bowers, 4,787; Elizabeth J. Hudson, 6,336; Douglas W. Johnson, 2,211; Robert B. Johnson, 8,861; Melvin T. Stith, 7,674; and David Gary Thompson, 8,861.

(3) In accordance with the SEC's reporting requirements, this column represents the dollar amount recognized in accordance with ASC 718 for financial statement purposes with respect to the 2014 stock option grants. The Company's valuation assumptions are described in Note 12 "Share-Based Compensation" in the Notes to the Consolidated Financial Statements in the Company's Annual Form 10-K filed with the SEC for the year ended December 31, 2014. To determine the number of options granted to a Non-employee Director, \$125,000 was divided by \$13.73, a Black-Scholes-Merton stock option value as determined by the Consultant for the three-year period 2013-2015 (rounding to the nearest share). Stock options granted to Non-employee Directors vest 25% per year over a four-year vesting period. As of December 31, 2014, each non-employee Director held stock options covering the following number of shares of Common Stock: Elizabeth J. Hudson, 33,026; Douglas W. Johnson, 51,236; Robert B. Johnson, 12,513; Charles B. Knapp, 56,749; Barbara K. Rimer, 56,749; David Gary Thompson, 19,513; and Takuro Yoshida, 44,749.

(4) Represents change in pension value. W. Paul Bowers, Douglas W. Johnson, Robert B. Johnson, Melvin T. Stith, David Gary Thompson and Takuro Yoshida do not participate in the Director retirement plan since they first became Directors after the plan was closed to new participants in 2002. The aggregate change in the actuarial present value of the accumulated benefit obligation for E. Stephen Purdom was a decrease of \$24,885.

(5) Amounts disclosed if in excess of \$10,000. Included in All Other Compensation for John Shelby Amos II, who served as the State Sales Coordinator Alabama/West Florida from January 1, 2014 through September 29, 2014, is \$3,811,546 in renewal and first-year sales commissions before expenses. The compensation arrangement with John Shelby Amos II was no more favorable when contracted than those of other State Sales Coordinators. John Shelby Amos II was hired by the Company on September 30, 2014 as a Market Director. The compensation earned as an employee during 2014 for salary, bonus, and employer deferred compensation contributions totaled \$82,943, \$75,000, and \$78,750, respectively (and is included in All Other Compensation). Amounts included in All Other Compensation for Melvin T. Stith are event tickets and the cost of spousal travel to attend Aflac's annual sales convention.

## SECURITY OWNERSHIP OF MANAGEMENT

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The following table sets forth, as of February 25, 2015, the number of shares and percentage of outstanding shares of Common Stock beneficially owned by: (i) our named executive officers, comprising our CEO, President/CFO, President of Aflac, and the two other

most highly compensated executive officers as listed in the 2014 Summary Compensation Table (collectively, the "NEOs") whose information was not provided under the heading "Election of Directors," and (ii) all Directors and executive officers as a group.

### Common Stock Beneficially Owned and Approximate Percentage of Class as of February 25, 2015

Name	Shares <sup>(1)</sup>	Percent of Shares	Votes	Percent of Votes
Eric M. Kirsch	126,028	*	126,028	*
Tohru Tonoike	292,703	.1	1,794,452	.2
All Directors, nominees, and executive officers as a group (25 persons)	15,038,129	3.4	130,287,230	16.4

\* Percentage not listed if less than .1%.

<sup>(1)</sup> Includes options to purchase shares, which are exercisable within 60 days for Eric M. Kirsch of 65,627; for Tohru Tonoike of 147,150 and all Directors and executive officers as a group, 4,105,084. Also includes shares of restricted stock awarded under the 2004 Long-Term Incentive Plan; in 2013, 2014 and 2015 for Eric Kirsch of 58,526; in 2013, and 2014 for Tohru Tonoike of 42,946; and all Directors and executive officers as a group 884,950 which they have the right to vote, but they may not transfer until the shares have vested three years from the date of grant if certain Company performance goals have been met. Includes 446,901 shares pledged for all Director nominees and executive officers as a group. For information on the Company's pledging policy, please see "Stock Ownership Guidelines; Hedging and Pledging Restrictions" on page 41.

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## SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

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Pursuant to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), executive officers, Directors, and holders of more than 10% of the Common Stock are required to file reports of their trading in Company equity securities with the SEC.

Based solely on its review of the copies of such reports received by the Company, or written representations from certain reporting persons, the Company believes that its reporting persons complied with all applicable Section 16 filing requirements during the last fiscal year.

## CORPORATE GOVERNANCE

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The Company has a long history of engaging shareholders to gain an understanding about the issues and concerns that are important to them. We believe that open communications can have a positive influence on our corporate governance practices such as the

Company's decision to become the first publicly traded company in the United States to voluntarily allow shareholders a say-on-pay. Additionally, as part of this governance philosophy, we communicate with our shareholders on a regular basis.

### Director Independence

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The Board of Directors annually assesses the independence of each Director nominee. The Board has determined that with respect to W. Paul Bowers, Elizabeth J. Hudson, Douglas W. Johnson, Robert B. Johnson, Charles B. Knapp, Joseph L. Moskowitz, Barbara K. Rimer, DrPH, Melvin T. Stith, and Takuro Yoshida, (i) none of such individuals is precluded from being an independent director under the New York Stock Exchange ("NYSE") listing standards and (ii) none of such individuals has a material relationship with the Company (either directly or as a partner, shareholder, or officer of an organization that has a

relationship with the Company), and that accordingly, each such individual is considered an "independent director" for purposes of the NYSE listing standards. The Board of Directors has also determined that David Gary Thompson, who is not standing for re-election at the Annual Meeting, was an "independent director" for purposes of the NYSE listing standards during the time he was a director. The Board made its determination based on information furnished by all Directors regarding their relationships with the Company and research conducted by management.

### Board Leadership Structure

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Daniel P. Amos has served as our Chairman of the Board since 2001 and as our CEO since 1990. The Board believes that the most effective Board leadership structure for the Company at the present time is for the CEO to continue to serve as Chairman of the Board in conjunction with the appointment of a Lead Non-Management Director as described below. This structure has served the Company well for many years. Combining the positions of Chairman and CEO provides the Company with decisive and effective leadership. The Board believes that Mr. Amos' in-depth long-term knowledge of the Company's operations and vision for its development make him the best qualified person to serve as both Chairman and CEO. Because the CEO is ultimately responsible for the day-to-day operation of the Company and for executing the Company's strategy, and because the performance of the Company is an integral part of Board deliberations, the Board believes that Mr. Amos is the Director most qualified to act as Chairman of the Board. However, the Board retains the authority to modify this structure to best advance the interests of all shareholders, if circumstances warrant such a change.

The Board also believes that its existing corporate governance practices achieve independent oversight and management accountability. These governance practices are reflected in the Company's Guidelines on Significant Corporate Governance Issues and the Committee charters and include the following:

- the substantial majority of the Board are independent Directors;
- the Audit, Compensation, and Corporate Governance Committees all comprise independent Directors;
- the Company has a Lead Non-Management Director with the responsibilities described below; and
- the Non-employee Directors meet at each regularly scheduled Board meeting in executive session without management present.

### Lead Non-Management Director

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The position of Lead Non-Management Director rotates among the Chairs of the Audit, Compensation, and Corporate Governance Committees. Barbara K. Rimer, DrPH, is currently the Lead Non-Management Director. The responsibilities of the Lead Non-Management Director include the following:

- consulting with the Chairman and Secretary in establishing the agenda for each Board meeting;
- 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;
- 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
- chairing the meeting of the Board when it is conducting its annual Board self-evaluation.

Furthermore, the Lead Non-Management Director has the ability to call meetings of the independent Directors.

## Communications with Directors

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Shareholders may contact members of the Board by mail. To communicate with the Board of Directors, any individual Director or any group or committee of Directors (including Non-employee Directors as a group), correspondence should be addressed to the Board of Directors or any such individual Director or group or committee of Directors by either name or title. All such correspondence should be sent to the Corporate Secretary of Aflac Incorporated at the following address: 1932 Wynnton Road, Columbus, Georgia 31999.

All communications received as set forth in the preceding paragraph will be opened by the Corporate

Secretary for the sole purpose of determining whether the contents represent a message to the Directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board of Directors or any group or committee of Directors, the Secretary's office will make sufficient copies of the contents to send to each Director who is a member of the group or committee to which the envelope is addressed.

It is Company policy that each of the Directors attends the Annual Meeting. All of the Directors were in attendance at the 2014 Annual Meeting.

## Director Nominating Process

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The Corporate Governance Committee will consider Director candidates recommended by shareholders. In considering candidates submitted by shareholders, the Corporate Governance Committee will take into consideration the needs of the Board and the qualifications of the candidate. The Corporate Governance Committee may also take into consideration the number of shares held by the recommending shareholder and the length of time that such shares have been held. To have a candidate considered by the Corporate Governance Committee, a shareholder must submit the recommendation in writing and must include: (i) the name of the shareholder and evidence of the person's ownership of Common Stock, including the number of shares owned and the length of time of ownership; and (ii) the name of the candidate, the candidate's resume or a listing of his or her qualifications to be a Director of the Company and the person's consent to be named as a Director if selected by the Corporate Governance Committee and nominated by the Board. No person 20 years of age or younger or 75 years of age or older is eligible for election or appointment as a member of the Board of Directors.

The shareholder recommendation and information described above must be sent to the Corporate Secretary at Aflac Incorporated, 1932 Wynnton Road, Columbus, Georgia 31999, and must be received by the Corporate Secretary not less than 90 nor more than 120

days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within 25 days before or after such anniversary date, notice by the shareholder, to be timely, must be so received no later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made, whichever occurs first.

The Corporate Governance Committee believes that the minimum qualifications for serving as a Director of the Company are that a nominee demonstrate, by significant accomplishment in his or her field, an ability to make a meaningful contribution to the Board's oversight of the business and affairs of the Company and have an impeccable record and reputation for honest and ethical conduct in both his or her professional and personal activities. In addition, the Corporate Governance Committee examines a candidate's specific experiences and skills, time availability in light of other commitments, potential conflicts of interest and independence from management and the Company. The Corporate Governance Committee also seeks to create a Board that is strong in its collective knowledge and has a diversity of backgrounds, skills and experience with respect to accounting and finance, management and leadership, vision and strategy, business operations,

business judgment, industry knowledge, corporate governance and global markets. The Company's Guidelines on Significant Corporate Governance Issues provide that diversity is a factor the Corporate Governance Committee should consider in nominating Directors. The diversity of Board and Committee members (which would include gender, ethnicity, race, color, and national origin) is one of the specified criteria considered by the Board as part of its annual self-evaluation.

The Corporate Governance Committee identifies potential nominees by asking current Directors and executive officers to notify the Corporate Governance Committee if they become aware of persons that meet the criteria described above and who have had a change in circumstances that might make them available to serve on the Board (for example, if an individual has retired as chief executive officer or chief financial officer of a public company or exited government or military service). The Corporate Governance Committee may also, from time to time, engage firms that specialize in identifying Director candidates. As described above, the Corporate Governance Committee will also consider candidates recommended by shareholders.

Once the Corporate Governance Committee identifies a person as a potential candidate, the Corporate Governance Committee may collect and review publicly

available information regarding the potential candidate to assess whether that person should receive further consideration. If the Corporate Governance Committee determines that the candidate warrants further consideration, the Chairman or another member of the Corporate Governance Committee will contact the person. Generally, if the person expresses a willingness to be considered and to serve on the Board, the Corporate Governance Committee requests information from the candidate, reviews the person's accomplishments and qualifications relative to any other candidates that the Corporate Governance Committee might be considering, and conducts one or more interviews with the candidate. In certain instances, Corporate Governance Committee members may contact one or more references provided by the candidate or may contact other members of the business community or other persons that may have greater firsthand knowledge of the candidate's accomplishments. The Corporate Governance Committee's evaluation process does not vary based on whether or not a candidate is recommended by a shareholder, although, as stated above, the Board may take into consideration the number of shares held by the recommending shareholder and the length of time that such shares have been held.

## **Enterprise-Wide Risk Oversight**

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Our Board of Directors oversees an enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance and enhance shareholder value. A fundamental part of risk management is not only understanding the risks a company faces and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the company. The involvement of the full Board of Directors in setting the Company's business strategy is a key part of its assessment of management's appetite for risk and also a determination of what constitutes an appropriate level of risk for the Company.

While the Board of Directors has the ultimate oversight responsibility for the risk management process, various committees of the Board also have responsibility for risk management. The Audit Committee charter provides that one of the Audit Committee's responsibilities and duties is compliance oversight. The Audit Committee charter provides that the Audit Committee shall discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps

management has taken to monitor and control such exposures.

The Investment and Investment Risk Committee assists the Board of Directors by providing oversight of the investment process and investment risk management of the Company and its subsidiaries by reviewing and approving the investment policies, strategies, transactions and performances. The "investment process" is the process by which all investable cash flows of the Company and its subsidiaries are invested, and by which investments are managed to emphasize safety, liquidity, returns, tax considerations, applicable laws and regulations, and conformity to the needs of each Company. The "investment risk" includes, but is not limited to liquidity risk, market risk, and credit risk. "Liquidity risk" is risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. "Market risk" is the risk that as a result of market movements, a firm may be exposed to fluctuations in the value of its assets, the amount of its liabilities, or the income from its assets. "Credit risk" is the risk of loss a firm is exposed to if a counterparty fails to perform its contractual obligations, including failure to perform them in a timely manner.



In addition, in setting compensation, the Compensation Committee strives to create incentives that encourage a level of risk-taking behavior consistent with the Company's business strategy. As more fully discussed in the "Compensation Discussion and Analysis" ("CD&A") section of this Proxy Statement, incentive compensation performance objectives of the Company's management are determined and established which are realistically obtainable so as not to encourage excessive risk taking.

The Company has a global Disclosure Committee comprising senior levels of management across the Company to ensure that disclosure controls and

procedures are effective and provide, to the highest degree of certainty possible, that the information required to be disclosed to the investing public is accumulated and communicated to the Disclosure Committee to allow timely decisions regarding disclosure.

In its annual self-evaluation, the Board discusses its performance and oversight responsibility. In this discussion, the Board evaluates the quality of the information provided to Directors by the Audit Committee about the Company's risk management and corporate compliance programs.

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## **Code of Business Conduct and Ethics**

The Company has a Code of Business Conduct and Ethics, which is applicable to all Directors and employees, including executive officers, of the Company and its subsidiaries. The Code of Business Conduct and Ethics includes a Code of Ethics for Chief Executive and Senior Financial Officers that sets forth standards applicable to all officers, Directors, and employees but has provisions specifically applicable to

the Chief Executive Officer, Chief Financial Officer, and the Chief Accounting Officer. The Company intends to satisfy any disclosure requirements regarding amendments to, or waivers from, any provision of the Code of Business Conduct and Ethics by posting such information on the Company's website, [aflac.com](http://aflac.com), under "Investors" then "Corporate Governance."

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## **Chief Executive Officer and Executive Management Succession Planning**

The Board of Directors, in coordination with the Corporate Governance Committee, is responsible for Chief Executive Officer continuity succession planning and succession planning for key executives to ensure continuity in senior management. The Board of Directors, in coordination with the Corporate Governance Committee, also ensures that the Company has appropriate steps in place to address emergency Chief Executive Officer succession planning in the event of extraordinary circumstances.

As part of the Company's Chief Executive Officer continuity succession planning, the Company's Chief Executive Officer, in coordination with the Company's executive management team, including the General Counsel and the Director of Human Resources,

periodically provides recommendations and evaluations of potential successors to the Chief Executive Officer position, along with a review of any development plans recommended for such individuals, to the Corporate Governance Committee. As part of the Company's succession planning for key executives, the Corporate Governance Committee, in coordination with the Chief Executive Officer and executive management, identifies potential successors to executive management positions.

The Chief Executive Officer reviews executive succession planning and management development at an annual executive session of non-management Directors.

## BOARD AND COMMITTEES

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During 2014, the Board of Directors met five times, and all Directors attended 100% of the Board of Directors meetings and at least 75% of the meetings of the Board Committees on which they served.

The current principal seven Board of Directors committees are Acquisition, Audit, Compensation, Corporate Governance, Executive, Investment and Investment Risk, and Sustainability. The Audit Committee charter, the Compensation Committee charter, and the Corporate Governance Committee

charter, as well as the Company's Guidelines on Significant Corporate Governance Issues and the Code of Business Conduct and Ethics, can all be found at the Company's website, [aflac.com](http://aflac.com), under "Investors" then "Corporate Governance." These documents are also available in print to shareholders upon request. Shareholders may submit their request to Aflac Incorporated, Corporate Secretary, 1932 Wynnton Road, Columbus, Georgia 31999.

### The Acquisition Committee

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The Acquisition Committee of the Board of Directors reviews acquisition strategies with the Company's management, investigates acquisition candidates on behalf of the Company, and recommends acquisition strategies and candidates to the Company's Board, as

appropriate. The Acquisition Committee is composed of Charles B. Knapp (Chairman), Elizabeth J. Hudson, and Takuro Yoshida.

### The Audit Committee

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The Audit Committee is a separately designated standing audit committee established in accordance with section 3(a)(58)(A) of the Exchange Act. The Audit Committee has the following primary duties and responsibilities: (i) to oversee that management has maintained the reliability and integrity of the financial reporting process and systems of internal controls of the Company and its subsidiaries regarding finance, accounting, and legal matters; (ii) to issue annually the Audit Committee Report set forth below; (iii) to select, oversee, evaluate, determine funding for and, where appropriate, replace or terminate the Company's independent registered public accounting firm and monitor its independence; (iv) to oversee the performance of the Company's internal auditing department; (v) to assist Board oversight of the Company's compliance with legal and regulatory requirements; (vi) to provide an open avenue of communication among the independent registered public accounting firm, management, the internal auditing department, and the Board; and (vii) to review and monitor the adequacy of enterprise risk management activities of the Company. In addition, the Audit Committee's charter provides that the Audit Committee shall discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

The Audit Committee also pre-approves audit and non-audit services provided by the Company's independent registered public accounting firm and pre-approves or

ratifies all related person transactions that are required to be disclosed in the Company's annual proxy statement. In addition, it is the responsibility of the Audit Committee to select, oversee, evaluate, determine funding for, and, where appropriate, replace or terminate the independent registered public accounting firm. At least annually, the Audit Committee reviews the services performed and the fees charged by the independent registered public accounting firm.

The independent registered public accounting firm has direct access to the Audit Committee and may discuss any matters that arise in connection with its audits, the maintenance of internal controls, and any other matters relating to the Company's financial affairs. The Audit Committee may authorize the independent registered public accounting firm to investigate any matters that the Audit Committee deems appropriate and may present its recommendations and conclusions to the Board.

The Audit Committee is composed of Douglas W. Johnson (Chairman and financial expert), W. Paul Bowers (financial expert), Charles B. Knapp, and Melvin T. Stith. All Audit Committee members qualify as "outside" Directors as defined by Section 162(m) ("Section 162(m)") of the Internal Revenue Code of 1986, as amended (the "IRC"), "Non-employee Directors" within the meaning of Rule 16b-3 under the Exchange Act, and independent Directors under the NYSE listing standards. The Audit Committee operates under a written charter adopted by the Board of Directors. The Audit Committee met thirteen times during 2014.

## The Corporate Governance Committee

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The Corporate Governance Committee has the following primary duties and responsibilities: (i) selecting individuals qualified to serve as Directors of the Company to be nominated to stand for election to the Board of Directors (as discussed in the “Director Nominating Process” section beginning on page 19); (ii) recommending to the Board, Directors to serve on committees of the Board; (iii) advising the Board with respect to matters of Board composition and procedures; (iv) developing and recommending to the Board a set of corporate governance principles applicable to the Company; (v) monitoring compliance with the Company’s political participation program; and (vi) overseeing the evaluation of the Board and the

Company’s management and succession planning. The Corporate Governance Committee of the Board of Directors is composed of Barbara K. Rimer, DrPH (Chair), Robert B. Johnson, and Melvin T. Stith. All Corporate Governance Committee members qualify as “outside” Directors as defined by Section 162(m), “Non-employee Directors” within the meaning of Rule 16b-3 under the Exchange Act, and independent Directors under the NYSE listing standards. The Corporate Governance Committee operates under a written charter adopted by the Board of Directors. The Corporate Governance Committee met three times during 2014.

## The Compensation Committee

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The responsibilities of the Compensation Committee include the following: (i) to review, at least annually, the goals and objectives of the Company’s executive compensation plans; (ii) to evaluate annually the performance of the CEO with respect to such goals and objectives; (iii) to determine the CEO’s compensation level based on this evaluation; (iv) to evaluate annually the performance of the other executive officers of the Company in light of such goals and objectives, and set their compensation levels based on this evaluation and the recommendation of the CEO; (v) to review the Company’s incentive compensation programs to determine whether they encourage excessive risk taking, and evaluate compensation policies and practices that could mitigate any such risk; and (vi) to review the Company’s general compensation and benefit plans with respect to the goals and objectives of these plans. The Compensation Committee also reviews and approves compensation levels, equity-linked incentive compensation, and annual incentive awards, sometimes referred to as non-equity incentives, under the Company’s Management Incentive Plan (“MIP”) for all executive officers including those who are members of the Board.

With respect to Non-employee Director compensation, the Compensation Committee recommends to the Board a policy regarding Non-employee Director compensation and has recommended to the Board Non-employee Director compensation consistent with such policy. The Board makes final determinations regarding Non-employee Director compensation.

The Compensation Committee retains a nationally recognized compensation consultant, Mercer LLC (the “Consultant”), to assist and advise the Compensation Committee in its deliberations regarding executive compensation. The Consultant works with the

Compensation Committee in the review of executive compensation practices, including the competitiveness of pay levels, design issues, market trends, and other technical considerations.

The Consultant typically assists in the following areas:

- providing comparative company performance to determine CEO pay;
- providing an evaluation of the competitiveness of the Company’s executive compensation and benefit programs;
- reviewing plan design issues and recommending potential improvement opportunities;
- apprising the Compensation Committee of trends and developments in the marketplace;
- assessing the relationship between executive pay and performance;
- assessing proposed performance goals and ranges for incentive plans;
- providing comparative company data to determine NEO compensation;
- conducting compensation training sessions for the Compensation Committee; and
- determining the compensation of Non-employee Directors.

Fees paid to the Consultant for executive compensation consulting services totaled \$246,926 in 2014. Management retained affiliated companies of the Consultant to provide additional services not pertaining to executive compensation during 2014, and approved payments totaling \$5,223,957 for those services. These payments principally consisted of broker commissions

for insurance sales by the affiliated companies. The Compensation Committee has assessed the independence of the Consultant pursuant to SEC rules and concluded that no conflict of interest exists that would prevent the Consultant from independently representing the Compensation Committee.

Additional information regarding the Company's processes and procedures for the consideration and determination of executive compensation can be found in the CD&A below.

The current members of the Compensation Committee are Robert B. Johnson (Chairman), David Gary Thompson, and Douglas W. Johnson. All members of the Compensation Committee are "outside" Directors as defined by Section 162(m), "Non-employee Directors" within the meaning of Rule 16b-3 under the Exchange Act, and independent Directors under the applicable NYSE listing standards. The Compensation Committee operates under a written charter adopted by the Board of Directors. The Compensation Committee met six times in 2014.

## **The Executive Committee**

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Under the Company's Bylaws, the Executive Committee of the Board of Directors must consist of at least five Directors, including the Chief Executive Officer, the Chairman of the Board of Directors, the President, and such number of other Directors as the Board of Directors may from time to time determine. The Chief Executive Officer (or another member of the Executive Committee chosen by him) is the Chairman of the Executive Committee. The Executive Committee has and may exercise, during the intervals between meetings of the Board of Directors, all of the powers of the Board of Directors which may be delegated under Georgia law.

The membership of the Executive Committee also includes the chairpersons of the Audit, Compensation, and Corporate Governance Committees, and, therefore, includes the Company's Lead Non-Management Director.

The Executive Committee, which is composed of Daniel P. Amos (Chairman), Paul S. Amos II, Kriss Cloninger, Douglas W. Johnson, Robert B. Johnson, and Barbara K. Rimer, DrPH, met seven times during 2014.

## **The Investment and Investment Risk Committee**

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The Investment and Investment Risk Committee assists the Board of Directors by providing oversight of the investment process and investment risk management of the Company and its subsidiaries by reviewing and approving the Company's investment policies, strategies, transactions and performances. The "investment process" is the process by which all investable cash flows of the Company and its subsidiaries are invested, and by which investments are managed to emphasize safety, liquidity, returns, tax considerations, applicable laws and regulations, and conformity to the needs of the Company and its subsidiaries. The "investment risk" includes, but is not limited to liquidity risk, market risk, and credit risk.

Under its charter, the Investment and Investment Risk Committee has the following primary duties and responsibilities: (i) to oversee the investment process and investment risk management related policies, strategies, and programs of the Company and its subsidiaries; (ii) to review and reassess, periodically, the adequacy of Global Investment Policy of the

Company and its subsidiaries and approve any changes, additions, or deletions; (iii) to review and approve investment transactions made on behalf of the Company and its subsidiaries; (iv) to review the performance of the investment portfolios of the Company and its subsidiaries; and (v) to report regularly to the Board with respect to such other matters as are relevant to the Investment and Investment Risk Committee's discharge of its responsibilities and with respect to such recommendations as the Investment and Investment Risk Committee may deem appropriate.

The Investment and Investment Risk Committee of the Company's Board of Directors is composed of Charles B. Knapp, (Chairman), Paul S. Amos II, Elizabeth J. Hudson, and David Gary Thompson. The Investment and Investment Risk Committee operates under a written charter adopted by the Board of Directors. The Investment and Investment Risk Committee met eight times during 2014.

## **The Sustainability Committee**

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The Sustainability Committee of the Board of Directors has the following primary duties and responsibilities: (i) to provide assistance to the Board in fulfilling its responsibility to the shareholders in regards to the policies and practices that relate to the sustainable growth of the U.S. operation of the Company and its subsidiaries; (ii) to oversee the Company's sustainability plans and practices, including its internal policies and procedures as well as its public-facing corporate policy; and (iii) to review and discuss with management the Company's environmental activities and impacts. The Sustainability Committee assists management in setting strategy, establishing goals and integrating sustainability into the daily business activities of the Company's U.S. operation, including the formulation and implementation of policies, procedures and practices that permit the Company to respond to evolving public sentiment and government regulation in the areas of environmental stewardship, energy use, recycling and carbon emissions, that foster the

sustainable growth of the Company's U.S. operation. "Sustainable growth" means the ability to meet the needs of our shareholders and customers while taking into account the needs of future generations. "Sustainable growth" also equates to the long-term preservation and enhancement of the Company's financial, environmental and social capital.

The Sustainability Committee is composed of Elizabeth J. Hudson (Chair), W. Paul Bowers, and Barbara K. Rimer, DrPH. All members of the Sustainability Committee are "outside" Directors as defined by Section 162(m), "Non-employee Directors" within the meaning of Rule 16b-3 under the Exchange Act, and independent Directors under the applicable NYSE listing standards. The Sustainability Committee operates under a written charter adopted by the Board of Directors. The Sustainability Committee met twice during 2014.

## **Compensation Committee Interlocks and Insider Participation**

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During 2014, the members of the Company's Compensation Committee were Robert B. Johnson (Chairman), David Gary Thompson, and Douglas W. Johnson. None of such persons is a current or former employee or officer of the Company or any of its subsidiaries. No member of the Compensation Committee serving during 2014 had any relationship requiring disclosure under the section titled "Related

Person Transactions" in this Proxy Statement. During 2014, no member of the Compensation Committee was an executive officer of another entity on whose compensation committee or board of directors any executive officer of the Company served. During 2014, no Director was an executive officer of another entity on whose compensation committee any executive officer of the Company served.

# COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (“CD&A”) section provides a detailed description of our executive compensation philosophy and programs, the compensation decisions made by the Compensation Committee related to those programs, and the factors considered in making those decisions. This CD&A focuses on our NEOs for 2014, who were:

Named Executive Officer	Title
Daniel P. Amos	Chairman & Chief Executive Officer
Kriss Cloninger III	President, Chief Financial Officer & Treasurer
Paul S. Amos II	President, Aflac
Eric M. Kirsch	Executive Vice President, Global Chief Investment Officer, Aflac
Tohru Tonoike	President & Chief Operating Officer, Aflac Japan

## Overview

The Company’s compensation philosophy is to provide pay-for-performance that is directly linked to the Company’s results. We believe this is the most effective method for creating shareholder value, and that it has played a significant role in making the Company an industry leader. Importantly, the performance-based elements of our compensation programs apply to all levels of Company management, not just the executive officers. In fact, pay-for-performance components permeate every employee level at the Company. The result is that we are able to attract, retain, motivate and reward talented individuals who have the necessary skills to manage our growing global business on a day-to-day basis, as well as for the future.

Our executive compensation program is designed to drive shareholder value via the following guiding principles:

- a pay-for-performance philosophy that directly links an executive’s potential wealth accumulation to the achievement of our annual and long-term strategic and operational goals;
- compensation elements that help us attract and retain high-caliber talent to lead the Company in its execution of its business plan; and
- best practices with respect to corporate governance policies, such as stock ownership guidelines, clawback provisions, and no change-in-control excise tax gross-ups.

## Summary of 2014 Results

The Company delivered strong financial and operating results in 2014. Notable achievements that contributed to shareholder value creation included:

- growing total operating revenues, excluding foreign currency effect, by 1.0% to \$23.8 billion;
- meeting our operating earnings objective for the 25<sup>th</sup> consecutive year as operating earnings per diluted share rose 3.9% (excluding impact from foreign currency);
- generating more than \$2.5 billion in total combined new annualized premium sales in the United States and Japan;
- increasing the quarterly dividend by 5.4% to \$.39 per quarter and the annual dividend by 5.6% to

\$1.50, marking the 32<sup>nd</sup> consecutive year in which the dividend has been increased;

- generating an industry-leading return on equity of 17.9%; additionally, our operating return on shareholders’ equity excluding foreign currency effect (“OROE”) for the full year was 22.9%;
- enhancing our capital ratios, as of December 31, 2014:
  - Risk-based capital (“RBC”) ratio was 945%;
  - Solvency margin ratio (“SMR”), the principal capital adequacy measure in Japan, was 857%; and
- repurchasing \$1.2 billion (19.7 million) of the Company’s shares due to the strength of our capital ratios and liquidity position.

## Strong Corporate Governance Policies and Leader in Best Practices

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The Company has been a leader in corporate governance best practices and the Company's executive compensation programs reflect the following strong, longstanding governance principles:

### What We Do

- ✓ First public company in the U.S. to provide shareholders with a say-on-pay vote (voluntary action starting in 2008, three years before the vote became required) – averaging better than 96% “FOR” vote since implementation through 2013
- ✓ As a result of our rigorous pay-for-performance formulaic structure for CEO compensation, for the past 17 years, the CEO's total direct compensation has been determined based on the Company's performance versus peers and is regularly evaluated by the Compensation Committee
- ✓ Based on lower shareholder say-on-pay vote support in 2014 relative to the vote in the prior six years, we modified the CEO pay-for-performance evaluation process to better align the CEO's compensation for 2014 with the Company's 2014 relative financial and total shareholder return performance, eliminating the time lag under the program
- ✓ Independent Compensation Committee oversees the program
- ✓ Independent compensation consultant, Mercer LLC (the “Consultant”), hired by and reports to the Compensation Committee
- ✓ Annual report by the Consultant to the full Board on CEO pay and performance alignment
- ✓ Stock ownership guidelines for executive officers and Directors in place since 1998
- ✓ Clawback policy in place since 2007
- ✓ Supplemental Executive Retirement Plan frozen to new participants in 2014

### What We Don't Do

- ✗ No golden parachute payments for CEO following a change in control
- ✗ No entering into a 10b5-1 plan by officers or Board members unless approved by the Compensation Committee
- ✗ No hedging or short sales of Company stock by officers or Board members
- ✗ No pledging of Company stock by executive officers or Board members as of February 2013
- ✗ No grandfathered pledged Company stock counts toward the stock ownership guidelines
- ✗ No repricing underwater stock options
- ✗ No change-in-control excise tax gross-ups

A further summary of the CEO compensation program and its emphasis on pay-for-performance can be found below in the “CEO Compensation and Pay-for-Performance” section of this CD&A.

## Response to Say-on-Pay Vote

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The Company has a history and a well-earned reputation with its shareholders as a very transparent organization. That commitment to transparency on all levels was certainly a driving force in our decision in 2008 to allow shareholders a “say-on-pay” advisory vote, far ahead of the requirement later imposed on companies by the Dodd-Frank Wall Street Reform and Consumer Protection Act. Prior to 2014, the reception of this annual vote had been overwhelmingly favorable, with endorsement rates from our shareholders that have averaged more than 96% since its institution.

The favorable vote in 2014 (74%) was the lowest since adding the advisory vote to our proxy. This served as a focal point of many conversations surrounding corporate governance in which the Company engaged with our shareholders. The feedback from these conversations was incorporated into the regular review of compensation practices by the Compensation Committee, which in turn conducted a thorough analysis of best practices. The Compensation Committee referenced both internal analysis and analysis from the Consultant. The feedback resulting from the Company’s shareholder engagement and analysis indicated that the time lag, which resulted in paying the CEO’s total compensation for a given year based on performance measured over two proxy seasons, was performance-based yet potentially confusing and an outlier relative to best practice. After a

thorough and rigorous review of the compensation structure, the Company validated the components and performance measures used. In addition, to better align our relative financial and TSR performance with the CEO’s pay, some modifications were made to the process for setting the CEO’s 2014 compensation. We believe this modification to the CEO pay program removes the timing disconnect that was concerning to some under the prior method. Furthermore, the change in 2014 reinforces our strong pay-for-performance philosophy and eliminates having to report pay for a given year over two proxy seasons. As discussed in the “CEO Compensation and Pay-For Performance” section below, our 2014 relative performance ranking versus our peers *resulted in a decrease of 51% in total direct compensation for the CEO.*

Moreover, for 2015, we have eliminated the overlap in performance metrics used in the annual non-equity incentive plan and long-term equity incentive plan. We constantly analyze our practices to ensure that we remain current in our approaches, a leader in executive compensation best practices, and cognizant of shareholder concerns. As such, we will continue our review to determine if additional changes should be made in 2015. As a company, we pride ourselves on incorporating ethics and transparency into everything we do, including compensation disclosure.

## Summary of Executive Compensation Programs

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As a leader in our industry segment, we recognize that a sound management compensation program is a part of what makes a company an employer of choice. Our compensation philosophy is to provide pay that is directly linked to the Company’s performance results.

Of these four pay elements set forth below, we consider the annual and long-term incentive forms of compensation to be the most important because they

represent the largest part of total rewards for executives, and therefore provide the strongest link to company results and shareholder value creation, while also enabling us to attract, retain, motivate and reward talented individuals who have the necessary skills to manage our growing global enterprise on a day-to-day basis, as well as for the future.



## Key Elements of Our Executive Compensation Programs

Element	Objective	Purpose
Base Salary	<ul style="list-style-type: none"> <li>Talent attraction and retention</li> <li>Alignment with shareholder value creation</li> </ul>	<ul style="list-style-type: none"> <li>Provide annual cash income that is both market competitive and commensurate with an individual's talents and level in the organization</li> <li>Motivate and retain key talent</li> </ul>
Management Incentive Plan ("MIP")	<ul style="list-style-type: none"> <li>Pay-for-performance</li> <li>Alignment with operating growth metrics that drive shareholder value creation</li> </ul>	<ul style="list-style-type: none"> <li>Motivate executives and reward achievement for performance on key annual operational and strategic goals</li> <li>Focus on key short-term value drivers for our business</li> <li>Motivate and retain key talent</li> </ul>
Long-term Incentives ("LTI")	<ul style="list-style-type: none"> <li>Pay-for-performance</li> <li>Alignment with shareholder value creation</li> </ul>	<ul style="list-style-type: none"> <li>Motivate executives and reward achievement for performance on key long-term operational and strategic goals</li> <li>Focus on key long-term value drivers for our business</li> <li>Motivate and retain key talent</li> </ul>
Retirement & Benefits	<ul style="list-style-type: none"> <li>Talent retention</li> <li>Tax effective pay</li> <li>Security</li> </ul>	<ul style="list-style-type: none"> <li>Provide market competitive retirement benefits (pension, 401(k), etc.) to aid in talent retention</li> <li>Satisfy employee health and welfare needs</li> </ul>

## Peer Group

Each year, the Compensation Committee reviews the composition of the peer group against which the Company's executive compensation programs and financial performance are benchmarked. Key factors the Compensation Committee considers during its annual review of companies in the peer group include the following: operating characteristics, revenue size, asset size, profitability, market value, and total number

of employees. Based on the annual review, a peer group is selected among companies that are engaged in businesses similar to that of the Company, are of size similar to that of the Company, and compete against the Company for talent. The following 17 companies, which were unchanged from the 2013 peer group, were selected to comprise the 2014 peer group:

Aetna Inc.  
 The Allstate Corporation  
 Assurant, Inc.  
 The Chubb Corporation  
 CIGNA Corporation  
 CNO Financial Group, Inc.  
 Genworth Financial, Inc.  
 The Hartford Financial Services Group, Inc.  
 Humana Inc.

Lincoln National Corporation  
 Manulife Financial Corporation  
 MetLife, Inc.  
 Principal Financial Group, Inc.  
 The Progressive Corporation  
 Prudential Financial, Inc.  
 The Travelers Companies, Inc.  
 Unum Group

Overall, the Company's revenues were near the median of the peers, total assets were larger than the median of the peer group, and our market value was higher than the peer group median. The data shown below reflect

those metrics relevant at the time of the peer group review:

(in millions)

	Revenue <sup>(1)</sup>	Total Assets <sup>(2)</sup>	Market Value <sup>(3)</sup>
Aflac Incorporated	\$24,668 <sup>(4)</sup>	\$137,112 <sup>(4)</sup>	\$27,526
Peer Median	\$24,337	\$104,522	\$22,024

<sup>(1)</sup> For the trailing 12 months ending September 30, 2014

<sup>(2)</sup> As of September 30, 2014

<sup>(3)</sup> As of December 31, 2014 when data was compiled for the performance review by the Compensation Committee

<sup>(4)</sup> Figures are net of foreign currency effect

The assessment of the Company's 2014 performance relative to the peer group can be found below in the "CEO Compensation and Pay-for Performance" section of this CD&A.

## ELEMENTS OF EXECUTIVE COMPENSATION PROGRAM

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### Base Salary

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The primary purpose of the base salary component of our executive compensation program is to provide the recipient with a steady stream of income consistent with his or her level of responsibility, qualifications and contribution over time. The Consultant annually gathers comparative market data on salaries for (i) the Compensation Committee to use in reviewing and determining the CEO's salary and (ii) the CEO to use in making recommendations for the salaries of the President/CFO and all other executive officers.

In the aggregate, the total base salaries of all of the Company's executive officers are near the 50<sup>th</sup> percentile of the survey results for these same positions at peer group companies. Virtually all executive officers, including NEOs, receive salaries that are within a plus or minus range of 20% from the survey median for their positions. Only Mr. Cloninger's salary is above this

range, which we consider appropriate given his tenure with the Company and since his role as both President and CFO is more expansive than many of the second highest paid executives at our peer companies. In general, executive officers who are new to their role are likely to be below the median and executive officers who have been in their jobs for extended periods are more likely to be above the median.

In 2014, Mr. Daniel P. Amos did not receive a salary increase and he has not received a salary increase in the last three years. Messrs. Cloninger, Paul Amos and Kirsch received approximately 2.5%, 1.5% and 3.3% base salary increases, respectively. Mr. Tonoike's annual base salary in yen terms increased 2.5% in 2014.

### Management Incentive Plan (MIP)

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All of the NEOs are eligible to participate in an annual non-equity incentive plan sponsored by the Company, referred to as the MIP, which was submitted to and approved by shareholders in 2012 (the Amended and Restated 2013 Management Incentive Plan).

The Company's MIP uses specific performance objectives at both the Corporate and the Business Segment level (both of which are described below) to provide potential annual non-equity incentive awards for the NEOs and all other non-sales officers. Performance targets are set annually for the plan, and cash payouts are made to executives based on actual performance.

We believe the segment measures described below, along with corporate-level objectives, are among the key incentive factors for the business in terms of creating shareholder value and aligning management's interests and rewards with those of our shareholders.

#### **Target Bonus Opportunity and Setting of Payout Opportunities:**

Target bonuses for 2014 for the NEOs were determined to be in line with industry standards for the respective positions and were as follows:

<b>Named Executive Officer</b>	<b>Target MIP (as percent of base salary)</b>
Daniel P. Amos (Chairman & CEO)	220%
Kriss Cloninger III (President, CFO & Treasurer)	150%
Paul S. Amos II (President, Aflac)	125%
Eric M. Kirsch (EVP, Global Chief Investment Officer, Aflac)	200%
Tohru Tonoike (President & COO, Aflac Japan)	100%

The CEO and President/CFO recommend to the Compensation Committee the specific Company performance objectives and their ranges. In recommending the incentive performance objectives to the Compensation Committee, the CEO and President/CFO take into consideration past performance results and scenario tests of the Company's financial outlook as projected by a complex financial model. The model projects the impact on various financial measures using different levels of total new annualized premium sales, investment returns, budgeted expenses, morbidity, and persistency. This enables the Company to set ranges around most performance objectives.

The Compensation Committee may consider the probability of attainment of each of the various measures. Generally, it is expected that target performance will be attained 50% to 60% of the time, minimum performance attained at least 75% of the time, and maximum performance attained not more than 25%

of the time. During its annual review in February, the Compensation Committee reviews and approves or, if deemed appropriate, modifies the annual incentive goals for that year.

For each of the performance measures, a target performance level is established. In addition, a minimum and maximum level is established. The payout for a minimum result is one-half of the target result, while the payout for a maximum result is two times that of the target result. Typically, the target result is equidistant between the minimum result and the maximum result. Interpolation is used to calculate incentive payouts for results between minimum and target or target and maximum.

**2014 MIP Targets and Actual Performance:**

The following descriptions of the corporate and business segment metrics and objectives for 2014 MIP apply to the NEOs.

<b>Corporate Metrics:</b>	<b>Minimum Goal</b>	<b>Target Goal</b>	<b>Maximum Goal</b>	<b>2014 Actual</b>
Growth of operating earnings per diluted share on a consolidated basis for the company (excluding foreign currency effect)	N/A	\$6.31	\$6.49	\$6.42
Operating Return on Shareholder Equity (excluding foreign currency effect)	16%	20%	24%	22.9%
Statutory Risk Based Capital Ratio	550%	650%	750%	945%
Solvency Margin Ratio	500%	575%	650%	857%
Net Investment Income (Consolidated)	Budget minus 2%	Budget	Budget plus 2%	Budget plus 1%
<b>U.S. Segment Metrics:</b>				
Increase in New annualized Premiums	0.00%	2.50%	5.00%	0.70%
Increase in Premium Income	0.75%	1.50%	2.25%	1.20%
Increase in Pretax Operating Earnings	2.00%	3.50%	5.00%	3.30%
<b>Japan Segment Metrics:</b>				
Increase in New Annualized Premiums (increase in third sector sales)	2.00%	4.50%	7.00%	6.12%
Increase in Premium Income	1.50%	2.25%	3.00%	1.91%
Operating expenses compared to budget	Budget plus 1%	Budget	Budget minus 1%	Budget plus 1.5%
Increase in Pretax Operating Earnings before allocated expenses and foreign currency change	-2.50%	-1.50%	-0.50%	0.24%
<b>Global Investments Metrics (Eric M. Kirsch only):</b>				
Net Investment Income (Consolidated)--same as above	Budget minus 2%	Budget	Budget plus 2%	Budget plus 1%
Credit Losses/Impairments (in millions)	(\$500)	(\$350)	(\$200)	\$184

In establishing our 2014 MIP objectives, we considered certain headwinds previously disclosed to the public in October 2013 that pressured expected EPS growth, direct premium growth and pretax operating earnings growth in Japan. Therefore, these objectives were

lower than the prior year. The incentive measures described above include statistical and non-GAAP financial measures as more fully described as follows:

- Our corporate performance measure is based on operating earnings per diluted share,

excluding the impact of foreign currency effect, and the achievement of risk-based capital ratios as determined on a statutory accounting basis. We define operating earnings per diluted share to be the profits derived from operations, inclusive of interest cash flows associated with notes payable, before realized investment gains and losses from securities transactions, impairments, and derivative and hedging activities, as well as other and nonrecurring items, divided by the weighted-average number of shares outstanding for the period plus a number of weighted-average shares to compensate for the dilutive effect of share-based awards. Because foreign exchange rates are outside of management's control, operating earnings per diluted share growth is computed using the average yen/dollar exchange rate for the prior year, which eliminates fluctuations from currency rates that can magnify or suppress reported results in dollar terms. If the operating earnings per diluted share target was not achieved, there would not be any 2014 payout for this metric.

- The RBC ratio quantifies insurance risk, business risk, asset risk and interest rate risk by weighing the types and mixtures of risks inherent in the Company's operations collectively in the United States and Japan, due to Aflac Japan's legal status as a branch operation. Aflac's RBC ratio remains high at 945% and reflects a very strong capital and surplus position.
- The Japan "Solvency Margin Ratio" (SMR), associated with our regulatory reporting to the Financial Services Agency in Japan, was applicable to 2014 MIP determinations. SMR measures an insurance company's ability to satisfy policy obligations. A strong SMR serves to protect our policyholders' interests, while also improving our flexibility to invest in additional asset classes with the objective of enhancing our risk-adjusted investment returns and returning capital to our shareholders through share repurchases and cash dividends. By

adding the SMR metric, we have included both the U.S. and Japan regulatory capital metrics as performance targets. The SMR is an important financial indicator and key benchmark for industry regulators. We have viewed maintaining a strong capital position as an important priority for years. Aflac's SMR ratio also remains high and was 857% at the end of 2014.

- We also added net investment income as a corporate metric. This emphasizes that our investment objective to maximize the Company's risk-adjusted performance subject to our liability profile and capital requirements is a key responsibility of each NEO.
- For both the U.S. and Japanese segment, we use an industry measure referred to as the increase in total new annualized premiums on policies sold and incremental annual premiums on policies converted during the reporting period. For Aflac U.S., we use the percentage increase in premium income minus the percentage increase in controllable expenses.
- For both segments we use the percentage increase in pretax operating earnings. We define pretax operating earnings on a segment basis to be the operating profit derived from operations before realized investment gains and losses from securities transactions, impairments, and derivative and hedging activities as well as nonrecurring items. The percentage increase in pretax operating earnings for the Japan segment is also measured before expenses allocated from the U.S. and excluding foreign currency effect.

**Weightings of Each Performance Objective for 2014:**

	Weightings of Annual Incentive Metrics as a Percent of Target				
	Daniel P. Amos	Kriss Cloninger III	Paul S. Amos II	Eric M. Kirsch	Tohru Tonoike
<b>Corporate Objectives:</b>					
Operating Earnings per share (excluding foreign currency effect)	27.27%	23.32%	24.00%	20.00%	15.00%
Operating Return on Shareholder Equity (excluding foreign currency effect)	6.82%	6.67%	6.00%	7.50%	5.00%
Statutory Risk Based Capital Ratio	6.82%	6.67%	6.00%	5.00%	—
Solvency Margin Ratio	6.82%	6.67%	6.00%	5.00%	5.00%
Net Investment Income (Consolidated)	6.82%	6.67%	6.00%	—	5.00%
<b>Subtotal Aflac Inc.</b>	<b>54.55%</b>	<b>50.00%</b>	<b>48.00%</b>	<b>37.50%</b>	<b>30.00%</b>
<b>U.S. Segment:</b>					
New Annualized Premium	4.55%	5.33%	—	—	—
Direct Premiums	4.55%	5.33%	—	—	—
Pretax Operating Earnings	4.55%	6.01%	8.00%	—	—
<b>Subtotal</b>	<b>13.65%</b>	<b>16.67%</b>	<b>8.00%</b>	<b>—</b>	<b>—</b>
<b>Japan Segment:</b>					
New Annualized Premium	11.36%	10.00%	12.00%	—	15.00%
Direct Premiums	9.08%	10.00%	4.00%	—	5.00%
Operating Expenses	—	—	4.00%	—	5.00%
Pretax Operating Earnings	11.36%	13.33%	12.00%	—	15.00%
<b>Subtotal</b>	<b>31.80%</b>	<b>33.33%</b>	<b>32.00%</b>	<b>—</b>	<b>40.00%</b>
<b>Global Investments:</b>					
Net Investment Income (Consolidated)	—	—	—	40.00%	—
Credit Losses/Impairments	—	—	—	15.00%	—
<b>Subtotal</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>55.00%</b>	<b>—</b>
<b>Qualitative</b>	<b>—</b>	<b>—</b>	<b>12.00%</b>	<b>7.50%</b>	<b>30.00%</b>
<b>GRAND TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

The performance measures are weighted for the NEOs and all other officer levels of the Company. The intent is to weight them according to how each position can and should influence their outcome.

**Qualitative Goals:**

Actual performance relative to MIP targets was determined after the end of the year and presented to the Compensation Committee for discussion and approval at its February 2015 meetings. The actual non-equity incentive plan payments to the NEOs are reflected in the 2014 Summary Compensation Table below in the column labeled Non-Equity Plan Compensation.

Further, for Mr. Paul S. Amos II and Aflac Japan executive officers (including Mr. Tonoike), we added a qualitative Aflac Japan business segment performance metric for the management of the corporate value enhancement project (“CVEP”) for 2014. Aflac Japan’s CVEP is a business transformation program that was designed to strengthen our business systems and

processes to maintain our leadership position in Japan’s third sector products. During 2014, a review of the program led to certain changes in the transformation strategy. The performance achievement was quantified based upon each officer’s involvement with CVEP before and after management adopted various adjustments to the transformation effort. Based on this review, it was determined that Mr. Paul S. Amos II and Mr. Tonoike achieved 100% and 25%, respectively.

For 2014, Mr. Kirsch’s MIP metrics further emphasized corporate and quantitative Global Investment objectives, while Global Investments qualitative measures were reduced significantly as those metrics were focused on the initial development and implementation of the Global Investment strategy. The remaining qualitative measure was based on succession planning to ensure that the critical function of Global Investments leadership is a focus. For Mr. Kirsch’s qualitative Global Investments metrics, the performance achievement was 100%.

### 2014 MIP Payouts:

The following table reflects target, earned and paid percentages of salary for the non-equity incentive measures based on 2014 performance results for the NEOs:

NEO	Percent of Base Salary	
	Target	Earned
Daniel P. Amos	220%	335%
Kriss Cloninger III	150%	225%
Paul S. Amos II	125%	185%
Eric M. Kirsch	200%	324%
Tohru Tonoike	100%	122%*

\* Includes amounts accrued for a deferred retirement benefit for Mr. Tonoike as more fully described in connection with the 2014 Summary Compensation Table and the 2014 Nonqualified Deferred Compensation Table.

The Compensation Committee has the discretion in certain limited circumstances to adjust the MIP results

related to performance measures if it deems that a class of MIP participants would be unduly penalized or rewarded due to the incomparability of the result to the performance measure as determined by the Compensation Committee. The Compensation Committee did not adjust the NEOs' MIP results for 2014.

For additional information about the MIP, please refer to the 2014 Grants of Plan-Based Awards table below, which shows the threshold, target, and maximum award amounts payable under the MIP for 2014, and the 2014 Summary Compensation Table, which shows the actual amount of non-equity incentive plan compensation paid to the NEOs for 2014.

### Long-term Equity Incentives

In 2014, LTI awards were provided in the form of performance-based restricted stock ("PBRS") (for executive officers including all NEOs) and stock options (for all officers, except the CEO). For 2014, the CEO's long-term incentive award was made entirely in PBRS.

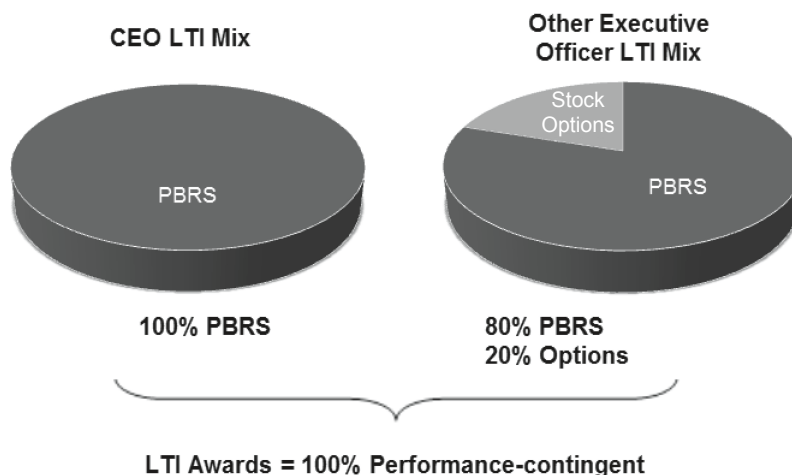
PBRS awards will be reduced or cancelled if management fails to maintain appropriate risk-based

capital levels. In addition, in such case, the value of existing awards and other shares held by our executives likely will decline, providing strong economic incentive to manage capital and risk. Options only provide value if our share price appreciates and the option vests.

LTI targets as a percent of base salary for the NEOs were as follows:

Named Executive Officer	Target LTI (as Percent of Base Salary)
Daniel P. Amos (Chairman & CEO)	Performance-based
Kriss Cloninger III (President, CFO & Treasurer)	350%
Paul S. Amos II (President, Aflac)	250%
Eric M. Kirsch (EVP, Global Chief Investment Officer, Aflac)	250%
Tohru Tonoike (President & COO Aflac Japan)	250%

The targeted LTI mix for 2014 by officer group is as follows:



For PBRS awards that were granted in 2014, the performance period is January 1, 2014 through December 31, 2016. The performance measures for determining vesting for these awards are based on the achievement of the following specified ratios:

- RBC as determined on a U.S. statutory accounting basis at each calendar year end. This performance measure was selected because of the Company's belief that capital adequacy is a significant concern for the financial markets and shareholder confidence.
- SMR, associated with our regulatory reporting to the Financial Services Agency in Japan, was added as a performance metric for 2014. We view maintaining a strong capital position as an important priority. From a corporate perspective, SMR is an equally important capital metric as RBC. By adding the SMR metric, we have included both the U.S. and Japan regulatory capital metrics as performance targets.
- Operating return on shareholders' equity excluding foreign currency effect ("OROE"), which was also added in 2013 as a MIP performance metric for senior vice presidents and above, is part of our financial management process as this return metric measures our earnings relative to our capital as reported to our shareholders. The use of this metric allows our shareholders to evaluate our financial achievements relative to other organizations in terms of how effectively we are using capital to generate earnings. We believe this metric has a significant influence on the value our shareholders place on the Company.

We believe the capital measures (RBC and SMR) and OROE results are equally important to our shareholders. Accordingly, we have assigned equal weights to RBC and SMR (target 25% each) to assess how well we have met our performance based financial objectives over the three year period beginning in 2014. OROE has been assigned 50% weighting for target.

Performance Based Restricted Stock Performance Objectives 2014 to 2016	Minimum Value	Credit for Minimum Attainment	Target Value	Credit for Target Attainment	Maximum Value	Credit for Maximum Attainment
RBC	500%	12.5%	625%	25%	750%	37.5%
SMR	500%	12.5%	575%	25%	650%	37.5%
OROE	16%	25%	20%	50%	50%	75%

For each calendar year, participants will earn total PBRS credit based on the sum of the RBC credit, the SMR credit and the OROE credit earned. For performance between the minimum and target goal and between the target goal and maximum goal, a pro-rata calculation will be used to determine the percentage of credit achieved. The final three-year PBRS award percentage will be the arithmetic average of the PBRS credits earned in each of the individual three years comprising the performance period, provided however, that the PBRS award credit will not exceed 100%. If the performance measures are achieved, the PBRS awards

are settled (a participant will receive one share of Company common stock for each earned PBRS award).

Stock options are awarded to all NEOs, except Mr. Dan Amos. These options are granted based on the closing price on the date of grant and vest over a three-year period.

## **METRIC CHANGES FOR 2015**

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After the Compensation Committee's thorough review of the annual and long-term incentive plan metrics in the context of the ever-changing global market in which we compete, as well as feedback from shareholders and outside advisors, we have decided to eliminate the overlap in performance metrics used for our executive officers' 2015 MIP and 2015 PBRS awards, respectively. For 2015, RBC has been removed as a metric under our MIP. The RBC measure is not subject to the same potential volatility due to macro factors, and it also measures the capital level of the consolidated

insurance operations of Aflac Japan and Aflac U.S. Therefore, RBC was determined to be the best metric to measure and assess Aflac's long-term performance for our PBRS awards. Separately, we have removed SMR and OROE as metrics for the PBRS awards, but have continued to include them as metrics under the MIP. Overall, we believe that these modifications better focus the executives on successfully executing our business strategy over both annual and long-term time horizons.

## **CEO COMPENSATION AND PAY-FOR-PERFORMANCE**

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The Compensation Committee is responsible for the review and determination of the CEO's pay. Since 1997, the Compensation Committee has utilized a rigorous pay-for-performance approach that is directly linked to the Company's comparative performance results to determine CEO compensation. To achieve this linkage, the Consultant annually calculates the Company's composite performance percentile rank among the peer group of 17 major insurance companies previously identified in this CD&A, as it may be modified from time to time.

As noted above, for 2014, the Compensation Committee modified the process for determining CEO compensation that had been used since 1997. While the overall construct and workings of the program – as well as the emphasis on pay and performance – remained unchanged, some modifications to the performance period for financial metrics and total shareholder return (used to determine the CEO's LTI grant - - see below) were made to better align with the current year's performance and associated CEO compensation.



## ***Timing and Key Features of the Program***

The revised process for determining the CEO's compensation, as was used in 2014, is as follows:

<b>Element</b>	<b>Timing of Decision</b>
Base Salary*	Established in December 2013 and paid during 2014
Annual Incentive Award (MIP)	Paid in cash in March of the following year after the Compensation Committee's review of performance parameters set in February of the performance year (e.g., fiscal 2014 MIP award paid in March 2015)
Long-term Incentives (LTI)	Two phases: <ul style="list-style-type: none"> <li>Contingent PBRS grant made in February (equal to 60% of prior year's total LTI grant date award value)</li> <li>Final "true up" PBRS award (additional PBRS grant or reduction of contingent February PBRS grant) made based upon current year performance to-date at time of the Compensation Committee decision</li> </ul>

\* Details regarding the base salary determination are included in the section titled "Base Salary" of this CD&A.

### ***Annual Incentive Award (MIP)***

The CEO's annual cash incentive award is based on the metrics and weightings detailed above in the section titled "Management Incentive Plan (MIP)" of this CD&A.

As is the case with the other NEOs, parameters for each of the goals are established in February of each year and are prospective in nature (i.e., goals are set in

February 2014 for 2014 performance). The MIP opportunity for the CEO is capped at 200% of his target opportunity. The CEO's MIP award for 2014 performance was \$4,829,415.

### ***Long-term Equity Incentive (LTI) Award***

The CEO's LTI award is made 100% in performance-based restricted stock (PBRS) contingent upon, for 2014, the Company's performance over a three-year period on three metrics: RBC, SMR, and OROE, similar to the PBRS awards granted to our other NEOs. The metrics and their associated weightings for the PBRS awards to the CEO are the same as those disclosed previously in the section titled "Long-term Equity Incentives" beginning on page 34.

Similar to prior years, the size of the CEO's 2014 LTI award was based upon the Company's relative performance against its peers across the metrics shown in the table below. In previous years, the Company's prior year's relative performance to its peers was used to set the CEO's LTI award after information regarding the compensation and financial performance for the prior year was available for the peers. As the year-end relative performance was used, the timing of the

process resulted in total compensation for a given year being reported over two proxy statement cycles.

For 2014, the performance period for all non-total shareholder return (TSR) metrics was the trailing twelve month period ending September 30, 2014; for the two TSR metrics, the Company's TSR was compared against the peers as of December 31, 2014. As summarized below, the contingent grant to the CEO in February 2014 was trued-up on December 31, 2014. These modifications to the program relative to the approach used in prior years help to better align the CEO's 2014 LTI grant and overall compensation with our relative performance for the current year (i.e., 2014) and removes the timing disconnect (i.e., amounts being granted and reported over two years) that existed under the previously-used approach.

<b>Performance Metric</b>	<b>Weighting</b>	<b>Performance Metric</b>	<b>Weighting</b>
Revenue Growth	1	Return on Average Equity	2
Net Income Growth	1	Return on Average Assets	2
Premium Income Growth	1	1-year Total Shareholder Return (2014)	4
EPS Growth	1	3-year Total Shareholder Return (2012 – 2014)	4
Return on Revenues	2		

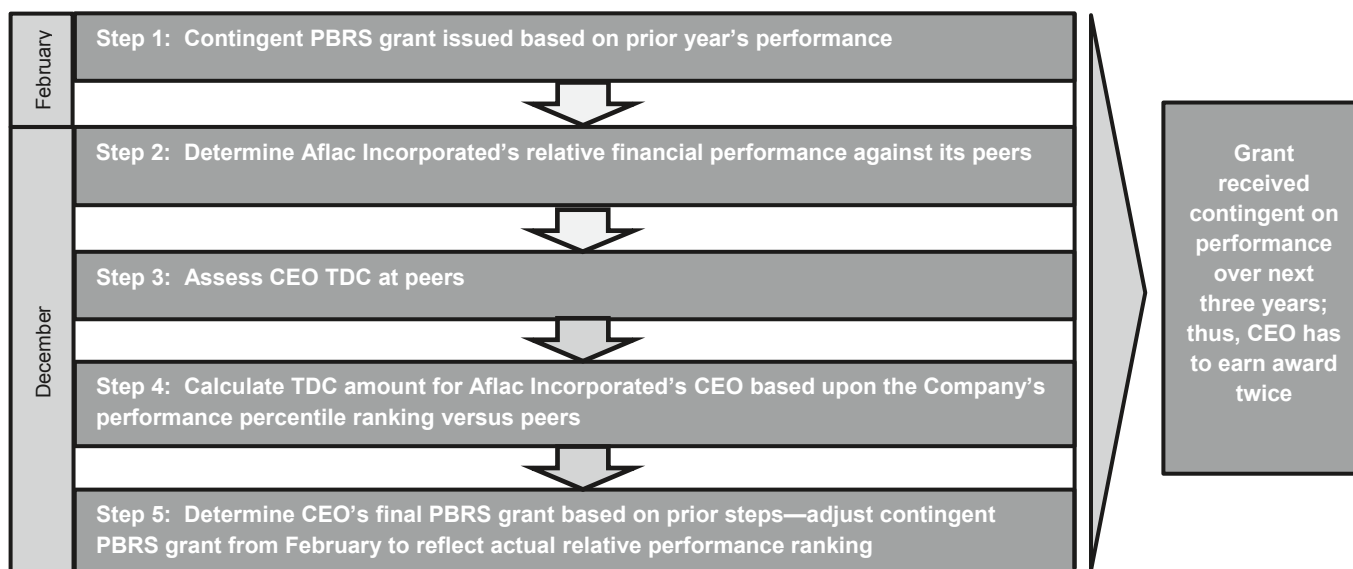
Based upon an analysis of the Company's relative financial performance and total shareholder return, the Company ranked 14 out of 18 companies (17 peers plus the Company); the lower the total weighted

composite score, the higher a company's overall ranking (rankings on each metric are out of 18 companies):

**2014 Financial Performance Ranking Matrix  
Aflac Incorporated Relative Ranking Among Peer Group**

Aflac Incorporated	Revenue 1-Year Growth	Net Income 1-Year Growth	Premium Income 1-Year Growth	EPS 1-Year Growth	Return on Revenues 2014	Return on Average Equity 2014	Return on Average Assets 2014	1Yr Indexed TSR (12/31/13-12/31/14)	3Yr Indexed TSR (12/31/11-12/31/14)	Composite Score	Performance Rank
Relative Ranking (out of 18 companies)	14	14	12	14	3	1	8	17	17	—	—
Weightings	1	1	1	1	2	2	2	4	4	—	—
Totals	14	14	12	14	6	2	16	68	68	214	14

The CEO PBRS grant process is summarized below:



**Determination of CEO Compensation**

In conjunction with the relative performance assessment, CEO total compensation relative to the peer group is evaluated with the help of the Consultant. The highest and lowest paid CEOs among the peers are removed from the data set to mitigate the effect of the outliers. Then, the Company's relative performance percentile ranking (14 out of 18, or 24<sup>th</sup> percentile ranking) is applied to the remaining peer CEO

compensation data for the applicable year to derive an implied total compensation amount for the Company's CEO. The resulting implied compensation level was used in determining the CEO's PBRS grant for 2014.

In addition to having to earn the PBRS grant amount based upon the Company's relative performance, the grant of PBRS is not guaranteed and is contingent

based upon the Company achieving the RBC, SMR, and OROE performance thresholds discussed previously. Thus, unlike many companies where an LTI award needs to only be earned once, the CEO's LTI award must be earned twice: (1) based upon relative financial and TSR performance for the current year and (2) based upon future performance against pre-established, Compensation Committee approved metrics and performance levels. As a result, we believe

that the approach to the CEO's LTI grants – and his overall compensation package – reflects the Company's continuing strong commitment to pay for performance.

The following table illustrates the process for determining CEO TDC for 2014. TDC equals the sum of base salary, annual bonus paid, and grant-date fair value of LTI awards:

Element	Performance for FY2014	
	Amounts	Comments
Base Salary	\$1,441,100	Paid in 2014
MIP Award	\$4,829,415	Paid in March 2015 for 2014 performance
LTI (PBRS Contingent Grant)	\$5,644,485	Contingent grant in February 2014 at 60% of 2013 grant value
PBRS Adjustment for 2014 Performance	-\$3,503,323	Reduction in contingent grant from February 2014 after 2014 performance was validated on December 31, 2014
TDC	\$8,411,677	

Based on the Company's relative performance percentile ranking for 2014, the CEO's TDC was lowered by 51% (or \$8,616,007) from the prior year TDC amount of \$17,027,684.

## RETIREMENT, DEFERRAL, AND SAVINGS PLANS

The retirement, deferral and savings plans described below were established in order to provide competitive post-termination benefits for officers and employees of the Company, including the NEOs, in recognition of their long-term service and contributions to the Company.

### Defined Benefit Pension Plans

As described further in "Pension Benefits" below, the Company maintains tax-qualified, noncontributory defined benefit pension plans covering substantially all U.S. and Japanese employees, including the NEOs, who satisfy the eligibility requirements. The Company also maintains nonqualified supplemental retirement plans covering the NEOs. For 2014, new mortality tables and interest rates had a significant impact on the expense associated with the pension plans. As such,

the year-over-year change in pension value as shown in the 2014 Summary of Compensation Table is significantly higher than in previous years. Because of the impact of the new mortality tables and changes in interest rates, many U.S. companies have experienced similar changes. No change has been made to the pension plans and the benefit level remains the same.

### Executive Deferred Compensation Plan

The U.S.-based NEOs, in addition to other U.S.-based eligible executives, are entitled to participate in the Executive Deferred Compensation Plan ("EDCP"). Mr. Daniel P. Amos is the only U.S.-based NEO currently participating in this plan. As more fully described under "Nonqualified Deferred Compensation," Mr. Tonoike

does not participate in the U.S.-based plan, but per his employment agreement defers a portion of his bonus until his retirement. The EDCP is discussed in more detail below under "Nonqualified Deferred Compensation."

### ***401(k) Savings and Profit Sharing Plan***

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The Company maintains a tax qualified 401(k) Savings and Profit Sharing Plan (the “401(k) Plan”) in which all U.S.-based employees, including the U.S.-based NEOs, are eligible to participate under the same terms. The Company will match 50% of the first 6% of eligible compensation that is contributed to the 401(k) Plan.

Employee contributions made to the 401(k) Plan are 100% vested. Employees vest in employer contributions at the rate of 20% for each year of service the employee completes. After five years of service, employees are fully vested in all employer contributions.

### ***Other Benefits***

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The Company provides NEOs with other benefits that we believe are reasonable, competitive and consistent with our overall executive compensation program. For details, see the All Other Compensation column in the 2014 Summary Compensation Table on page 44. In 2014, at the Company’s request, Mr. Paul Amos, II and his family relocated on a non-permanent basis to Tokyo, Japan. His expatriate assignment is expected to end in 2015 when he will return to the United States to continue his current role as President of Aflac. The Company’s expatriate assignment policy provides benefits for employees working on non-permanent assignments outside their home countries. The benefits provided to Mr. Amos under this policy are the same as those benefits provided to other employees and the Company’s policies are consistent with other major U.S.-based multinational companies. Under the Company’s policy, the Company is responsible for any additional U.S. or foreign taxes that Mr. Amos incurs as a direct result of his international assignment, and he is responsible for the amount of taxes he would have

incurred had he continued to live and work in the United States.

The Company maintains medical and dental insurance, group life insurance, accidental death insurance, cancer insurance, and disability insurance programs for all of its employees, as well as paid time off, leave of absence, and other similar policies. The NEOs and other officers are eligible to participate in these programs along with, and on the same basis as, the Company’s other salaried employees.

In addition, the NEOs are eligible to receive reimbursement for medical examination expenses. For security and time management reasons, certain of the Company’s officers occasionally travel on corporate aircraft for business and personal purposes. Personal travel on corporate aircraft and security services are provided where considered by the Board of Directors to be in the best interest of the Company and its business objectives.

## **ADDITIONAL EXECUTIVE COMPENSATION PRACTICES AND PROCEDURES**

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### ***Equity Granting Policies***

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A February meeting of the Compensation Committee is held approximately one to two weeks after the Company’s fiscal year results are released to the public. As a general practice, the Company makes the majority of its equity grants on the date the Board of Directors meets in February, and has done so since 2002. The Company has never engaged in “backdating” of options. Based on recommendations developed by the CEO and President/CFO with input from the Consultant, stock options, PBRS and TBRS awards are submitted to the Compensation Committee for approval at its February meeting. Option grants are awarded on the

date of the meeting, and have a per share exercise price set at the closing price on the date of grant.

The Company may periodically make additional equity grants during the course of the year. However, it is the Company’s policy not to make any equity grants in advance of material news releases. As detailed previously in the section labeled “CEO Compensation and Pay-for-Performance,” the Company adjusted the amount of equity compensation granted to the CEO in December based on the Company’s performance relative to peers in 2014.

## ***Stock Ownership Guidelines; Hedging and Pledging Restrictions***

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The Company believes that its executive officers and Board members should have a significant equity interest in the Company. The Board first established stock ownership guidelines for officers and Board members in 1998. In November 2012, the Board amended the stock ownership guidelines, which define stock ownership value as a multiple of base salary, and set the levels as follows:

<b>Officer Level</b>	<b>Guideline (Multiple of Base Salary)</b>
Chairman, CEO, & President	5.0x
President of Aflac	5.0x
Executive Vice President	3.0x
All other Executive Officers	3.0x

Officers have four years from date of hire or promotion to satisfy their respective stock ownership guidelines. Non-employee Directors must own four times the annual retainer and have five years from the date first elected to the Board to satisfy these guidelines. Ownership includes all shares held by the officer or Board member and their spouse as well as tenure-based, unvested restricted shares. Shares pledged as

collateral for a margin account or other loan, performance-based restricted shares, and stock options (vested or unvested) do not count toward these stock ownership guidelines.

Each of the Company's NEOs has stock ownership that exceeds ownership guidelines or is working toward meeting respective ownership guidelines within the allowed four-year time frame. Progress toward meeting the guidelines is reviewed regularly and reported to the Board.

The Company's insider trading policy prohibits our Board members, officers and other covered persons from selling our Common Stock "short," engaging in option trading (puts, calls, or other derivative securities) relating to our Common Stock, entering into a 10b5-1 plan (unless approved by the Compensation Committee) or hedging. In addition, at its February 2013 meeting, the Board adopted a policy prohibiting future pledging of the Company's stock by executive officers and Board members. All other covered persons under the Company's insider trading policy must pre-clear with the policy's compliance officer before pledging Company stock as collateral for a margin account or other loan.

## ***Employment Agreements***

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The Company has employment agreements with the NEOs and certain other executives in key roles. The agreements generally address: role and responsibility; rights to compensation and benefits during active employment; termination in the event of death, disability or retirement, and termination for cause or without cause; and resignation by the employee. Some agreements also contain termination and related pay provisions in the event of a change in control. For the applicable change-in-control provisions in the employment agreements to apply, there must be both (i) a change in control and (ii) a termination by the Company without cause or a resignation by the executive for good reason. This is commonly referenced as a "double trigger" requirement. Further, the contracts stipulate that the executive may not compete with the Company for prescribed periods following termination of employment or disclose confidential information.

The payments that may be made under each NEO's employment agreement upon termination of employment under specified circumstances are described in more detail below under "Potential Payments Upon Termination or Change in Control."

In the case of Mr. Tonoike's employment agreement, the Company has a unique retirement obligation. For the years 2007 through 2014, the Company was obligated to provide for a special retirement benefit equal to one-half of his MIP increased by 10%. This amount is payable upon termination as a lump sum retirement benefit and the annual accrual for this obligation has been included in the non-equity incentive plan compensation column of the Summary Compensation Table and in the Nonqualified Deferred Compensation Table. Mr. Tonoike's employment agreement ended December 31, 2014. Beginning on January 1, 2015, Mr. Tonoike became the Vice Chairman of Aflac Japan.

### ***Change-in-Control (“CIC”) Policy and Severance Agreements***

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The Company has no formal change in control or severance policy. However, as noted above, individual employment agreements generally have provisions

related to both CIC and severance. These agreements provide no excise tax gross-ups.

### ***Compensation Recovery (“Clawback”) Policy***

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The Company has a “Clawback” policy that allows it to review any adjustment or restatement of performance measures and make a determination if adjustments or recoveries of non-equity incentives are necessary. If it is deemed that adjustments or recoveries of non-equity

incentives are appropriate, the Compensation Committee is charged with determining the amount of recovery and the proper officer group subject to any potential adjustments or recovery.

### ***Certain Tax Implications of Executive Compensation (IRC Section 162(m))***

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In connection with making decisions on executive compensation, the Compensation Committee takes into consideration the provisions of IRC Section 162(m), which limits the deductibility by the Company for federal income tax purposes of certain categories of compensation in excess of \$1 million paid to certain executive officers. It is the Company’s policy to maximize the effectiveness of the compensation programs while also taking into consideration the requirements of IRC Section 162(m). In that regard, the

Company intends to maintain the flexibility to take actions that it deems to be in the best interests of the Company and its shareholders. Accordingly, although the Company intends to preserve the deductibility of annual compensation to the extent consistent with the intent and spirit of the overall compensation policy, it reserves the authority to award non-deductible compensation as it deems appropriate.

### ***Accounting and Other Tax Implications of Executive Compensation***

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The Company has considered the accounting and other tax implications of all aspects of the compensation program for its employees, including the NEOs and other officers. While accounting and other tax considerations do not dictate compensation decisions,

the compensation program is designed to achieve the most favorable accounting and other tax treatment consistent with the intent and spirit of the compensation plan design.

### ***Long-term Incentive Fair Value Determinations***

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A challenging issue for publicly traded companies is how to value long-term incentive awards for grant purposes. Like many companies, we target and express such awards as a percent of salary. We also seek to balance the value of stock options with those of PBRS awarded to executive officers. Of particular concern to the Company is how to calculate the value of a stock option.

their options much longer before exercising them than do non-officer employees.

The predominant valuation model used to value stock options is the Black-Scholes-Merton valuation model. This model considers various assumptions for duration prior to exercise, risk-free interest rate, stock volatility and employment termination rates. We segregate groups of option holders within the model by exercise patterns to better estimate the value of an option. For example, NEOs and executive officers typically hold

However, this value changes each year in direct relation to fluctuations in the current market value of the Company’s Common Stock and changes in pricing assumptions. Therefore, when the share price goes up, so do the option grants’ fair value and their strike price, and the number of awarded shares equal to a designated dollar value would decrease. Conversely, if the share price goes down, both the option’s fair value and its strike price go down, and the number of awarded shares would increase. This result seems counterintuitive from a pay-for-performance perspective in that a lower stock price would lead to more options being granted at a lower price and a higher stock price

would lead to fewer options being granted at a higher price.

Our solution, for grant purposes only, is to stabilize the deemed present value of a stock option for a three-year period. We think the use of such a value is more in line with creating long-term shareholder value and pay-for-performance, and allows us to better manage our burn rate (number of shares granted each year divided by the number of Common Stock outstanding) and budget

the number of awarded shares over the life of the share authorization approved by shareholders.

For grants made in the three-year period of 2013 to 2015, our deemed fair value of a stock option is \$13.73. However, the actual per share exercise price under each option in any event is the closing price of a common share on the day it is granted.

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## COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the preceding CD&A with management and, based on that review and discussion, has recommended to the Board of Directors to include the CD&A in this Proxy Statement.

Compensation Committee

Robert B. Johnson, Chairman  
Douglas W. Johnson  
David Gary Thompson

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## 2014 SUMMARY COMPENSATION TABLE

The following table provides information concerning total compensation earned or paid to our CEO, CFO and the three other most highly compensated executive officers who were serving as executive officers at the end of 2014. These five officers are referred to as our NEOs in this Proxy Statement.

Name and Principal Position	Year	Salary <sup>(2)</sup> (\$)	Bonus (\$)	Stock Awards <sup>(3)</sup> (\$)	Option Awards <sup>(3)</sup> (\$)	Non-equity Incentive Plan Compensation <sup>(4)</sup> (\$)	Change in Pension Value and Nonqualified Deferred Compensation <sup>(5)</sup>		All Other Compensation <sup>(6)</sup> (\$)	Total <sup>(7)</sup> (\$)	Total without Change in Pension Value* (\$)
							Non-equity Incentive Plan Compensation <sup>(4)</sup> (\$)	Nonqualified Deferred Compensation <sup>(5)</sup> (\$)			
Daniel P. Amos Chairman and CEO	2014	1,441,100	—	2,141,162	—	4,829,415	6,835,154	230,517	15,477,348	8,642,194	
	2013	1,441,100	—	10,844,642	—	4,741,942	1,318,080	236,291	18,582,055	17,263,975	
	2012	1,441,100	—	4,458,439	—	5,072,672	2,593,387	252,764	13,818,362	11,224,975	
Kris Cloninger III President, CFO, and Treasurer	2014	975,000	—	2,644,624	661,159	2,190,304	2,329,649	116,359	8,917,095	6,587,446	
	2013	951,600	—	2,544,300	665,225	2,223,794	—	144,800	6,529,719	6,529,719	
	2012	923,800	—	2,495,984	877,116	2,424,052	5,746,619	90,638	12,558,209	6,811,590	
Paul S. Amos II President, Aflac	2014	667,900	—	1,655,800	333,948	1,238,548	1,290,895	982,557	6,169,648	4,878,753	
	2013	633,000	—	1,118,700	366,948	1,135,045	722,562	169,778	4,146,033	3,423,471	
	2012	583,953	—	1,097,456	376,120	1,026,590	625,768	136,295	3,846,182	3,220,414	
Eric M. Kirsch Executive Vice President, Global Chief Investment Officer, Aflac	2014	585,000	—	1,170,000	292,507	1,898,061	30,759	11,395	3,987,722	3,956,963	
	2013	566,500	—	1,118,700	287,433	1,402,122	40,059	14,959	3,429,773	3,389,714	
	2012	550,000	—	—	—	1,553,200	—	16,125	2,119,325	2,119,325	
Tohru Tonoike <sup>(1)</sup> President and COO Aflac Japan	2014	628,674	—	1,170,000	292,507	767,903	—	182,775	3,041,859	3,041,859	
	2013	663,318	100,912	1,118,700	287,433	1,182,218	—	179,655	3,532,236	3,532,236	
	2012	786,869	—	1,097,456	376,120	1,500,401	—	224,896	3,985,742	3,985,742	

\* This additional column has been included to show total compensation minus the change in pension value in order to show the effect that the year-over-year change in pension value had on total compensation as determined under applicable SEC rules. Total without Change in Pension Value represents total compensation, as determined under applicable SEC rules, minus the change in pension value reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column. The amounts reported in the Total without Change in Pension Value column differ from the amounts reported in the Total column required under SEC rules and are not a substitute for total compensation. The change in pension value, as discussed in footnote 5 below, is subject to many external variables that are not related to the Company's performance.

<sup>(1)</sup> Includes payments made to Mr. Tonoike in yen for salary, non-equity incentive plan compensation and perquisites. All actual yen denominated payments are converted to dollars by dividing the payments by the annual weighted average exchange rate. The weighted average exchange rate was 105.46, 97.54, and 79.81 yen to the dollar for 2014, 2013, and 2012, respectively.

<sup>(2)</sup> Includes \$441,100 deferred for Mr. Daniel P. Amos. This amount has been included in the 2014 Nonqualified Deferred Compensation table below.



- (3) In accordance with the SEC's reporting requirements, we report all equity awards at their full grant date fair value in accordance with ASC 718. The Company's valuation assumptions are described in Note 12 "Share-Based Compensation" in the Notes to the Consolidated Financial Statements in the Company's Annual Form 10-K filed with the SEC for the year ended December 31, 2014. See page 47 for a more detailed discussion of our outstanding equity grants compared to current fair market value.
- As discussed in the "Determination of CEO Compensation" section of the CD&A, the Compensation Committee reduced the contingent February 2014 PBRS grant for Daniel P. Amos by 56,134 shares on December 31, 2014 after the 2014 performance of the Company was validated. The remaining 34,308 shares had a grant date fair market value of \$2,141,162. Additionally, the Compensation Committee reduced the contingent February 2012 PBRS grant for Daniel P. Amos by 60,343 shares in August of 2012 after the 2011 performance of the Company was validated. The remaining 91,813 shares had a grant date fair market value of \$4,458,439.
- (4) The amount reported in this column for Mr. Tonoike has two components. Mr. Tonoike's earned bonus is paid one-half in cash and the other half is increased by 10% and deferred until his retirement date. The total amount has been included in the Summary Compensation Table and the deferred amount, including the 10% addition, has been included in the 2014 Nonqualified Deferred Compensation table below.
- (5) No amount in this column is attributable to above market earnings on deferred compensation. The change in pension value was driven largely by the adoption of the updated mortality tables (RP-14) released by the Society of Actuaries in October 2014. The tables increased life expectancy for both males and females. See the "Pension Benefits" section and the accompanying table below beginning on page 50 for a more detailed discussion of the retirement plans.
- (6) Additional information regarding all other compensation is provided in the "All Other Compensation" or "Perquisites" tables detailed below.
- (7) Base salary is typically the smallest component of total compensation for the NEOs as the majority of their total compensation is based on performance awards on a cash and equity basis. Base salaries (including deferrals) as a percent of total compensation for Messrs. Daniel P. Amos, Cloninger, Paul S. Amos II, Kirsch and Tonoike for 2014 were approximately 9%, 11%, 11%, 15%, and 21%, respectively.
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## 2014 ALL OTHER COMPENSATION

The following table identifies the amount of each item included for 2014 in the All Other Compensation column in the 2014 Summary Compensation Table above.

Name	Perquisites and Other Personal Benefits <sup>(1)</sup> (\$)	Company Contribution to 401(k) Plan (\$)	Renewal Commissions from Previous Job <sup>(2)</sup> (\$)	Total (\$)
Daniel P. Amos	222,567	7,950	—	230,517
Kriss Cloninger III	108,409	7,950	—	116,359
Paul S. Amos II	954,949	7,950	19,658	982,557
Eric M. Kirsch	3,445	7,950	—	11,395
Tohru Tonoike	182,775	—	—	182,775

<sup>(1)</sup> Perquisites are more fully described in the Perquisites table below.

<sup>(2)</sup> Amounts are for earned renewal sales commissions before expenses on Aflac U.S. products sold before the NEO became an Aflac employee.

## 2014 PERQUISITES

The following table identifies the incremental cost to the Company of each perquisite included for 2014 in the All Other Compensation table above.

Name	Personal Use of Company Aircraft <sup>(1)</sup> (\$)	Security Services <sup>(2)</sup> (\$)	International Assignment Allowance <sup>(3)</sup> (\$)	Tax Related Reimbursements <sup>(4)</sup> (\$)	Car Allowance <sup>(5)</sup> (\$)	Other <sup>(6)</sup> (\$)	Total Perquisites and Other Personal Benefits <sup>(7)</sup> (\$)
Daniel P. Amos	25,942	196,625	—	—	—	—	222,567
Kriss Cloninger III	65,695	35,272	—	—	3,092	4,350	108,409
Paul S. Amos II	18,300	21,322	791,264	123,600	463	—	954,949
Eric M. Kirsch	—	—	—	—	—	3,445	3,445
Tohru Tonoike <sup>(8)</sup>	—	1,425	—	—	172,288	9,062	182,775

<sup>(1)</sup> Incremental cost for the personal use of corporate aircraft is the calculated standard hourly cost rate based upon actual operating expenses for corporate aircraft, including fuel costs, airport fees, catering, in-flight phone, and crew travel expenses. This rate is recalculated annually. The personal use of corporate aircraft has been authorized by the Company's Board of Directors for security reasons and to maximize the effectiveness of the executives' time. Included in the amount reported for Mr. Cloninger is \$16,023 for attending outside Board of Directors meetings for a board on which he serves.

<sup>(2)</sup> Incremental costs for security services include the salaries and benefits of security officers and the actual costs of any security equipment, monitoring and maintenance fees.

<sup>(3)</sup> This amount includes Company provided housing (in the amount of \$262,219), which includes rent and utilities; educational expenses (in the amount of \$142,661) for the NEO's children; transportation expenses (in the amount of \$197,063) which includes the cash cost for the use of two leased cars, driver compensation, and parking expenses; and relocation expenses, which includes moving expenses such as shipment of goods (in the amount of \$98,202). All expenses were incurred as a direct result of Mr. Paul S. Amos' II overseas assignment in Tokyo, Japan. Certain amounts were paid in yen and all are converted to dollars by dividing the actual yen denominated payments by the 2014 weighted average exchange rate of 105.46 yen to the dollar.

<sup>(4)</sup> This amount represents tax equalization and tax gross-up payments, which are designed to satisfy tax obligations arising solely as a result of Mr. Paul S. Amos' II international assignment (in the amount of \$123,600).

<sup>(5)</sup> Amounts included in the Car Allowance column for Messrs. Cloninger and Paul S. Amos II are charges for the use of Company automobile transportation in the U.S. The amount included in the Transportation column for Mr. Tonoike includes the cash cost to the Company for the use of a leased car, driver compensation and related expenses.

- (6) Amounts included in the Other column for Messrs. Cloninger and Kirsch are overseas travel allowances. Mr. Kirsch also incurred expenses for guest travel. The amount included in the Other column for Mr. Tonoike is for tax consulting and an annual fee for a regular medical exam.
- (7) Other than tax gross-ups relating to international assignment allowances, the Company did not gross up for tax purposes any of the perquisites described in this table.
- (8) The amounts reported for Mr. Tonoike for Security Services, Transportation, and Other were paid in yen and converted to dollars by dividing the yen payment by the average 2014 exchange rate of 105.46 yen to the dollar.

## 2014 GRANTS OF PLAN-BASED AWARDS

The following table provides information with respect to the 2014 grants of plan-based awards for the NEOs.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(2)</sup>			All other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold	Target	Maximum	Threshold	Target	Maximum			
		(\$)	(\$)	(\$)	(#)	(#)	(#)			
Daniel P. Amos	2/11/2014	—	—	—	17,154	34,308	34,308	—	—	2,141,162
	N/A	1,152,880	3,170,420	6,340,840	—	—	—	—	—	—
Kris Cloninger III	2/11/2014	—	—	—	21,188	42,375	42,375	—	—	2,644,624
	2/11/2014	—	—	—	—	—	—	38,769	62.41	661,159
Paul S. Amos II	N/A	560,625	1,462,500	2,925,000	—	—	—	—	—	—
	2/11/2014	—	—	—	13,266	26,531	26,531	—	—	1,655,800
Eric M. Kirsch	2/11/2014	—	—	—	—	—	—	19,582	62.41	333,948
	N/A	317,253	834,875	1,669,750	—	—	—	—	—	—
Tohru Tonoike	2/11/2014	—	—	—	9,374	18,747	18,747	—	—	1,170,000
	2/11/2014	—	—	—	—	—	—	17,152	62.41	292,507
	N/A	424,125	1,170,000	2,252,250	—	—	—	—	—	—
	2/11/2014	—	—	—	9,374	18,747	18,747	—	—	1,170,000
	2/11/2014	—	—	—	—	—	—	17,152	62.41	292,507
	N/A	273,860	644,377	1,288,754	—	—	—	—	—	—

- (1) The amounts shown in Estimated Possible Payouts Under Non-Equity Incentive Plan Awards reflect the payout levels for the NEOs under the Company's MIP, based on the achievement of certain performance goals approved by the Compensation Committee. With respect to each Company performance goal, a minimum, target and maximum performance level is specified, the attainment of which determines the amount paid for each performance goal. Base salary is typically the smallest component of total compensation for the NEOs, as the majority of their total compensation is based on performance awards on a cash and equity basis.
- (2) The amounts shown under Estimated Future Payouts Under Equity Incentive Plan Awards reflect the number of PBRS, which incorporate restrictions that will lapse upon the attainment of performance goals as set by the Compensation Committee. Awards vest on the third anniversary of the award, based on the attainment of the three-year cumulative target performance goal for RBC ratios of Aflac. Each year a credit will be earned with a minimum of 50% and maximum of 150% as measured at each year-end. The final award will be the arithmetic average of the credit earned each year with a maximum payout not to exceed 100%. All NEOs possess the same rights as all other holders of Common Stock in respect of the shares underlying the PBRS, including all incidents of ownership with respect to the shares (exclusive of the right to transfer the shares while they remain subject to forfeiture) and the right to vote such shares. The dividends accrued on the award shares will be reinvested in Common Stock at the same dividend rate as other holders of Common Stock and held as additional restricted shares in the book entry account subject to the same terms and conditions attributable to the original grant, until such time as all restrictions have lapsed on the shares of Common Stock with respect to which the dividend was accrued.

## 2014 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table provides certain information with respect to the equity awards outstanding at the 2014 fiscal year-end for the NEOs.

Name	Option Awards					Stock Awards		
	Option Grant Date	Number of Securities Underlying Unexercised Options		Option Exercise Price (\$)	Option Expiration Date	Stock Award Grant Date	Equity Incentive Plan Awards:	
		Exercisable (#)	Unexercisable (#)				Number of Unearned Shares, Units or Other Rights That Have Not Vested <sup>(1)</sup> (#)	Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested <sup>(2)</sup> (\$)
Daniel P. Amos	8/09/05	289,405		43.665	8/09/15			
	2/14/06	172,723		47.250	2/14/16			
	8/08/06	209,527		43.070	8/08/16			
	2/13/07	160,387		47.840	2/13/17			
	8/14/07	107,707		52.590	8/14/17			
	2/12/08	128,541		61.810	2/12/18			
	8/12/08	261,952		55.720	8/12/18			
	2/10/09	155,712		22.130	2/10/19			
	8/11/09	324,915		40.230	8/11/19			
	2/09/10	146,386		47.060	2/09/20			
	8/10/10	216,402		50.890	8/10/20			
	2/08/11	152,752		57.900	2/08/21			
	8/09/11	163,797		39.610	8/09/21			
						2/14/12	99,271	6,064,465
					2/12/13	48,850	2,984,247	
					8/13/13	142,925	8,731,288	
					2/11/14	35,154	2,147,558	
Kriss Cloninger III	2/13/07	95,000		47.840	2/13/17			
	2/12/08	104,000		61.810	2/12/18			
	2/09/10	95,000		47.060	2/09/20			
	2/08/11	80,750		57.900	2/08/21			
	2/14/12	47,950		48.560	2/14/22			
						2/14/12	55,575	3,395,077
	2/12/13	47,950		49.500	2/12/23			
						2/12/13	53,985	3,297,944
	2/11/14		38,769	62.410	2/11/24			
					2/11/14	43,419	2,652,467	

Name	Option Awards					Stock Awards		
	Option Grant Date	Number of Securities Underlying Unexercised Options		Option Exercise Price (\$)	Option Expiration Date	Equity Incentive Plan Awards:		
		Exercisable (#)	Unexercisable (#)			Stock Award Grant Date	Number of	Market or Payout
							Unearned Shares, Units or Other Rights That Have Not Vested <sup>(1)</sup> (#)	Value of Unearned Shares, Units or Other Rights That Have Not Vested <sup>(2)</sup> (\$)
Paul S. Amos II	2/14/06	25,000		47.250	2/14/16			
	2/13/07	25,000		47.840	2/13/17			
	2/12/08	38,000		61.810	2/12/18			
	2/10/09	41,482		22.130	2/10/19			
	2/09/10	33,000		47.060	2/09/20			
	2/08/11	28,050		57.900	2/08/21			
	2/14/12		21,100	48.560	2/14/22			
						2/14/12	24,436	1,492,795
	2/12/13		21,100	49.500	2/12/23			
						2/12/13	23,737	1,450,093
	9/30/13		4,661	61.990	9/30/23			
	2/11/14		19,582	62.410	2/11/24			
						2/11/14	27,185	1,660,732
Eric M. Kirsch	11/08/11	65,627		46.430	11/08/21			
	2/12/13		21,100	49.500	2/12/23			
						2/12/13	23,737	1,450,093
	2/11/14		17,152	62.410	2/11/24			
						2/11/14	19,209	1,173,478
Tohru Tonoike	2/13/07	25,000		47.840	2/13/17			
	2/12/08	40,000		61.810	2/12/18			
	2/09/10	33,000		47.060	2/09/20			
	2/08/11	28,050		57.900	2/08/21			
	2/14/12		21,100	48.560	2/14/22			
						2/14/12	24,436	1,492,795
	2/12/13		21,100	49.500	2/12/23			
						2/12/13	23,737	1,450,093
	2/11/14		17,152	62.410	2/11/24			
						2/11/14	19,209	1,173,478

<sup>(1)</sup> Includes dividend shares accumulated as of December 31, 2014 for PBRS awards granted as follows: awards granted on February 14, 2012, February 12, 2013, August 13, 2013, and February 11, 2014, respectively, of 7,458, 2,339, 5,034, and 846 shares for Daniel P. Amos; awards granted on February 14, 2012, February 12, 2013, and February 11, 2014, respectively, of 4,175, 2,585, and 1,044 shares for Mr. Cloninger; 1,836, 1,137, and 654 for Paul S. Amos II; 1,836, 1,137, and 462 for Mr. Tonoike; and awards granted on February 12, 2013 and February 11, 2014, respectively, of 1,137 and 462 shares for Mr. Kirsch.

<sup>(2)</sup> Based on the per share closing price of our Common Stock of \$61.09 as of December 31, 2014.

Grant Date	Option Vesting Schedule
02/14/12	100% vesting on the third anniversary of the option for Messrs. Paul S. Amos II and Tonoike
02/12/13	100% vesting on the third anniversary of the option for Messrs. Paul S. Amos II, Kirsch, and Tonoike
09/30/13	100% vesting on the third anniversary of the option for Mr. Paul S. Amos II
02/11/14	100% vesting on the first anniversary of the option for Mr. Cloninger
	100% vesting on the third anniversary of the option for Messrs. Paul S. Amos II, Kirsch and Tonoike

Stock Award Grant Date	Stock Award Vesting Schedule
02/14/12, 02/12/13, and 08/13/13	Graded vesting on the third anniversary of the award based on the attainment of the cumulative target performance goals for risk-based capital ratios of Aflac for three consecutive calendar years beginning with the year of grant. Each year a credit can be earned with a minimum threshold of 50% and a maximum of 150% as measured at each year-end. The final award will be the arithmetic average of the credit earned each year, but with a maximum payout of 100%.
02/11/14	Graded vesting on the third anniversary of the award based on the attainment of the cumulative target performance goals for risk-based capital ratios SMR, and ROE of Aflac for three consecutive calendar years beginning with the year of grant. Each year a credit can be earned with a minimum threshold of 50% and a maximum of 150% as measured at each year-end. The final award will be the arithmetic average of the credit earned each year, but with a maximum payout of 100%.

## 2014 OPTION EXERCISES AND STOCK VESTED

The following table provides information with respect to options exercised and stock awards vested during 2014 for each of the NEOs.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Daniel P. Amos	143,169	3,088,155	70,323	4,388,841
Kriss Cloninger III	80,000	1,126,300	35,019	2,185,557
Paul S. Amos II	44,518	982,867	13,823	862,720
Eric M. Kirsch	—	—	—	—
Tohru Tonoike	—	—	13,823	862,720

## PENSION BENEFITS

The Company maintains tax-qualified, noncontributory defined benefit pension plans that cover the NEOs other than Mr. Tonoike, and it also maintains nonqualified supplemental retirement plans covering the NEOs other than Mr. Kirsch, as described below. Mr. Tonoike participates in a deferred compensation plan maintained in Japan specific to the terms of his employment agreement. The Company does not credit extra years of service under any of its retirement plans, unless required by employment agreements upon certain termination events, such as termination

following a change in control or termination without cause. Messrs. Daniel P. Amos and Cloninger are eligible to receive immediate retirement benefits. For Mr. Daniel P. Amos, retirement benefits fall under the provisions of the U.S. tax-qualified plan and the Retirement Plan for Senior Officers, and for Messrs. Cloninger and Paul S. Amos II retirement benefits fall under the U.S. tax-qualified plan and the Supplemental Executive Retirement Plan. For Mr. Kirsch, retirement benefits fall under the U.S. tax-qualified plan.

## Qualified Defined Benefit Pension Plan

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The Aflac Incorporated Defined Benefit Pension Plan ("Plan") is a funded tax-qualified retirement program that covers all eligible U.S.-based employees. Benefits under the Plan are calculated in accordance with the following formula: 1% of average final monthly compensation multiplied by years of credited service (not in excess of 25 years), plus .5% of average final monthly compensation multiplied by the number of years of credited service in excess of 25 years. For purposes of the Plan, final average monthly compensation is deemed to be the participant's highest average compensation during any five consecutive years of service within the 10 consecutive plan years of service immediately preceding retirement. Compensation means salary and non-equity incentive plan compensation. Participants are eligible to receive full retirement benefits upon attaining a retirement age of 65. A participant also becomes eligible for full retirement benefits when the participant's years of credited service plus attained age equals or exceeds 80. Participants with at least 15 years of credited service are eligible to receive reduced retirement benefits upon reaching an early retirement age of 55. Effective October 1, 2013, the U.S. tax-qualified plan was frozen to new employees hired on or after October

1, 2013 and to employees rehired on or after October 1, 2013. During the fourth quarter of 2013, active participants in the U.S. defined benefit plan were given the option to exit the benefit plan and receive a non-elective 401(k) matching contribution.

The benefits payable under the Plan are not subject to adjustment for Social Security benefits or other offsets. The benefits are paid monthly over the life of the participant, with joint and survivor options available at actuarially reduced rates. The maximum annual retirement benefit was limited, in accordance with IRC Section 415, to \$210,000 for 2014. The maximum annual compensation that may be taken into account in the calculation of retirement benefits was limited, in accordance with IRC Section 401(a)(17), to \$260,000 for 2014. These limitation amounts for future years will be indexed for cost-of-living adjustments.

Benefits under the Japanese retirement plan are based on a point system. Eligible employees accumulate points over their respective service periods based on job grades. At retirement, the total points accumulated are multiplied by a unit price per point of 8,500 yen and then adjusted for years of service with the Company.

## Supplemental Executive Retirement Plan

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The Company's Supplemental Executive Retirement Plan ("SERP") is an unfunded and unsecured obligation of the Company and is not a tax-qualified plan. The SERP provides retirement benefits to certain officers of the Company in addition to those provided by the qualified Plan. Messrs. Cloninger and Paul S. Amos II participate in the Company's SERP. Participation in the SERP is limited to certain key employees of the Company as periodically designated by the Compensation Committee. To be eligible for benefits under the SERP, participants generally must be employed with the Company or a subsidiary at age 55. To be eligible to receive benefits under the SERP, participants who began participating in the SERP after August 11, 1992, also must complete at least 15 years of employment with the Company or a subsidiary and participate in the SERP for at least five years. Effective January 1, 2015, the SERP was frozen to new participants.

The SERP includes a four-tiered benefit formula that provides for a benefit based on final compensation earned (base salary and non-equity incentive plan

compensation earned for a calendar year). The annual benefit is based on the final compensation earned: 40% upon retirement between the ages of 55 and 59, a 50% benefit upon retirement between the ages of 60 and 64, and a 60% benefit upon retirement for ages 65 and over. A reduced 30% benefit is available to participants with at least 15 years of service who terminate employment prior to age 55.

Benefits are generally payable in the form of an annuity for the life of the participant. The participant may elect to receive reduced benefits during his or her lifetime. In that case, after his or her death, any surviving spouse will receive a benefit equal to 50% of the amount paid to the participant. The benefit formula computes benefits using the average annual compensation for the three consecutive calendar years out of the final 10 consecutive calendar years of employment that yield the highest average. Benefits under the SERP are subject to offset for amounts paid under the qualified Plan.

## Retirement Plan for Senior Officers

The CEO participates in the Retirement Plan for Senior Officers (“RPSO”). Participants in the RPSO receive full compensation for the first 12 months after retirement. Thereafter, a participant may elect to receive annual lifetime retirement benefits equal to 60% of final compensation, or 54% of such compensation with 50% of such amount to be paid to a surviving spouse for a specified period after death of the participant. Final compensation is deemed to be the higher of either the compensation paid during the last 12 months of active employment with the Company or the highest compensation received in any calendar year of the last three years preceding the date of retirement. Compensation under this plan is defined to be base salary plus non-equity incentive award earned.

Generally, no benefits are payable until the participant accumulates 10 years of credited service at age 60, or 20 years of credited service. Reduced benefits may be

paid to a participant who retires (other than for disability) before age 65 with less than 20 years credited service. The CEO is currently the only active employee participating in the RPSO, and he has 41 years of credited service, meaning he is fully vested for retirement benefits. The RPSO was frozen for participation purposes on January 1, 2009, such that no new participants will be added to the RPSO.

All benefits under the RPSO are subject to annual cost-of-living increases as approved by the Compensation Committee. Retired participants and their spouses are also entitled to receive full medical expense benefits for their lifetimes. The benefits payable under the RPSO are not subject to Social Security or qualified Plan offsets.

## 2014 PENSION BENEFITS

The following table provides certain information the Company’s pension benefits at December 31, 2014 and for the year then ended.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit* (\$)	Change from Prior Year (\$)	Payments During Last Fiscal Year (\$)
Daniel P. Amos	Retirement Plan for Senior Officers	41	61,114,990	6,743,268	—
	Aflac Incorporated Defined Benefit Pension Plan	41	1,151,064	91,886	—
Kris Cloninger III	Supplemental Executive Retirement Plan	23	22,396,300	2,248,660	—
	Aflac Incorporated Defined Benefit Pension Plan	23	715,891	80,989	—
Paul S. Amos II	Supplemental Executive Retirement Plan	10	4,443,510	1,239,070	—
	Aflac Incorporated Defined Benefit Pension Plan	10	207,296	51,825	—
Eric M. Kirsch	Aflac Incorporated Defined Benefit Pension Plan	3	70,818	30,759	—
Tohru Tonoike	Aflac Japan Defined Benefit Pension Plan	8	—	—	—

\* Assumed retirement age for all calculations was the earliest retirement age for unreduced benefits. Assumptions used to calculate pension benefits are more fully described in Note 14, “Benefit Plans,” in the Notes to the Consolidated Financial Statements in the Company’s Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2014.



## NONQUALIFIED DEFERRED COMPENSATION

The following 2014 Nonqualified Deferred Compensation table shows, for Mr. Daniel P. Amos, Company contributions to and earnings and account balances under the Aflac Incorporated Executive Deferred Compensation Plan (“EDCP”), an unfunded, unsecured deferred compensation plan. The table also includes the amount contributed and the year-end accrued balance in dollars for a deferred retirement obligation for Mr. Tonoike. Mr. Tonoike does not participate in the EDCP but the Company is obligated to accrue a deferred retirement benefit under the terms of his employment agreement.

### 2014 NONQUALIFIED DEFERRED COMPENSATION

Name	Executive Contributions in Last Fiscal Year (\$)	Registrant Contributions in Last Fiscal Year <sup>(1)</sup> (\$)	Aggregate Earnings (Loss) in Last Fiscal Year <sup>(2)</sup> (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last Fiscal Year-End (\$)
Daniel P. Amos	—	441,100	264,800	—	4,969,414
Kriss Cloninger III	—	—	—	—	—
Paul S. Amos II	—	—	—	—	—
Eric M. Kirsch	—	—	—	—	—
Tohru Tonoike	—	402,235	—	—	3,252,454

1) The \$441,100 deferred for Mr. Daniel P. Amos has been included in the Summary Compensation Table for the current year. Additionally, previous years' deferrals included in the Aggregate Balance column were reported as compensation in prior periods. The amount reported for Mr. Tonoike has been included in the non-equity incentive plan column in the Summary Compensation Table. This amount represents one half of Mr. Tonoike's MIP increased by 10% and is payable as a lump sum upon retirement.

2) The Company does not pay or credit above market earnings on amounts deferred by executives.

The EDCP allows certain U.S.-based officers, including the NEOs other than Mr. Tonoike (the “Participants”), to defer up to 75% of their base salaries and up to 100% of their annual non-equity incentive awards. The Company may make discretionary matching or other discretionary contributions in such amounts, if any, that the Compensation Committee may determine from year to year.

The EDCP is subject to the requirements of Section 409A of the IRC. The Company amended the EDCP document to conform to Section 409A's requirements in December 2009. Deferred amounts earned and vested prior to 2005 (“grandfathered” amounts) under the EDCP are not subject to Section 409A's requirements and continue to be governed generally under the terms of the EDCP and the tax laws in effect before January 1, 2005, as applicable.

In addition to amounts that Mr. Daniel P. Amos elected to defer and amounts of discretionary contributions the Company credited to his account, the amounts in the Aggregate Balance column include investment earnings (and losses) determined under the phantom investments described below. Account balances may be invested in phantom investments selected by

Participants from an array of investment options that substantially mirror the funds available under the Company's 401(k) Plan, except for Common Stock. The array of available investment options changes from time to time. Since December 31, 2011, Participants could choose from among several different investment options, including domestic and international equity, income, short-term investment and blended funds. Participants can change their investment selections daily (unless prohibited by the fund) by contacting the EDCP's third-party recordkeeper in the same manner that applies to participants in the 401(k) Plan.

Each year, when Participants elect whether to defer compensation under the EDCP for the following year, they also elect the timing and form of their future distributions attributable to those deferrals, with a separate election permitted for each type of deferral (i.e., salary and non-equity incentive award). Under this process, each Participant may elect for distributions attributable to deferrals either to be made or begin in a specific year (whether or not employment has then ended) or at a time that begins six months after the Participant's termination of employment. Each Participant may elect for any distribution to be made in a lump sum or in up to 10 annual installments.

Distributions attributable to discretionary contributions are made in the form and at the time specified by the Company.

A Participant may delay the timing and form of his or her distributions attributable to his or her deferrals as long as the change is made at least 12 months before the initial distribution date. With respect to non-grandfathered amounts, new elections also must satisfy

the additional requirements of Section 409A. In general, Section 409A requires that distributions may not be accelerated (other than for hardships) and any delayed distribution may not begin earlier than five years after the original distribution date.

Deferral amounts for which no distribution elections have been made are distributed in a lump sum six months after a Participant separates from service.

## **POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

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The Company has employment agreements with each of the NEOs (although the agreement with Mr. Tonoike expired on December 31, 2014). Except as described below, the agreements are similar in nature and contain provisions relating to termination, disability, death and a change in control of the Company.

Mr. Daniel P. Amos, in the fourth quarter of 2008, decided to voluntarily forgo all “golden parachute” and other severance components in his employment agreement (the provisions providing for special payments in connection with a change in control of the Company or other termination of employment). The elimination of these potential payments to Mr. Daniel P. Amos has been reflected in the following 2014 Potential Payments Upon Termination or Change in Control table.

For the remaining NEOs (other than Mr. Daniel P. Amos), the Company remains obligated to continue compensation and benefits to the NEO for the scheduled term of the agreement if the employment of the NEO is terminated by the Company without “good cause” or by the NEO with “good reason.” Messrs. Cloninger and Paul S. Amos II are not entitled to continued compensation after earning the maximum benefit under the SERP; Mr. Cloninger has earned the maximum SERP benefit and, therefore, would not receive continued compensation. In addition, except for Mr. Kirsch, upon a termination by the Company without good cause or by the NEO for good reason, all outstanding equity awards become fully vested.

If the NEO’s employment is terminated by the Company for “good cause,” or by the NEO without “good reason,” the Company is generally obligated to pay compensation and benefits only to the date of termination (except that the NEO, to the extent otherwise eligible, is entitled to benefits under the RPSO or SERP if the termination is not for “good cause”). “Good cause” generally means (i) the willful failure by the NEO to substantially perform his management duties for more than 60 days, (ii)

intentional conduct by the NEO causing substantial injury to the Company, or (iii) the conviction of or plea of guilty by the NEO to a felony crime involving moral turpitude. “Good reason” is defined to include (i) a material breach of the agreement, (ii) a material diminution or change in the NEO’s title, duties, or authority, or (iii) a material relocation of the Company’s principal offices. Upon voluntary termination without “good reason” or termination by the Company for “good cause,” the NEO is prohibited for a two-year period from directly or indirectly competing with the Company.

The employment agreements of the NEOs (with the exception of Mr. Kirsch) provide that compensation and benefits continue for certain specified periods in the event that the NEO becomes totally disabled although the amount of continued compensation for Messrs. Kriss Cloninger and Paul S. Amos II will be reduced by 60% if they are eligible for the maximum benefit percentage under the SERP. Upon the death of the NEO (other than Mr. Kirsch), his estate is to be paid an amount, payable over a three-year period, equal to the NEO’s base salary and any non-equity incentive award actually paid during the last three years of his life.

Upon a “change in control” of the Company, the employment agreements of the NEOs (with the exception of Messrs. Daniel P. Amos and Kirsch) are extended for an additional three-year period. If, following a change in control, the NEOs’ (with the exception of Messrs. Daniel P. Amos and Kirsch) employment with the Company is terminated by the Company without “good cause” or by the NEO for “good reason,” the Company must pay to the NEO, among other payments but in lieu of any further salary payments subsequent to the date of termination, a lump-sum severance payment equal to three times the sum of the NEO’s base salary and non-equity incentive award under the MIP (as paid during periods specified in the agreement). If either of Messrs. Cloninger or Paul S. Amos II has attained the maximum benefit percentage under the SERP at the time of his termination following the change in control, he will not

receive the three times base salary and non-equity incentive award as described above. Amounts payable upon a change of control will be reduced to the extent that they are not deductible by the Company for income tax purposes.

A “change in control” is generally deemed to occur when (i) a person or group acquires ownership of 50% or more of the Company’s Common Stock; (ii) a person or group acquires ownership of 30% or more of the Company’s Common Stock over a consecutive twelve month period; (iii) during any period of twelve consecutive months, individuals who constitute the Board are replaced without endorsement by a majority of the Board members at the beginning of the period; or (iv) a person or group acquires ownership of 40% or more of the total gross fair market value of the Company’s assets.

Each of Messrs. Cloninger and Paul S. Amos II is a participant in the SERP. Under the SERP, in the event that a participant’s employment with the Company is terminated within two years after a “change in control” of the Company other than for death, disability or cause, or a participant terminates his employment during such period for “good reason,” the participant becomes 100% vested in his retirement benefits and is entitled to receive a lump-sum amount equal to the actuarial equivalent of the annual retirement benefit to which he would have been entitled had he remained in the employ of the Company until (i) age 55 (in the case of a participant who is not yet 55); (ii) age 60 (in the case of a participant who is at least 55, but not yet 60); or (iii) age 65 (in the case of a participant who is at least 60, but not yet 65), as the case may be. A “change in control” shall generally occur under the same circumstances described in the paragraph above. “Cause” for this purpose generally means (i) the participant’s willful failure to substantially perform his duties with the Company (other than that resulting from illness or after a participant gives notice of termination of employment for “good reason”) after a written demand for substantial performance is delivered to the participant by the Board or (ii) the willful engaging by the participant in conduct materially injurious to the Company. “Good reason” is defined for this purpose to include various adverse changes in employment status,

duties, and/or compensation and benefits following a “change in control.”

The following table reflects the amount of compensation payable to each of the NEOs in the event of termination of such executive’s employment under various termination scenarios. The amounts shown assume in all cases that the termination was effective on December 31, 2014, and therefore include amounts earned through such time and estimates of the amounts which would be paid to the NEOs upon their termination. Mr. Kirsch’s employment agreement renews each January 1 for an additional one-year period, unless the Company notifies him in writing of its intent to terminate the agreement prior to such renewal date. If the Company had notified Mr. Kirsch of its intent to terminate the agreement on December 31, 2014, or if his employment had terminated on that date, Mr. Kirsch would not have been entitled to salary continuation or other severance benefits under his employment agreement, and therefore no such amounts are shown in the table below. Mr. Tonoike is currently employed by the Company without an employment agreement. Although the amounts shown on the table that follows include all amounts that Mr. Tonoike would have been entitled to if his employment had terminated on December 31, 2014, upon his actual termination of employment he will not be entitled to continued compensation and benefits and other payments that were provided for solely under his employment agreement. Due to the number of factors that affect the nature and amount of any benefits under the various termination scenarios, actual amounts paid or distributed may be different. Messrs. Daniel P. Amos, Cloninger and Tonoike are the only NEOs who are eligible to receive immediate retirement benefits. See “Pension Benefits” and “Nonqualified Deferred Compensation” above for more information about these benefits.

As noted in the table that follows, the benefits provided and requirements imposed vary with the circumstances under which the termination occurs. Additional relevant information is provided under “Pension Benefits” and “Nonqualified Deferred Compensation” above.

## 2014 POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Name	Benefit	Before Change in Control				Death <sup>(5)</sup>	Disability <sup>(6)</sup>	Change in Control Termination without "Good Cause" or for "Good Reason" <sup>(7)</sup>
		Company Termination without "Good Cause" or by Employee for "Good Reason" <sup>(1)</sup>	Company Termination for "Good Cause" <sup>(2)</sup>	Voluntary Termination without "Good Reason" and No Competition <sup>(3)</sup>	Voluntary Termination with Competition <sup>(4)</sup>			
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Daniel P. Amos</b>	Salary	—	—	—	—	4,323,300	2,161,650	—
	Non-equity Incentive Award <sup>(8)</sup>	—	—	—	—	14,644,029	7,244,123	—
	Severance	—	—	—	—	—	—	—
	Retirement <sup>(9)</sup>	61,114,990	61,114,990	61,114,990	—	31,756,949	61,144,876	61,114,990
	Health & Welfare Benefits <sup>(10)</sup>	2,582,755	2,582,755	2,582,755	320,079	200,654	2,601,906	2,582,755
	Stock Options & Awards <sup>(11)</sup>	19,927,558	—	19,927,558	—	19,927,558	19,927,558	19,927,558
	<b>Totals<sup>(12)</sup></b>	<b>83,625,303</b>	<b>63,697,745</b>	<b>83,625,303</b>	<b>320,079</b>	<b>70,852,490</b>	<b>93,080,113</b>	<b>83,625,303</b>
<b>Kriss Cloninger III</b>	Salary	—	—	—	—	2,850,400	585,000	—
	Non-equity Incentive Award <sup>(8)</sup>	—	—	—	—	6,838,150	1,314,182	—
	Severance	—	—	—	—	—	—	—
	Retirement <sup>(9)</sup>	22,413,856	—	22,396,300	—	12,814,261	22,429,890	22,420,150
	Health & Welfare Benefits <sup>(10)</sup>	153,008	151,513	151,513	151,513	151,513	170,664	153,544
	Stock Options & Awards <sup>(11)</sup>	9,345,487	—	9,345,487	—	9,345,487	9,345,487	9,345,487
	<b>Totals<sup>(12)</sup></b>	<b>31,912,351</b>	<b>151,513</b>	<b>31,893,300</b>	<b>151,513</b>	<b>31,999,811</b>	<b>33,845,223</b>	<b>31,919,181</b>
<b>Paul S. Amos II</b>	Salary	1,335,800	—	—	—	1,884,853	1,001,850	—
	Non-equity Incentive Award <sup>(8)</sup>	2,477,096	—	—	—	3,400,183	1,857,822	—
	Severance	—	—	—	—	—	—	5,408,835
	Retirement <sup>(9)</sup>	15,900	—	—	—	2,168,938	4,471,299	4,467,360
	Health & Welfare Benefits <sup>(10)</sup>	26,888	—	—	—	—	19,151	40,332
	Stock Options & Awards <sup>(11)</sup>	5,112,552	—	—	—	5,112,552	5,112,552	5,112,552
	<b>Totals<sup>(12)</sup></b>	<b>8,968,236</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>12,566,526</b>	<b>12,462,674</b>	<b>15,029,079</b>
<b>Eric M. Kirsch</b>	Salary	—	—	—	—	—	—	—
	Non-equity Incentive Award <sup>(8)</sup>	—	—	—	—	—	—	—
	Severance	—	—	—	—	—	—	—
	Retirement <sup>(9)</sup>	—	—	—	—	—	—	—
	Health & Welfare Benefits <sup>(10)</sup>	—	—	—	—	—	—	—
	Stock Options & Awards <sup>(11)</sup>	—	—	—	—	4,625,298	4,625,298	—
	<b>Totals<sup>(12)</sup></b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,625,298</b>	<b>4,625,298</b>	<b>—</b>
<b>Tohru Tonoike</b>	Salary	—	—	—	—	2,078,861	—	—
	Non-equity Incentive Award <sup>(8)</sup>	—	—	—	—	3,450,522	—	—
	Severance	—	—	—	—	—	—	5,432,676
	Retirement <sup>(9)</sup>	—	—	—	—	—	—	—
	Health & Welfare Benefits <sup>(10)</sup>	—	—	—	—	—	—	41,388
	Stock Options & Awards <sup>(11)</sup>	4,625,298	—	—	—	4,625,298	4,625,298	4,625,298
	<b>Totals<sup>(12)</sup></b>	<b>4,625,298</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>10,154,681</b>	<b>—</b>	<b>10,099,362</b>

<sup>(1)</sup> Mr. Paul S. Amos II is entitled to salary and non-equity incentive award payments paid semi-monthly for the remaining term of his employment agreement. Such salary and non-equity incentive payments would not be paid to (i) Mr. Daniel P. Amos, who voluntarily gave up his right to such salary and non-equity incentive payments, (ii) Mr. Cloninger who has the maximum percentage of benefits available under the SERP, (iii) Mr. Kirsch whose employment agreement ends on the last day of the

calendar year and (iv) Mr. Tonoike, whose employment agreement expired on December 31, 2014 and benefits would not be payable after that date. Health and welfare benefits would continue for the remainder of the contract term, except for Mr. Dan Amos, who is entitled to health and welfare benefits under the RPSO. Mr. Cloninger will not receive health and welfare benefits under his employment agreement because he is eligible for retiree medical benefits; the table reflects the value of health and welfare benefits for his spouse and dependents payable under his employment agreement.

- (2) Termination for good cause eliminates the salary and non-equity incentive award obligation for the remainder of the contract period and the executive (except for Mr. Daniel P. Amos) forfeits his participation in any supplemental retirement plan.
  - (3) Voluntary termination by the executive without good reason eliminates the salary and non-equity incentive award obligations for the remainder of the contract term. In addition, nonvested equity awards will be forfeited; except in the case of Messrs. Daniel P. Amos, Cloninger and Tonoike, who are retirement eligible and will vest under the terms of the Company's equity agreements.
  - (4) If the executive competes with the Company upon termination, he will forfeit the right to any further salary and non-equity incentive award payments from the Company and any benefits under the RPSO and SERP.
  - (5) Upon death, the executive's estate is entitled to receive terminal pay (paid in equal installments over 36 months) equal to the amount of the executive's base pay and non-equity incentive award for the previous 36 months of his life, with the exception of Mr. Kirsch. Mr. Tonoike's employment agreement ended December 31, 2014, therefore, these benefits are no longer payable upon his death. Additionally, retirement benefits in this column reflect the present value of the accumulated benefit obligation for a surviving spouse annuity. The NEOs and other officers are eligible for life insurance coverage along with, and on the same basis as, the Company's other salaried employees.
  - (6) Any actual Company paid disability benefits would be offset by the maximum annual amount allowed (\$144,000) under the Company sponsored disability income plan (which applies to all NEOs other than Mr. Tonoike). Mr. Cloninger's benefit is reduced by 40% since he has qualified for the maximum percentage of benefits available under the SERP. Mr. Tonoike's employment agreement ended December 31, 2014, therefore, no disability benefits would be payable if he became disabled on or after that date.
  - (7) Termination after a change in control entitles Messrs. Paul S. Amos II and Tonoike to a lump-sum severance payment of three times the sum of: (i) the executive's annual base salary in effect immediately prior to the change in control, and (ii) the higher of the non-equity incentive award paid in the year preceding the termination date or the year preceding the change in control. Mr. Tonoike's employment agreement ended December 31, 2014, therefore, these benefits are no longer payable after that date.
  - (8) The non-equity incentive award amounts on this line do not include the 2014 non-equity incentive award that was paid to the NEOs in March 2015 and which was nonforfeitable as of December 31, 2014, under all circumstances other than termination for competition.
  - (9) Amounts disclosed in this column generally include (i) the present value of the applicable benefits payable under the RPSO and SERP and (ii) certain additional amounts determined under the executive's employment agreement in lieu of continued participation in the Company's broad-based retirement plans. However, amounts included in this column reflecting benefits payable under the SERP may differ from the amounts shown in the Pension Benefits table due to reduced SERP benefits payable upon termination for "good cause" or death, and for Mr. Paul S. Amos II, because he has less than the required years of credited service to qualify for certain pension benefits.
  - (10) Generally represents the estimated lump sum present value of all premiums that would be paid for applicable health and welfare plan benefits. Except in the event of his termination with competition, the value shown for Mr. Daniel P. Amos includes his post-employment medical benefits under the RPSO for his life and the life of his spouse; where applicable the value of certain other welfare benefits; and non-medical fringe benefits (including office space) for his life. The value for Mr. Cloninger's health coverage in the event of a separation from service, for all reasons other than for cause, is actuarially calculated to represent the obligation to provide such coverage for his spouse and dependent children pursuant to the terms of his employment agreement. The value represented here for health coverage in the event of a separation from service for Mr. Paul S. Amos II is the monthly cost of COBRA coverage under the health plan times the number of months of continued coverage for which he is eligible as determined under his employment agreement.
  - (11) Represents the estimated value of accelerated vesting of stock options and awards. The value for stock options and awards was determined as follows: for stock options, the excess of the per share closing price on the NYSE on the last business day of the year over the per share option exercise price multiplied by the number of unvested option shares; for stock awards, the number of unvested stock awards multiplied by the same per share closing price used for options.
  - (12) Totals were calculated to present a full walk-away value and include salary, non-equity incentive award, severance where applicable, the present value of the NEO's accumulated benefit under all retirement plans except the Pension Plan as presented above in the Pension Benefits table or as a surviving spouse benefit in the death column, the present value of any health and welfare benefits, and the value of long-term equity incentives that would accelerate.
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## EQUITY COMPENSATION PLAN INFORMATION

The following table provides information with respect to compensation plans under which our equity securities are authorized for issuance to our employees or Non-employee Directors, as of December 31, 2014.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans Excluding Securities Reflected in Column (a) (c)
Equity Compensation Plans Approved by Shareholders	9,301,364	\$48.84	11,256,357*
Equity Compensation Plans Not Approved by Shareholders	—	—	—
<b>Total</b>	<b>9,301,364</b>	<b>\$48.84</b>	<b>11,256,357</b>

\* Of the shares listed in column (c), 7,503,395 shares are available for grant other than in the form of options, warrants, or rights (i.e., in the form of restricted stock or restricted stock units).

## ADVISORY VOTE ON EXECUTIVE COMPENSATION (Proposal 2)

We believe that our compensation policies and procedures are centered on a pay-for-performance culture and are strongly aligned with the long-term interests of our shareholders. Beginning in 2008, we voluntarily provided our shareholders an annual advisory vote, commonly known as “say-on-pay.” Since 2011, Section 14A of the Exchange Act (as enacted by the Dodd-Frank Wall Street Reform and Consumer Protection Act) requires us to provide our shareholders a say-on-pay vote. This vote gives you as a shareholder the opportunity to endorse or not endorse the compensation of our named executive officers through the following resolution:

**“Resolved, that the shareholders approve the compensation of the Company’s named executive officers, pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including as disclosed in the Compensation Discussion and Analysis, executive compensation tables and accompanying narrative discussion in the Proxy Statement.”**

Because your vote is advisory, it will not be binding upon the Board. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements. Consistent with our past practice, we believe that our shareholders should be allowed a say-on-pay vote every year so that shareholders may annually express their views on our executive pay program and policies.

We are committed to achieving a high level of total return for our shareholders. From August 1990, when Daniel P. Amos was appointed as the CEO through December 31, 2014, the Company’s total return to shareholders, including reinvested cash dividends, has exceeded 4,545%, compared with 1,135% for the Dow Jones Industrial Average, 958% for the S&P 500 Index, and 726% for the S&P Life & Health Insurance Index.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR”  
APPROVAL OF THE ADVISORY VOTE ON EXECUTIVE COMPENSATION.**

## RELATED PERSON TRANSACTIONS

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The Company recognizes that transactions between the Company and any of its Directors or executives can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interests of the Company and its shareholders. Accordingly, consistent with the Company's Code of Business Conduct and Ethics, as a general matter, it is the Company's preference to avoid such transactions. Nevertheless, the Company recognizes that there are situations where such transactions may be in, or may not be inconsistent with, the best interests of the Company and its shareholders. Therefore, the Company has adopted a written policy which requires the Company's Audit Committee to review and, if appropriate, to approve or ratify any such transactions. Pursuant to the policy, the Audit Committee will review any transaction in which the Company is or will be a participant and the amount involved exceeds \$120,000 in any fiscal year, and in which any of the following had, has or will have a direct or indirect material interest: (i) the Company's Directors, (ii) the Company's executive officers, (iii) holders of more than 5% of the Company's outstanding shares, (iv) immediate family members of any of these persons, or (v) any firm, corporation or other entity in which these persons are employed or is a general partner or principal or in a similar position or in which such person has a 5% or greater beneficial interest. During its review the Audit Committee considers a number of factors it deems appropriate including whether the related person transaction is on terms no less favorable to the Company than may reasonably be expected in arm's-length transactions with unrelated parties. The Audit Committee will only approve or ratify those transactions that are in, or are not inconsistent with, the best interests of the

Company and its shareholders, as the Audit Committee determines in good faith.

Each of the following ongoing transactions has been reviewed and ratified by the Audit Committee:

Joey M. Loudermilk was an Executive Vice President, General Counsel of the Company. Mr. Loudermilk retired from the Company on December 31, 2014. His son, J. Matthew Loudermilk, was employed by Aflac from 2001 through 2012, and his brother, Gregg S. Loudermilk, has been employed by Aflac since 2006. Beginning in 2013, J. Matthew Loudermilk is Vice President and Corporate Secretary of the Company and Aflac, and in 2014 his total compensation, including salary, bonuses, equity awards and other benefits was \$271,381. Gregg S. Loudermilk is a Senior Manager and Sales Chief of Staff for Aflac, and in 2014 his total compensation, including salary, bonuses, equity awards and other benefits was \$181,583. The compensation for both J. Matthew Loudermilk and Gregg S. Loudermilk is commensurate with that of their peers.

Thomas J. Kenny was appointed by the Board of Directors to fill a vacancy on the Board on February 10, 2015. Effective February 9, 2015, the Company terminated a consulting agreement that it entered into with Mr. Kenny on April 19, 2012, pursuant to which Mr. Kenny provided certain consulting services to the Investment and Investment Risk Committee of the Board. Prior to April 19, 2014, Mr. Kenny's fee was \$150,000 per year for his consulting services, and after April 19, 2014, in exchange for additional consulting services, Mr. Kenny's fee was raised to \$240,000 per year.

## AUDIT COMMITTEE REPORT

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The Audit Committee of the Company's Board of Directors is composed of four Directors, each of whom, the Board has determined, is independent as defined by the NYSE listing standards and SEC rules and is financially literate. The Board of Directors has also determined that two members of the Audit Committee (Douglas W. Johnson and W. Paul Bowers) qualify as audit committee financial experts as defined by the SEC rules. The Audit Committee operates under a written charter adopted by the Board of Directors. The charter, which is annually reviewed and complies with all current regulatory requirements, can be viewed on the Company's website, [www.aflac.com](http://www.aflac.com), by clicking on "Investors," then "Corporate Governance," then "Audit Committee" (or <http://investors.aflac.com/corporate-governance/audit-committee.aspx>).

In 2014, the Audit Committee met 13 times. During these meetings the Audit Committee reviewed and discussed with management, KPMG (the Company's independent registered public accounting firm), the internal auditors, the chief risk officer, the general counsel and others a variety of topics, including, but not limited to the Company's earnings releases and SEC filings related to quarterly and annual financial statements, statutory insurance financial statement filings and the Company's system of internal control over financial reporting. The Audit Committee has discussed with, and received regular status reports from, the Company's Director of internal audit and KPMG on the overall scope and plans for their audits of the Company. The Audit Committee met with the internal auditors and KPMG, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

The Audit Committee has monitored the Company's compliance with Section 404 of the Sarbanes-Oxley Act of 2002 regarding the reporting related to internal control over financial reporting. The monitoring process has included regular reports and representations by financial management of the Company, the internal auditors, and by KPMG. The Audit Committee has also reviewed the certifications of Company executive officers contained in the Annual report on Form 10-K for the year ended December 31, 2014 filed with the SEC, as well as reports issued by KPMG, included in the Company's Annual report on Form 10-K related to its audit of (i) the consolidated financial statements and (ii) the effectiveness of internal control over financial reporting.

The Audit Committee is responsible for the appointment, compensation, retention and oversight of the Company's independent registered public accounting firm. In accordance with SEC rules and KPMG's policies, audit partners are subject to rotation requirements to limit the number of consecutive years an individual partner may provide service to the Company. For the lead audit partner the maximum number of consecutive years of service in that capacity is five years. The process for selection of the lead audit partner for the Company pursuant to this rotation policy involves a meeting between the Chair of the Audit Committee and the candidate, as well as discussions with the full Audit Committee and with management. The Audit Committee evaluates the performance of KPMG, including the senior members of the audit engagement team, each year and determines whether to reengage them or consider other audit firms. In doing so, the Audit Committee considers the quality and efficiency of the services provided, their global capabilities, particularly in the US and Japan, their technical expertise, their tenure as the Company's independent registered public accounting firm (KPMG has served in this capacity since 1973), and their knowledge of the Company's operations and industry. Based on this review and discussions with members of senior management, the Audit Committee concluded that it was in the best interest of the Company and the shareholders to recommend KPMG for approval and therefore the Audit Committee recommended to the Board of Directors that KPMG serve as the Company's independent registered public accounting firm during 2014. Although the Audit Committee has the sole authority to appoint the independent auditors, the Audit Committee will continue its long-standing practice of recommending that the Board ask the shareholders, at the Annual Meeting, to ratify the appointment of the independent registered public accounting firm (see RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (Proposal 3) on the following page).

The Audit Committee also discussed with KPMG those matters required to be discussed by the auditors with the Audit Committee under the rules adopted by the Public Company Accounting Oversight Board, (the PCAOB). The Audit Committee received the written disclosures and the letter from KPMG required by applicable requirements of the PCAOB regarding the independent auditors' communications with the Audit Committee concerning independence and has discussed with KPMG their independence. The Audit Committee considered with KPMG whether the provision of non-audit services provided by them to



the Company during 2014 was compatible with their independence.

In performing all of these functions the Audit Committee acts in an oversight capacity. The Audit Committee reviews the Company's quarterly and annual reports on Form 10-Q and Form 10-K prior to filing with the SEC. In its oversight role the Audit Committee relies on the work and assurances of the Company's management, which has the primary responsibility for establishing and maintaining adequate internal control over financial reporting and for preparing the financial statements and other reports, and of KPMG, who is engaged to audit and

report on the consolidated financial statements of the Company and the effectiveness of the Company's internal control over financial reporting.

In reliance on these reviews and discussions, and the reports of KPMG, the Audit Committee has recommended to the Board of Directors, and the Board has approved the audited financial statements to be included in the Company's Annual report on Form 10-K for the year ended December 31, 2014, for filing with the SEC.

For additional information, see the "The Audit Committee" section on page 22.

### Audit Committee

Douglas W. Johnson, Chairman  
W. Paul Bowers  
Charles B. Knapp  
Melvin T. Stith

## **RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (Proposal 3)**

In February 2015, the Audit Committee voted to appoint KPMG LLP, an independent registered public accounting firm, to perform the annual audit of the Company's consolidated financial statements for the fiscal year 2015, subject to ratification by the shareholders.

Representatives of KPMG LLP are expected to be present at the 2015 Annual Meeting of Shareholders with the opportunity to make a statement if they so desire. Such representatives are expected to be available to respond to appropriate questions.

The aggregate fees for professional services rendered to the Company by KPMG LLP for the years ended December 31, were as follows:

	<b>2014</b>	<b>2013</b>
Audit fees — Audit of the Company's consolidated financial statements for the years ended December 31 *	\$ 5,362,281	\$ 5,711,089
Audit-related fees **	160,244	161,387
Tax fees	1,863	1,832
All other	268,312	-
<b>Total fees:</b>	<b>\$ 5,792,700</b>	<b>\$ 5,874,308</b>

\* Includes \$445,342 and \$475,998, respectively, for the 2014 and 2013 audits of the Japan branch regulatory financial statements.

\*\* Includes fees relating to audits of the Company's benefit plans and SSAE 16 attestation reports (\$160,244 and \$161,387 in 2014 and 2013, respectively).

\*\*\* Fees primarily relate to non-audit services associated with transformation initiatives and claims payment processes.

The Audit Committee of the Board of Directors has considered whether the provision of the non-audit professional services is compatible with maintaining KPMG LLP's independence and has concluded that it is. The Audit Committee pre-approves all audit and non-audit services provided by KPMG LLP in accordance with SEC rules, subject to the *de minimis* exceptions for non-audit services.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR"  
RATIFICATION OF THE SELECTION OF KPMG LLP  
AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

## OTHER MATTERS

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The Board is not aware of any matters that are expected to come before the 2014 Annual Meeting other than those referred to in this Proxy Statement. If any other matter should come before the Annual Meeting, the Proxy Committee intends to vote the proxies in accordance with its best judgment.

### Shareholder Proposals

For a shareholder's proposal to be included in the Company's Proxy Statement for the 2016 Annual Meeting of Shareholders, the shareholder must follow the procedures of Rule 14a-8 under the Exchange Act, and the proposal must be received by the Secretary of the Company by November 20, 2015. To be timely, shareholder proposals submitted outside the processes of Rule 14a-8 must be received by the Secretary of the Company during the period from January 4, 2016 through February 4, 2016.

### Annual Report

The Company has delivered a copy of its 2014 Annual Report on Form 10-K to each shareholder entitled to vote at the 2015 Annual Meeting of Shareholders. For a copy write to:

Robin Y. Wilkey  
Senior Vice President, Investor and Rating Agency Relations  
Aflac Incorporated  
Worldwide Headquarters  
1932 Wynnton Road  
Columbus, Georgia 31999

### Exercise Your Right To Vote

The Company encourages all shareholders to exercise their right to vote. Please vote by internet or telephone, or sign, date and return your proxy or voting instruction form in the prepaid envelope you received if you requested paper copies of our proxy materials. We encourage you to attend our 2015 Annual Meeting on May 4, 2015. To assure that attendance is limited to shareholders and their proxies or qualified representatives, if you are not a registered shareholder, please bring with you proof of Common Stock ownership, such as a current brokerage statement, and a form of identification bearing your photograph. If you are attending the Annual Meeting as a proxy or qualified representative of a shareholder, please bring a form of identification bearing your photograph and written evidence of your authority to act on behalf of the shareholder, bearing the shareholder's signature. No cameras, cellular telephones, or other electronic or recording devices will be allowed to be used in the meeting room.

By Order of the Board of Directors,



J. Matthew Loudermilk  
Secretary

March 19, 2015



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