

**American Financial Group, Inc.**  
**Corporate Governance Guidelines**

**As amended**  
**through February 26, 2019**

**1. Director Qualifications**

The Board will be comprised of a number of directors, a majority of whom meet the criteria for independence required by any stock exchange on which AFG's common stock is listed. Nominees for directorship will be recommended by the Corporate Governance Committee to the Board in accordance with the policies and principles in its charter. All members of each of the Corporate Governance, Audit and Compensation Committees of the Board shall meet applicable stock exchange director independence requirements (an "independent director").

The Board seeks candidates with diverse experiences, qualifications, backgrounds and skills that the Board believes enable each candidate to make a significant contribution to the Board. Candidates for Board membership shall have:

- a. The highest personal and professional integrity;
- b. Demonstrated exceptional ability and judgment; and
- c. Availability and willingness to take the time necessary to properly discharge the duties of a director including, but not limited to, preparing for Board and Committee meetings.

It is considered desirable for Board candidates to have management experience, especially with public companies, and that a portion of such candidates have experience in the insurance and financial services industries. The Board will also consider diverse Board candidates, including women and minorities, and individuals from both corporate positions and non-traditional environments such as government, academia, and nonprofit organizations. However, no member of AFG's Board shall serve on more than five other public company boards or shall serve on more than two other public company boards if such member is a Chief Executive Officer of a public company. Service on the boards of public companies related as a parent and subsidiary shall count as service on only one board.

In the event that any director should consider any new or additional association or affiliation, such as directorships or similar positions by whatever title, with public or privately-held commercial enterprises, or should any pre-existing association or affiliate substantially alter the nature of its activities or purposes, the director shall notify the Chairman of the Board and the Chairman of the Corporate Governance Committee so that any potential conflict of interest or possible inconsistency with AFG's policies or values may be identified and assessed. Any director who has a principal job change, including retirement, must submit a letter of resignation to the Chairman of the Board and Chairman of the Corporate Governance Committee in the form required by the Corporate Governance Committee and previously provided to all directors. The Board, in consultation with the Corporate Governance Committee, will review each offered resignation and determine whether or not to accept such resignation after consideration of the continued appropriateness of Board membership under the new circumstances.

## **2. Director Responsibilities**

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of AFG and its shareholders. In discharging that obligation, directors shall be entitled to rely on the honesty and integrity of AFG's senior executives and its outside advisors and auditors. The directors shall also be entitled to have AFG purchase reasonable directors' and officers' liability insurance on their behalf and to the benefits of indemnification to the fullest extent permitted by law and AFG's charter, by-laws and any indemnification agreements.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed to the directors before the meeting, and directors should review these materials in advance of the meeting. It is the Company's goal to disseminate the information and data so required so that it is received three or more business days in advance of a meeting, it being understood that from time to time circumstances will prevent this goal from being attained.

## **3. Board Leadership; Lead Director**

At such times as the Chairman is not an independent director or the Board has no Chairman, it is appropriate and necessary for a Lead Director to be selected from among the independent directors. The Lead Director shall be appointed annually and shall serve until his or her successor is duly appointed and qualified, or until his or her earlier removal or resignation or at such time as he or she is no longer an independent director, provided that the Lead Director is generally expected to serve for more than one year. The Lead Director shall have the authority to call meetings of the non-employee directors and to preside over such meetings. The non-employee directors will meet in executive session periodically. Such meetings should be held at least once every six months. When the Chairman, or in the absence of a Chairman, the Chief Executive Officer(s), is (are) absent, the Lead Director shall preside over meetings of the Board. The Lead Director also shall have the authority:

- a. To serve as a liaison between the non-employee directors and the Chairman, or in the absence of a Chairman, the Chief Executive Officer(s), without inhibiting direct communication between them, including providing feedback and counsel regarding interactions with the Board;
- b. To consult on Board meeting agendas and other information sent to the Board;
- c. To review the quality, quantity, appropriateness and timeliness of information provided to the Board;
- d. To consult on and approve Board meeting schedules to ensure there is sufficient time for discussion of all agenda items;

- e. To facilitate discussion and open dialogue among the independent directors during Board meetings, executive sessions and outside of Board meetings;
- f. To be available, when appropriate, for consultation and direct communication with shareholders; and
- g. To communicate with the Chief Executive Officer(s) regarding significant matters including decisions reached, suggestions, views or concerns expressed by non-employee directors in executive sessions or outside of Board meetings.

#### **4. Director Access to Officers and Employees and Independent Advisors**

Directors are provided reasonable access to key senior management regarding any questions or concerns that the Director may have. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of AFG. Directors, at the direction of the Lead Director, if applicable, shall have the authority to retain, at AFG's expense, outside counsel and any other advisors as the directors may deem appropriate in fulfilling their responsibilities.

#### **5. Director Compensation**

The Board will determine the form and amount of director compensation in accordance with the recommendation of the Corporate Governance Committee. The Board will conduct an annual review of director compensation. The Corporate Governance Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed reasonable and customary levels, if AFG makes substantial charitable contributions to organizations with which a director is affiliated, or if AFG enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

#### **6. Director Orientation and Continuing Education**

Director orientation programs and continuing education programs will be made available to directors at AFG's expense. AFG encourages its directors to participate in a third-party accredited director education program at least each two years.

AFG's director orientation program shall include presentations designed to familiarize directors with AFG and its strategic plans, significant operating, financial and accounting practices. At each regular Board meeting, AFG will endeavor to schedule at least one presentation by members of operating management of AFG or its business segments regarding any of AFG's strategic plans, significant operating, financial and accounting practices.

**7. CEO Evaluation and Management Succession**

The Board shall establish policies for selecting and reviewing the performance of the CEO. The Board shall establish policies regarding succession in the event of an emergency or the retirement of the CEO.

**8. Annual Performance Evaluation**

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively.