



Questions?

Evaluation

From February 2007 through February 2008 the Aflac "Say on Pay" campaign results:

- 130 media placements throughout channels such as print, television, radio, and online coverage
- The aggregate circulation, audience, and viewers reached totaled 403,371,960
- \$1,402,426.16 in advertising value
- \$11,144,000.24 in media value
- 97% of shareholders voted to affirm executive compensation in 2007, increasing to 63 percent from 2006 year
- Aflac kept down 4 in 2008 to number 1 in 2009 on Forrester's World's Most Advanced Companies to the Health and Life Sciences category
- Aflac has been named the World's Most Ethical Company by EthicalSource magazine
- Named by the Reputation Institute as the Most Respected Company in the Global Business Industry in 2008
- One of Aflac's High Level of public disclosure, the company also appeared on CRD magazine's list of 100 Best Corporate Citizens

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Overview

- Aflac partnered with Thecasesolutions.com
- 2007 third quarter release
- Overall objective: Aflac's executive compensation and corporate governance
- CEO has been targeted for a shareholder vote on executive pay
- The public compensation issue related with the financial crisis and corporate governance
- Compensation committee is working on preparation for CEO and senior executives
- Create a stake plan
- Reveal that the case is a public company in both a shareholder vote
- Negotiate with the board of directors to improve executive pay

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Programming

Start and end dates of the campaign activities from the start of the campaign through the end of the campaign throughout the year

Actions Timeline

February 14, 2007 | December 11, 2007 | March 25, 2008 | May 5 and May 6, 2008 | November 14, 2008

Media Highlights

- Featured in the Wall Street Journal on December 25, 2007
- Appearances on Fox News program "Hottelink" January 4, 2008
- Features in The Business Insider on June 24, 2008
- Aflac featured on Nightline, CBS Evening News, Today Show, CNN, CNBC, PBS, USA Today, The Wall Street Journal, The New York Times, Newsweek, and Time

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Situational Analysis

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After 1993 failed to achieve that results of a vote of Aflac, CEO compensation is the main focus of the shareholder vote and the 2007 campaign.

The "Say on Pay" campaign was about the year 2007.

The reason for an overall public of executive compensation was to improve the corporate governance and the shareholder vote.

The campaign was about the year 2007.

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Research

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- Secondary research was used
- Found that the majority of shareholders felt that CEO pay was too high (in general)
- Research showed that investors did not fully understand the pay scale system for executives.
- Target audiences: Aflac's investors and shareholders (targeted through the use of mass media)

Output Objectives

- Proactively pitch the story and offer CEO interview to any reporter who had written/ aired items on corporate governance during the previous five years.
- Target regional media initially to test effectiveness of messages before approaching national business media.
- Heavily research issue to arm CEO with talking points that effectively justified fairness of compensation.

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Objectives

- Negotiate exclusive national release of news of the release of "Say on Pay" in February 2007 to help improve placement and prominence.
- Increase awareness of the "Say on Pay" campaign amongst target audience leading up to the shareholder vote.
- Keep the "Say on Pay" story out in the public throughout the year up until the shareholder vote in quarterly earnings.
- Keep the CEO available for prominent national media coverage and in-person interviews throughout the year.

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Overview

- Aflac partnered with Fleishman-Hillard Inc.
- 2010 Silver Anvil Award Winner
- Created to showcase AFLAC's commitment to transparency and loyalty to shareholders
- CEO Dan Amos pushed for a shareholder vote on executive pay
- The Aflac communications team tasked with communicating three key messages:
 - Company's rationale for setting compensation for CEO and senior executives
 - Commitment to Aflac to pay-for-performance
 - Loyalty to shareholders
- Became the first major U.S. public company to hold a shareholder vote
- 93 percent of shareholders voted to affirm executive pay in 2009

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Situational Analysis

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- August 1990 Daniel Amos became chief executive officer of Aflac
 - 1991 Amos decided to launch the company's first ever national advertising campaign.
 - The "Duck" became introduced in the year 2000
- The company has increased profits and become a household name
- Why present a vote for executive pay?
 - Show commitment to being a transparent company
 - response to inquiries from shareholder rights advocacy groups
- Some shareholders believed the executive pay was too high
- Amos wanted to create something that symbolized a "vote of confidence"--
Also a way for the company to see how much faith they had in the overall company.

Research

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2007: Corporate Board of Effectiveness Survey reported that 1 in 3 directors of United States based public companies said that C level executives were paid too highly, in their opinion

2008: the Report on Directors' and Investors' Views on Executives Pay and Corporate Governance surveyed 163 directors and 72 investment and pension fund managers

90% of these directors believed that the rules about information of pay and other compensation in regards to top executives were not meeting the needs of investors

This survey found that 63% of directors think the pay system is improving as opposed to only 36% of investors

As a result, the Compensation of Senior Executives at Listed Companies: A Manual for Investors was distributed to frustrated shareholders and provided them information about fairness, transparency, and long term effectiveness of executive compensation agreements

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Evaluation

From February 2007 through February 2010 the Aflac “Say on Pay” campaign received:

- 236 media placements throughout channels such as print, television, radio, and online coverage
- The approximate circulation, audience, and viewers reached totaled 413, 371, 900
- \$4, 465, 620.10 in advertising value
- \$11, 164, 050.29 in media value
- 97% of shareholders voted to affirm executive compensation in 2009, increasing in 6 percentage points from the 2008 vote
- Aflac leapt from 8 in 2008 to number 1 in 2009 on Fortune’s World’s Most Admired Companies in the Health and Life Insurance category
- Aflac has since been named the World’s Most Ethical Companies by Ethisphere magazine
- Named by the Reputation Institute as the Most Respected Company in the Global Insurance Industry in 2008
- Due to Aflac’s high level of public disclosure, the company also appeared on CRO magazine’s list of 100 Best Corporate Citizens

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