

Corporate governance guidelines

[Board of Directors](#) | [Committees of the Board](#) | [Director Independence Standards](#) | [Code of Conduct](#) | [Articles of Incorporation / By-Laws](#) | [Corporate Governance FAQs](#) | [Corporate Governance Guidelines](#)

Role of the Board of Directors

1. Management is responsible for the day-to-day business operations of Aetna Inc. (the "Company"). The Board of Directors (the "Board") oversees and guides the Company's management and its business. The basic responsibility of the Board is to exercise its business judgment to act in what it reasonably believes to be in the best interests of the Company and its shareholders. Within this framework, the Board also considers the Company's ethical behavior and may consider the interests of other constituents, including the Company's customers, employees and the communities in which it functions.

In discharging their obligations, Directors are entitled to rely on the honesty and integrity of the Company's executives, and its outside advisors and auditors. The Directors also shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's Articles of Incorporation and By-Laws, and to exculpation as provided by applicable state law and the Company's Articles of Incorporation.

2. The Board provides oversight with respect to the strategic direction and key policies of the Company. It approves major initiatives, advises on key financial and business objectives, and monitors progress with respect to these matters.

3. The Board, directly and through its Audit Committee, provides oversight of the integrity of the financial statements of the Company; the independent accountants' qualifications and independence; the performance of the Company's internal audit function and independent accountants; and the compliance by the Company with legal and regulatory requirements.

4. The Board selects and annually evaluates the performance of the Chief Executive Officer. Directly and through its Committee on Compensation and Organization (the "Compensation Committee"), the Board also collaborates with the Chief Executive Officer in the selection of senior management. The Compensation Committee, on behalf of the Board, evaluates and determines the compensation of the Company's Chief Executive Officer and its other executive officers; oversees compensation and benefits plans, policies and programs of the Company; administers the equity-based incentive compensation plans of the Company; and considers from time to time and, when appropriate, makes recommendations to the Board as to the development and succession plans for the senior management of the Company.

The Compensation Committee and the Board meet annually in full executive session, without management, to assess the performance of the Chief Executive Officer and consider the Chief Executive Officer's compensation.

5. The Company's By-Laws provide that the Chairman shall be the Chief Executive Officer, unless the Board vests this position in another officer. The Board may determine to separate these positions based on what is deemed to be in the Company's best interest at any given point in time.

6. A Lead Director is elected annually by, and from, the independent Directors and serves for a period of time which enables the Lead Director to perform his or her functions with continuity. Generally speaking, the Lead Director is responsible for coordinating the activities of the nonmanagement and independent Directors. Among other things, the Lead Director leads the nonmanagement and independent Director sessions held by the Board regularly, and briefs the Chairman and Chief Executive Officer on any issues arising out of these sessions. The Lead Director also acts as the principal liaison to the Chairman and Chief Executive Officer for the views, and any concerns and issues, expressed by the independent Directors, though all Directors continue to interact one-on-one with the Chairman and Chief Executive Officer, as needed and as appropriate. The Chairman and Chief Executive Officer consults with

the Lead Director, who provides input on and approves agendas for Board meetings and Board meeting schedules, assuring that there will be sufficient time for discussion of all agenda items. The Lead Director approves information sent to the Board and collaborates with the Chairman and Chief Executive Officer on the quality, quantity, and timeliness of the information. The Lead Director is available for consultation and direct communication upon the reasonable request of a major shareholder; with respect to such communication, the Lead Director will consult with the Chairman and Chief Executive Officer or the General Counsel and, as appropriate, a member of management will be present.

Composition of the Board and Selection of Directors

7. The size and composition of the Board should be appropriate for effective deliberation of issues relevant to the Company's businesses and related interests. A substantial majority of the members of the Board shall be, in the business judgment of the Board, "independent" under the rules of the New York Stock Exchange, Inc.

8. The credentials of prospective director candidates are reviewed by the Nominating and Corporate Governance Committee (the "Nominating Committee"). Nominees are selected through a process based on criteria set with the concurrence of the full Board and re-evaluated periodically. The criteria weighed in the Director selection process include: the relevance of the candidate's experience to the business of the Company; enhancing the diversity of the Board; the candidate's independence from conflict or direct economic relationship with the Company; and the ability of the candidate to attend Board meetings regularly and devote an appropriate amount of effort in preparation for those meetings. It also is expected that outside Directors nominated by the Board shall be individuals who possess a reputation and hold positions or affiliations befitting a director of a large publicly held company, and are actively engaged in their occupations or professions or are otherwise regularly involved in the business, professional or academic community. Honorary Directors shall not be appointed.

In recommending Director nominees to the Board, the Nominating Committee solicits candidate recommendations from its own members, other Directors and management. It may also engage the services of a search firm to assist it in identifying potential Director nominees. The Nominating Committee will also consider suggestions made by shareholders for Director nominees who meet the established Director criteria.

All new Directors must participate in the Company's Director Orientation Program. This orientation includes presentations by senior management to familiarize new Directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its code of business conduct and ethics, its principal officers, and its internal and independent auditors. In addition, each Board Committee also provides new Committee members with appropriate background information about the workings of the Committee. The Board encourages formal Board continuing education.

9. The Nominating Committee annually reviews Director suitability and the continuing composition of the Board; it then recommends Director nominees who are voted on by the full Board. The Board believes that, if this evaluation is well done, it obviates the need for term limits, which could unnecessarily deprive the Company of experienced Directors. All Director nominees stand for election by the shareholders annually.

10. Any nominee for Director in an uncontested election who receives a greater number of votes "against" his or her election than "for" such election, and who otherwise remains on the Board pursuant to Pennsylvania law, promptly shall submit his or her resignation for consideration by the Nominating Committee. The Nominating Committee shall recommend to the Board the action to be taken with respect to such resignation and the Board shall act with respect to such resignation, in each case within a reasonable period of time. The Company promptly shall disclose to the public each such resignation and decision by the Board.

11. The Company will hold the vote of each shareholder in confidence from Directors, officers and employees except: (a) as necessary to meet applicable legal requirements (including stock exchange listing requirements) and to assert or defend claims for or against the Company and/or one or more of its consolidated subsidiaries; (b) as necessary to assist in resolving any dispute about the authenticity or accuracy of a proxy card, consent, ballot, authorization or vote; (c) if there is a contested proxy solicitation; (d) if a shareholder makes a written comment on a proxy card or other means of voting or otherwise communicates the shareholder's vote to management; or (e) as necessary to

obtain a quorum.

12. Any significant change in circumstances that may relate to a Director's qualifications as a Director is considered in determining suitability for continued directorship. An analysis of potential conflicts and review by the Nominating Committee and the Board are conducted for proposed additional director affiliations with a for-profit enterprise or for proposed transactions involving the Company (or subsidiary of the Company) in which any Director would have a direct or indirect material interest; it is provided, however, that a Director shall limit the number of other public company directorships that he or she holds to four. Directors shall give the Chairman of the Nominating Committee notice of any such significant change in circumstances (including a change in primary occupation), proposed additional for-profit or charitable director affiliation or proposed transaction involving the Company. Where a Director has a significant change in circumstances, such as a change in his or her primary occupation, the Director also shall offer to submit his or her resignation, which offer may be accepted or rejected by the Board.

13. As a general matter, a retiring Chief Executive Officer (or other officer Director) will resign from the Board at the time of his/her retirement from the Company. Outside Directors resign no later than the Annual Shareholders Meeting coincident with or immediately following their 76th birthdays.

Functioning of the Board

14. The Board sets the annual schedule of Board and Committee meetings. Committee schedules are recommended by each Committee in order to meet the responsibilities of that Committee. It is the policy of the Board that Directors should be present at the Company's Annual Meeting of Shareholders.

15. Board agendas are generally set by the Chairman, in consultation with the Lead Director, with ample opportunity for suggestions from other Directors.

16. The Board is provided, in advance of meetings, with agendas and written background information and data with respect to Board/Committee agenda items, as well as other general information relevant to the Company's businesses. The Board also receives regular updates between Board meetings.

17. The Chairman of the Company presides at Board meetings. In the event that the Chairman of the Company is unable to attend a meeting of the Board of Directors, the Lead Director shall chair the meeting. In the event that both the Chairman of the Company and the Lead Director are unable to attend a meeting of the Board of Directors, the most senior Director (in terms of current consecutive years of Board service) present shall, at the request of the Chairman of this Company or the Corporate Secretary of this Company, chair the meeting. Members of senior management are included in open sessions of Board and Committee meetings, as appropriate. The Board meets regularly in executive session with only Directors present. The nonmanagement Directors of the Company also meet at regularly scheduled executive sessions, without management Directors present. In addition, at least once per year, the Company's independent Directors meet in executive session.

18. Board members have full access to Company management. In addition, the Board and any of its Committees have the authority to retain counsel and other independent experts or consultants, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

19. The Board conducts a self-evaluation annually to determine whether it and its Committees are functioning effectively. This review is overseen by the Nominating Committee.

20. As a general matter, the Board believes that management speaks for the Company.

Committees of the Board

21. Committees support the role of the Board on issues that benefit from consideration by a smaller, more focused subset of Directors. The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating Committee. All of the members of these Committees will, in the business judgment of the Board, be "independent" Directors under the rules of the New York Stock Exchange and meet any other standards of

independence required under applicable law. The Board also has established an Investment and Finance Committee to assist the Board in reviewing the Company's investment policies, strategies, transactions and performance, and in overseeing the Company's capital and financial resources, and a Medical Affairs Committee to assist the Board in general oversight of policies and practices that relate to providing members with access to quality health care. The Board also has established an Executive Committee, which may act on behalf of the full Board between regularly scheduled Board meetings, usually when timing is critical. The Board may form other Committees from time to time to deal with special issues. One or more Board members also serve on the Board of the Aetna Foundation to oversee and coordinate the Company's charitable giving programs.

22. The roles of the Committees are defined by the Company's By-Laws and by Committee charters adopted by the Board.

23. At least annually, the Nominating Committee, in consultation with the Chairman and the Chief Executive Officer, reviews Committee assignments (members and chairs). In considering a Director for Committee membership, the Committee takes into consideration any factors it deems appropriate, including without limitation, the Director's experience and background, and its relevance to the goals and responsibilities of the Committee and the Director's Committee preferences. The Committee then makes Committee assignment recommendations on which the full Board votes. It is the sense of the Board that Committee members and Committee chairs should be rotated, where appropriate and practical, while providing overlap to prevent loss of expertise and experience and maintain continuity. Generally, consideration is given to rotating a Committee chair after approximately five years of service as chair. The Board strives to select new Committee chairs from Directors who have prior experience on the relevant Committee.

24. Committee agendas are set by the respective Committee chairs in consultation with management and other Committee members. Committee chairs report on each Committee meeting at the Board meeting following the Committee meeting. Minutes of Committee meetings also are provided to each Director. Each Committee chairman convenes, as appropriate, executive sessions of outside Directors of the Committee to discuss its operations and other related matters.

25. In the absence of a Committee chair, the most senior Committee member (in terms of Committee service) chairs the Committee meeting.

Compensation of Directors

26. At least annually, the Nominating Committee reviews competitive compensation survey information, and considers the appropriateness of the form and amount of Director compensation with a view toward attracting and retaining qualified Directors.

27. The Nominating Committee, with the concurrence of the full Board, has directed that a significant portion of Director compensation be delivered in stock-based forms. In addition, a deferred compensation plan also allows individual Directors voluntarily to defer cash compensation into deferred stock units. The Board of Directors also has adopted Stock Ownership Guidelines, whereby within five years of appointment to the Board, each Director should own stock of the Company having a value equal to \$400,000. It is understood that if Directors temporarily do not meet this guideline because there has been a significant drop in the price of the Company's stock, they would have a reasonable period of time to acquire additional shares of stock necessary to meet the guidelines.

Conduct and Ethics Standards for Directors

28. Directors are subject to applicable provisions of the Company's Code of Conduct. Among other things, Directors must conduct themselves in a manner that avoids actual or apparent conflicts of interest and that protects the Company's business reputation. A conflict of interest occurs when a Director's private interest interferes in any way - or even appears to interfere - with the interest of the Company. Except as authorized by the Board of Directors, no outside Director shall have a direct economic relationship with the Company. Company loans to, or guarantees of obligations of, Directors and their family members are prohibited.

29. Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Accordingly, Directors are prohibited from taking for themselves personally business opportunities that are discovered through the use of Company property, information or position.

30. Directors, in the course of their Company duties, must comply fully with all federal and state laws applicable to the Company's businesses, and with applicable Company policies (including policies relating to use of confidential information and insider trading).

February 24, 2012