

AETNA INC /PA/
Form DEF 14A
April 08, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

AETNA INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Fellow Shareholders:

Aetna Inc.'s 2016 Annual Meeting of Shareholders will be held on Friday, May 20, 2016, at 9:30 a.m. Eastern time at the Avon Old Farms Hotel, in Avon, CT. We hope you will attend.

This document includes the Notice of the Annual Meeting and Aetna's 2016 Proxy Statement. The Proxy Statement provides information about Aetna and describes the business we will conduct at the meeting.

At the meeting, in addition to specific agenda items, we will discuss generally the operations of Aetna. We welcome any questions you have concerning Aetna and will provide time during the meeting for questions from shareholders.

We are pleased to take advantage of Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their shareholders on the Internet. These rules allow us to provide our shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our annual meeting. As a result, beginning on or about April 8, 2016, we are mailing a notice of Internet availability to many of our shareholders instead of paper copies of our Proxy Statement and our 2015 Annual Report, Financial Report to Shareholders. The notice contains instructions on how to access those documents over the Internet. The notice also contains instructions on how shareholders can receive a paper copy of our proxy materials, including the Proxy Statement, our 2015 Annual Report, Financial Report to Shareholders and Proxy Card.

If you plan to attend the meeting, please follow the advance registration instructions on page 71 of the Proxy Statement under "How Can I Obtain an Admission Ticket For the Annual Meeting?" and on page 77 of the Proxy Statement. Aetna's Corporate Secretary must receive your written request for an admission ticket on or before May 13, 2016. An admission ticket, which is required for admission to the meeting, will be mailed to you prior to the meeting.

Your vote is very important to us. If you are unable to attend the Annual Meeting, it is still important that your shares be represented. Please vote your shares promptly.

Thank you for being an Aetna shareholder and for the trust you have in our Company.

Mark T. Bertolini

Chairman and Chief Executive Officer

April 8, 2016

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Aetna Inc.	Judith H. Jones
151 Farmington Avenue	Vice President
Hartford, Connecticut 06156	and Corporate Secretary

**Notice of Annual Meeting
of Shareholders of Aetna Inc.**

FRIDAY, MAY 20, 2016

9:30 a.m. Eastern time

Avon Old Farms Hotel, in Avon, CT

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of Aetna Inc. will be held at the Avon Old Farms Hotel, in Avon, CT on Friday, May 20, 2016, at 9:30 a.m. Eastern time for the following purposes:

1. To elect as Directors of Aetna Inc. the 12 nominees named in this Proxy Statement;
2. To approve the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2016;
3. To approve the proposed Aetna Inc. 2016 Employee Stock Purchase Plan;
4. To approve the Company's executive compensation on a non-binding advisory basis;
5. To consider and act on one shareholder proposal, if properly presented at the meeting; and
6. To transact any other business that may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 18, 2016, as the record date for determination of the shareholders entitled to vote at the Annual Meeting or any adjournment thereof.

The Annual Meeting is open to all shareholders as of the record date, the close of business on March 18, 2016, or their authorized representatives. Complimentary parking for meeting attendees is available at the Avon Old Farms Hotel, in Avon, CT. **See page B-1 for directions to the Avon Old Farms Hotel, in Avon, CT.**

It is important that your shares be represented and voted at the Annual Meeting. We urge you to vote by using the Internet, by telephone or, if you received a proxy/voting instruction card, by marking, dating, signing and returning it by mail in the postage-paid envelope furnished for that purpose. If you attend the Annual Meeting, you may vote in person if you wish, even if you have voted previously.

This Notice of Annual Meeting and Proxy Statement and Aetna's 2015 Annual Report, Financial Report to Shareholders are available on the Internet at **www.proxyvote.com**.

The Annual Meeting will be audiocast live on the Internet at **www.aetna.com/investor**.

April 8, 2016

By order of the Board of Directors,

Judith H. Jones

Vice President and Corporate Secretary

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IMPORTANT INFORMATION IF YOU PLAN TO ATTEND THE MEETING IN PERSON:

Don't forget your ticket and government issued ID (for example, a driver's license or passport).

You must request a ticket in advance by following the instructions on pages 71 and 77 of the attached Proxy Statement. Aetna's Corporate Secretary must receive your written request for an admission ticket on or before May 13, 2016.

If you hold your Aetna common shares through a brokerage account (in street name), your request for an admission ticket must include a copy of a brokerage statement reflecting stock ownership as of the record date.

Please leave all weapons, cameras, audio and video recording devices and other electronic devices at home.

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**IMPORTANT NOTICE REGARDING
THE AVAILABILITY OF PROXY MATERIALS
FOR THE SHAREHOLDER MEETING
TO BE HELD ON MAY 20, 2016**

This Proxy Statement and the related 2015 Annual Report, Financial Report to Shareholders are available at www.proxyvote.com.

Among other things, the **QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING** section of this Proxy Statement, which begins on page 67, contains information regarding:

The date, time and location of the Annual Meeting;

A list of the matters being submitted to shareholders for vote and the recommendations of the Board of Directors of Aetna Inc., if any, regarding each of those matters; and

Information about attending the Annual Meeting and voting in person.
Any control/identification number that a shareholder needs to access his or her form of proxy is included with his or her proxy or voting instruction card or notice of Internet availability of proxy materials.

GOVERNANCE OF THE COMPANY

At Aetna Inc. (Aetna), we believe sound corporate governance principles are good for our business, our industry, the competitive marketplace and all of those who place their trust in us. We have embraced the principles behind the Sarbanes-Oxley Act of 2002, as well as the governance rules for companies listed on the New York Stock Exchange (NYSE). These principles are reflected in the structure and composition of our Board of Directors (our Board) and in the charters of our Board Committees, and are reinforced through Aetna s Code of Conduct, which applies to every Aetna employee and every member of the Board.

Aetna s Corporate Governance Guidelines

Aetna's Corporate Governance Guidelines (the Guidelines) provide the framework for the governance of Aetna. The governance rules for companies listed on the NYSE and those contained in the Sarbanes-Oxley Act of 2002 are reflected in the Guidelines. The Guidelines address the role of the Board (including advising on key strategic, financial and business objectives); the composition of the Board and selection of Directors; the functioning of the Board (including its annual self-evaluation); the Committees of the Board; the compensation of Directors; and the conduct and ethics standards for Directors, including a prohibition against any nonmanagement Director having a direct or indirect material relationship with Aetna and its subsidiaries (collectively, the

Company) except as authorized by the Board or the Nominating and Corporate Governance Committee (the Nominating Committee), and a prohibition against Company loans to, or guarantees of obligations of, Directors and their family members. The Guidelines are available at www.aetna.com/governance.

As a complement to our annual Board and Committee self-evaluations and as part of the Board's desire for continuous self-improvement, during 2015 the Board engaged an independent third-party facilitator to conduct individual director interviews. This interview process was designed to provide Directors an opportunity to share valuable feedback with each other with the goal of maximizing individual effectiveness.

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GOVERNANCE OF THE COMPANY

The Board reviews the Company's corporate governance practices annually. These reviews include a comparison of our current practices to those suggested by various groups

or authorities active in corporate governance and to those of other public companies.

Aetna's Board of Directors

Aetna's business and affairs are managed under the direction of the Board. Under Aetna's By-Laws, the size of the Board may range from 3 to 21 members, with any change to the size of the Board to be designated from time to time by the Board. The Board currently consists of 13 individuals. Upon the retirement of Barbara Hackman Franklin, the Board is expected to be reduced to 12 members. The Board appoints Aetna's officers, who serve at the discretion of the Board.

Under Aetna's Articles of Incorporation, at each annual meeting of shareholders, all of the Directors are elected to hold office for a term of one year and until their successors are elected and qualified.

On July 2, 2015, Aetna entered into a definitive agreement to acquire Humana Inc. (Humana). On October 19, 2015, Aetna and Humana each obtained the approval of their respective shareholders necessary for our acquisition of

Humana. The Humana acquisition remains subject to customary closing conditions, including the expiration of the federal Hart-Scott-Rodino Antitrust Improvements Act of 1976 waiting period and approvals of state departments of insurance and other regulators.

As of completion of the proposed Humana acquisition (the Proposed Acquisition), which Aetna currently expects to occur in the second half of 2016, the size of the Board will be expanded to include four members of the Humana board of directors who are independent with respect to Aetna and jointly designated by Humana and Aetna. As of the date of this Proxy Statement, Aetna and Humana have not made a determination as to which four members of the Humana board of directors will be designated to Aetna's Board. Mark T. Bertolini will continue to serve as Chairman and Chief Executive Officer of Aetna following the completion of the Proposed Acquisition.

Director Elections Majority Voting Standard

Aetna's Articles of Incorporation provide for majority voting in uncontested elections of Directors. Under the Articles of Incorporation, a Director nominee will be elected if the number of votes cast for the nominee exceeds the number of votes cast against the nominee. An abstention will not have any effect on the outcome of the election. In contested elections, those in which there are more candidates for election than the number of Directors to be elected and one or more candidates have been properly proposed by shareholders, the voting standard will be a plurality of votes cast. Under Pennsylvania law, if an incumbent Director nominee does not receive a majority of the votes cast in an uncontested election, the incumbent Director will continue to serve on the Board until his or her

successor is elected and qualified. To address this situation, the Guidelines require any incumbent nominee for Director in an uncontested election who receives more against votes than for votes to promptly submit his or her resignation for consideration by the Nominating Committee. The Nominating Committee is then required to recommend to the Board the action to be taken with respect to the resignation, and the Board is required to act on the resignation, in each case within a reasonable period of time. Aetna will disclose promptly to the public each such resignation and decision by the Board. New nominees not already serving on the Board who fail to receive a majority of votes cast in an uncontested election will not be elected to the Board in the first instance.

Director Retirement Age

The Nominating Committee regularly assesses the appropriate size and composition of the Board and, among other matters, whether any vacancies on the Board are expected due to retirement or otherwise. The current Director retirement age is 76. Each year, the Nominating Committee considers the characteristics and performance of each individual Director candidate as part of its nomination process, regardless of the candidate's age. In

accordance with the Guidelines, Barbara Hackman Franklin is not standing for election at the Annual Meeting. Ms. Franklin's vacancy will not be filled at the Annual Meeting, and, as a result, the size of the Board will be reduced from 13 to 12 Directors. Proxies cannot be voted for a greater number of persons than the number of Director nominees named in this Proxy Statement.

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GOVERNANCE OF THE COMPANY

Executive Sessions

Aetna's nonmanagement Directors meet in regularly scheduled executive sessions without management present at every regular Aetna Board meeting. During 2015, the nonmanagement Directors, each of whom was independent other than Dr. Coye, met fourteen times to discuss certain Board policies, processes and practices, the performance and proposed performance-based compensation of the Chairman and Chief Executive Officer, management succession and other matters relating to the

Company and the functioning of the Board. In addition, Aetna's independent Directors met once in executive session during 2015 without management present. Dr. Coye was an independent Director until September 2010, when she joined UCLA Health System. Dr. Coye left UCLA Health System on May 29, 2015. UCLA Health System provides hospital services to our members as explained on page 5.

Board Leadership Structure and the Lead Director

The Board, assisted by the Nominating Committee, regularly reviews the leadership structure of the Company, including whether the position of Chairman should be held by an independent Director. The Board believes that the decision to combine or separate the positions of Chairman and Chief Executive Officer is highly dependent on the strengths and personalities of the personnel involved and must take into account current business conditions and the environment in which the Company operates. The Board also strongly believes Mr. Bertolini, who continues to serve as Chief Executive Officer, is a successful leader of the Board and an effective bridge between the Directors and Company management. While the Board has decided to

keep the roles of Chairman and Chief Executive Officer combined at this time, the Board also has taken steps to ensure that it effectively carries out its responsibility for independent oversight of management. These steps include the election of a Lead Director (with comprehensive and clearly delineated duties); the scheduling at every regular Board meeting of an executive session of the nonmanagement Directors (without Mr. Bertolini or other management attendees present); and assuring that substantially all of the nonmanagement Directors are independent. In addition, each Board Committee meets regularly in executive session without management attendees.

The duties of the Lead Director include the following:

presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the nonmanagement Directors;

approving meeting agendas and schedules to assure there is sufficient time for discussion of all agenda items;

approving information sent to the Board;

calling special meetings of the Board (including meetings of the nonmanagement or independent Directors); and

making himself or herself available as appropriate for consultation and direct communication upon the reasonable request of a major shareholder.

Edward J. Ludwig, an independent Director, has served as the Lead Director since February 24, 2012. The Lead Director is appointed annually.

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GOVERNANCE OF THE COMPANY

Communications with the Board

To contact Aetna's Chairman or its Lead Director or to send a communication to the entire Board you may contact:

Mark T. Bertolini

Chairman and Chief Executive Officer

Aetna Inc.

151 Farmington Avenue

Hartford, CT 06156

Edward J. Ludwig

Lead Director

P.O. Box 370205

West Hartford, CT 06137-0205

Communications sent to Aetna's Chairman will be delivered directly to him. All communications to the Lead Director or addressed to the nonmanagement Directors will be kept confidential and forwarded directly to the Lead Director.

Items that are unrelated to a Director's duties and responsibilities as a Board member, such as junk mail, may be excluded by the Corporate Secretary.

Director Independence

The Board has established guidelines (Director Independence Standards) to assist it in determining Director independence. In accordance with the Director Independence Standards, the Board must determine that each independent Director has no material relationship with the Company other than as a Director and/or a shareholder of the Company. Consistent with the NYSE listing standards, the Director Independence Standards specify the criteria by which the independence of our Directors will be determined, including guidelines for Directors and their immediate family members with respect to past employment or affiliation with the Company or its external auditor. The Director Independence Standards are available at www.aetna.com/governance.

Pursuant to the Director Independence Standards, the Board undertook its annual review of Director independence in February 2016. The purpose of this review was to determine whether any nonmanagement Director's relationships or transactions are inconsistent with a determination that the Director is independent. During this review, the Board considered transactions and relationships between each Director or any member of his or her immediate family (or any entity of which a Director or an immediate family member is a partner, major shareholder or officer) and the Company. The Board also considered whether there were any transactions or relationships between Directors or any

member of their immediate family with members of the Company's senior management or their affiliates.

As a result of this review, the Board affirmatively determined in its business judgment that each of Fernando Aguirre, Frank M. Clark, Betsy Z. Cohen, Molly J. Coye,

M.D., Roger N. Farah, Jeffrey E. Garten, Ellen M. Hancock, Richard J. Harrington, Edward J. Ludwig, Joseph P. Newhouse and Olympia J. Snowe, each of whom also is standing for election at the Annual Meeting, and Barbara Hackman Franklin, who is not standing for election at the Annual Meeting, is independent as defined in the NYSE listing standards and under Aetna's Director Independence Standards and that any relationship with the Company (either directly or as a partner, major shareholder or officer of any organization that has a relationship with the Company) is not material under the independence thresholds contained in the NYSE listing standards and under Aetna's Director Independence Standards.

In determining that each of the nonmanagement Directors is independent, the Board considered that the Company in the ordinary course of business sells products and services to, purchases products and services from, and/or makes charitable contributions to companies and other entities at which some of our Directors or their immediate family members are or have been officers and/or significant equity holders or have certain other relationships. Specifically, the Board considered the existence of and approved the transactions described below, all of which were made in the ordinary course of business, on terms and conditions substantially similar to those with unrelated third parties, and which the Board believes were in, or not inconsistent with, the best interests of the Company. The aggregate amounts paid to or received from these companies or other entities in each of the last three years did not exceed the threshold in the Director Independence Standards (i.e., the greater of \$1 million or 2% of the other company's consolidated gross revenues) for 2015.

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Director	Organization	Type of Organization	Relationship to Organization	Type of Transaction, Relationship or Agreement^(a)	2015 Amount^(b)
Jeffrey E. Garten	Yale University	Educational Institution	Employee	Health Care Benefits (Medical/Life)	0.07% >\$1 million
Olympia J. Snowe	McKernan Enterprises, Inc.	Consulting/Investment	Spouse is Executive Officer	Health Care Benefits (Medical) ^(c)	<1% <\$500,000

(a) All premiums and fees were determined on the same terms and conditions as premiums and fees for our other customers.

(b) Percentages are determined by dividing (1) calendar year 2015 payments due and owing to the Company by (2) the applicable entity's most recently available annual consolidated gross revenues.

(c) Olympia J. Snowe's husband is an executive officer of McKernan Enterprises, Inc.

2015 PURCHASES BY THE COMPANY

Director	Organization	Type of Organization	Relationship to Organization	Type of Transaction, Relationship or Agreement^(A)	2015 Amount^(B)
Molly J. Coye, M.D.	UCLA Health System	Provider of Hospital/Physician Services	Former Chief Innovation Officer	Contract with Provider for Hospital/Physician Services for Members ^(C)	4.17% >\$1 million
Joseph P. Newhouse	Harvard University	Educational Institution	Employee	Medical Content for IntelliHealth/Active Health ^(D)	0.01% <\$1 million

(A) None of the transactions or relationships included consulting services provided to the Company.

(B) Percentages are determined by dividing (1) calendar year 2015 purchases by the Company by (2) the applicable entity's most recently available annual consolidated gross revenues.

(C) *Until May 29, 2015, Dr. Coye was the Chief Innovation Officer of the UCLA Health System, which includes health institutions and other health care providers. These providers are part of the Company's broad national network of hospitals and physicians and other health care providers. Dr. Coye had no interest in or involvement with the UCLA Health System's relationship with the Company.*

(D) *Aetna does not use Harvard for any consulting or advisory services. Harvard provides the medical content for Aetna IntelliHealth and reviews Care Considerations for ActiveHealth.*

All members of the Audit Committee, the Committee on Compensation and Talent Management (the Compensation Committee) and the Nominating

Committee are, in the business judgment of the Board, independent Directors as defined in the NYSE listing standards and in Aetna's Director Independence Standards.

Compensation Committee Interlocks and Insider Participation

As of March 18, 2016, the members of the Compensation Committee are Roger N. Farah (Chair), Frank M. Clark, Barbara Hackman Franklin, Jeffrey E. Garten and Edward J. Ludwig. None of the members of the Compensation

Committee has ever been an officer or employee of the Company. There are no interlocking relationships between any of our executive officers or Compensation Committee members.

Meeting Attendance

The Board and its Committees meet throughout the year on a set schedule and also hold special meetings from time to time, as appropriate. During 2015, the Board met seventeen times. The average attendance of Directors at all meetings during the year was 96.21%, and no Director attended fewer than 75% of the aggregate number of

Board and Committee meetings that he or she was eligible to attend. It is the policy of the Board that all Directors should be present at Aetna's Annual Meeting of Shareholders. Eleven of the twelve Directors then in office and standing for election attended Aetna's 2015 Annual Meeting of Shareholders.

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GOVERNANCE OF THE COMPANY

Aetna's Code of Conduct

Aetna's Code of Conduct applies to every Aetna employee and to every member of the Board and is available at www.aetna.com/governance. The Code of Conduct is designed to ensure that Aetna's business is conducted in a consistently legal and ethical manner. The Code of Conduct includes policies on employee conduct, conflicts of interest and the protection of confidential information and requires compliance with all applicable laws and regulations. Aetna

will disclose any amendments to the Code of Conduct or waivers of the Code of Conduct relating to Aetna's Directors, executive officers and principal financial and accounting officers or persons performing similar functions on its website at www.aetna.com/governance within four business days following the date of any such amendment or waiver. To date, no such waivers have been requested or granted.

Related Party Transaction Policy

Under Aetna's Code of Conduct, the Board or an independent Committee reviews any potential conflicts between the Company and any Director. In addition, the Board has adopted a written Related Party Transaction Policy (the "Policy") which applies to Directors, executive officers, significant shareholders and their immediate family members (each a "Related Person"). Under the Policy, all transactions involving the Company in which a Related Person has a direct or indirect material interest must be reviewed and approved (1) by the Board or the Nominating Committee if involving a Director, (2) by the Board or the Audit Committee if involving an executive officer or (3) by the Board if involving a significant shareholder. The Board or appropriate Committee considers relevant facts and

circumstances, which may include, without limitation, the commercial reasonableness of the terms, the benefit to the Company, opportunity costs of alternate transactions, the materiality and character of the Related Person's direct or indirect interest, and the actual or apparent conflict of interest of the Related Person. A transaction may be approved if it is determined, in the Board's or appropriate Committee's reasonable business judgment, that the transaction is in, or not inconsistent with, the best interests of the Company and its shareholders, and considering the interests of other relevant constituents, when deemed appropriate. Determinations of materiality are made by the Board or appropriate Committee, as applicable.

BOARD'S ROLE IN THE OVERSIGHT OF RISK

The Company relies on its comprehensive enterprise risk management (ERM) process to aggregate, monitor, measure and manage risk. The ERM process is dynamic and ongoing. It is designed to identify the most important risks facing the Company as well as to prioritize those risks in the context of the Company's overall strategy. The Company's ERM team is led by the Company's Chief Enterprise Risk Officer, who is also the Company's Chief Financial Officer. In collaboration with the Audit Committee and the Board, the ERM team annually conducts a risk assessment of the Company's businesses. All of our key business leaders are involved in the risk assessment process. The risk assessment is presented to, and reviewed by, the Audit Committee and, after reflecting the Audit Committee's views, the list of enterprise risks is then reviewed and approved by the Board. As part of their reviews, the Audit Committee and the Board consider the internal governance structure for managing risks, and the Board assigns responsibility for ongoing oversight of each identified risk to a specific Committee of the Board or to the Board. Discussions of assigned risks are then incorporated into the agenda for each Committee (or the Board) throughout the year. Risk management is ongoing, and the importance assigned to identified risks can change and new risks can emerge during the year as the Company develops and implements its strategy. Consequently, our Chief Enterprise Risk Officer, in consultation with the Chairman and Chief Executive Officer, monitors risk management and mitigation activities across the organization throughout the year and reports periodically to the Audit Committee and the Board concerning the Company's risk management profile and activities. As a result, we believe having the same individual serve as both Chairman and Chief Executive Officer assists the Board in performing its risk oversight function because the Chairman and Chief Executive Officer is directly involved in the Company's ERM process. The Audit Committee also meets regularly in private sessions with the Company's Chief Enterprise Risk Officer.

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GOVERNANCE OF THE COMPANY

Board and Committee Membership; Committee Descriptions

Aetna's Board oversees and guides the Company's management and its business. Committees support the role of the Board on issues that are better addressed by smaller, more focused subsets of Directors.

The following table presents, as of March 18, 2016, the key standing Committees of the Board, the membership of such

Committees and the number of times each such Committee met in 2015. Charters adopted by the Board for each of the six Committees listed below are available at www.aetna.com/about-us/corporate-governance/committees-of-the-board.html.

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GOVERNANCE OF THE COMPANY

Committee Functions and Responsibilities

Functions and responsibilities of the key standing Committees of Aetna's Board are described below and on the following pages.

Audit Committee

Richard J. Harrington

Chair

The Board has determined in its business judgment that all members of the Audit Committee meet the independence, financial literacy and expertise requirements for audit committee members set forth in the NYSE listing standards. Additionally, the Board has determined in its business judgment that Messrs. Aguirre, Harrington and Newhouse and Mrs. Hancock, based on his or her background and experience (including that described in this Proxy Statement), has the requisite attributes of an audit committee financial expert as defined by the United States Securities and Exchange Commission (the "SEC"). The Audit Committee assists the Board in its oversight of (1) the integrity of the financial statements of the Company, (2) the qualifications and independence of the Company's independent registered public accounting firm (the "Independent Accountants"), (3) the performance of the Company's internal audit function and the Independent Accountants, and (4) compliance by the Company with legal and regulatory requirements, including reasonable oversight of the Company's Medicare Compliance Program. The Audit Committee periodically discusses management's policies with respect to risk assessment and risk management, and periodically discusses with the Independent Accountants, management and the Company's Internal Audit department significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the Independent Accountants and any other accounting firm engaged to perform audit, review or attest services (including the resolution of any disagreements between management and any auditor regarding financial reporting). The Independent Accountants and any other such accounting firm report directly to the Audit Committee. The Company's Chief Compliance Officer is authorized to communicate promptly and personally to the Audit Committee on all matters he or she deems appropriate, including, without limitation, any matter involving criminal conduct or potential criminal conduct. The Audit Committee is empowered, to the extent it deems necessary or appropriate, to retain outside legal, accounting or other advisers having special competence as necessary to assist it in fulfilling its responsibilities and duties. The Audit Committee has available from the Company such funding as the Audit Committee determines for compensation to the Independent Accountants, any other accounting firm or

other advisers engaged, and for the Audit Committee's ordinary administrative expenses. The Audit Committee conducts an annual evaluation of its performance. For more information regarding the role, responsibilities and limitations of the Audit Committee, please refer to the Report of the Audit Committee beginning on page 59.

The Audit Committee can be confidentially contacted by those wishing to raise concerns or complaints about the Company's accounting, internal accounting controls or auditing matters by calling AlertLine®, an independent toll-free service, at 1-888-891-8910 (available seven days a week, 24 hours a day), or by writing to: Corporate Compliance, P.O. Box 370205, West Hartford, CT 06137-0205.

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GOVERNANCE OF THE COMPANY

Committee on Compensation and Talent Management

Roger N. Farah

Chair

The Board has determined in its business judgment that all members of the Compensation Committee meet the independence requirements set forth in the NYSE listing standards and in Aetna's Director Independence Standards. The Compensation Committee is directly responsible for reviewing and approving the corporate goals and objectives relevant to Chief Executive Officer and other executive officer

compensation; evaluating the Chief Executive Officer's and other executive officers' performance in light of those goals and objectives; and establishing the Chief Executive Officer's and other executive officers' compensation levels based on this evaluation. The Chief Executive Officer's compensation is determined after reviewing the Chief Executive Officer's performance and consulting with the nonmanagement Directors of the Board. The Compensation Committee also evaluates and determines the compensation of the Company's executive officers and other senior positions identified by the Compensation Committee and oversees the compensation and benefit plans, policies and programs of the Company. The Compensation Committee consults with the Chief Executive Officer regarding the compensation of all executive officers other than the Chief Executive Officer, but the Compensation Committee does not delegate its authority with regard to these executive compensation decisions. The Compensation Committee reviews and approves executive compensation philosophy and strategy, including peer group and target compensation positioning. The Compensation Committee also administers Aetna's equity-based incentive compensation plans. The Compensation Committee reviews and makes recommendations, as appropriate, to the Board as to the development and succession plans for the CEO and other key officers of the Company. The Compensation Committee also reviews the Company's talent management and diversity strategies and conducts an annual evaluation of its performance.

The Compensation Committee has the authority to retain or obtain the advice of a compensation consultant, independent legal counsel or other advisor as it may deem appropriate. The Compensation Committee is directly responsible for the appointment, compensation and oversight of the work of any such compensation consultant, legal or other advisor retained by the Committee used to assist the Compensation Committee and has the sole authority to approve each consultant's fees and other retention terms. When selecting a compensation consultant, legal or other advisor, the Committee considers (i) the provision of other services to the Company; (ii) the amount of fees paid to the advisor as a percentage of the advisor's total revenue; (iii) the policies and procedures of the advisor's employer that are designed to prevent conflicts of interest; (iv) any business or personal relationship

between the advisor and a member of the Committee; (v) any Company stock owned by the advisor; (vi) any business or personal relationship of the advisor and an executive officer of the Company; and (vii) any other factor deemed relevant to the advisor's independence from management. In accordance with this authority, the Compensation Committee engaged Meridian Compensation Partners (Meridian) as independent outside compensation consultants to advise the Compensation Committee on all matters related to Chief Executive Officer and other executive compensation. The Company may not engage Meridian for any services other than in support of the Compensation Committee without the prior approval of the Chair of the Compensation Committee. Meridian also advises the Nominating Committee regarding Director compensation. The Company does not engage Meridian for any services other than in support of these Committees. A representative of Meridian attended five of the Compensation Committee's meetings in 2015.

Executive Committee

Mark T. Bertolini

Chair

This Committee is authorized to act on behalf of the Board between regularly scheduled Board meetings, usually when timing is critical. The Executive Committee has the authority to retain counsel and other experts or consultants as it may deem appropriate.

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GOVERNANCE OF THE COMPANY

Investment and Finance Committee

Edward J. Ludwig

Chair

This Committee assists the Board in reviewing the Company's investment policies, strategies, transactions and performance and in overseeing the Company's capital and financial resources. The Investment and Finance Committee has the authority to retain counsel and other experts or consultants as it may deem appropriate. The Investment and Finance Committee conducts an annual evaluation of its performance.

Medical Affairs Committee

Molly J. Coye, M.D.

Chair

This Committee provides general oversight of the Company's medical-related strategies, policies and practices that relate to promoting member health, enhancing access to cost-effective quality health care, and advancing safety and efficacy of care. The Medical Affairs Committee has the authority to retain counsel and other experts or consultants as it may deem appropriate. The Medical Affairs Committee conducts an annual evaluation of its performance.

Nominating and Corporate Governance Committee

Ellen M. Hancock

Chair

The Board has determined in its business judgment that all members of the Nominating Committee meet the independence requirements set forth in the NYSE listing standards and in Aetna's Director Independence Standards. The Nominating Committee assists the Board in identifying individuals qualified to become Board members, consistent with criteria approved by the Board; oversees the organization of the Board to discharge the Board's duties and responsibilities properly and efficiently; and identifies best practices and recommends to the Board corporate governance principles. Other specific duties and responsibilities of the Nominating Committee include: annually assessing the size and composition of the Board; annually reviewing and recommending Directors for continued service; reviewing the compensation of, and benefits for, Directors; recommending the retirement policy for Directors; coordinating and assisting the Board in recruiting new members to the Board; reviewing potential conflicts of interest or other issues arising out of other positions held or proposed to be held by, or any changes in circumstances of, a Director; recommending Board Committee assignments; overseeing the annual evaluation of the Board; conducting an annual performance evaluation of the Nominating Committee; conducting a preliminary review of Director independence and the financial literacy and expertise of Audit Committee members; and interpreting, as well as reviewing any proposed waiver of, Aetna's Code of Conduct, the code of business conduct and ethics applicable to Directors. The Nominating Committee has the authority to retain counsel and other experts or consultants as it may deem appropriate. The Nominating Committee has the sole authority to select, retain and terminate any search firm used to identify Director candidates and has the sole authority to approve any such search firm's fees and other retention terms.

The Board makes all Director compensation determinations after considering the recommendations of the Nominating Committee. In setting Director compensation, both the Nominating Committee and the Board reviewed Director compensation data obtained from Meridian. Meridian advises the Nominating Committee regarding Director compensation, but neither the Nominating Committee nor the Board delegates any Director compensation decision-making authority.

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GOVERNANCE OF THE COMPANY

Consideration of Director Nominees

Shareholder Nominees. The Nominating Committee will consider properly submitted shareholder nominations for candidates for membership on the Board as described below under **Director Qualifications** and **Identifying and Evaluating Nominees for Director**. Any shareholder nominations of candidates proposed for consideration by the Nominating Committee should include the nominee's name and qualifications for Board membership, and otherwise comply with applicable rules and regulations, and should be addressed to:

Corporate Secretary

Aetna Inc.

151 Farmington Avenue, RW61

Hartford, CT 06156

In addition, Aetna's By-Laws permit shareholders to nominate Directors for consideration at a meeting of shareholders at which one or more Directors are to be elected. For a description of the process for nominating Directors in accordance with Aetna's By-Laws, see **Can I Propose Actions for Consideration at Next Year's Annual Meeting of Shareholders or Nominate Individuals to Serve as Directors?** on page 74.

Director Qualifications. The Nominating Committee Charter sets out the criteria weighed by the Nominating Committee in considering all Director candidates, including shareholder-identified candidates. The criteria are re-evaluated periodically and currently 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 candidate's ability to attend Board meetings regularly and devote an appropriate amount of effort in preparation for those meetings. It also is expected that nonmanagement Directors nominated by the Board are 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.

Diversity. The Nominating Committee believes that, in addition to the traditional concepts of diversity (e.g., gender, race and ethnicity), it also is important to achieve a diversity of knowledge, experience and capabilities on the Board that supports the Company's strategic direction. The Nominating Committee and the Board believe that having a Board of Directors with a broad background of skills, perspectives and experiences is crucial to enhancing the quality of Board decision-making and governance. As a result, identifying Director candidates with diverse experiences, qualifications and skills that complement those already present on the Board has been and will continue to be central to the Nominating Committee's Director nomination process. Although the Board does not have a formal diversity policy, our Directors come from many different fields, including academia, technology, manufacturing, retail, service,

consumer products, not-for-profit, public service and regulatory. Our Director Nominees for 2016 include four women, one Latino male and one African American male.

The specific experiences, qualifications, attributes and skills that the Nominating Committee and the Board believe each Nominee possesses are set forth below each Nominee's biography beginning on page 14.

Identifying and Evaluating Nominees for Director. The Nominating Committee uses a variety of methods to identify and evaluate nominees for Director. In recommending Director nominees to the Board, the Nominating Committee solicits candidate recommendations from its own members, other Directors and management. It also may engage the services and pay the fees of a professional search firm to assist it in identifying potential Director nominees. The Nominating Committee also reviews materials provided by professional search firms or other parties in connection with its consideration of nominees. The Nominating Committee regularly assesses the appropriate size of the Board and whether any vacancies on the Board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, the Nominating Committee considers whether to fill those vacancies and, if applicable, considers various potential Director candidates. These candidates are evaluated against the current Director criteria at regular or special meetings of the Nominating Committee and may be considered at any point during the year. As described above, the Nominating Committee will consider properly submitted shareholder nominations for candidates for the Board. Following verification of the shareholder status of the person(s) proposing a candidate, a shareholder nominee will be considered by the Nominating Committee at a meeting of the Nominating Committee. If any materials are provided by a shareholder in connection with the nomination of a Director candidate, such materials are forwarded to the Nominating Committee.

The Board and the Nominating Committee each considered the characteristics and performance of the individual Directors standing for election to the Board at the Annual Meeting against the foregoing criteria, and, to the extent applicable, reviewed the impact of any change in the principal occupations of all Directors during the last year.

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GOVERNANCE OF THE COMPANY

Upon completion of its review process, the Nominating Committee reported to the Board its conclusions and recommendations for nominations to the Board, and the Board nominated the 12 Director nominees named in this Proxy Statement based on those recommendations.

In 2015, the Nominating Committee engaged and paid the fees of a professional search firm to assist the Nominating Committee in identifying and evaluating potential nominees.

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I. ELECTION OF DIRECTORS

This year, Aetna will nominate 12 individuals for election as Directors at the Annual Meeting (the Nominees) to replace the current Board. The terms of office for the Directors elected at the Annual Meeting will run until the next annual meeting and until their successors are duly elected and qualified. The Nominating Committee recommended the 12 Nominees for nomination by the Board. Based on that recommendation, the Board nominated each of the Nominees for election at the Annual Meeting.

All Nominees are currently Directors of Aetna. The following pages list the names and ages of the Nominees as of the date of the Annual Meeting, the year each first became a Director of Aetna or one of its predecessors, the principal occupation of each Nominee as of March 18, 2016, the publicly traded company directorships and certain other directorships held by each Nominee for the past five years, a brief description of the business experience of each Nominee for at least the last five years, and the specific experience, qualifications, attributes and skills that each Nominee possesses. The specific experience, qualifications, attributes and skills listed below for each Nominee are in addition to the individual qualifications required for all nominees as outlined under Consideration of Director Nominees-Director Qualifications on page 11.

Each of the 12 individuals listed below (or such lesser number if the Board has reduced the number of Directors to be elected at the Annual Meeting as described on page 73 under What If a Director Nominee Is Unwilling or Unable to Serve?) who receives more for votes than against votes cast at the Annual Meeting will be elected a Director. In addition, as described in more detail on page 2 under Director Elections Majority Voting Standard, Aetna's Corporate Governance Guidelines require any incumbent nominee for Director in an uncontested election who receives more against votes than for votes to promptly submit his or her resignation for consideration by the Nominating Committee. The Nominating Committee and the Board are then required to act on the resignation, in each case within a reasonable period of time.

The Board recommends a vote FOR each of the 12 Nominees. If you complete the enclosed proxy card, unless you direct to the contrary on that card, the shares represented by that proxy card will be voted FOR the election of all 12 Nominees.

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I. ELECTION OF DIRECTORS

Nominees for Directorships

Fernando Aguirre

Independent Director

Age: 58

Director of Aetna Since: 2011

Committees Served: Audit; Nominating & Corporate Governance

Other Public Directorship: Barry Callebaut AG (manufacturer of high-quality chocolate and cocoa products)

Mr. Aguirre served as President and Chief Executive Officer from January 2004 to October 2012 and Chairman from May 2004 to October 2012 of Chiquita Brands International, Inc. (global distributor of consumer products). Prior to joining Chiquita, Mr. Aguirre worked for more than 23 years in brand management, general management and turnarounds at The Procter & Gamble Company (P&G) (manufacturer and distributor of consumer products). Mr. Aguirre began his P&G career in 1980, serving in various capacities including President and General Manager of P&G Brazil, President of P&G Mexico, Vice President of P&G's global snacks and US food products, and President of global feminine care. In July 2002, Mr. Aguirre was named President, special projects, reporting to P&G's Chairman and CEO, working on strategy. He served as a director of Coveris from 2014 to 2015, Levi Strauss from 2010 until August 2014, and Coca-Cola Enterprises Inc. from 2005 until 2010.

Experience, Qualifications, Attributes and Skills

Mr. Aguirre brings to the Board extensive consumer products, global business and executive leadership experience. As a former Chairman and CEO of a large public company that produces and distributes consumer products worldwide, he has significant brand management and international experience that is valuable to the Board's strategic and operational understanding of global markets. He possesses significant experience as a director, as demonstrated by his current and prior service on other public company boards.

Mark T. Bertolini

Management Director

Age: 59

Director of Aetna Since: 2010

Committees Served: Executive; Investment & Finance

Other Public Directorship: Verizon Communications Inc. (communications, information and entertainment products and services)

Mr. Bertolini is Chairman and Chief Executive Officer of Aetna. He assumed the role of Chairman on April 8, 2011 and Chief Executive Officer on November 29, 2010. From July 2007 to December 2014, he served as president, responsible for all of Aetna's businesses and operations. Mr. Bertolini joined Aetna in 2003 as head of Aetna's Specialty Products, and subsequently served as executive vice president and head of Aetna's regional businesses. Before joining Aetna, Mr. Bertolini held executive positions at Cigna, NYLCare Health Plans, and SelectCare, Inc., where he was president and chief executive officer. Mr. Bertolini also serves as a director of Massachusetts Mutual Life Insurance Company (insurance and investment products), The Hole in the Wall Gang Camp, a non-profit organization founded by Paul Newman that serves children with cancer and other serious illnesses, and the Fidelco Guide Dog Foundation, a non-profit organization that breeds, trains and places German Shepherd guide dogs with people who have visual disabilities.

Experience, Qualifications, Attributes and Skills

Mr. Bertolini brings to his position as Chairman and Chief Executive Officer extensive health care industry expertise, with over 25 years in the health care business. He has strong leadership skills and business experience, as he has demonstrated as President and then as Chairman and Chief Executive Officer of Aetna and in several prior executive-level positions. He is a well-recognized leader in the health care industry and possesses deep insights into health care issues as well as broad knowledge and appreciation of public policy issues affecting the Company.

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I. ELECTION OF DIRECTORS

Frank M. Clark

Independent Director

Age: 70

Director of Aetna Since: 2006

Committees Served: Compensation & Talent Management; Nominating & Corporate Governance

Other Public Directorship: Waste Management, Inc. (waste disposal services)

Mr. Clark is non-executive chairman of BMO Financial Corporation (financial services) and was appointed President of the Chicago Board of Education in July 2015. Previously, Mr. Clark retired in February 2012 as the Chairman and Chief Executive Officer of Commonwealth Edison Company (ComEd) (an electric energy distribution subsidiary of Exelon Corporation), having served in that position since November 2005. Mr. Clark served as President of ComEd from October 2001 to 2005 and Executive Vice President and Chief of Staff to the Exelon Corporation Chairman from 2004 to 2005. After joining ComEd in 1966, Mr. Clark held key leadership positions in operational and policy-related responsibilities, including regulatory and governmental affairs, customer service operations, marketing and sales, information technology, human resources and labor relations, and distribution support services.

Experience, Qualifications, Attributes and Skills

Mr. Clark brings to the Board a broad background of senior leadership experience, gained from his over 45 years of service with ComEd and Exelon Corporation. He possesses significant management ability and business acumen which gives Mr. Clark critical insights into the operational issues facing a large public company. Mr. Clark is an experienced manager in a business that is intensely customer service oriented, whose knowledge of customer relations, marketing and human resources offers the Board important perspectives on similar issues affecting the Company. Mr. Clark also possesses significant public company board experience.

Betsy Z. Cohen

Independent Director

Age: 74

Director of Aetna or its predecessors since: 1994

Committees Served: Compensation & Talent Management; Investment & Finance; Nominating & Corporate Governance

Mrs. Cohen served as Chief Executive Officer of The Bancorp, Inc. and its subsidiary, The Bancorp Bank (internet banking and financial services), from September 2000 to December 2014, having previously served as Chairman of The Bancorp Bank from November 2003 to February 2004. She currently serves as a Strategic Advisor of The Bancorp, Inc. and the Chairman of FinTech Acquisition Corp. (blank check company). From August 1997 to December 2010, Mrs. Cohen served as Chairman and a trustee of RAIT Financial Trust (real estate investment trust) and until December 2006, she also held the position of Chief Executive Officer. From 1999 to 2000, Mrs. Cohen served as a director of Hudson United Bancorp (holding company), the successor to JeffBanks, Inc., where she had been Chairman and Chief Executive Officer since its inception in 1981 and also served as Chairman and Chief Executive Officer of its subsidiaries, Jefferson Bank (which she founded in 1974) and Jefferson Bank New Jersey (which she founded in 1987) prior to JeffBanks' merger with Hudson United Bancorp in December 1999. From 1985 until 1993, Mrs. Cohen was a director of First Union Corp. of Virginia (bank holding company) and its predecessor, Dominion Bankshares, Inc. In 1969, Mrs. Cohen co-founded a commercial law firm and served as a senior partner until 1984.

Experience, Qualifications, Attributes and Skills

Mrs. Cohen brings to the Board a broad and diverse background in the financial services industry, having founded and successfully led financial institutions both in the U.S. and abroad. She possesses extensive leadership and business management expertise focused on the financial industry, an important knowledge base for the Board. Mrs. Cohen has extensive legal, financial and real estate investment expertise and has been recognized both nationally and internationally for her business acumen and leadership skills, which contribute important expertise to the Board.

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I. ELECTION OF DIRECTORS

Molly J. Coye, M.D.

Independent Director

Age: 69

Director of Aetna Since: 2005

Committees Served: Executive; Investment & Finance; Medical Affairs

Dr. Coye is Social Entrepreneur in Residence for the Network for Excellence in Healthcare Innovation, a non-profit, non-partisan health policy institute focused on enabling innovations that improve the quality and lower the costs of health care, a position she assumed in June 2015. Previously, Dr. Coye served as Chief Innovation Officer of the UCLA Health System (comprehensive health care organization), from September 2010 to May 2015. She also served as President and Chief Executive Officer of CalRHIO (non-profit California health information exchange organization) and Chief Executive Officer of the Health Technology Center (non-profit education and research organization), which she founded in December 2000. She also served as a Senior Advisor to the Public Health Institute until August 2010. Earlier, Dr. Coye served in both the public and private sectors as Senior Vice President of the West Coast Office of The Lewin Group (consulting) from 1997 to December 2000; Executive Vice President, Strategic Development, of HealthDesk Corporation from 1996 to 1997; Senior Vice President, Clinical Operations, Good Samaritan Health Hospital from 1993 to 1996; Director of the California Department of Health Services from 1991 to 1993; Head of the Division of Public Health, Department of Health Policy and Management, Johns Hopkins School of Hygiene and Public Health from 1990 to 1991; Commissioner of Health of the New Jersey State Department of Health from 1986 to 1989; Special Advisor for Health and the Environment, State of New Jersey Office of the Governor from 1985 to 1986; and National Institute for Occupational Safety and Health Medical Investigative Officer from 1980 to 1985. She formerly served as chair of PATH (non-profit organization developing technologies for international health) and Big White Wall, Ltd. (online behavioral health company providing a platform and services). Dr. Coye currently serves as chair of the board of directors of Prosetta Biosciences, Inc. (biotechnology firm developing assays and therapeutics).

Experience, Qualifications, Attributes and Skills

Dr. Coye brings to the Board significant clinical, health policy and health-related technology expertise. She has developed this expertise through over 30 years of service in the public and private health care sectors, where she has managed major research studies, led health technology initiatives and held several senior advisory roles. Her in-depth knowledge of innovative health information technology and global health issues provides the Board with valuable insights into an area of growing importance to the Company.

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I. ELECTION OF DIRECTORS

Roger N. Farah

Independent Director

Age: 63

Director of Aetna Since: 2007

Committees Served: Compensation & Talent Management; Executive; Investment & Finance

Other Public Directorship: The Progressive Corporation (auto insurance)

Mr. Farah is Co-Chief Executive Officer and Director of Tory Burch LLC (lifestyle products), a position he has held since September 2014. He is former Executive Vice Chairman of Ralph Lauren Corporation (lifestyle products) having served in that position from November 2013 to May 2014. He previously served as President and Chief Operating Officer of Ralph Lauren Corporation from April 2000 to October 2013 and Director from April 2000 to August 2014. Prior to that, he served as Chairman of the Board of Venator Group, Inc. (now Foot Locker, Inc.) from December 1994 to April 2000, and as its Chief Executive Officer from December 1994 to August 1999. Mr. Farah served as President and Chief Operating Officer of R.H. Macy & Co., Inc. (retailing) from July 1994 to October 1994. From June 1991 to July 1994, he was Chairman and Chief Executive Officer of Federated Merchandising Services (retailing), the central buying and product development arm of Federated Department Stores, Inc. (retailing). From 1988 to 1991, Mr. Farah served as Chairman and Chief Executive Officer of Rich s/ Goldsmith s Department Stores (retailing) and President of Rich s/Goldsmith s Department Stores from 1987 to 1988. He held a number of positions of increasing responsibility at Saks Fifth Avenue, Inc. (retailing) from 1975 to 1987. Mr. Farah is a non-executive director of Metro Bank PLC (an independent U.K. bank).

Experience, Qualifications, Attributes and Skills

Mr. Farah brings to the Board extensive business and leadership experience. He has strong marketing, brand management and consumer insights developed in his over 40 years of experience in the retail industry. His former position as Executive Vice Chairman of Ralph Lauren Corporation and current position as Co-Chief Executive Officer of Tory Burch LLC give Mr. Farah an important perspective on the complex financial and operational issues facing the Company. He also possesses significant public company board experience as demonstrated by his past and current service on a number of public company boards.

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I. ELECTION OF DIRECTORS

Jeffrey E. Garten

Independent Director

Age: 69

Director of Aetna or its predecessors since: 2000

Committees Served: Compensation & Talent Management; Medical Affairs

Other Public Directorships: CarMax, Inc. (automotive retailer) and nine Credit Suisse mutual funds

Mr. Garten is Dean Emeritus of the Yale School of Management. Previously, he served as Yale University's Juan Trippe Professor in the Practice of International Trade, Finance and Business from 2005 to 2015. From 1995 to 2005, he served as Dean of the Yale School of Management. Mr. Garten also is Chairman of Garten Rothkopf (global consulting firm), a position he assumed in October 2005. Mr. Garten held senior posts on the White House staff and at the U.S. Department of State from 1973 to 1979. He joined Shearson Lehman Brothers (investment banking) in 1979 and served as Managing Director from 1984 to 1987. In 1987, Mr. Garten founded Eliot Group, Inc. (investment banking) and served as President until 1990, when he became Managing Director of The Blackstone Group (private merchant bank). From 1992 to 1993, Mr. Garten was Professor of Finance and Economics at Columbia University's Graduate School of Business. He was appointed U.S. Under Secretary of Commerce for International Trade in 1993 and served in that position until 1995. He is the author of *A Cold Peace: America, Japan, Germany and the Struggle for Supremacy*; *The Big Ten: Big Emerging Markets and How They Will Change Our Lives*; *The Mind of the CEO*; and *The Politics of Fortune: A New Agenda for Business Leaders*. Mr. Garten is a trustee of the International Rescue Committee.

Experience, Qualifications, Attributes and Skills

Mr. Garten brings to the Board extensive experience in global investment banking and many years of government service during which he held senior policy positions that focused on trade and investment. His background includes work with corporations in the United States and abroad, Congress, regulatory agencies and foreign governments. He possesses significant business and leadership experience as the former Dean of the Yale School of Management and as a current principal of Garten Rothkopf, an international consulting firm. Mr. Garten is a recognized expert on finance and international trade, and has written extensively on leadership, the relationship between business and government

and the challenges of operating in a global marketplace. His experience leading a national working group on accounting standards and as a former advisor to the Public Company Accounting Oversight Board provides him with a thorough understanding of accounting issues. Mr. Garten also possesses significant public company board experience.

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I. ELECTION OF DIRECTORS

Ellen M. Hancock

Independent Director

Age: 73

Director of Aetna or its predecessors since: 1995

Committees Served: Audit; Executive; Nominating & Corporate Governance

Other Public Directorship: Colgate-Palmolive Company (consumer products)

Mrs. Hancock served as the President of Jazz Technologies, Inc. and President and Chief Operating Officer of its predecessor, Acquicor Technology Inc., from August 2005 to June 2007. Prior to its merger with Jazz Semiconductor, Inc., a wafer foundry, in February 2007, Jazz Technologies (then known as Acquicor) was a blank check company formed for the purpose of acquiring businesses in the technology, multimedia and networking sector. Mrs. Hancock previously served as Chairman of the Board and Chief Executive Officer of Exodus Communications, Inc. (Internet system and network management services). She joined Exodus in March 1998 and served as Chairman from June 2000 to September 2001, Chief Executive Officer from September 1998 to September 2001, and President from March 1998 to June 2000. Mrs. Hancock held various staff, managerial and executive positions at International Business Machines Corporation (information-handling systems, equipment and services) from 1966 to 1995. She became a Vice President of IBM in 1985 and served as President, Communication Products Division, from 1986 to 1988, when she was named General Manager, Networking Systems. Mrs. Hancock was elected an IBM Senior Vice President in November 1992, and in 1993 was appointed Senior Vice President and Group Executive, which position she held until February 1995. Mrs. Hancock served as an Executive Vice President and Chief Operating Officer of National Semiconductor Corporation (semiconductors) from September 1995 to May 1996, and served as Executive Vice President for Research and Development and Chief Technology Officer of Apple Computer, Inc. (personal computers) from July 1996 to July 1997.

Experience, Qualifications, Attributes and Skills

Mrs. Hancock brings to the Board highly relevant experience in the field of information technology and consumer products, where she has held senior leadership positions and also led a start-up company. Her technology background provides the Board with an important perspective on the health technology challenges and opportunities of the Company. Mrs. Hancock also has significant public company board experience. Her experience positions her well as

Chair of the Nominating and Corporate Governance Committee.

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I. ELECTION OF DIRECTORS

Richard J. Harrington

Independent Director

Age: 69

Director of Aetna Since: 2008

Committees Served: Audit; Executive; Investment & Finance; Medical Affairs

Other Public Directorship: Xerox Corporation (document management, technology and service enterprise)

Mr. Harrington is Chairman and General Partner of The Cue Ball Group (a venture capital firm). Previously, he served as President and Chief Executive Officer of The Thomson Corporation (business technology and integrated information solutions) prior to its acquisition of Reuters Group PLC in April 2008. From April 2008 to October 2009, he served as Chairman of the Thomson Reuters Foundation. Mr. Harrington held a number of senior leadership positions within Thomson since 1982, including CEO of Thomson Newspapers, and CEO of Thomson Professional Publishing. Mr. Harrington began his professional career with Arthur Young & Co. (public accounting firm) in 1972, where he became a licensed certified public accountant. In 2002, he was presented an Honorary Doctorate of Laws from University of Rhode Island. In 2007, he received the Legend in Leadership award from the Yale University Chief Executive Leadership Institute; the CEO of the Year award from the Executive Council; and the Man of the Year award from the National Executive Council for his many philanthropic activities. Mr. Harrington serves on the board of directors of Redline Trading Solutions (designs and deploys stock market data and order execution systems).

Experience, Qualifications, Attributes and Skills

Mr. Harrington brings to the Board the skills and insights of a seasoned business leader with over 25 years experience in the business technology and information solutions area. He has strategic vision and leadership expertise, and led The Thomson Corporation at the time of its acquisition of Reuters Group PLC. Mr. Harrington's experience in change management and strategic differentiation gives the Board a unique perspective on these important issues. Mr. Harrington, who has worked as a certified public accountant, also chairs the audit committee of Xerox Corporation. These experiences position him well as Chair of the Audit Committee.

Edward J. Ludwig

Independent Director

Age: 64

Director of Aetna Since: 2003

Committees Served: Compensation & Talent Management; Executive; Investment & Finance; Nominating & Corporate Governance

Other Public Directorships: Boston Scientific Corporation (medical devices; lead independent director) and Xylem Inc. (water technology company)

Mr. Ludwig is former Chairman of the Board of Becton, Dickinson and Company (BD) (global medical technology company) having served in that position from February 2002 through June 2012. He also served as Chief Executive Officer from January 2000 to September 2011 and as President from May 1999 to December 2008. Mr. Ludwig joined BD as a Senior Financial Analyst in 1979. Prior to joining BD, he served as a senior auditor with Coopers and Lybrand (now PricewaterhouseCoopers) where he earned his CPA and as a financial and strategic analyst at Kidde, Inc. He serves on the board of directors of POCARED Diagnostics Ltd (diagnostics technology manufacturer).

Experience, Qualifications, Attributes and Skills

Mr. Ludwig brings to the Board significant executive-level leadership experience and business expertise. His more than 30 years of experience in the field of medical technology give Mr. Ludwig a unique perspective on the Company's strategy. As the former Chairman of BD, Mr. Ludwig brings a thorough appreciation of the strategic and operational issues facing a large public company in the health care industry. Mr. Ludwig served as chief financial officer of a Fortune 500 company and has worked as a certified public accountant. He offers the Board a deep understanding of financial, accounting and audit-related issues. These experiences position Mr. Ludwig well as Lead Director and Chair of the Investment & Finance Committee.

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I. ELECTION OF DIRECTORS

Joseph P. Newhouse

Independent Director

Age: 74

Director of Aetna Since: 2001

Committees Served: Audit; Medical Affairs

Dr. Newhouse is the John D. MacArthur Professor of Health Policy and Management at Harvard University, a position he assumed in 1988. At Harvard, he also is the Director of the Division of Health Policy Research and Education, the Director of the Interfaculty Initiative on Health Policy, Chair of the Committee on Higher Degrees in Health Policy and a member of the faculties of the John F. Kennedy School of Government, the Harvard Medical School, the Harvard School of Public Health and the Faculty of Arts and Sciences. Prior to joining Harvard, Dr. Newhouse held various positions at The RAND Corporation from 1968 to 1988, serving as a faculty member of the RAND Graduate School from 1972 to 1988, as Deputy Program Manager for Health Sciences Research from 1971 to 1988, Senior Staff Economist from 1972 to 1981, Head of the Economics Department from 1981 to 1985 and as a Senior Corporate Fellow from 1985 to 1988. Dr. Newhouse was the Founding Editor of the Journal of Health Economics, which he edited for 30 years. He is a Faculty Research Associate of the National Bureau of Economic Research, a member of the National Academy of Medicine, a member of the *New England Journal of Medicine* Editorial Board, a fellow of the American Academy of Arts and Sciences, and a director of the National Committee for Quality Assurance. Dr. Newhouse is the author of *Free for All: Lessons from the RAND Health Insurance Experiment* and *Pricing the Priceless: A Health Care Conundrum*.

Experience, Qualifications, Attributes and Skills

Dr. Newhouse's experience of over 40 years in the health policy arena significantly enhances the Board's understanding of health policy issues, which is particularly important in the current public policy reform environment. He has written extensively on U.S. health policy matters, and he is a highly-regarded expert in economics and business. Dr. Newhouse's expertise in health policy and health care financing has enhanced the Board's understanding of these issues.

Olympia J. Snowe

Independent Director

Age: 69

Director of Aetna Since: 2014

Committees Served: Audit; Medical Affairs

Other Public Directorships: Synchrony Financial (consumer credit business) and T. Rowe Price Group, Inc. (investment management)

Senator Snowe is currently Chairman and CEO of Olympia Snowe, LLC, a policy and communications consulting firm, and a senior fellow at the Bipartisan Policy Center, where she is a member of the board and co-chairs its Commission on Political Reform. Senator Snowe served in the U.S. Senate from 1995-2013, and as a member of the U.S. House of Representatives from 1979-1995. While in the U.S. Senate, she served as chair and was the ranking member of the Senate Committee on Small Business and Entrepreneurship, and served on the Senate Finance Committee, the Senate Intelligence Committee, and the Senate Commerce, Science, and Transportation Committee. Senator Snowe also served as chair of the Subcommittee on Seapower for the Senate Armed Services Committee. She received a B.A. in political science from the University of Maine and has received honorary doctorate degrees from many colleges and universities.

Experience, Qualifications, Attributes and Skills

Senator Snowe's more than 30 years of experience as an elected member of the U.S. Congress provides the Company with an important perspective on the Company's strategy in the evolving health care marketplace and the political and regulatory environment in which the Company operates. Her past leadership positions in both the U.S. Senate and the U.S. House of Representatives have given her broad and extensive experience with complex issues relevant to the Company, including health care policy, budget and fiscal responsibility, foreign affairs and national security. She also brings to the Board experience as a director of T. Rowe Price Group, Inc. and Synchrony Financial which operate in the consumer marketplace, an area of strategic focus for the Company.

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I. ELECTION OF DIRECTORS

Other Director Information

In accordance with Aetna's Corporate Governance Guidelines regarding retirement age, Barbara Hackman Franklin is not standing for election at the Annual Meeting. Ms. Franklin has been a Director of Aetna or its

predecessors from 1979 to 1992 and since 1993 and will

continue as a Director until her term ends immediately prior to the Annual Meeting. Ms. Franklin's vacancy will not be filled at the Annual Meeting, and, as a result, the size of the Board will be reduced from 13 to 12 Directors.

Director Compensation Philosophy and Elements

Each year, the Nominating Committee reviews compensation for nonmanagement Directors and makes recommendations regarding the prospective level and composition of Director compensation to the Board for its approval.

The Nominating Committee's goal is to develop a compensation program that:

Attracts and retains qualified Directors;

Recognizes Directors' critical contributions; and

Aligns, through the offering of stock-based compensation, the interests of Aetna's Directors with the long-term interests of our shareholders.

As part of their review, the Nominating Committee and the Board consider, among other factors, the Director compensation practices at a comparative group of public companies (the comparative group), based on market comparison studies prepared by Meridian, an outside consultant.

The primary elements of Aetna's Director compensation program are annual cash retainer fees and annual restricted stock unit (RSU) awards. Directors also receive certain benefits. Directors who are officers of Aetna receive no additional compensation for membership on the Board or any of its Committees.

Director Stock Ownership Guidelines

The Board has established Director Stock Ownership Guidelines under which each nonmanagement Director is required to own, within five years of joining the Board, a specified dollar value of Aetna common shares, par value \$.01 per share (Common Stock), or stock units. In September 2014, the Board reviewed the Director Stock Ownership Guidelines and revised the ownership requirement to \$500,000 from \$400,000 effective

January 1, 2015. At March 18, 2016, all of Aetna's nonmanagement Directors were in compliance with these guidelines.

Aetna's Code of Conduct prohibits Directors from engaging in hedging strategies using puts, calls or other types of derivative securities based on the value of the Common Stock.

2015 Nonmanagement Director Compensation

On September 18, 2014, the Nominating Committee and Meridian reviewed a director compensation study prepared by Meridian, and on November 20, 2014, the Board voted to approve the Director compensation package for nonmanagement Directors for 2015. The Board set the total value of target per-Director compensation for 2015 at approximately \$267,110, consisting of stock-based compensation, cash and benefits and excluding the estimated cost of the Charitable Award Program and Aetna Foundation, Inc.'s charitable contribution matching program. The annual Board retainer and Lead Director, Chair and Committee retainers for 2015 were set at 2014 levels.

Details regarding retainer fees for Board and Committee service are set forth in footnote 1 to the 2015 Director Compensation table.

The 2015 Director Compensation table sets forth for 2015 the total compensation of each of the nonmanagement Directors. Actual compensation for any Director, and amounts shown in the 2015 Director Compensation table, may vary by Director due to the Committees on which a Director serves and other factors described in footnote 3 to the 2015 Director Compensation table.

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Table of Contents**I. ELECTION OF DIRECTORS****2015 Director Compensation**

Name	Fees Earned or		All Other Compensation ⁽³⁾	Total
	Paid in Cash ⁽¹⁾	Stock Awards ⁽²⁾		
Fernando Aguirre	\$ 100,000	\$160,091	\$15,776	\$ 275,867
Frank M. Clark	97,500	160,091	58,294	315,885
Betsy Z. Cohen	94,107	160,091	58,294	312,492
Molly J. Coye, M.D.	101,000	160,091	56,872	317,963
Roger N. Farah	108,000	160,091	55,774	323,865
Barbara Hackman Franklin	97,500	160,091	58,294	315,885
Jeffrey E. Garten	96,500	160,091	56,872	313,463
Ellen M. Hancock	109,000	160,091	58,294	327,385
Richard J. Harrington	117,000	160,091	17,288	294,379
Edward J. Ludwig	134,500	160,091	55,774	350,365
Joseph P. Newhouse	99,000	160,091	53,294	312,385
Olympia J. Snowe	99,000	160,091	17,288	276,379

(1) The amounts shown in this column include any cash compensation that was deferred by Directors during 2015 under the Aetna Inc. Non-Employee Director Compensation Plan (the Director Plan). See Additional Director Compensation Information beginning on page 24 for a discussion of Director compensation deferrals. Amounts in this column consist of one or more of the following:

2015 Fees Earned or

Activity	Paid in Cash
Annual Retainer Fee	\$85,000
Lead Director	25,000
Chair of the Audit Committee	20,000
Membership on the Audit Committee	10,000
Chair of the Compensation Committee	15,000
Membership on the Compensation Committee	7,500
Chair of the Nominating Committee	10,000
Membership on the Nominating Committee	5,000
Chair of the Investment and Finance Committee	8,000
Chair of the Medical Affairs Committee	8,000
Committee Membership (except as set forth above) (other than the Chairs)	4,000

(2) Amounts shown in this column represent the full grant date fair value for RSUs granted in 2015 computed in accordance with FASB ASC Topic 718, excluding forfeiture estimates. Refer to pages 126-129 of Aetna's 2015 Annual Report, Financial Report to Shareholders for all relevant valuation assumptions used to determine the grant date fair value of the stock awards included in this column. On May 15, 2015, Aetna granted each

nonmanagement Director then in office 1,420 RSUs. The full grant date fair value is calculated by multiplying the number of units granted times the closing price of Aetna's Common Stock on the grant date. See Additional Director Compensation Information beginning on page 24 for a discussion of RSU awards and related deferrals.

At December 31, 2015, the number of outstanding RSU awards held by each Director was 1,420. Refer to the Beneficial Ownership Table and related footnotes beginning on page 27 for more information on Director holdings of Common Stock.

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(3) *All Other Compensation consists of the items in the following table. See Additional Director Compensation Information beginning below for a discussion of certain components of All Other Compensation.*

	Group Life Insurance and Business Travel Accident Insurance Premiums	Charitable Award Program^(a)	Matching Charitable Contributions^(b)	Total
Fernando Aguirre	\$ 776	\$ 0	\$15,000	\$ 15,776
Frank M. Clark	3,710	39,584	15,000	58,294
Betsy Z. Cohen	3,710	39,584	15,000	58,294
Molly J. Coye, M.D.	2,288	39,584	15,000	56,872
Roger N. Farah	1,190	39,584	15,000	55,774
Barbara Hackman Franklin	3,710	39,584	15,000	58,294
Jeffrey E. Garten	2,288	39,584	15,000	56,872
Ellen M. Hancock	3,710			