

Aetna UK Tax Strategy Disclosure

Introduction

For more than 160 years, Aetna has been guided by the highest standards of integrity. We are committed to do the right thing for the right reason. The Aetna Code of Conduct guides our compliance with the rules and regulations that govern our business throughout the world. Compliance with Aetna's Code of Conduct and regulatory compliance is everyone's responsibility, from the top to the bottom of the Aetna organisation.

"Our reputation as an industry leader depends on our ability to deliver on our promises... integrity is about the choices we make and the promises we keep, even when no one is looking," Aetna Chairman and CEO Mark Bertolini.

Aetna's UK operations are part of the Aetna International ("AI") family of companies under the US parent company Aetna Inc. Group of companies ("Aetna Group"). AI maintains established International private medical insurance companies across the globe, all of which work in partnership to provide private medical insurance solutions to its wide consumer base.

The Company underwrites and reinsures international private medical insurance contracts sold to individuals and groups throughout the global market including Europe, the Middle East, Asia and Africa and its intention is to continue to underwrite this class of business and meet its obligations.

Aetna's Approach to Risk Management and Governance

Compliance and risk management is central to Aetna's business operations. As a global insurance company our business is part of a highly regulated industry and our UK insurance group is regulated in the UK by the FCA. Tax compliance and risk management is part of Aetna's overall Enterprise Risk Management procedures.

Our approach to tax supports Aetna's purpose and strategic vision and is aligned with the Aetna Code of Conduct. Aetna's tax risk and control framework provides processes and procedures to identify and address tax risk across our business and ensure that appropriate controls are in place. The framework includes key internal stakeholders in Finance, Tax, and HR. Senior level oversight is provided by Finance Leadership and the Enterprise wide Risk Management process. Where relevant we use tax specialists to support our risk and control framework.

The day-to-day responsibility for UK tax compliance resides with the UK Finance Group controllers. Oversight for UK tax compliance and risk is provided by the UK Finance Director and the UK Board which is accountable to the US parent company. The ultimate responsibility for the UK tax strategy, risk and control framework, and management of tax risks lies with the Aetna International CFO, with group oversight from the group tax function in the United States.

We have an International Risk Committee which reviews and monitors risks relevant to the international business, including tax. The International Risk Committee also reports to the UK entity Boards, through attendance at the Board Audit Committee meetings. Ultimate responsibility for the UK tax strategy, risk and control framework, and management of tax risk lies with the UK Boards which have responsibility for the all the tax obligations in respect of the UK entities. UK tax strategy is reviewed annually and signed off by the UK Board and Audit Committee.

The Internal Audit Function is also accountable to the UK board on a regulatory basis and acts as an additional layer of control and review.

Aetna Group Tax Risk Appetite

Aetna is committed to full compliance with all applicable laws and regulations as set forth in the Aetna Code of Conduct. Aetna does not participate in artificial transactions, tax avoidance, aggressive tax planning, or activities covered by General Anti-Avoidance Regulations (GAAR).

The enterprise wide Risk Management Framework defines Aetna's UK tax risk appetite. There is a low tolerance for non-compliance with tax obligations and tax planning is managed to align with the commercial reality of our business.

Aetna engages external tax advisors to support our ongoing business operations. We utilize outside tax advisors for both tax compliance and advisory services. External advisors are consulted to align our business with new legislation and new business operations or transactions.

Working with Tax Authorities

Our policy is to be open and transparent about the Group's tax affairs with tax authorities globally. In the United States, Aetna participates in the IRS Compliance Assurance Program (CAP). Under CAP, participating taxpayers work collaboratively with an IRS team to identify and resolve potential tax issues before the tax return is filed each year.

Aetna has committed to discussing significant UK tax matters with HMRC in real-time and work collaboratively to resolve any disputes which may arise due to changes in the tax law or interpretation of tax law.

The publication of this tax strategy statement satisfies Aetna's statutory obligation under Para 16(2), Schedule 19 of the Finance Act 2016, for the Aetna group of companies within the UK.