

CIGNA CORP  
Form PRE 14A  
March 02, 2018  
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**SCHEDULE 14A**

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 under § 240.14a-12

**Cigna Corporation**

**(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:

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March [ ], 2018

900 Cottage Grove Road

Bloomfield, Connecticut 06002

Dear Cigna Shareholder:

On behalf of the Cigna Corporation Board of Directors, our Enterprise Leadership Team and our colleagues around the globe, we are pleased to cordially invite you to attend our 2018 Annual Meeting of Shareholders to be held on April 25, 2018. The attached Notice of 2018 Annual Meeting of Shareholders and Proxy Statement contains important information about the business to be conducted at the Annual Meeting.

2017 marked another consecutive year of delivering strong, differentiated results, while generating considerable momentum for 2018 and the years ahead. This exceptional performance reflects the efforts of an exceptionally talented Cigna team individuals who are proud to serve as champions on behalf of our customers and communities around the world.

In support of Cigna's belief that our communities play an essential role in meeting the health and wellness needs of individuals, we continue to take leadership roles to confront a number of societal challenges. Cigna is addressing the needs of our friends, families and neighbors through efforts such as combatting the opioid crisis in partnership with providers, empowering veterans to address difficult health and life circumstances and establishing a multi-city health improvement tour to bring free health screenings nationwide.

We continue to be led by our *Go* strategy, which we adopted in 2009 and evolved in mid-2017 to *Go Deeper, Go Local* and *Go Beyond* to further accelerate our ability to drive significant value creation for our customers, clients, partners, communities and shareholders. By consistently and effectively executing on our *Go* strategy over this extended period of time, we have proven that we can actively align Cigna with the needs of our diverse stakeholders and succeed in an evolving, highly dynamic and disruptive global marketplace.

Enhancing this strategy is our continued commitment to innovation, a relentless focus on serving our customers, and a drive to be a convener for both organizations and individuals across an increasingly complex landscape. Taken together with our unwavering mission to improve the health, well-being and sense of security of those we are privileged to serve, we are solidifying Cigna's role as a partner of choice, and are creating value for stakeholders across the markets where we compete.

Our ability to create and deliver this value is clearly reflected in our financial performance and in our ability to deliver competitively attractive top and bottom line growth, as well as earning the right to serve more than 95 million customer relationships around the world.

As we enter 2018, Cigna's strong capital position and flexibility further enable our organization to drive attractive earnings and customer growth both in 2018 and over the long-term.

To position us for continued strong performance, this year we named five tenured and proven leaders to our enterprise leadership, allowing us to further emphasize our focus on customer engagement, local markets and value-based partnerships.

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Our Board of Directors, comprised of individuals with diverse experiences and skills, remains committed to strong corporate governance as a framework for financial integrity, shareholder transparency and competitively attractive performance. In consideration of the vote on the shareholder proposal regarding proxy access at the last annual meeting and following outreach to shareholders, in December 2017 the Board adopted proxy access, representing a significant enhancement of shareholder rights.

Your vote is very important. Whether or not you plan to attend the 2018 Annual Meeting, we hope that you will cast your vote as soon as possible.

As always, thank you for your continued support of Cigna.

Sincerely,

/s/ David M. Cordani  
**David M. Cordani**

/s/ Isaiah Harris, Jr.  
**Isaiah Harris, Jr.**

President and Chief Executive Officer

Chairman of the Board

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**NOTICE OF 2018 ANNUAL MEETING OF SHAREHOLDERS**

**DATE AND TIME:** Wednesday, April 25, 2018 at 8:00 a.m.

**PLACE:** Delamar Hotel, Ballroom

1 Memorial Road

West Hartford, Connecticut 06107

**ITEMS OF BUSINESS:** **Proposal 1:** Election of ten director nominees named in this Proxy Statement for one-year terms to expire at the next annual meeting of shareholders.

**Proposal 2:** Advisory approval of executive compensation.

**Proposal 3:** Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2018.

**Proposal 4:** Approval of an amendment to the Company's Restated Certificate of Incorporation to eliminate the supermajority voting requirement.

Consideration of any other business properly brought before the meeting.

**RECORD DATE:** You may vote on the matters presented at the Annual Meeting if you were a shareholder of record at the close of business on February 26, 2018.



**PROXY VOTING:** Your vote is very important, regardless of the number of shares you own. We urge you to promptly vote by telephone, by using the Internet, or, if you received a proxy card or instruction form, by completing, dating, signing and returning it by mail.

March [ ], 2018

By order of the Board of Directors,

/s/ **Neil Boyden Tanner**

**Neil Boyden Tanner**

Corporate Secretary

**Important Notice Regarding the Availability of Proxy Materials for  
the Annual Meeting of Shareholders To Be Held on April 25, 2018**

The Notice of Annual Meeting, Proxy Statement and Annual Report for  
the fiscal year ended December 31, 2017 are available at [www.envisionreports.com/ci](http://www.envisionreports.com/ci).

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**PROXY STATEMENT SUMMARY**

We provide below highlights of certain information in this Proxy Statement. As it is only a summary, please refer to the complete Proxy Statement and 2017 Annual Report before you vote.

**Mission and Strategy**

Cigna's mission is dedicated to improving the health, well-being and sense of security of the individuals we serve through our more than 95 million customer relationships around the globe. Since 2009, our strategic focus in support of our mission has been to *Go Deep, Go Global and Go Individual*.

To further accelerate the differentiated value we deliver for our customers, clients, partners and communities, we have evolved this strategy to *Go Deeper, Go Local and Go Beyond* in order to expand avenues for growth and performance. Creating value for our customers, clients, partners, communities and in turn, our shareholders, is a direct result of the continued, effective execution of this proven strategy.

**Our Mission**

To improve the health, well-being and sense of security of the people  
we serve

**Our Strategy**

- Go Deeper:*** To expand and deepen our customer, client and partner relationships; depth in targeted sub-segments, geographies
- Go Local:*** To ensure our solution suite and services meet customer, client and partner needs at a local market level
- Go Beyond:*** To innovate and further differentiate our businesses, the experiences we deliver, and overall social impact

### **How We Will Win**

Cigna is a growth company with a proven track record of strong top-line and bottom-line growth and a clear, focused strategy. We create value by delivering differentiated and innovative solutions to our customers, clients and partners. We have an attractive, long-term outlook, enabled by the significant opportunity in our existing businesses, our strong talent, capabilities and capital position.

We also believe that our corporation has a social responsibility, and that we can work to actively address gaps in health and well-being to help individuals in the markets where we operate around the world. Our perspective is that companies like Cigna can partner more with communities to contribute and make a difference.

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[PROXY STATEMENT SUMMARY](#)

[Business Performance](#)

In 2017, consolidated revenue increased 5% to \$41.6 billion, as we continued to focus on our mission to improve the health, well-being and sense of security of the people we serve. Shareholders' net income for 2017 was \$2.2 billion, compared to \$1.9 billion for 2016. Consolidated adjusted income from operations\* for 2017 was \$2.7 billion, compared to \$2.1 billion in 2016, reflecting increased earnings contributions from each of our business segments. Our results included strong performance across each of our priority growth platforms—Commercial Employer, U.S. Seniors, Global Supplemental Benefits, and Group Disability and Life. These results provide us with momentum for continued growth in 2018.

\* We encourage you to review our Annual Report on Form 10-K for the year ended December 31, 2017 for more complete financial information. Consolidated adjusted income from operations is a measure of profitability used by Cigna's management because it presents the underlying results of operations of Cigna's businesses and permits analysis of trends in underlying revenue, expenses and shareholders' net income. This consolidated measure is not determined in accordance with accounting principles generally accepted in the United States (GAAP) and should not be viewed as a substitute for the most directly comparable GAAP measure, shareholders' net income. Shareholders' net income was \$1.5 billion, \$2.1 billion, \$2.1 billion, \$1.9 billion and \$2.2 billion for the years ended December 31, 2013, 2014, 2015, 2016 and 2017, respectively. For a reconciliation of consolidated adjusted income from operations to shareholders' net income, see Annex A.

[Total Shareholder Return](#)

The following chart shows our cumulative Total Shareholder Return (TSR) as of December 31, 2017, on a one-, three- and five-year basis. Cigna's three-year annual compounded TSR was 25.5%, placing Cigna at the 78<sup>th</sup> percentile of its Strategic Performance Share (SPS) performance peer group for the 2015–2017 performance period. For more information regarding our SPS program, see Long-Term Incentives—Strategic Performance Share Program in the Compensation Discussion & Analysis (CD&A).

**2** [Cigna 2018 Notice of Annual Meeting of Shareholders and Proxy Statement](#)

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## Board of Directors

<b>CURRENT DIRECTORS</b>	<b>AGE</b>	<b>OCCUPATION</b>	<b>COMMITTEE MEMBERSHIPS</b>
<b>David M. Cordani</b>	52	President and Chief Executive Officer of Cigna	Executive
<b>Eric J. Foss</b>	59	Chairman, President and Chief Executive Officer of ARAMARK Corporation	Corporate Governance People Resources
<b>Isaiah Harris, Jr.</b>	65	Former President and Chief Executive Officer of AT&T Advertising & Publishing East	Chairman of the Board Executive (Chair)
<b>Jane E. Henney, M.D.</b>	70	Former Senior Vice President, Provost and Professor of Medicine, University of Cincinnati College of Medicine	Corporate Governance (Chair) Audit Executive
<b>Roman Martinez IV</b>	70	Private Investor	Audit (Chair)



			Executive
			Finance
			Finance (Chair)
<b>John M. Partridge</b>	68	Former President of Visa, Inc.	Executive
			People Resources
<b>James E. Rogers</b>	70	Former Chairman, President and Chief Executive Officer of Duke Energy Corporation	Audit
			Finance
<b>Eric C. Wiseman</b>	62	Former Executive Chairman, President and Chief Executive Officer of VF Corporation	Finance
			People Resources
<b>Donna F. Zarcone</b>	60	President and Chief Executive Officer of The Economic Club of Chicago	Audit
			Corporate Governance
<b>William D. Zollars</b>	70	Former Chairman, President and Chief Executive Officer of YRC Worldwide, Inc.	People Resources (Chair)
			Executive
			Corporate Governance

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**PROXY STATEMENT SUMMARY**

Corporate Governance

Cigna is committed to ensuring strong corporate governance practices on behalf of our shareholders. We believe that strong corporate governance provides the foundation for financial integrity and shareholder confidence. The Office of the Corporate Secretary engages with shareholders on issues related to corporate governance, executive compensation and social responsibility. In 2017, the Office of the Corporate Secretary engaged in extensive outreach with shareholders, particularly regarding proxy access, as further described on page 16. During these meetings, shareholders also expressed an interest in learning more about our board refreshment plans and our corporate responsibility efforts. As a result, we have included additional disclosure on these topics, which can be found on pages 9 and 23, respectively.

In 2017, the Board, after a full evaluation that included outreach to Cigna's largest shareholders and consideration of the vote on the shareholder proposal regarding proxy access at the 2017 annual meeting of shareholders, implemented proxy access. As a result, a shareholder or a group of up to 20 shareholders owning 3% or more of Cigna's outstanding common stock continuously for at least three years may nominate and include in the Company's proxy materials director nominees constituting up to the greater of 20% of the Board or two individuals, provided the shareholder(s) and the nominee(s) satisfy the requirements specified in the By-Laws. The Board believes that this proxy access bylaw framework provides meaningful proxy access rights, reflects generally accepted governance practices around proxy access and is consistent with the overall feedback we received as part of our shareholder engagement.

In February 2018, the Board approved an amendment to the Company's Restated Certificate of Incorporation to eliminate the supermajority vote provision, subject to shareholder approval at this Annual Meeting. Following shareholder approval, the Board will amend the By-Laws to eliminate a similar supermajority voting requirement in our By-Laws. Thereafter, all supermajority voting provisions will have been removed and shareholders may amend all provisions of the Restated Certificate and the By-Laws by the affirmative vote of a majority of the Company's outstanding common stock.

At the 2016 annual meeting of shareholders, the phased implementation of the Board's declassified structure began and, beginning with this Annual Meeting, all directors are elected to one-year terms and the classified structure is fully eliminated.

**KEY GOVERNANCE PRACTICES**

Independent board of directors with diversity in composition, skills and experience

Separate Code of Business Conduct and Ethics for the Board

Independent Chairman of the Board

Independent Audit, Corporate Governance, Finance  
and People Resources Committees

Regular executive sessions of the Board and its  
committees, without management present

Annual self-evaluations of the Board, its  
committees and individual directors, including  
periodic independent third party assessments

Directors elected by majority voting

Majority of director compensation delivered in  
Cigna common stock

Annual election of all directors

Proxy access right for shareholders

Meaningful stock ownership guidelines for  
directors

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**PROXY STATEMENT SUMMARY**

**Executive Compensation**

Cigna’s executive compensation program is based on the philosophy that executive pay should strongly align with the interests of our shareholders, directly link to Company and individual performance and attract and retain executive talent. We believe the achievement of our enterprise goals will result in the creation of meaningful and sustained long-term value for our shareholders. Each of the measures in our performance-based plans are designed to align with and support our business strategy. We focus on driving enterprise profitability, growth and operating expense efficiency to support investment in innovation, customer loyalty and stock performance.

In 2017, our shareholders cast advisory votes in favor of our executive compensation program, with approximately 93% of votes cast in favor.

**COMPENSATION GOVERNANCE AND CONTROLS**

<p>Double trigger requirement for change of control benefits</p>	<p>Management of Long-Term Incentive Plan annual share usage (or burn rate) and total dilution by setting an annual share usage limit, which is below the maximum permitted under the plan</p>
<p>No tax gross-up of severance pay upon a change of control</p>	<p>No excessive perquisites</p>
<p>Regular review of executive compensation governance market practices, particularly when considering the adoption of new practices or changes to existing programs or policies</p>	<p>Oversight by the People Resources Committee of people development, policies and processes, including consideration of assessments of executive officers and key senior management</p>
<p>Robust stock ownership guidelines and holding requirements for equity awards to align executives interests with shareholders</p>	<p>CEO and executive officer succession plans overseen by the Board of Directors, with assistance from the People Resources Committee</p>

Prohibition of hedging of Cigna stock by all directors, executive officers and employees, and restrictions on pledging of Cigna stock by directors and Section 16 officers

An annual assessment by the People Resources Committee of any potential risks and associated internal controls in our incentive compensation programs and policies

A disgorgement of awards (clawback) policy beyond the mandates of Sarbanes-Oxley

The target pay mix for the Chief Executive Officer and the other named executive officers during 2017 reflects our executive compensation philosophy that emphasizes performance-based compensation over fixed compensation. The percentages shown below are targets only and will not match the percentages calculable from the actual compensation paid as reflected in the Summary Compensation Table.

**CEO TARGET**

**PAY MIX**

**OTHER NEO AVERAGE**

**TARGET PAY MIX**

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**PROXY STATEMENT SUMMARY**

Voting Matters and Board Recommendations

PROPOSALS	BOARD RECOMMENDATION
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**Proposal 1. Election of Directors.**

The Board and the Corporate Governance Committee believe that the ten director nominees named in this Proxy Statement bring a combination of diverse qualifications, skills and experiences that contribute to a well-rounded Board. As determined by the Board and Corporate Governance Committee as part of the most recent Board evaluation, each director nominee has proven leadership ability, good judgment and has been an active and valued participant on the Board during his or her tenure.

**FOR**  
**each of the nominees**

**Proposal 2. Advisory Approval of Executive Compensation.**

The Board believes that Cigna's executive compensation program design effectively aligns the interests of our executive officers with those of our shareholders by tying a significant portion of their compensation to Cigna's performance and rewarding our executive officers for the creation of long-term value for Cigna's shareholders. Because your vote is advisory, it will not be binding upon the Board. However, the Board and People Resources Committee value your opinion and will review and consider the voting results when making future executive compensation decisions.

**FOR**

**Proposal 3. Ratification of the Appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for 2018.**

**FOR**

The Audit Committee approved the appointment of PricewaterhouseCoopers LLP as Cigna's independent registered public accounting firm for 2018. The Audit Committee and the Board believe that the continued retention of PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm is in the best interests of the Company and its shareholders. As a matter of good corporate governance, the Board is seeking shareholder ratification of the appointment.

**Proposal 4. Approval of an Amendment to the Company's Restated Certificate of Incorporation to Eliminate the Supermajority Voting Requirement.**

**FOR**

The Board recognizes that the elimination of the supermajority vote required to amend Section 2 of Article III of the Company's By-Laws, which relates to the number, qualifications, election and term of office of the Board of Directors, aligns with best practices in corporate governance.

**2018 Annual Meeting of Shareholders**

**Wednesday, April 25, 2018**

**8:00 a.m.**

**Delamar Hotel, Ballroom**

**1 Memorial Drive**

**West Hartford, Connecticut 06107**

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**CORPORATE GOVERNANCE MATTERS**

**Election of Directors (Proposal 1)**

Beginning with this Annual Meeting, the entire Board of Directors is elected annually by Cigna's shareholders. Based on input from shareholders, we began the phased implementation of the Board's declassified structure at the 2016 annual meeting. The classified structure is now fully eliminated. At this Annual Meeting, the Board is nominating the ten directors named in this Proxy Statement for one-year terms to expire at the next annual meeting of shareholders. The role of the Board, its leadership structure and governance practices are described in Corporate Governance Policies and Practices. This section describes the process for director elections and director nominations, identifies the director expectations and qualifications considered by the Board and the Corporate Governance Committee in selecting and nominating directors, discusses our board refreshment activities and presents the biographies, skills and qualifications of the director nominees.

**PROCESS FOR DIRECTOR ELECTIONS**

Cigna has adopted a majority voting standard for the election of directors in uncontested elections. Under this standard, each director must receive a majority of the votes cast for him or her. This means that the number of votes cast for a director nominee must exceed the number of votes cast against that nominee for the director to be elected. Each director has agreed to tender, and not withdraw, his or her resignation if he or she does not receive a majority of the votes cast at the Annual Meeting. The Corporate Governance Committee will make a recommendation to the Board on whether to accept the resignation. The Board has discretion to accept or reject the resignation. A director whose resignation is under consideration will not participate in the decisions of the Corporate Governance Committee or the Board concerning his or her resignation. In a contested election, where the number of director nominees exceeds the number of directors to be elected, the voting standard is a plurality of votes cast.

**PROCESS FOR SELECTING AND NOMINATING DIRECTORS**

**Director Selection and Nomination Process**

The Corporate Governance Committee assesses the Board's composition as part of the annual self-evaluation of the Board (described in Corporate Governance Policies and Practices – Board Evaluations and Board Effectiveness ). When considering whether to nominate current directors for re-election, the Corporate Governance Committee and the Board review the individual director's performance against the expectations for Board membership (identified below under Director Expectations and Qualifications ). The Board considers its composition as part of its annual evaluation. The Board may nominate for election, and appoint to fill vacant or new Board positions, only those persons who agree to adhere to the Company's majority voting standard (described above).



From time to time, the Corporate Governance Committee retains a third-party search firm to assist in identifying and evaluating candidates for Board membership. In 2017, the Corporate Governance Committee retained an outside firm to assist the Committee and the Board with its board refreshment plan, as further described on page 9. The Corporate Governance Committee also considers suggestions for Board nominees submitted by shareholders, which are evaluated using the same criteria as new director candidates and current director nominees.

Once a potential candidate has been identified, the Corporate Governance Committee reviews the background of the new director candidate and presents him or her to the Board for consideration. When considering director candidates and the current and future composition of the Board, the Corporate Governance Committee and the Board consider how each candidate's background, experiences, skills and/or prior board and committee service will contribute to the diversity of the Board. In addition, the Corporate Governance Committee and the Board consider the Company's business strategy and how each director candidate's background complements that strategy. Candidates interview with the Chief Executive Officer, the Chair of the Corporate Governance Committee and the Chairman of the Board, as well as other members of the Board, as appropriate.

Shareholders that want to nominate directors for inclusion in our proxy statement or directly at an annual meeting in accordance with our By-Laws should follow the instructions described in Annual Meeting Information.

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**CORPORATE GOVERNANCE MATTERS**

**Director Expectations and Qualifications**

The Corporate Governance Committee, in consultation with the Board, has identified individual director expectations and qualifications, characteristics, skills and experience that it believes every member of the Board should have. In addition, the Corporate Governance Committee has identified areas of expertise that it believes support Cigna’s business strategy in the short- and long-term, enable the Board to exercise its oversight function and contribute to a well-rounded Board. These expectations and qualifications, as well as the identified areas of expertise, are considered and reviewed as part of the Board’s annual evaluation and as part of each individual Director’s evaluation. In developing these areas of expertise, the Board also considered the skills necessary to support the business strategy and the skills and experiences reflected on the boards of companies within Cigna’s peer group, as well as best practices among other large companies. The Board regularly reviews the identified areas to ensure they support changes in the Company’s strategy and the Board’s needs. The Corporate Governance Committee and the Board take into consideration these criteria and the mix of skills and experience as part of the director recruitment, selection, evaluation and nomination process.

**Expectations of Every Director**

Understand Cigna’s businesses and the importance of the creation of shareholder value	Contribute effectively to the Board’s assessment of strategy and risk
Participate in an active, constructive and objective way at Board and committee meetings	Share expertise, experience, knowledge and insights on matters before the Board
Review and understand advance briefing materials	Advance Cigna’s business objectives and reputation
Contribute effectively to the Board’s evaluation of executive talent, compensation and succession planning	Demonstrate an ongoing commitment to consult and engage with the CEO and senior management outside of Board and committee meetings on matters impacting Cigna

**Qualifications, Characteristics, Skills and Experience of Every Director**

<p>Good judgment and strong commitment to ethics and integrity</p>	<p>Ability to assess different risks and impact on shareholder value</p>
<p>Ability to analyze complex business and public policy issues and provide relevant input concerning the Company's business strategy</p>	<p>Contribution to the Board's overall diversity of thought</p>
<p>Free from conflicts of interest</p>	<p>High degree of achievement in their respective fields</p>

While the Board does not have a formal policy with regard to diversity, the Board remains committed to diversity and the Corporate Governance Committee works to ensure that the Board is comprised of individuals with expertise in fields relevant to Cigna's business, experience from different professions and industries, a diversity of age, ethnicity, gender and global experience and a range of tenures. The Board believes that a range of tenure allows both new perspective and continuity. This continuity has proven beneficial given the complexities of, and the significant change and uncertainty in, the health care industry over the past several years.

*The above tables show the diversity of our independent board members.*

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**CORPORATE GOVERNANCE MATTERS**

**AREAS OF EXPERTISE REFLECTED ON CIGNA'S**

**BOARD OF DIRECTORS**

**Business Leader**

Directors who have served as a chief executive officer, a CEO-equivalent or a business unit leader of a large company bring a practical understanding of large organizations, processes, strategy and risk management.

**Finance**

An understanding of finance, capital markets and financial reporting processes is necessary for a well-rounded Board because of the importance we place on accurate financial reporting and robust financial controls and compliance. In addition, Cigna's business involves complex financial transactions.

**Healthcare and Delivery Systems**

As we work to create a sustainable health care ecosystem, the Board values directors with experience on issues related to improving access to care and reducing health costs to patients through the provision of care management and the use of innovative delivery system solutions.

**Information Technology**

Effective information systems and the integrity and timeliness of data we use to serve our customers and health care professionals are integral to the operation of our business. For this reason, the Board benefits from directors with leadership experience related to the development, installation, implementation, security or maintenance of computer systems, applications and digital informatics.

**International/Global**

The Board values directors with leadership experience overseeing non-U.S. operations and working in diverse cultures around the globe.

**Marketing and Consumer Insights**

Our customer-focused strategy benefits from inclusion of directors with leadership experience in marketing, advertising and consumer insight functions. These directors also have experience with product development and brand building, particularly as it focuses on end-user consumers.

**Regulated Industry/Public Policy**

Our business is highly regulated at the federal, state, local and international levels. For this reason, the Board benefits from directors with experience in regulated industries and public policy to help us identify, assess and respond to new trends in the legislative and regulatory environment.

### **Board Refreshment and Succession Planning**

The Corporate Governance Committee is responsible for identifying new director candidates, reviewing the composition of the Board and its committees and for making recommendations to the full Board on these matters. On an ongoing basis, the Corporate Governance Committee engages in Board succession planning, taking into account input from Board discussions and from the Board and committee evaluation process regarding the specific backgrounds, skills and experience that would contribute to overall Board and committee effectiveness.

In 2017, the Corporate Governance Committee began a long-term board refreshment plan. The Corporate Governance Guidelines require that directors retire no later than the annual meeting of shareholders coinciding with or following his or her 72<sup>nd</sup> birthday. As a result, within the next five years, five directors are expected to retire from the Board. To assist with board refreshment planning, the Corporate Governance Committee engaged Russell Reynolds Associates, Inc. to provide advisory services related to board succession planning and to assist with the recruitment of director candidates. The plan includes a needs assessment and an interview with each director to understand his or her perspective on Cigna's strategy, the culture of the Board and the Board's relationship with management, and to seek the Board's views on the skills that may be relevant in the coming years and in light of upcoming retirements. The Corporate Governance Committee is focused on identifying candidates that possess skills and qualifications that will support the Company's short- and long-term strategy, while being mindful of the skills that the retiring directors bring to the Board and the ongoing significant complexity and uncertainty within the health care industry. The goal of the refreshment plan is to balance the knowledge that results from long-term service on the Board with the new skills and experience that results from adding new directors to the Board, at a pace that allows the Board to maintain its high-performing and diverse culture.

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**CORPORATE GOVERNANCE MATTERS**

**Other Practices and Policies Related to Director Service**

In addition to working to ensure that the Board is comprised of diverse and qualified individuals, the Board has adopted the following governance policies and practices that contribute to a well-functioning Board.

To ensure each director is able to devote sufficient time and attention to his or her responsibilities as a board member, the Board has established the following limits on outside directorships:

**Limits on Public Company**

Each director who also is a chief executive officer of a public company may not serve on more than one other public company board in addition to Cigna's Board and the board of his or her employer (for a total of three public company directorships); and

**Directorships**

Each director who is not a chief executive officer of a public company may serve on no more than four boards of other public companies (for a total of five such directorships).

All of our directors are in compliance with these limits on outside directorships.

**Change in Director's Principal Position**

If a director changes his or her principal employment position, that director is required to tender his or her resignation from the Board to the Corporate Governance Committee. The Committee will then recommend to the Board whether to accept or decline the resignation.

**Mandatory Retirement Age**

A director is required to retire no later than the annual meeting of shareholders coinciding with or following his or her 72<sup>nd</sup> birthday.

### Continuing Education for Directors

The Board is regularly updated on Cigna's businesses, strategies, customers, operations and employee matters, as well as external trends and issues that affect the Company. Directors also are encouraged to attend continuing education courses relevant to their service on Cigna's Board at Cigna's expense. Cigna regularly makes the Board aware of continuing education opportunities that may be of interest. The Corporate Governance Committee oversees the continuing education practices, and the Company is kept apprised of director participation.

## BOARD OF DIRECTORS NOMINEES

Upon the recommendation of the Corporate Governance Committee, the Board is nominating the ten directors listed below for re-election to one-year terms to expire at the next annual meeting of shareholders. All nominees have consented to serve, and the Board does not know of any reason why any nominee would be unable to serve. If a nominee becomes unavailable or unable to serve before the Annual Meeting, the Board may either reduce its size or designate another nominee. If the Board designates a nominee, your proxy will be voted for the substitute nominee.

Below are biographies, skills and qualifications for each of the nominees. Each of the director nominees currently serves on the Board. The Board believes that the combination of the various experiences, skills and qualifications represented contributes to an effective and well-functioning Board and that the nominees possess the qualifications, based on the criteria described above, to provide meaningful oversight of Cigna's business and strategy.

**The Board of Directors  
unanimously recommends  
that shareholders vote  
FOR the nominees listed  
below.**

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**CORPORATE GOVERNANCE MATTERS**

**DAVID M. CORDANI**

President, Chief Executive Officer  
and Director of Cigna

AGE: 52

DIRECTOR SINCE: 2009

COMMITTEES: Executive

Mr. Cordani has served as Cigna's Chief Executive Officer since December 2009 and as President since June 2008. He served as Chief Operating Officer from June 2008 until December 2009; President, Cigna HealthCare from 2005 until 2008; and Senior Vice President, Customer Segments & Marketing, Cigna HealthCare from 2004 until 2005. He has been employed by Cigna since 1991. He is a member of the Business Roundtable and serves on the U.S.-India Business Council Board of Directors. In 2017, he was also named Chairman of the U.S. Chamber of Commerce's U.S.-Korea Business Council. In 2016, Mr. Cordani received the Leadership in the Nation's Interest award from the Committee for Economic Development, a nonprofit, nonpartisan, business-led public policy organization. Mr. Cordani was named one of Fortune Magazine's Top Business Persons of the Year in 2015. Mr. Cordani received his Bachelor of Business Administration from Texas A&M University and his MBA from the University of Hartford.

**Other Public Company Directorships:** General Mills, Inc. (2014-Present)

**Business Leader.** Mr. Cordani has extensive executive leadership and management experience, including through his current role as President and Chief Executive Officer of Cigna. Mr. Cordani has spearheaded Cigna's transformation into a leading global health service company, more than doubling the size of the business since 2009. His prior role as Chief Operating Officer also encompassed broad responsibility for Cigna's global business and corporate functions.

**Finance.** Mr. Cordani served as Business Financial Officer for Cigna's healthcare division and in senior roles in corporate accounting and planning. He was formerly a CPA with public accounting experience at Coopers & Lybrand.

**Healthcare and Delivery Systems.** Mr. Cordani's long tenure with Cigna, as President and Chief Executive Officer and previously as President of the Cigna HealthCare business segment provides him with unique perspective of the evolution of the healthcare service sector and the innovation of health delivery models.



**Information Technology.** Mr. Cordani manages Cigna's information technology investments in support of business and strategic objectives.

**Marketing and Consumer Insights.** As Chief Executive Officer, he leads the development and execution of Cigna's Go strategy to deliver value in more than 95 million customer relationships around the world.

**Regulated Industry/Public Policy.** Mr. Cordani is actively engaged in public policy related to the highly regulated healthcare industry and other global business markets.

### **ERIC J. FOSS**

Chairman, President and Chief  
Executive Officer of ARAMARK  
Corporation

AGE: 59

DIRECTOR SINCE: 2011

COMMITTEES: Corporate  
Governance, People Resources

Mr. Foss has been Chairman of the Board of ARAMARK Corporation, a publicly traded provider of food services, facilities management and uniform services, since February 2015, and President and Chief Executive Officer since May 2012. He served as Chief Executive Officer of Pepsi Beverages Company, a beverage manufacturer, seller and distributor and a division of PepsiCo, Inc., from 2010 until December 2011. He was the Chairman and Chief Executive Officer of The Pepsi Bottling Group, Inc. from 2008 until 2010; President and Chief Executive Officer from 2006 until 2008; and Chief Operating Officer from 2005 until 2006. Mr. Foss received his Bachelor of Science degree from Ball State University.

**Other Public Company Directorships:** ARAMARK Corporation (2012-Present), UDR, Inc. (2003-2015), The Pepsi Bottling Company (2006-2010)

**Business Leader.** Mr. Foss has extensive leadership experience through his roles as Chairman, President and CEO of ARAMARK Corporation, combined with his 30-year career at Pepsi Beverages Company and The Pepsi Bottling Group, including his role as Chairman and CEO.

**Finance.** As Chairman, President and CEO of ARAMARK and as CEO of Pepsi Beverages Company and The Pepsi Bottling Group, his experience includes oversight of financial operations, financial reporting, merger and acquisition activities and corporate restructurings. He led ARAMARK's initial public offering in 2013 and was instrumental in The Pepsi Bottling Group's initial public offering and oversaw its acquisition by PepsiCo.

**International/Global.** Mr. Foss's responsibilities at ARAMARK, Pepsi Beverages Company and The Pepsi Bottling Group included international business leadership, managing the challenges of operating a global business and strategic planning. At ARAMARK, he has oversight of operations in 20 countries, and throughout his tenure at Pepsi Beverage Company and The Pepsi Bottling Group, had responsibilities for global operations including international

assignments.

**Marketing and Consumer Insights.** Mr. Foss service as CEO of Pepsi Beverages Company and The Pepsi Bottling Group provided him experience as an executive officer of a consumer oriented company.

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**CORPORATE GOVERNANCE MATTERS**

**ISAIAH HARRIS, JR.**

Former President and Chief  
Executive Officer of AT&T  
Advertising & Publishing East

AGE: 65

DIRECTOR SINCE: 2005

COMMITTEES: Executive (Chair)

Mr. Harris has served as Cigna's Chairman of the Board since December 2009 and served as Vice-Chairman of the Board from July 2009 through December 2009. Mr. Harris served as President and Chief Executive Officer of AT&T Advertising & Publishing East (formerly BellSouth Advertising & Publishing Group), a communications services company, from 2005 until his retirement in 2007; as President, BellSouth Enterprises, Inc. from 2004 until 2005 and as President, Consumer Services, BellSouth Corporation from 2000 until 2004. Mr. Harris has served as an Independent Trustee of Wells Fargo Advantage Funds, a provider of mutual funds, since 2008. Mr. Harris was nominated as NYSE 2014 Chairman of the Year. Mr. Harris received his Bachelor of Science degree from Iowa State University and his MBA from the University of Minnesota.

**Other Public Company Directorships:** Deluxe Corporation (2004-2011)

**Business Leader.** In his executive business leadership roles, including as CEO of AT&T Advertising and Publishing, Mr. Harris managed large organizations, developed and executed business strategies and led transformational change initiatives in both domestic and international operations.

**Finance.** Mr. Harris' extensive finance experience includes 19 years of corporate finance and operational experience in multi-national organizations, including as Vice President of Finance, BellSouth Corporation, preceded by 13 years as a CPA with KPMG LLP. Through service on the board of directors of Deluxe Corporation, a provider of customized products and services including financial services and direct checks, and as a trustee of Wells Fargo Advantage Funds, he has insight into financial services-related issues.

**Marketing and Consumer Insights.** As President, Consumer Services, BellSouth Corporation, Mr. Harris focused on marketing communication services to end-user consumers.

**Regulated Industry/Public Policy.** Throughout his career at AT&T Advertising & Publishing, Mr. Harris navigated a heavily regulated and dynamic legal environment.

**JANE E. HENNEY, M.D.**

Former Senior Vice President,  
Provost and Professor of Medicine,  
University of Cincinnati College of  
Medicine

AGE: 70

DIRECTOR SINCE: 2004

COMMITTEES: Corporate  
Governance (Chair), Audit,  
Executive

Dr. Henney was appointed to the position of Home Secretary of the National Academy of Medicine, a division of The National Academies of Sciences designed to advise the nation on health issues, in April 2014. Dr. Henney served as a Professor of Medicine at the University of Cincinnati College of Medicine, an educational institution, from 2008 until 2012. She served as Senior Vice President and Provost, Health Affairs at the University of Cincinnati Academic Health Center from 2003 until 2008. Appointed by President Bill Clinton, Dr. Henney served as the first female U.S. Commissioner of Food and Drugs from 1998 to 2001. She has served as Lead Independent Director of AmerisourceBergen Corporation, a publicly traded bio-pharmaceutical company, since 2016. Dr. Henney also served on the China Medical Board since 2004. She received recognition from the National Association of Corporate Directors as an NACD Directorship 100 Class of 2012 member. Dr. Henney is also an NACD Board Leadership Fellow. Dr. Henney received her Bachelor of Science degree from Manchester College and her Doctor of Medicine from Indiana University.

**Other Public Company Directorships:** AmerisourceBergen Corporation (2002-Present) and Lead Independent Director (2016-Present), Cubist Pharmaceuticals, Inc. (2012-2015), AstraZeneca PLC (2001-2011)

**Healthcare and Delivery Systems.** Dr. Henney's positions as Medical Doctor, Home Secretary of the National Academy of Medicine, Commissioner of Food and Drugs, and Executive of Academic Health Center provide her with direct experience regarding emerging health care issues and complex health delivery systems.

**Regulated Industry/Public Policy.** As former Commissioner of Food and Drugs and Home Secretary of the National Academy of Medicine, Dr. Henney has extensive insight into the highly regulated health industry in the U.S. and abroad.

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**ROMAN MARTINEZ IV**

Private Investor

AGE: 70

DIRECTOR SINCE: 2005

COMMITTEES: Audit (Chair),  
Executive, Finance

Mr. Martinez has been a private investor since 2003. In 2003, he retired as Managing Director of Lehman Brothers, an investment banking firm, following a 31-year career with the firm. He has served on the Board of Trustees of New York Presbyterian Hospital since 1996. Mr. Martinez received his Bachelor of Science degree from Boston College and his MBA from the Wharton School of the University of Pennsylvania.

**Other Public Company Directorships:** Orbital ATK, Inc. (2015-Present), Alliant Techsystems, Inc. (2004-2015)

**Finance.** Mr. Martinez has over ten years of experience as a private investor and serves on the Investment Committees of several non-profit organizations. He previously served on the Investment Advisory Council of the State of Florida, which provides independent oversight of the Florida Retirement System funds and other state funds, which aggregated in excess of \$150 billion. He has extensive experience in investment banking through his 31-year tenure with Lehman Brothers where he was involved in a broad spectrum of U.S. and international investment banking activities covering financing, mergers and acquisitions and restructuring advisory assignments as well as financing transactions for governments and corporations.

**Healthcare and Delivery Systems.** Through his over 20 years serving on the Board of Trustees of New York Presbyterian Hospital, Mr. Martinez developed insights into the issues facing health care systems in a rapidly changing environment, including the provision of care management and delivery systems.

**JOHN M. PARTRIDGE**

Former President of Visa, Inc.

AGE: 68

DIRECTOR SINCE: 2009

COMMITTEES: Finance (Chair),  
Executive, People Resources

Mr. Partridge served as President of Visa, Inc., a publicly traded consumer credit company, from 2009 until 2013 and as Chief Operating Officer from 2007 to 2009. He joined Visa USA in October 1999 and served as President and Chief Executive Officer of Inovant (a Visa subsidiary) from 2000 to 2007 and as Interim President of Visa USA in 2007. From 1998 until joining Visa USA, Mr. Partridge served as Senior Vice President and Chief Information Officer of Unum Provident Corp., a publicly traded disability insurance company. From 1989 to 1998, Mr. Partridge was Executive Vice President for Credicorp Inc., a commercial banking, insurance and investment banking company, where he was responsible for consumer banking, technology and operations. Prior to joining Credicorp Inc., Mr. Partridge held various management positions with Wells Fargo Bank. Mr. Partridge has served as Chairman and Chief Executive Officer of Velo Payments, a global smart data network for business disbursements, since March 2017 and as an operating partner of Corsair Capital, a private equity firm focused on the financial services industry, since October 2015. Mr. Partridge received his Bachelor of Science degree from the University of California.

**Other Public Company Directorships:** Global Payments, Inc. (2013-Present)

**Business Leader.** Mr. Partridge has extensive senior leadership experience through his positions with Visa, Inc., Visa USA, Inovant, Unum and Credicorp.

**Finance.** As President and CEO of Inovant, he had direct oversight of financial operations, financial reporting, merger and acquisition activities and corporate restructurings. As President of Visa, he was involved with financial oversight and reporting and strategic transactions. His responsibilities at Credicorp provided significant financial services experience.

**Information Technology.** Mr. Partridge has experience managing and overseeing information technology investments in support of business objectives which he gained through each of his executive leadership positions, including as Chief Information Officer of Unum and as a director of Global Payments, a provider of electronic transaction processing services. As President of Inovant, he oversaw Visa's electronic payment processing service.

**International/Global.** As President of Visa, Mr. Partridge's responsibilities included international business leadership. He also serves as a director of a large public company with extensive international operations. His responsibilities with Credicorp included international assignments.

**Marketing and Consumer Insights.** Through his tenure with Visa, Mr. Partridge focused heavily on consumer credit and oversaw marketing, product, client service, support and processing services. As Executive Vice President of Credicorp, his responsibilities included consumer banking.

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**JAMES E. ROGERS**

Former Chairman, President and  
Chief Executive Officer of Duke  
Energy Corporation

AGE: 70

DIRECTOR SINCE: 2007

COMMITTEES: Audit, Finance

Mr. Rogers served as Chairman of Duke Energy Corporation, a publicly traded electric power company, from 2007 until 2013 and as the President and Chief Executive Officer from 2006 until 2013. He was formerly the Chairman, President and Chief Executive Officer of CINERGY Corp. (which merged with Duke Energy Corporation in 2006) from 1994 until 2006. Mr. Rogers has served as a senior operating partner of Stonepeak Infrastructure Partners, a private equity firm focused on infrastructure investments since October 2016. He co-founded and has served as Chairman of Brightlight Foundation, a non-profit provider of globally accessible and affordable energy solutions, since 2011. He has served as Chairman and Chief Executive Officer of Intrepid Energy Partners LLC, an advisory business that specializes in energy sector transactions, since 2014. Mr. Rogers received his Bachelor of Business Administration and his juris doctor from the University of Kentucky.

**Other Public Company Directorships:** Duke Energy Corporation (2007-2013), Applied Materials, Inc. (2008-2015), CINERGY Corp. (1994-2005), Fifth Third Bancorp (1995-2009)

**Business Leader.** Mr. Rogers has extensive senior leadership experience through his positions with Duke Energy and in the utility industry for 25 years. Over the course of his career, he served on the boards of eight Fortune 500 companies.

**Finance.** As President and CEO of Duke Energy, he had oversight of financial operations, financial reporting, merger and acquisition activities and corporate restructurings. As a director of Fifth Third Bancorp, a regional banking corporation, Mr. Rogers developed a deeper understanding of several facets of commercial and consumer financial services.



**Regulated Industry/Public Policy.** Throughout his career at Duke Energy and CINERGY, Mr. Rogers operated in a heavily regulated environment and oversaw and implemented strategic policy initiatives. Before his corporate career, he served as the Deputy General Counsel for the Federal Energy Regulatory Commission and as a partner in the law firm of Akin Gump Strauss Hauer & Feld in Washington, D.C.

**ERIC C. WISEMAN**

Former Executive Chairman,  
President and Chief Executive  
Officer of VF Corporation

AGE: 62

DIRECTOR SINCE: 2007

COMMITTEES: Finance, People  
Resources

Mr. Wiseman served as Executive Chairman of VF Corporation, a publicly traded apparel and footwear company, from August 2008 until October 2017. He served as Chief Executive Officer from January 2008 until December 2016 and President from 2006 until June 2015. He served as Chief Operating Officer of VF Corporation from 2006 to 2008; Executive Vice President, Global Brands from 2005 to 2006; and Vice President and Chairman, Sportswear and Outdoor Coalitions from 2004 until 2005. Mr. Wiseman received his Bachelor of Science degree and MBA from Wake Forest University.

**Other Public Company Directorships:** VF Corporation (2006-2017), Lowe's Companies, Inc. (2011-Present)

**Business Leader.** Mr. Wiseman has extensive senior leadership experience through his positions with VF Corporation.

**Finance.** As Chairman and CEO of VF Corporation, he has had oversight of financial operations, merger and acquisition activities and corporate restructurings.

**International/Global.** Through leadership positions at VF Corporation, Mr. Wiseman oversaw operations and product sales in over 150 countries. Prior to joining VF Corporation, he held executive leadership roles at Sara Lee Corporation that included international business leadership and international assignments.

**Marketing and Consumer Insights.** Through leadership roles at VF Corporation, Mr. Wiseman oversaw marketing of a variety of brands through all channels of distribution, both domestically and internationally. As a director of Lowe's, a retail home improvement and appliances company, he focuses on end-user consumer-related issues.

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**DONNA F. ZARCONE**

President and Chief Executive Officer of The Economic Club of Chicago

AGE: 60

DIRECTOR SINCE: 2005

COMMITTEES: Audit, Corporate Governance

Ms. Zarcone has been the President and Chief Executive Officer of The Economic Club of Chicago, a civic and business leadership organization, since February 2012. She served as Interim President of The Economic Club of Chicago from October 2011 until February 2012 and as President and Chief Executive Officer of D. F. Zarcone & Associates LLC, a strategic advisory firm, from 2007 until February 2012. Ms. Zarcone served as the President and Chief Operating Officer of Harley-Davidson Financial Services, Inc., a provider of wholesale and retail financing, insurance and credit card programs and a wholly owned subsidiary of Harley-Davidson, Inc., from 1998 until 2006. She also served as Chairman of the Board of Eaglemark Savings Bank, a financial services provider, from 2002 to 2006. She received recognition from the National Association of Corporate Directors as an NACD Directorship 100 Class of 2012 member. Ms. Zarcone is also an NACD Board Leadership Fellow. Ms. Zarcone received her Bachelor of Science degree from Illinois State University and her MBA from the University of Chicago Booth School of Business.

**Other Public Company Directorships:** CDW Corporation (2011-Present), The Jones Group (2007-2012)

**Finance.** As an executive at Harley-Davidson Financial Services and as the Chairman of the Board of Eaglemark Savings Bank, an FDIC-regulated entity, Ms. Zarcone oversaw end-user consumer financial services matters. She is also a certified public accountant. As President and CEO of The Economic Club of Chicago, she monitors social and economic issues facing the U.S. and global markets.

**Information Technology.** As a director of CDW, a leading provider of integrated information technology solutions, Ms. Zarcone oversees issues facing the information technology industry.

**Marketing and Consumer Insights.** As President of Harley-Davidson Financial Services, Ms. Zarcone oversaw direct marketing initiatives to end-user consumers for a portfolio of financial products. As head of Enthusiast Services at Harley-Davidson, she oversaw brand loyalty initiatives. As a director of The Jones Group, a designer, marketer and wholesaler of branded clothing, she gained further insight into end-user consumer-related issues.

**WILLIAM D. ZOLLARS**

Former Chairman, President and Chief Executive Officer of YRC Worldwide, Inc.

AGE: 70

DIRECTOR SINCE: 2005

COMMITTEES: People Resources (Chair), Executive, Corporate Governance

Mr. Zollars served from 1999 to 2011 as Chairman, President and Chief Executive Officer of YRC Worldwide, Inc., a holding company whose subsidiaries provide regional, national and international transportation and related services. Prior to that, Mr. Zollars was President of Yellow Transportation, Inc., from September 1996 through November 1999. From 1994 to 1996, he was Senior Vice President of Ryder Integrated Logistics. He also held various executive positions with Eastman Kodak. Mr. Zollars received his Bachelor of Arts degree from the University of Minnesota.

**Other Public Company Directorships:** Cerner Corporation (2005-Present), ProLogis Trust (2001-2010; 2011-Present), YRC Worldwide, Inc. (1999-2011)

**Business Leader.** Mr. Zollars' role as Chairman, President and Chief Executive Officer of YRC Worldwide and various executive leadership positions with Yellow Transportation, Ryder Integrated Logistics and Eastman Kodak provided him extensive senior leadership experience.

**Finance.** As Chairman, President and CEO of YRC Worldwide, Mr. Zollars had oversight of financial operations, merger and acquisition activities and corporate restructurings and led YRC's comprehensive recovery plan to reduce cost structure and improve operating results, cash flow from operations, liquidity and financial condition.

**Healthcare and Delivery Systems.** As a director of Cerner, a supplier of health care information technology, he oversees issues facing the healthcare industry, particularly health information technology.

**International/Global.** As President and CEO of YRC, Mr. Zollars oversaw global operations and strategic planning, and he undertook international assignments at Kodak.

**Table of Contents****CORPORATE GOVERNANCE MATTERS****Corporate Governance Policies and Practices**

Cigna is committed to ensuring strong corporate governance practices on behalf of our shareholders. We believe that strong corporate governance and an independent Board provide the foundation for financial integrity and shareholder confidence. The Corporate Governance Committee annually reviews Cigna's governance program based on, among other things, developments in corporate governance, feedback received during shareholder engagement, legal or regulatory actions, proxy advisory firm positions, Securities and Exchange Commission (SEC) guidance and New York Stock Exchange (NYSE) requirements. The Board and the Corporate Governance Committee developed the Board Corporate Governance Guidelines (the Guidelines) which set forth the key governance principles that guide the Board. The Guidelines, together with the charters of the Audit, Corporate Governance, Finance, People Resources and Executive Committees, provide a framework of policies and practices for our effective governance.

The Board and the Corporate Governance Committee review the Guidelines, and the committees review their respective charters, at least annually and update these governing documents as necessary to reflect changes in the regulatory environment, evolving practices and input from shareholders. The full text of the Guidelines and committee charters are available on our website at [www.cigna.com/about-us/corporate-governance/](http://www.cigna.com/about-us/corporate-governance/) and are available to any shareholder who requests a copy.<sup>(1)</sup>

**Corporate Governance Highlights**

Independent board of directors with diversity in composition, skills and experience

Separate Code of Business Conduct and Ethics for the Board

Independent Chairman of the Board

Independent Audit, Corporate Governance, Finance and People Resources Committees

Regular executive sessions of the Board and its committees without management present

Annual self-evaluations of the Board, its committees and individual directors, including periodic independent third party assessments

Director elections by majority voting

Majority of director compensation delivered in Cigna common stock

Annual election of all directors

Meaningful stock ownership guidelines for directors

Proxy access right for shareholders

## PROXY ACCESS

At our 2017 Annual Meeting, shareholders voted on a non-binding shareholder proposal regarding shareholder proxy access. As we described in our 2017 proxy statement, the Cigna Board was not opposed to proxy access, but at that time, due to the merger agreement with Anthem, Inc. (Anthem), we were restricted in our ability to amend our bylaws or propose or commit to any bylaw amendment. The Board strongly believed that any proxy access framework should be thoughtfully and carefully considered. The Board committed to conducting a full evaluation of proxy access in 2017, with a goal of implementing a proxy access bylaw amendment on terms that reflected input from our shareholders and that the Board believed were in Cigna's shareholders' best interests in advance of the 2018 Annual Meeting.

In advance of the 2017 Annual Meeting, at the direction of the Board, Cigna's Office of the Corporate Secretary reached out to discuss the shareholder proposal with our 50 largest shareholders (representing approximately 65%

of outstanding shares) and engaged with holders of approximately 40% of shares outstanding. During this engagement, shareholders provided feedback on their views of the shareholder proposal and proxy access generally. At the 2017 Annual Meeting, just over 50% of the votes cast supported the proxy access shareholder proposal.

Following the 2017 Annual Meeting and after the Company was no longer subject to the restrictions of the merger agreement with Anthem, the Board resumed its evaluation of proxy access. As part of this review, the Corporate Governance Committee evaluated and considered the terms of the bylaw proposed by the shareholder proponent as compared to current market practice, other bylaw features not specified by the shareholder proponent that are necessary to provide for a balanced and effective proxy access framework, the views of proxy advisory firms and the input of Cigna's shareholders received in connection with Cigna's outreach efforts. In the fall of 2017, at the direction of the Board, the Office of the Corporate Secretary engaged again with our largest shareholders to

<sup>(1)</sup> Throughout this Proxy Statement, we reference information available on our website. The information on our website is not, and shall not be deemed to be, part of this Proxy Statement or incorporated herein or into any of our other filings with the SEC.

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**CORPORATE GOVERNANCE MATTERS**

further discuss proxy access and potential terms for a proxy access bylaw, as well as other areas of interest, such as board refreshment and corporate responsibility. The Office of the Corporate Secretary reached out to our top 20 shareholders (representing approximately 50% of outstanding shares) as well as the shareholders we had engaged with in the spring of 2017 that had requested further discussions in connection with the Board's consideration of the implementation of a proxy access bylaw. Holders of approximately 33% of shares outstanding engaged with the Office of the Corporate Secretary as part of this shareholder outreach effort.

Shareholders indicated their support for a proposed proxy access bylaw incorporating a 3% ownership requirement, a three-year holding requirement, a cap of 20 shareholders that may form a group to meet the ownership requirement, and a right to nominate directors in an amount equal to the greater of two or 20% of the Board's terms that are consistent with current market practice. Several of the shareholders that had voted for the shareholder proposal at the 2017 Annual Meeting indicated that their vote was not intended as a vote on the specific terms proposed, but rather a vote in favor of the Company's adoption of proxy access generally. Many shareholders also provided input regarding other terms of proxy access.

The Corporate Governance Committee discussed and carefully considered all feedback when constructing the proxy access bylaw and, following this review, the Corporate Governance Committee recommended and the Board approved amendments to our By-Laws to implement proxy access in December 2017. As a result, a shareholder or a group of up to 20 shareholders owning 3% or more of Cigna's outstanding common stock continuously for at least three years may nominate and include in the Company's proxy materials director nominees constituting up to the greater of 20% of the Board or two individuals, provided the shareholder(s) and the nominee(s) satisfy the requirements specified in the By-Laws. The Board believes that this proxy access bylaw framework provides meaningful proxy access rights, reflects generally accepted governance practices around proxy access and is consistent with the overall feedback received as part of our shareholder engagement.

**DIRECTOR INDEPENDENCE**

Cigna believes in the importance of a board comprised largely of independent, non-employee directors. The current Board includes nine non-employee directors. On an annual basis, the Board, through its Corporate Governance Committee, reviews relevant relationships between directors, their immediate family members and the Company, consistent with Cigna's independence standards. Cigna's independence standards, which are detailed in the Guidelines, are consistent with the independence requirements set forth in the NYSE's listing standards.

To be independent under Cigna and NYSE standards, the Board must affirmatively determine that a director has no material relationships with the Company directly or as an officer, shareholder or partner of an organization that has a relationship with the Company. In making its assessment, the Board considers all relevant facts and circumstances, including the nature of transactions with such organizations and/or the amount of such transactions (in aggregate or as a percentage of the organization's revenues or assets). The Board also considers that, in the ordinary course of business, the Company may sell products and services to, and/or purchase products and services from, organizations affiliated with our directors and may hold investments (generally, debt securities) in organizations affiliated with our directors.

Based on its review of director relationships, the Board has affirmatively determined that there are no material relationships between the non-employee directors and the Company and all non-employee directors (Dr. Henney, Ms. Zarcone and Messrs. Foss, Harris, Martinez, Partridge, Rogers, Wiseman and Zollars) are independent as defined in both Cigna's Guidelines and the NYSE listing standards. In addition, at the committee level, all members of the Audit, Corporate Governance, Finance and People Resources Committees are independent and the members of the Audit Committee and the People Resources Committee meet the NYSE's heightened independence requirements for service on those committees.

## **BOARD LEADERSHIP STRUCTURE**

The Board is committed to the long-term growth of the business and the successful execution of our mission to improve the health, well-being and sense of security of the people Cigna serves around the globe. To fulfill its responsibilities to our shareholders, Cigna's Board, both directly and through its committees, regularly engages with management, ensures management accountability and reviews the most critical issues that face Cigna. The Board is committed to meeting the dynamic needs of the Company and focusing on the interests of its shareholders and, as a result, regularly evaluates and adapts its composition, role and relationship with management.

### **Independent Chairman of the Board**

We currently separate the roles of the Chairman of the Board and CEO. Our CEO sets the strategic direction for the Company, working with the Board, and provides day-to-day leadership, while our Chairman leads the Board in the performance of its duties and serves as the principal liaison between the independent directors and the CEO. We believe that having an independent Chairman assists the Board in ensuring independent oversight of the Company and the management team. The Board regularly assesses the appropriateness of this leadership structure and has concluded that this structure best suits Cigna's needs at this time.



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In February 2018, the Board re-elected Isaiah Harris, Jr. to serve as our independent Chairman. The Board elects the Chairman to a three-year term, expiring at the annual meeting occurring at the end of the third year. Mr. Harris' current term as Chairman will expire in April 2021, subject to his annual election to the Board by shareholders. The full Board evaluates the Chairman's performance on an annual basis as part of the annual Board evaluation.

**Chairman Responsibilities**

Serve as principal representative of the Board	Act as liaison between Board and management
Facilitate discussion among independent directors on key issues	Lead the Board in CEO succession planning
Advise the CEO on issues of concern for the Board	Preside over Board and shareholder meetings
Develop agenda for Board meetings, in consultation with the CEO and other directors	Engage in the director recruitment process
	Represent the Company in interactions with external stakeholders, as appropriate

**Access to Management and Advisors**

A member of senior management is assigned to each committee to act as a staff officer. The Chief Financial Officer serves as the staff officer for the Audit and Finance Committees; the General Counsel serves as the staff officer for the Corporate Governance Committee; and the Executive Vice President – Human Resources and Services serves as the staff officer for the People Resources Committee. These executive officers work with their respective committee chair to assist in setting and developing meeting agendas and materials and attend meetings as appropriate. Committee chairs communicate frequently with staff officers, the other executive officers and other members of management between scheduled Board meetings with respect to committee issues and management is expected to update the Board

on any significant Company matters or competitive developments between Board meetings.

The Board and its committees are able to access and retain independent advisors as, and to the extent, they deem necessary or appropriate.

## **BOARD EVALUATIONS AND BOARD EFFECTIVENESS**

### **Evaluation Process**

A meaningfully designed director evaluation process allows the Board to gain insights into the effectiveness of and challenges facing the Board, its committees and its individual members, with the goal of enhancing Board performance and, as a result, increasing shareholder value. Cigna's Board is committed to ongoing improvement and the evaluation process is an important vehicle that fosters and supports effectiveness. Our board evaluations are designed to solicit input and perspective on various matters, including:

- board leadership structure;
- board configuration, including size, diversity and skillset;

- board dynamics, including individual director preparation and participation;

- governance policies and practices;

- strategy and risk oversight;

- interaction with management; and

- progress achieved against prior year evaluation initiatives.

As set forth in its charter, the Corporate Governance Committee oversees the Board, committee and individual director evaluation process. Annually, the Corporate Governance Committee and the Chairman of the Board determine the appropriate form of evaluation and consider the design of the process to ensure it is both meaningful and effective. In 2017, each director was interviewed by either the Chair of the Corporate Governance Committee or the Chairman of the Board. In response to feedback provided from directors regarding the Board evaluation process, the Chairman of the Board and the Chair of the Corporate Governance Committee also interviewed various members of management to better understand management's perspective on the Board. In addition, each member of the Board was able to submit anonymous written feedback to the Corporate Secretary.

The Chair of the Corporate Governance Committee summarized the feedback from the individual director interviews in a report for the Chairman of the Board and each of the Committee Chairs. The Chair of the Corporate Governance Committee and the Chairman of the Board then presented the report to the full Board for review, discussion and determination of action items. The chairs of each committee led a similar self-assessment discussion for their particular committee.

From time to time, the Board has engaged an independent third party to conduct the Board evaluation, most recently

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in 2014. The Corporate Governance Committee and Board have agreed to use an independent third party to facilitate the Board evaluation process approximately every three to five years, or on an as needed basis.

The results of the evaluation process support the Board's belief that the Board and committees are operating effectively.

**Board Refreshment and Succession Planning**

The Corporate Governance Committee is responsible for identifying new director candidates, reviewing the composition of the Board and its committees and for making recommendations to the full Board on these matters. As further described on page 9, in 2017, the Corporate Governance Committee began a long-term board refreshment plan and engaged an outside firm to provide advisory services related to succession planning and to assist with the recruitment of director candidates.

**RESPONSIBILITIES OF THE BOARD**

**Board Oversight of Risk and Enterprise Risk Management**

The Board of Directors has the ultimate responsibility for risk oversight under Cigna's risk management framework. The Board executes its duty both directly and through its Audit, Corporate Governance, Finance and People

Resources Committees. The Audit Committee oversees Cigna's enterprise risk management (ERM) framework. ERM is a Company-wide initiative that involves the Board, Cigna's management, Cigna's Chief Risk Officer and General Auditor (CRO) and internal audit function in an integrated effort to (1) identify, assess, prioritize and monitor a broad range of risks and (2) formulate and execute plans to monitor and, to the extent possible, mitigate the effect of those risks. The CRO meets with the Audit Committee regularly during its executive sessions and reports to the Board at least annually.

Cigna has implemented practices so that the Board and its committees are regularly briefed on issues related to the Company's risk profile. These briefings are designed to provide visibility to the Board about the identification, assessment and management of critical risks and management's risk mitigation strategies. These briefings address strategic, operational, financial reporting, succession and compensation, cyber-security, compliance, reputational, governance and other risks, as appropriate.

The Board, including its committees, oversees risks associated with their respective areas of responsibility, as summarized below. Each committee meets in executive session without management present and with key management personnel and representatives of outside advisors as necessary.

**BOARD/COMMITTEE****PRIMARY AREAS OF RISK OVERSIGHT****Full Board**

Strategic, financial and execution risks and exposures associated with Cigna's business strategy, including impact of changes to laws and regulations, significant litigation and regulatory exposures and other current matters that may present material risk to financial performance, operations, infrastructure, plans, prospects, reputation, acquisitions and divestitures.

**Audit Committee**

In addition to overseeing Cigna's ERM framework, oversees risks related to the Company's financial statements, the financial reporting process, accounting, cyber-security and certain legal and compliance matters. The Audit Committee also oversees the internal audit function and the Company's ethics and compliance program.

**Corporate Governance Committee**

Oversees risks and exposures associated with director succession and refreshment planning, corporate governance and overall Board effectiveness. Also oversees the Company's risks related to political and charitable contributions. In exercising this oversight, the Corporate Governance Committee reviews and discusses financial contributions to such organizations.

**Finance Committee**

Oversees the Company's deployment of capital, technology and investment-related initiatives. In exercising this oversight, the Finance Committee regularly reviews and discusses the technology, financial market and capital management risks that are monitored through the Company's ERM process.

**People Resources Committee**

Oversees compensation related-risks and management succession planning. For additional information regarding the People Resources Committee's role in evaluating the impact of risk on executive compensation, see "Processes and Procedures for Determining Executive Compensation Risk Oversight" in the Compensation Discussion & Analysis (CD&A).



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**Oversight of Business Strategy**

Our directors provide unique insights into the strategic issues facing the Company, including changes in the regulatory environment, changing market dynamics and the competitive landscape. As part of its oversight of business strategy, the Board:

Formally reviews Cigna's annual and longer-term strategic plan, financial targets and strategies for achieving those targets;

Regularly reviews and assesses Cigna's results of operations, financial performance, prospects and competitive position;

Regularly discusses external factors that affect the Company, such as regulatory developments and trends impacting the health care industry generally;

Regularly reviews our performance compared to our competitors; and

Regularly evaluates potential strategic alternatives relating to Cigna and our business, including possible acquisitions, divestitures and business combinations.

**Management Succession Planning**

At the direction of the Chairman, the Board oversees management succession planning, including for the CEO role. With the assistance of the People Resources Committee, the Board reviews and approves regular and emergency succession plans. The People Resources Committee is responsible for overseeing the Company's policies and processes for people development in general. The People Resources Committee also ensures that management succession planning meets the Board's expectations. Annually, the CEO presents to the Board a review of executive officers and key senior management, including a discussion of those employees who are considered to be potential successors to executive and senior level positions with regard to their readiness and development opportunities. In 2017, succession planning related to the promotions of Brian C. Evanko, Christopher J. Hocevar, Alan M. Muney, Eric P. Palmer and Michael W. Triplett to executive officer roles, and the retirements of Thomas A. McCarthy and Matthew G. Manders.

**Shareholder Interests**

The Board and the Corporate Governance Committee oversee the Company's shareholder engagement practice. The Office of the Corporate Secretary engages with shareholders on issues related to corporate governance, executive compensation and social responsibility. In 2017, the Office of the Corporate Secretary engaged in extensive outreach with shareholders, particularly regarding proxy access, as further described on page 16. During these meetings, shareholders also expressed an interest in learning more about our board refreshment plans and our corporate responsibility efforts. As a result, we have included additional disclosure on these topics, which can be found on pages 9 and 23, respectively.

Senior management and the Investor Relations team regularly meet with shareholders and respond to their questions and feedback throughout the year. In June 2017, Cigna hosted an Investor Day. During Investor Day, Cigna's management discussed our track record of delivering value and our growth path moving forward. Investor Day was a highly interactive event, providing the investment community with many formal and informal opportunities to further understand Cigna's strategy to *Go Deeper, Go Local and Go Beyond*, as well as the depth and breadth of Cigna's management team.

In addition, the Board has adopted a number of practices that align the interests of the directors with those of the shareholders, including:

a director compensation program whereby a majority of compensation is delivered in common stock;

robust stock ownership requirements for directors; and

no shareholder rights plan and, at this time, the Board has no intention of adopting such a plan.

Information regarding how our executive compensation policies and practices align with the interests of shareholders can be found in the CD&A.



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**BOARD MEETINGS AND COMMITTEES**

In 2017, the Board held 11 meetings and the committees of the Board held a total of 33 meetings. At all regular meetings held in 2017, the independent members of the Board met in executive session without management present. As part of all regularly scheduled Board meetings, the Chairman presides over all executive sessions of the Board. Each committee also met in executive session without management on a regular basis in connection with their respective meetings.

Each director attended more than 75% of the aggregate of all meetings of the Board and committees on which he or she served during 2017. During 2017, Board and committee attendance averaged 93% for the Board as a whole. In addition to formal Board meetings, the Board engages with management regularly throughout the year.

The Board expects directors to attend the annual meeting of shareholders. All directors attended the 2017 annual meeting and Mr. Harris chaired the meeting. All directors are expected to attend the Annual Meeting in 2018.

The Board has five committees: Executive, Audit, Corporate Governance, Finance and People Resources. Complete copies of the committee charters are available on Cigna's website at [www.cigna.com/about-us/company-profile/corporate-governance/](http://www.cigna.com/about-us/company-profile/corporate-governance/).

The composition of the Audit, Corporate Governance, Finance and People Resources Committees is set forth below.

	Audit*	Corporate Governance	Finance	People Resources
Eric J. Foss				
Jane E. Henney, M.D.		Chair		
Roman Martinez IV		Chair #		

John M. Partridge

Chair

James E. Rogers

#

Eric C. Wiseman

Donna F. Zarcone

#

William D. Zollars

Chair

**Meetings in 2017**

**9**

**8**

**8**

**8**

*Committee member*

# *Designated audit committee financial expert as defined in the SEC rules.*

\* *All members of the Audit Committee are financially literate within the meaning of the NYSE listing standards.*  
 The Executive Committee may exercise the power and authority of the Board as specifically delegated by the Board when convening a meeting of the full Board of Directors is impracticable. Mr. Harris is Chairman of the Executive Committee and Dr. Henney and Messrs. Cordani, Martinez, Partridge and Zollars serve on the Executive Committee. In 2017, the Board of Directors did not delegate any actions to the Executive Committee and, therefore, the Executive Committee did not meet in 2017.

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Committee	Responsibilities
	<p>Assesses the qualification and independence of, appoints, compensates, oversees the work of and removes, if appropriate, Cigna’s independent registered public accounting firm.</p>
	<p>Represents and assists the Board in fulfilling its oversight responsibilities regarding the adequacy and effectiveness of internal controls and the integrity of financial statements.</p>
<b>Audit Committee</b>	<p>Reviews annual and quarterly financial statements, earnings releases, earnings guidance and significant accounting policies with management and, if appropriate, the independent registered public accounting firm.</p>
	<p>Oversees compliance with material legal and regulatory requirements, including those that apply to federal and state health care programs.</p>
	<p>Oversees the Company’s enterprise risk management program and internal audit function and advises the Board on financial and enterprise risks, including risks related to the security of information technology systems.</p>
	<p>Maintains procedures for and reviews the receipt, retention and treatment of complaints and concerns regarding accounting, controls, auditing, reporting and disclosure matters.</p>

Reviews, advises and reports to the Board on the Board's membership, structure, organization, governance practices and performance, as well as shareholder engagement activities.

Assists the Board in board refreshment planning.

Reviews committee assignments and director independence.

## **Corporate Governance**

### **Committee**

Oversees director nomination and compensation and develops specific director recruitment criteria.

Oversees communications with external stakeholders, including shareholders.

Oversees corporate political and charitable contributions and the Company's corporate responsibility and sustainability efforts.

Oversees the structure and use of Cigna's capital.

Oversees Cigna's long-term financial objectives and progress against those objectives.

### **Finance Committee**

Reviews Cigna's strategic operating plan and budget.

Oversees Cigna's investment strategy and sets investment policies and guidelines.

Oversees information technology strategy and execution.

Oversees the policies and processes for people development and assists the Board in reviewing executive officer succession plans.

Establishes company goals and objectives relevant to the CEO's compensation, evaluates the CEO's performance in light of those established goals and objectives, and based on this evaluation, recommends the CEO's compensation to the independent members of the Board for approval.

**People Resources**

**Committee**

Reviews and approves compensation targets, base salaries, cash and equity-based incentive compensation payments and arrangements, severance, and other compensation and benefits arrangements for any current or prospective executive officers other than the CEO, subject to required Board or shareholder approvals.

Establishes performance measures and goals and assesses whether these goals are met for awards under short-term and long-term cash-based and equity-based compensation plans.

Reviews and monitors the Company's diversity program.

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**CORPORATE GOVERNANCE MATTERS**

**CODES OF ETHICS**

Cigna is committed to conducting business in accordance with the highest standards of integrity, legal compliance and ethical conduct. In 2015, at the recommendation of the Corporate Governance Committee, the Board adopted a Director Code of Business Conduct and Ethics, available on Cigna's website at [www.cigna.com/about-us/corporate-governance/](http://www.cigna.com/about-us/corporate-governance/). The Board believes that having a separate code of conduct for the Board meaningfully enhances Cigna's governance framework by making Board-specific policies clearer, while also addressing general shareholder concerns over transparency of company and board practices.

All directors and employees, including executive officers, must comply with the Company's Code of Ethics, available on Cigna's website at [www.cigna.com/about-us/corporate-governance/](http://www.cigna.com/about-us/corporate-governance/). Both the Director Code of Business Conduct and Ethics and the Company Code of Ethics, together with Cigna's related policies and procedures, address major areas of professional conduct, including, among others, conflicts of interest, protection of private, sensitive or confidential information, insider trading and adherence to laws and regulations affecting the conduct of Cigna's business. Directors and employees affirm their adherence to the Code of Ethics and the Director Code of Business Conduct and Ethics, as applicable, annually.

**CORPORATE RESPONSIBILITY**

As a global health service company with the mission of helping improve the health, well-being and sense of security of the people we serve, Cigna believes that its success depends on earning trust through responsible business practices, corporate citizenship and providing superior services that meet our customers' individual needs. Inspired by our mission, Cigna works to positively impact the health of people, communities and the environment.

As evidence of this, in 2015, Cigna was the first U.S. health insurance company to sign on to the United Nations Global Compact (UNGC), a policy initiative for companies committed to areas such as human rights, labor standards, environmental responsibility and business integrity in business operations. In 2017, Cigna became a member of the UNGC Health is Everyone's Business action platform, which is a coalition working to develop a global business agenda to address goals related to good health and well-being.

In 2017, Cigna was named to the Dow Jones Sustainability Index, a benchmark for investors who integrate sustainability considerations into their portfolios. We achieved the leading spot among the Health Care Providers & Services industry sector. Cigna was recognized in both the Dow Jones Sustainability World Index and the Dow Jones Sustainability North America Index. Our

inclusion on the index was driven by our responsible business practices.

The Corporate Governance Committee is responsible for overseeing Cigna's positions on, and policies with respect to, Cigna's corporate responsibility efforts around the globe. To support the Corporate Governance Committee's responsibility, Cigna has established the Cigna Connects Corporate Responsibility Governance Council to provide input on Cigna's policies, initiatives and reporting relative to corporate responsibility. Led by Cigna's Director of

Corporate Responsibility & Civic Affairs, this Council is a cross-functional team of leaders from various areas of the Company, including ethics and compliance, global real estate, risk management, supply chain, human resources and the Cigna Foundation.

Cigna annually publishes a corporate responsibility report, Cigna Connects, highlighting our corporate responsibility goals and initiatives. Cigna Connects covers areas such as Cigna's practices around ethics and governance, diversity, environmental sustainability, and our Cigna Foundation. It also provides more information about our recent recognitions, including being named to Corporate Responsibility Magazine's 100 Best Corporate Citizens List, our listing on the MSCI Sustainability Index, and our Innovation in Advancing Health Equity award from the National Business Group on Health. Cigna Connects is presented to the Corporate Governance Committee, which reviews the report with the Board. We encourage our shareholders to review our most current report, which is available on Cigna's website at [www.cigna.com/about-us/corporate-responsibility/report/](http://www.cigna.com/about-us/corporate-responsibility/report/).

Cigna's corporate responsibility efforts are focused on the following areas:

**Health and Well-Being.** Cigna's goal is to make health care better for all, by striving to build a sustainable health care system that lowers health risks, fosters health equality, improves health status and promotes preventative health interventions. For example, Cigna is committed to being a national leader on modernizing the approach to the prevention, treatment and communication of substance use disorders, and pledged to reduce opioid usage among our customers by 25% by 2019. Cigna is addressing the needs of our communities through efforts such as empowering veterans to address difficult health and life circumstances and establishing the free Cigna Health Improvement Tour. In 2017, we provided more than 10,000 free Cigna Health Improvement Tour biometric screenings (blood pressure, cholesterol, blood sugar and body-mass index) and health coaching to participants in 100 locations.

**Environment.** As a health service company, Cigna takes a precautionary approach to its environmental sustainability efforts, recognizing that environmental stewardship can have a health impact and also make sound business sense. We currently have 16 LEED certified buildings and 25 sites

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are enrolled in the U.S. Environmental Protection Agency's ENERGY STAR® program. In 2017, Cigna's greenhouse gas emissions data was verified by an independent third party expert. Cigna considers managing the risks and opportunities associated with climate change and resource scarcity as a significant aspect of our corporate responsibility platform. Our Environmental Policy Statement, which is described in greater detail in the Corporate Responsibility section of [www.cigna.com](http://www.cigna.com), outlines our environmental sustainability policies and practices.

**Ethical and Inclusive Business Practices.** We strive to foster relationships with various stakeholders to help us better understand their priorities and to further Cigna's goal of bringing positive changes in areas such as human capital, diversity and inclusion, supply chain management, stakeholder engagement and human rights. Cigna seeks to partner with organizations that are guided by similar principles. Our Supplier Code of Ethics, with which all of our suppliers are expected to comply, explicitly prohibits the use of child or forced labor, and requests that our suppliers demonstrate ethics, compliance and integrity in human rights, business conduct and the environment. The Supplier Code of Ethics is an important part of the internal control structure and helps promote ethical business practices. As an example of our focus on inclusive business practices, in 2017, we welcomed the inaugural class of our diverse supplier Mentor Protégé Program. This program, consisting of certified minority, veteran and LGBT business enterprises, provides one-on-one mentoring with Cigna management, and insights into growth strategies and best practices to help grow their businesses.

**The Cigna Foundation**

The Cigna Foundation, established more than 50 years ago, carries out our corporate philanthropy goals of bringing Cigna's mission and brand promise to life for individuals and communities around the globe. The Cigna Foundation accomplishes these goals through strategically focused charitable grants to nonprofit organizations whose work enhances the health of individuals and families and the well-being of their communities. Cigna's World of Difference grants center around collaborations with nonprofits pursuing projects that help people overcome barriers to their health and well-being related to factors such as ethnicity, race, gender, age, education, economic status or place of residence. In 2017, we added a focus on community health workers. Cigna funded 27 Cigna Foundation Grants to address health disparities and advance community health navigation in 2017.

**ANNUAL POLITICAL CONTRIBUTIONS AND LOBBYING ACTIVITY REPORT**

Cigna is committed to transparency and strives to provide clarity about our goals and positions related to the Company's federal and state lobbying and advocacy efforts as well as why we believe active engagement in the public policy arena is important to our mission, business and customers. Cigna has engaged with shareholders to gain feedback regarding desired political contribution disclosure and published its first annual political contributions and lobbying activity report in 2011. The initial report provided information about Cigna's political contributions, lobbying activities, trade association affiliations and related matters. Since then, we have significantly enhanced this report to incorporate subsequent input from shareholders and to provide greater clarity on our overall lobbying framework, including the areas in which we focus our advocacy efforts and why we believe active engagement in the public policy arena is necessary to support the achievement of our mission, the success of our business and the well-being of our



customers. The report also provides information about: (1) direct political contributions that Cigna makes at a corporate level; (2) contributions that Cigna makes through the Cigna Political Action Committee; and (3) the total amount of dues paid to any industry trade association to which Cigna pays \$50,000 or more in annual dues, as well as the portion of any such dues that such trade associations inform us are allocable to any non-deductible lobbying expenses. The Corporate Governance Committee oversees Cigna's political and lobbying activities. The Company updates the report annually and we encourage you to review our 2017 report which is available on Cigna's website at [www.cigna.com/about-us/corporate-governance/](http://www.cigna.com/about-us/corporate-governance/).

## **CERTAIN TRANSACTIONS**

### **Transactions with Related Persons**

Cigna has not adopted a written policy concerning review, approval or ratification of related person transactions. Cigna compiles information about transactions between Cigna and Cigna's directors, director nominees, executive officers and any immediate family members and affiliated entities identified by directors, director nominees and executive officers as having any form of relationship with Cigna, as well as shareholders that identified themselves during 2017 as holding 5% of Cigna's common stock. Cigna's Office of the Corporate Secretary analyzes the nature of any transaction to determine whether the transaction may require disclosure under SEC rules as a related person transaction. On an annual basis, the Corporate Governance Committee reviews the analysis prepared by the Company, and presents its assessment to the full Board of Directors.

Based on this review, there are no related person transactions requiring disclosure under SEC rules.

### **Compensation Committee Interlocks and Insider Participation**

The People Resources Committee is comprised of four independent directors: William D. Zollars (Chair), Eric J. Foss, John M. Partridge and Eric C. Wiseman. There are no compensation committee interlocks.

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**Non-Employee Director Compensation**

**OVERVIEW**

Cigna's director compensation program is designed to attract and retain highly qualified independent directors, by addressing the time, effort, expertise and accountability required of active board membership. The Board believes that the current director compensation program:

aligns with shareholder interests because it includes a significant equity-based compensation component, the value of which is tied to Cigna's stock price; and

is competitive based on the work required of directors serving on the board of an entity of the Company's size, complexity and scope.

The Corporate Governance Committee's charter provides that it will periodically review director compensation and assist the Board in the administration of director compensation plans. The Board approves the amount and form of director compensation. The Corporate Governance Committee may from time to time engage an independent compensation consultant to assist in its review of director compensation.

**DIRECTOR COMPENSATION PROGRAM**

The Corporate Governance Committee reviews Cigna's non-employee director compensation program on an annual basis. The Corporate Governance Committee last engaged an independent compensation consultant in 2011 to assist in the Committee's review of director compensation amount and pay mix. As a result of that review, the Board, upon recommendation from the Corporate Governance Committee, approved the current director compensation program, effective January 2012. The Board has not increased compensation since that time.

In 2017, the Board and the Corporate Governance Committee reviewed the director compensation program and did not make any changes. As part of this review, the Corporate Governance Committee reviewed benchmarking data from the Company's compensation peer group (as described in Executive Compensation Policies and Practices 2017 Peer Groups in the CD&A), as well as the top 200 companies of the S&P 500, to ensure that our pay practices were competitive and aligned with those companies.

The following chart summarizes the retainer compensation provided to directors for their service on Cigna's Board and its committees. A director who also is an employee of the Company does not receive payment for service as a director. The CEO is the only employee who currently serves as a director. There is no retainer for service on the Executive Committee. All retainer payments are made in equal, quarterly installments.

RETAINER TYPE	ANNUAL AMOUNT	METHOD OF PAYMENT
<b>Board</b>	\$275,000	Cigna common stock (\$180,000)
		Cash (\$95,000)
<b>Chairman of the Board</b>	\$225,000	Cash
<b>Committee chair</b>	\$ 15,000	Cash
<b>Committee member</b>	\$ 10,000	Cash

### Deferral of Payments

Under the Deferred Compensation Plan of 2005 for Directors of Cigna Corporation (Deferral Plan), directors may elect to defer the payment of the cash and/or common stock portion of their annual retainers. Deferred common stock compensation is credited to a director's deferred compensation account as a number of shares of hypothetical common stock and ultimately paid in shares. Deferred cash compensation is ultimately paid in cash, and directors have a choice of hypothetical investment funds whose rates of return are credited to that account. These funds include a Cigna stock fund and several other funds selected from those offered to all Cigna employees under the Cigna 401(k) Plan. Directors may elect to receive payments under the Deferral Plan in a lump sum or installments. Lump sum payments are made, or payment installments begin, in January of the year following a director's separation from service.

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**Stock Ownership Guidelines**

Cigna requires directors to maintain a stock ownership level of at least \$500,000 in value of Cigna common stock, which is more than five times the annual Board cash retainer. Under the guidelines, directors have five years from their election to the Board to satisfy this ownership obligation. Common stock, deferred common stock, restricted stock units and hypothetical shares of Cigna common stock held by a director count toward the stock ownership guidelines for directors whose service started before February 2014. Directors whose service started after February 2014 may only count common stock and deferred common stock for compliance with stock ownership guidelines. As of December 31, 2017, all of the directors are in compliance with the stock ownership guidelines and met or exceeded their ownership requirement.

**Financial Planning and Matching Charitable Gift Programs**

Directors may participate in the same financial planning and tax preparation program available to Cigna executive officers. Under this program, Cigna will make direct payments or reimburse directors for financial planning services that are provided by firms designated by Cigna and for tax preparation services in the amount of up to \$6,500 annually. Each director whose service started before 2006 and has at least nine years of board service upon separation from service also is eligible for direct payments or reimbursement in the amount of up to \$5,000 for financial planning and tax preparation services during the one-year period following separation from service.

Directors also may participate in the matching charitable gift program available to Cigna employees, under which

Cigna will make a matching charitable gift of up to \$5,000 annually. In addition, upon a director's retirement, in recognition of the retiring director's service, the Board may make a donation in the amount of \$10,000 to a charitable organization of the director's choice.

**Insurance Coverage**

Cigna provides each director, on the same basis as employees and at no cost to the director, group term life insurance coverage equal to the annual Board retainer (\$275,000 during 2017), and business travel accident insurance coverage equal to three times the annual Board retainer (\$825,000 during 2017).

Directors also may purchase or participate in, by paying premiums on an after-tax basis, additional life insurance, medical care, long-term care, property/casualty personal lines and various other insurance programs available on a broad basis to Cigna employees. Directors also may elect to purchase worldwide emergency assistance coverage. This program, which provides international emergency medical, personal, travel and security assistance, also is available to Cigna executive officers and certain other Cigna employees who frequently travel abroad for business.

Cigna provides each retired director whose service started before 2006 and who has at least nine years of Board service upon separation from service with \$10,000 of group term life insurance coverage, with premiums paid by Cigna. In addition, these directors may also participate for two years following separation from service in the medical

care programs currently offered by Cigna to retired employees, with premiums paid by the director on an after-tax basis.

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The table below includes information about the compensation paid to non-employee directors in 2017. Mr. Cordani, the only Company employee on the Board of Directors, does not receive any director compensation for his Board service.

NAME (a)	FEEES EARNED OR PAID IN CASH	STOCK AWARDS	ALL OTHER COMPENSATION	TOTAL COMPENSATION
	(\$) (b)	(\$) (c)	(\$) (d)	(\$) (e)
<b>Eric J. Foss</b>	115,000	180,000	365	295,365
<b>Michelle D. Gass<sup>(1)</sup></b>	28,750	45,000	61	73,811
<b>Isaiah Harris, Jr.</b>	320,000	180,000	918	500,918
<b>Jane E. Henney, M.D.</b>	120,000	180,000	6,157	306,157
<b>Roman Martinez IV</b>	120,000	180,000	1,373	301,373
<b>John M. Partridge</b>	120,000	180,000		

