

## **Transition Memos – Rick Copeland, CEO, Aetna International**

*Approaching Year 2000, Aetna suffered a series of financial setbacks that shook shareholder confidence. The stock price dropped and capital constraints tightened. As part of its response, in January 2000 Aetna realigned its International businesses with their U.S. domestic health and financial services counterparts. Aetna also announced that it would divest of “certain international businesses” in the coming months. Division President Rick Copeland was charged with keeping the international units focused on achieving their financial targets despite the ongoing events that would ultimately lead to a merger with ING. These two e-mail notes capture the tone of communications during this period.*

### **Subject: Communications - Talking Points**

Date: January 25, 2000

To: Aetna International Leadership Meeting Attendees

From: Rick Copeland and John Coyle (overseeing international health units as part of “health/wealth” split)

Earlier this month, Aetna announced that it would divest of certain international businesses as part of its health/wealth split, and made commitments regarding time frames for sales and expected proceeds.

We’re acutely aware of how much pressure this puts on our Hartford-based and affiliate leaders, and the difficulty you face in communicating with key stakeholders in such an uncertain environment. Compounding this situation is the flow of internal/confidential information which, almost inevitably, ends up being “spun” by the rumor mill. Even a true fact can be damaging if it is communicated through the wrong channel, i.e. the media speculating on certain divestiture prospect, a leader learning of his/her career path changing via a casual conversation with a colleague.

As much as we feel the pressure to speculate or offer a “heads-up” to colleagues, we are bound by our Code of Conduct and compliance policies to protect proprietary information from public disclosure. This means that we provide information only to staff with a “need to know” and ensure that they understand their responsibilities in protecting this information. Also, as a reminder, Aetna’s corporate policy is to offer only a “no comment” to questions relating to transactions, until such time as a definitive agreement is signed. Even then, Aetna Inc. will take the lead and issue the official release. This has been standard procedure in A.I.I. throughout our history of acquisitions and divestitures.

We must guard against these internal and external problems by sticking to the key messages that have been shared thus far by Aetna. These are, in effect, our talking points:

- This year, Aetna plans to divest of those international businesses that: do not fit strategically with the new health OR wealth companies; do not meet desired return hurdles.
- Some of the criteria we are considering are: growth prospects of each of the businesses, local business climate, financial results now and in the future, and management capability.
- Company has estimated that proceeds from sale of international assets will be from \$0.5 billion to \$1.5 billion.
- Aetna will not identify specific countries or companies, nor will we confirm prospective buyers.
- Aetna does not comment on market speculation or rumors.
- In all of our businesses, we will continue to focus on our customers, delivering marketing-leading products & services.

People are looking to their leaders every day for more details, more information. But, it is our responsibility as leaders to protect Aetna's interests throughout this process, and that means keeping a tight hold on messages.

Please contact either of us if you have any questions or concerns. Thanks for your support on this.

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**Subject: Our Future with ING**

Date: July 20, 2000

To: Aetna International Employees

From: Rick Copeland

As you know, Aetna announced today that it will sell Aetna International to ING in a transaction expected to close by year-end. Although the announcement begins a rigorous process of integration planning and decision-making, it also ends a long period of uncertainty for all of us in Aetna International.

This merger reinforces a belief that all of us in Aetna International hold: that the world's most interesting market opportunities can only be seized by companies that mobilize a global strategy, effectively moving talent and knowledge across borders and cultures. As part of ING, we will be strong contributors to just such a forward-looking global strategy. They are a company with a powerful understanding of our business. They value the dynamic, market-leading businesses we have built over many years, as well as the newer business we've established in markets with attractive long-term potential.

In the coming weeks, we will gain a better sense of the next steps involved in this announcement. We will begin transition planning, and through that process will identify the best approaches to integrating our businesses into the ING family to deliver the best result to our customers. We will keep you informed regularly as plans are formalized.

The past months have been tough for all of us. Many of you have sacrificed your time to develop options for our businesses, and to support the due diligence process. More importantly, you have ensured that our businesses sustained their excellent momentum despite the uncertainty and relentless media speculation. The professionalism and outstanding execution you have demonstrated speak loudly of the quality of our people – and make it very evident why our international businesses have been so successful.

I am confident that we will continue to achieve the high goals we've set for ourselves. Our strong business culture – of integrity, entrepreneurship, sense of urgency, and willingness to invest for the future – is shared by ING, and will allow us to move even more quickly to seize the tremendous business opportunities that are still before us.

--Rick