

LINCOLN NATIONAL CORP  
Form DEF 14A  
April 13, 2018  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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  
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Definitive Proxy Statement  
Definitive Additional Materials  
Soliciting Material Pursuant to §240.14a-12  
Lincoln National Corporation

(Name of Registrant as Specified in Its Charter)

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

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Radnor, Pennsylvania / April 13, 2018

DEAR FELLOW SHAREHOLDER:

You are invited to attend our 2018 Annual Meeting of Shareholders, to be held Friday, May 25 at The Ritz-Carlton Hotel in Philadelphia, Pennsylvania. Our Board of Directors and management team look forward to greeting you.

This document describes the matters to be voted on at the Annual Meeting, so please review it carefully.

Many shareholders received a notice of internet availability instead of paper copies of our proxy statement and our 2017 Annual Report to Shareholders. The notice of internet availability provides instructions on how to access these documents over the internet and how to receive a paper or email copy of our proxy materials, including our proxy statement, our 2017 Annual Report to Shareholders, and a proxy card. Electronic delivery enables us to more cost-effectively provide you with the information you need while reducing the environmental impact of printing and mailing paper copies.

Please vote your shares of our stock as promptly as possible. You may vote by mailing in a proxy card, by telephone or internet, or by attending the Annual Meeting and voting in person.

On behalf of the entire Board of Directors, thank you for your continued support.

Sincerely,

William H. Cunningham

Chairman of the Board

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 25, 2018	9:00 a.m. local time	The Ritz-Carlton Hotel 10 Avenue of the Arts Philadelphia, Pennsylvania 19102
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Mailing date: April 13, 2018

The purpose of the meeting is to:

1. elect eleven directors for a one-year term expiring at the 2019 Annual Meeting of Shareholders;
2. ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018;
3. approve an advisory resolution on the compensation of our named executive officers;
4. consider and vote upon a shareholder proposal regarding the right to call special meetings of shareholders if properly presented at the meeting; and
5. consider and vote upon any other matters that might come up at the meeting.

You may vote at the Annual Meeting if you were a shareholder of record at the close of business on March 19, 2018. Please cast your votes by one of the following methods:

SIGNING AND RETURNING TOLL-FREE THE INTERNET IN PERSON AT THE  
A PROXY CARD TELEPHONE ANNUAL MEETING

If, going forward, you would like to receive electronic delivery of future proxy materials, please see page 83 for more information.

For the Board of Directors,

Andrea D. Goodrich

Senior Vice President & Secretary

Lincoln National Corporation

Radnor, Pennsylvania

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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 25, 2018: This proxy statement and the accompanying annual report are available at: [www.proxydocs.com/Inc](http://www.proxydocs.com/Inc).

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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PROXY SUMMARY
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## PROXY SUMMARY

This summary highlights certain information for your convenience. Since it does not contain all of the information you should consider, we encourage you to read the entire proxy statement carefully before voting.

## ANNUAL MEETING OF SHAREHOLDERS

DATE / TIME	PLACE	VOTING
Friday, May 25, 2018 9:00 a.m. local time	The Ritz-Carlton Hotel 10 Avenue of the Arts Philadelphia, PA 19102	Shareholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals.

RECORD DATE  
March 19, 2018

## VOTING MATTERS

AGENDA ITEM	OUR BOARD'S VOTING WHERE TO FIND	
	RECOMMENDATION	MORE INFORMATION
1. Election of eleven directors for a one-year term expiring at the 2019 Annual Meeting of Shareholders.	FOR each director nominee	Page 15
2. Ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm for 2018.	FOR the ratification	Page 25
3. Approval of an advisory resolution on the compensation of our named executive officers.	FOR the resolution	Page 28
4.	AGAINST the proposal	Page 76



Respond to an advisory shareholder proposal regarding the right to call special meetings of shareholders.

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PROXY SUMMARY
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## BOARD OF DIRECTOR NOMINEES

NAME	DIRECTOR		SKILLS/QUALIFICATIONS	INDEPENDENT	COMMITTEE MEMBERSHIPS
	AGE	SINCE			
Deirdre P. Connelly	57	2016	<ul style="list-style-type: none"> <li>• business operations and strategic planning</li> <li>• finance and capital management</li> <li>• corporate governance</li> </ul>	Yes	<ul style="list-style-type: none"> <li>• Audit</li> <li>• Corporate Governance</li> </ul>
Retired President, North American Pharmaceuticals of GlaxoSmithKline					
William H. Cunningham	74	2006	<ul style="list-style-type: none"> <li>• finance and capital management</li> <li>• marketing/public relations</li> <li>• talent management</li> <li>• corporate governance</li> </ul>	Yes	<ul style="list-style-type: none"> <li>• Compensation</li> <li>• Corporate Governance</li> <li>• Executive (Chair)</li> <li>• Finance</li> </ul>
Professor, University of Texas at Austin and James J. Bayless Chair for Free Enterprise at the University's McCombs School of Business					
Dennis R. Glass	68	2006	<ul style="list-style-type: none"> <li>• business operations and strategic planning</li> <li>• finance and capital management</li> <li>• talent management</li> </ul>	No	<ul style="list-style-type: none"> <li>• Executive</li> </ul>
President and Chief Executive Officer, Lincoln National Corporation					
George W. Henderson, III	69	2006	<ul style="list-style-type: none"> <li>• accounting</li> <li>• finance and capital management</li> </ul>	Yes	<ul style="list-style-type: none"> <li>• Audit</li> <li>• Finance</li> </ul>
Retired Chairman and Chief Executive Officer, Burlington Industries, Inc.					
Eric G. Johnson	67	1998	<ul style="list-style-type: none"> <li>• business operations and strategic planning</li> <li>• finance and capital management</li> <li>• marketing/public relations</li> </ul>	Yes	<ul style="list-style-type: none"> <li>• Compensation</li> <li>• Executive</li> <li>• Finance (Chair)</li> </ul>
President and Chief Executive Officer, Baldwin Richardson					

Foods Company						
Gary C. Kelly	63	2009	<ul style="list-style-type: none"> <li>• business operations and strategic planning</li> <li>• finance and capital management</li> </ul>	Yes		<ul style="list-style-type: none"> <li>• Audit</li> </ul>
Chairman of the Board and Chief Executive Officer, Southwest Airlines Co.			<ul style="list-style-type: none"> <li>• public accounting</li> </ul>			<ul style="list-style-type: none"> <li>• Finance</li> </ul>
M. Leanne Lachman	75	1985	<ul style="list-style-type: none"> <li>• business operations and strategic planning</li> <li>• finance and capital management</li> <li>• marketing/public relations</li> <li>• corporate governance</li> <li>• risk management</li> </ul>	Yes		<ul style="list-style-type: none"> <li>• Audit (Chair)</li> </ul>
President, Lachman Associates LLC and Executive in Residence, Columbia Graduate School of Business						
Michael F. Mee	75	2001	<ul style="list-style-type: none"> <li>• finance and capital management</li> <li>• public accounting</li> <li>• business operations and strategic planning</li> </ul>	Yes		<ul style="list-style-type: none"> <li>• Compensation</li> <li>• Executive</li> <li>• Finance</li> </ul>
Retired Executive Vice President and Chief Financial Officer, Bristol-Myers Squibb Company						
Patrick S. Pittard	72	2006	<ul style="list-style-type: none"> <li>• finance and capital management</li> <li>• public accounting</li> <li>• talent management</li> <li>• corporate governance</li> </ul>	Yes		<ul style="list-style-type: none"> <li>• Compensation (Chair)</li> </ul>
Chairman and CEO, Southern Fiber Company						

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## BOARD OF DIRECTOR NOMINEES (cont'd.)

NAME	DIRECTOR			INDEPENDENT	COMMITTEE MEMBERSHIPS
	OCCUPATION	AGE	SINCE		
Isaiah Tidwell	73	2006	<ul style="list-style-type: none"> <li>• accounting</li> <li>• risk management</li> <li>• corporate governance</li> </ul>	Yes	<ul style="list-style-type: none"> <li>• Audit</li> <li>• Corporate Governance (Chair)</li> </ul>
Retired Executive Vice President and Georgia Wealth Management Director, Wachovia Bank, N.A.					
Lynn M. Utter	55	2017	<ul style="list-style-type: none"> <li>• business operations and strategic planning</li> <li>• risk management</li> <li>• corporate governance</li> </ul>	Yes	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Finance</li> </ul>
Chief Executive Officer, First Source, LLC					

## GOVERNANCE HIGHLIGHTS

Sound governance is important to our Board, which regularly evaluates and implements policies that reflect corporate governance best practices. Some of these practices are:

Our Chairman of the Board is an independent director;

All of our directors, except for the chief executive officer, are independent and each of the Audit, Compensation, Corporate Governance, and Finance Committees are entirely composed of independent directors;

Our shareholders have the opportunity to cast a vote with respect to all of our directors at least once per year;

Our Board is de-classified and directors serve one-year terms;

We have a majority voting standard for the election of our directors and maintain a director resignation policy for directors in uncontested elections;

Our shareholders have the right to call a special meeting to transact Company business;

We provide for “proxy access” in our Bylaws pursuant to which shareholders can place a director candidate to stand for election in the Company’s proxy materials;

We have established robust stock ownership guidelines for directors and executive officers;

We maintain a policy prohibiting pledging and hedging ownership of our stock;

Independent directors meet regularly in executive session; and

Our Board and committees conduct annual self-assessments, and our directors conduct annual individual self-assessments.



PROXY SUMMARY

EXECUTIVE COMPENSATION HIGHLIGHTS

The key objectives of our executive compensation program are to:

MOTIVATE OUR EXECUTIVES TO INCREASE PROFITABILITY AND SHAREHOLDER RETURN	PAY COMPENSATION THAT VARIES BASED ON PERFORMANCE	RETAIN KEY EXECUTIVE TALENT, AS THIS IS CRITICAL TO OUR SUCCESS
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We are asking you to cast an advisory, nonbinding vote to approve compensation awarded to our named executive officers (“NEOs”) — our chief executive officer (“CEO”), chief financial officer (“CFO”), and three additional most highly paid executive officers as listed on page 30. At our last Annual Meeting, shareholders expressed strong support for our executive compensation programs, with approximately 91% of votes cast in favor of the advisory resolution on executive compensation.

PAY FOR PERFORMANCE

We seek to align pay and performance by making a significant portion of our NEOs’ compensation dependent on:

achieving specific annual and long-term strategic and financial goals; and  
increasing shareholder value.

2017 Pay Mix. NEO compensation is weighted toward variable compensation (annual and long-term incentives), which is at risk because the actual amounts earned could differ from targeted amounts based on corporate and individual performance. As the following charts show, the vast majority of our CEO’s and other NEOs’ target direct compensation for 2017 could vary significantly based on company performance, including stock-price performance.

Note, the amounts in these graphs are shown at target and therefore will not match the values reflected in the Summary Compensation Table on page 58. For additional details about our executive compensation programs and our NEOs’ fiscal year 2017 compensation, please see “Compensation Discussion & Analysis” beginning on page 30 and “Executive Compensation Tables” beginning on page 58.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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## Proxy Statement

### ANNUAL MEETING OF SHAREHOLDERS | MAY 25, 2018

The Board of Directors (the “Board”) of Lincoln National Corporation (the “Company,” “we,” “us,” “LNC” or “Lincoln”) is soliciting proxies in connection with the proposals to be voted on at the 2018 Annual Meeting of Shareholders, which will be held beginning at 9:00 a.m. local time on Friday, May 25 at The Ritz-Carlton Hotel, 10 Avenue of the Arts, Philadelphia, Pennsylvania 19102. This proxy statement and a proxy card or a notice of internet availability were sent to our shareholders on or about April 13. When we refer to our 2018 Annual Meeting of Shareholders (the “Meeting” or the “Annual Meeting,” we are also referring to any meeting that results from an adjournment of the Annual Meeting).

## GOVERNANCE OF THE COMPANY

Integrity, respect and responsibility are not just guiding principles for us. They unify and inspire us to help people to take charge of their lives. Our Board is responsible for directing and overseeing the management of the Company’s business in the best interests of our shareholders and consistent with good corporate citizenship. In carrying out its responsibilities, the Board provides oversight for the process of selecting and monitoring the performance of senior management, provides oversight for financial reporting and legal and regulatory compliance, determines the Company’s governance guidelines, and implements its governance policies. The Board, together with management, is responsible for establishing our values and code of conduct and for setting strategic direction and priorities.

## BOARD STRUCTURE AND LEADERSHIP

Our Board has eleven members, ten of whom are non-employees, or outside directors. The Board has determined that all ten outside directors are independent, as discussed below. The Board may fill a director vacancy or reduce the size of the Board at any time without shareholder approval.

The Board has no set policy requiring separation of the offices of CEO and Chairman of the Board (“Chairman”). It believes that the decision on whether or not to separate these roles should be part of the regular succession planning process and be made based on the best interests of the Company.

Currently, we separate the roles of CEO and Chairman in recognition of the differences between these roles. The CEO is responsible for setting the Company’s performance and strategic direction and for day-to-day leadership, while the Chairman provides guidance to the CEO and management, consults on the agenda for Board meetings, acts as the key liaison between the Board and management, and presides over meetings of the full Board and of the independent directors. He also has the authority to call special meetings of the Board.

The Board elects the Chairman annually. William H. Cunningham, an independent director, has served as our Chairman since 2009.

## BOARD'S ROLE IN RISK OVERSIGHT

Enterprise risk management is an integral part of our business processes. Senior management is primarily responsible for establishing policies and procedures designed to assess and manage the Company's significant risks. We also have a Corporate Enterprise Risk and Capital Committee, made up of members of senior management and the Chief Risk Officer, which provides oversight of our enterprise-wide risk structure and of our processes to identify, measure, monitor and manage significant risks, including credit, market and operating risk. The Board's role is regular oversight of the overall

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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**GOVERNANCE** Our Corporate Governance Guidelines

risk management process, including reviews of operational, financial, legal and regulatory, cybersecurity, compensation, strategic and competitive risks. The Board reviews the most significant risks the Company faces and the manner in which our executives manage these risks. The Board has also delegated certain of its risk oversight efforts to its committees, as shown below. This structure enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. We believe that the separation of the Chairman and CEO roles supports the Board’s oversight role.

BOARD AND COMMITTEES: AREAS OF RISK OVERSIGHT			
FULL BOARD	AUDIT	COMPENSATION	FINANCE
Strategy	Company’s enterprise risk management efforts	Compensation policies and practices	Investment policies, strategies and guidelines
Operations	Financial statements	Executive incentive compensation and stock ownership	Capital management and structure
Competition	Financial reporting process	Executive retention and succession planning	Financial plan
Financial strategies and transactions	Accounting and audit matters		
	Legal, compliance and regulatory matters		
	Cybersecurity		

OUR CORPORATE GOVERNANCE GUIDELINES

The Board's Corporate Governance Guidelines (the "Guidelines") provide a framework for effective corporate governance and set expectations for how the Board should perform its functions. The Guidelines include the following key principles:

A majority of our Board must at all times be "independent" as defined by Securities and Exchange Commission ("SEC") rules and New York Stock Exchange ("NYSE") listing standards.

Our independent directors must meet in executive session at least once a year, with no members of management present. Our outside directors, all of whom are independent, meet in connection with each regularly scheduled Board meeting and at any other times they may choose.

Only independent directors may serve on the Audit, Compensation and Corporate Governance Committees.

Our Board conducts an annual review of the performance of the Board and the Audit, Compensation, Corporate Governance, and Finance Committees each year. Our directors also conduct an annual review of their individual performance.

The written charters of the Audit, Compensation, and Corporate Governance Committees comply with the NYSE's listing standards and are reviewed at least once each year.

We have a Code of Conduct, available on our website at [www.lfg.com](http://www.lfg.com), which includes our "code of ethics" for purposes of SEC rules and our "code of business conduct and ethics" for purposes of the NYSE listing standards. We will disclose amendments to or waivers from a required provision of the code by including such information on our website.

The full texts of our Guidelines and committee charters are available on our website at [www.lfg.com](http://www.lfg.com).

## DIRECTOR INDEPENDENCE

Under the Corporate Governance Guidelines, a majority of our directors must at all times be "independent" and meet the NYSE listing standards regarding independence as incorporated in our Guidelines. Among other things, these standards require the Board to determine that our independent directors have no material relationship with Lincoln other than as directors.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

Applying these standards, the Corporate Governance Committee and the Board have reviewed the independence of each director and director nominee and the Board has determined that:

Directors Connelly, Cunningham, Henderson, Johnson, Kelly, Lachman, Mee, Pittard, Tidwell and Utter are independent.

All members of the Audit, Compensation, Corporate Governance and Finance Committees are independent of our management and of the Company.

In conducting its independence review, the Board will consider, among other things, transactions and relationships between each outside director (or any member of his or her immediate family) and us or our subsidiaries and affiliates. The Board takes into account that in the ordinary course of business, we conduct transactions with companies at which some of our directors are or have been directors, employees or officers. Transactions that are in the ordinary course of business on terms substantially equivalent to those prevailing at the time for comparable transactions, and that fall below the threshold levels set forth in our independence standards do not impact a director's independence under our standards.

## DIRECTOR NOMINATION PROCESS

Under our Guidelines, the Board is responsible for selecting its own members. The Corporate Governance Committee is charged with:

Identifying the competencies appropriate for the Board.

Identifying which, if any, of those competencies may be missing or under-represented on the current Board.

Identifying individuals with appropriate qualifications and attributes.

Recommending to the Board the director nominees for the next annual meeting of shareholders.

Although there are no specific minimum qualifications for director nominees, the Corporate Governance Committee's charter allows the committee to consider any factors it deems appropriate. The Corporate Governance Committee reviews with the Board the appropriate skills and characteristics required of directors in the context of the Board's current make-up. In addition to considering a candidate's background, experience and professional accomplishments, the Board looks for individuals with, among other attributes, integrity, business acumen, specific skills (such as an understanding of marketing, finance, accounting, regulation and public policy), and a commitment to our shared values.

Our Board reflects a diverse, highly engaged group of directors with appropriate skills and varying backgrounds. We have a rigorous Board evaluation process that includes an annual self-assessment, individual director assessments, and peer review to foster the right mix of subject matter expertise, capabilities and perspectives. Our Board also takes a thoughtful approach to board refreshment with the intent to align directors' skills with our Company strategy. The Board regularly reviews the composition and qualifications of our directors.

After a deliberate and inclusive process, Lynn M. Utter was elected as a new director during 2017, to fill the vacancy left by a retired director. Ms. Utter's experience and expertise is well-suited to our Board and complements that of our other directors. This is the second new director elected to our Board in the last two years following the retirement of a director. The Board will continue to review its composition and structure, balancing the need for continuity and experience with fresh ideas and perspectives.

As set forth in our Guidelines, Board refreshment over time is critical to ensuring that the Board as a whole maintains the appropriate balance of tenure, diversity, skills and experience needed to provide effective oversight in light of the Company's current and long-term strategic needs. The Board does not believe that arbitrary term limits for directors based on age or years of service are appropriate, as they can result in the Company losing the valuable contribution of directors who have over time developed increased insight into the Company and its operations. The Company benefits from a mix of experienced

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GOVERNANCE Director Nomination Process

directors with a deep understanding of the Company and newer directors who bring fresh perspectives. However, a director's service should not outlast his or her ability to contribute and consequently the Board does not believe that directors should expect to be re-nominated continually. Each director's continued tenure is re-considered annually, taking into account the results of the Board's annual self-evaluation, annual individual director peer evaluations, results of voting by shareholders in annual director elections and the Company's needs. It is the Board's intent to maintain a balance of directors who have longer terms of service with those who have joined more recently.

Although the Board does not have a formal diversity policy, our Guidelines specify that the Corporate Governance Committee should consider diversity in the director identification and nomination process. As a result, the Corporate Governance Committee seeks nominees with a broad diversity of backgrounds, experiences, professions, education and differences in viewpoints and skills. Its goal is to ensure that the directors, as a group, provide a substantive blend of experience, knowledge and ability that enables the Board to fulfill its responsibilities in a constructive and collegial environment. In the annual evaluation of the Board and committees, the Board considers whether the members of the Board reflect such diversity and whether such diversity contributes to a constructive and collegial environment.

The Corporate Governance Committee begins the nomination process each year by deciding whether to renominate current directors, as all directors are up annually for nomination and election by our shareholders. This includes an individual assessment of each director who will be up for reelection the following year. The Corporate Governance Committee then reviews the results of the individual director assessments. It considers for renomination those Board members whose skills and experience continue to be relevant to our business and whose performance for the most recent term has also been favorably assessed.

When identifying potential director candidates — whether to replace a director who has retired or resigned or to expand the Board to gain additional capabilities — the Corporate Governance Committee determines the skills, experience and other characteristics that a potential nominee should possess (in light of the composition and needs of the Board and its committees, including whether or not the nominee would be considered “independent” under SEC rules and NYSE listing standards) and seeks candidates with those qualifications.

Although not required to do so, the Corporate Governance Committee may consider candidates proposed by our directors or our management, and may also retain an outside firm to help identify and evaluate potential nominees. The Corporate Governance Committee will also consider nominations from shareholders. Such nominations must be submitted in writing to our Corporate Secretary at our principal executive office, and must include the same information that would be required for a candidate to be nominated by a shareholder at a meeting of shareholders as described under “General Information – Shareholder Proposals for the 2019 Annual Meeting” on page 87 and in our Amended and Restated Bylaws (“bylaws”), which can be found on our website at [www.lfg.com](http://www.lfg.com). Any such recommendation must be received by the Corporate Secretary no earlier than January 25, 2019, nor later than February 24, 2019.

Our proxy access bylaws permit a shareholder, (or a group of up to 20 shareholders) owning shares of our outstanding common stock representing at least 3% of the votes entitled to be cast on the election of directors, to nominate and include in our proxy materials director candidates constituting up to 20% of the Board. The nominating shareholder or group of shareholders must have owned their shares continuously for at least three years, and the nominating shareholder(s) and nominee(s) must satisfy other requirements specified in our bylaws.

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If the Corporate Governance Committee determines that it should conduct a full evaluation of a prospective candidate, including an interview, one or more members of the Corporate Governance Committee will do so, and other directors may be asked to interview the candidate as well. Upon completing the evaluation and the interview, the Corporate Governance Committee recommends to the Board whether to nominate the candidate.

The nominee evaluation process is the same whether the nomination comes from a Board member, management or a shareholder. If the Corporate Governance Committee recommends a shareholder nominee to the Board, the Board may — as with any nominee — either accept or reject the recommendation.

#### ANNUAL BOARD EVALUATION

Annually, the Board conducts a self-evaluation to determine whether it and its committees are functioning effectively. The Corporate Governance Committee oversees the Board evaluation process, which is designed to elicit feedback and recommendations from the directors that will improve the effectiveness of the Board. Each year, the Corporate Governance Committee reviews the overall process for the assessment as well as the substantive matters to be addressed during the evaluation. In general, the evaluation covers a variety of topics including the Company's strategy, financial performance, risk management and succession planning. The results of the assessment are discussed with each committee and the full Board following the compilation of the results.

#### COMMUNICATIONS WITH DIRECTORS

Shareholders and others who wish to communicate with the full Board or its outside (nonexecutive) directors may do so by sending a letter to either "The Board of Directors" or "The Outside Directors," as appropriate, at our principal executive offices:

Lincoln National Corporation

150 N. Radnor Chester Road

Radnor, PA 19087

Attention: Office of the Corporate Secretary

Our Corporate Secretary receives and processes all communications and will refer relevant and appropriate communications to the Chairman. If a communication relates to possible violations of our Code of Conduct or contains concerns or complaints regarding our accounting, internal auditing controls, or auditing matters or other related concerns, it will be referred to the Audit Committee, which has a policy for reporting such information. The policy can be found on our website at [www.lfg.com](http://www.lfg.com).

You may communicate with the Board anonymously and/or confidentially. However, if you submit your communication anonymously, we will not be able to contact you in the event we require further information. Also, while we will attempt to preserve your confidentiality whenever possible, we cannot guarantee absolute confidentiality.

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GOVERNANCE	Board and Committee Meetings
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## BOARD AND COMMITTEE MEETINGS

The Board met six times during 2017, and each director attended 75% or more of the aggregate of: (1) the total number of Board meetings and (2) the total number of meetings held by committees on which he or she served. Ms. Utter joined the Board in November 2017 and attended all meetings held after she joined the Board. Although the Board does not have a formal policy that requires directors to attend our Annual Meeting of Shareholders, directors are encouraged to attend. All of the Company's directors then serving on the Board attended the 2017 Annual Meeting.

## BOARD COMMITTEES

The Board has six standing committees: the Audit Committee, the Compensation Committee, the Corporate Governance Committee, the Executive Committee, the Finance Committee, and the Committee on Corporate Action. The table below lists the directors who currently serve on these committees and the number of meetings each committee held during 2017. The Audit, Compensation, Corporate Governance, and Finance committees conduct self-evaluations of their committee's performance each year.

## CURRENT COMMITTEE MEMBERSHIP AND MEETINGS HELD DURING 2017 (C=CHAIR M=MEMBER)

	CORPORATE				CORPORATE	
	AUDIT	COMPENSATION	GOVERNANCE	EXECUTIVE	FINANCE	ACTION <sup>1</sup>
Deirdre P. Connelly	M		M			
William H. Cunningham		M	M	C	M	
Dennis R. Glass				M		C
George W. Henderson, III	M				M	
Eric G. Johnson		M		M	C	
Gary C. Kelly	M				M	
M. Leanne Lachman	C					
Michael F. Mee		M		M	M	
Patrick S. Pittard		C				
Isaiah Tidwell	M		C			
Lynn M. Utter <sup>2</sup>			M		M	
Number of Meetings in 2017	8	4	4	—	5	—

Shaded cells denote committee chair.

1. The Committee on Corporate Action takes all action by the unanimous written consent of the sole member of that Committee, and there were fourteen (14) such consents in 2017.
2. Ms. Utter joined the Board in November 2017 and was not assigned any committee memberships until February 2018.

The functions and responsibilities of our Board's standing committees are described below. Charters for the Audit, Compensation, Corporate Governance, Executive, and Finance committees are available on the Governance section of our website at [www.lfg.com](http://www.lfg.com).

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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## AUDIT COMMITTEE

The primary function of the Audit Committee is oversight, including risk oversight. This includes:

assisting the Board in oversight of: (1) the integrity of our financial statements; (2) our compliance with legal and regulatory requirements; (3) the independent auditor’s qualifications and independence; (4) the performance of our general auditor and independent auditor; and (5) our risk assessment and risk management policies and processes

hiring, firing, and evaluating the performance of the independent auditors and approving their compensation and all of their engagements

reviewing and discussing the risk policies and procedures adopted by management, and the implementation of these policies

discussing the timing and process for implementing the rotation of the lead audit partner

discussing our annual and quarterly consolidated financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our SEC filings and annual report to shareholders

reviewing the qualifications and backgrounds of senior risk officers

inquiring about significant risks and exposures, if any, and reviewing and assessing the steps taken to monitor and manage them

preparing the report required for inclusion in our annual proxy statement

establishing procedures for handling complaints regarding accounting, internal auditing

controls or auditing matters and for the confidential, anonymous submission of employee concerns regarding questionable accounting or auditing matters

consulting with management before the appointment or replacement of the internal auditor

reporting the Audit Committee's activities to the Board on a regular basis and making any recommendations to the Board that the Audit Committee deems appropriate.

The Board has determined that at least one of its members meets the definition of "audit committee financial expert" under SEC rules. The Board has named Gary C. Kelly as our "audit committee financial expert" for this proxy statement. The Audit Committee may obtain advice and assistance from internal or external legal, accounting or other advisers.

More information regarding the Audit Committee, including the Audit Committee Report, can be found under “Ratification of Appointment of Independent Registered Public Accounting Firm” beginning on page 25.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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## COMPENSATION COMMITTEE

The principal functions of the Compensation Committee include:

establishing reviewing and  
our approving the  
general strategies, policies  
compensation and programs  
philosophy related to the  
in compensation of  
consultation our executive  
with officers and other  
the key personnel  
compensation  
consultant  
and  
senior making  
management recommendations  
to the Board  
regarding incentive  
compensation and  
ensuring equity-based plans,  
that and approving all  
succession grants and awards  
plans to executive  
are in officers under such  
place plans  
for  
the  
CEO  
and approving  
other employment and  
executive severance  
officers agreements for  
executive officers

reviewing  
and

approving certain  
corporate employee benefit  
goals and executive  
and compensation plans  
objectives and programs, and  
for changes to such  
the plans and programs  
CEO  
and  
executive  
officers' reporting the  
compensation Compensation  
Committee's  
activities to the  
Board on a regular  
evaluating basis and making  
the any  
CEO's recommendations  
performance the Compensation  
and Committee deems  
setting appropriate.  
the  
CEO's  
compensation  
level  
based  
on  
this  
evaluation

evaluating  
annually  
whether  
the  
Company's  
compensation  
programs  
create  
unnecessary  
risks  
that  
could  
harm  
the  
Company

reviewing  
with  
management  
the  
Compensation  
Discussion &  
Analysis  
to be  
included  
in the  
proxy  
statement

The Compensation Committee may retain or obtain advice on executive compensation-related matters from a compensation consultant, outside legal counsel or other adviser. The committee is directly responsible for appointing, compensating and overseeing the work of any such advisers and must consider certain independence factors before hiring them. More information concerning the Compensation Committee, including the role of its compensation consultant and our executive officers in determining or recommending the amount or form of executive compensation, can be found in the “Compensation Discussion & Analysis” section beginning on page 30.



## CORPORATE GOVERNANCE COMMITTEE

The principal functions of the Corporate Governance Committee include:

identifying individuals qualified to become Board members

taking a leadership role in shaping our corporate governance and recommending to the Board the corporate governance principles applicable to us

making recommendations to the Board regarding the compensation program for directors

reporting the Corporate Governance Committee's activities to the Board on a regular basis and making any recommendations the Corporate Governance Committee deems appropriate

recommending to the Board nominees for director (including those recommended by shareholders in accordance with our Bylaws)

developing and recommending to the Board standards

for determining the independence of directors

making recommendations to the Board regarding the size of the Board and the membership, size, structure and function of its committees

helping evaluate the Board and individual directors.

The Corporate Governance Committee may hire and terminate search firms; approve any search firm's fees and terms of retention; and seek advice and assistance from internal or external legal, accounting or other advisers.



**EXECUTIVE COMMITTEE**

The principal function of the Executive Committee is to act for the Board, when necessary, between Board meetings. In such instances, the Executive Committee may act for the Board in managing and directing the Company's business and affairs, except for matters expressly delegated to another committee or the full Board. The Executive Committee reports any actions it takes to the Board as soon as practicable.

**FINANCE COMMITTEE**

The principal functions of the Finance Committee include:

<p>reviewing and providing guidance to senior management with respect to:</p> <ul style="list-style-type: none"> <li>– our annual three-year financial plan</li> <li>– our capital structure, including issuance of securities by us or any of our affiliates, significant “off balance sheet”</li> </ul>	<p>reviewing the general account and our investment policies, strategies and guidelines</p> <p>reviewing our hedging program and the policies and procedures governing the use of financial instruments, including derivatives</p> <p>reviewing the funding adequacy of our qualified pension plans, including significant actuarial assumptions, investment policies and performance</p>
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transactions,  
and our  
dividend and  
share  
repurchase  
strategies

reporting the  
Finance  
Committee's  
activities to the  
Board on a  
regular basis and  
making any  
recommendations  
the Finance  
Committee deems  
appropriate.

– our  
reinsurance  
strategies

– proposed  
mergers,  
acquisitions,  
divestitures,  
joint  
ventures and  
other  
strategic  
investments

- reviewing  
our overall  
credit quality  
and credit  
ratings  
strategy

The Finance  
Committee may  
seek advice and  
assistance from  
internal or  
external legal,  
accounting or  
other advisers.

COMMITTEE ON  
CORPORATE ACTION

The Committee on Corporate Action was formed to delegate to the sole member, the CEO, the authority to take certain actions on behalf of the Board in accordance with limits set by the Board. The principal functions that have been delegated to the Committee on Corporate Action include:

determining the pricing of the securities offered from our shelf registration statement, including all rates, payments, ratios, discounts and other financial measures related to the pricing of such securities

approving, as necessary, the underwriting agreement, form of security, and other transaction documents relating to the offering and sale of securities under our shelf registration statement.

appointing and removing certain classes of our officers as the Board may determine by resolution

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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**ITEM 1  
ELECTION OF DIRECTORS**

**ITEM 1 | ELECTION OF DIRECTORS**

**NOMINEES FOR DIRECTOR**

Eleven directors will be up for election at the 2018 Annual Meeting to hold office until the next annual meeting and until their respective successors are elected and qualified. Of the directors standing for election, only Mr. Glass is an officer of the Company. In addition to annual elections, our bylaws require our directors to be elected by a majority of votes cast in an uncontested election.

Each director brings a strong background and set of skills to the Board, giving the Board as a whole expertise, diversity and experience in a wide variety of areas. The Board believes that all of our directors have integrity and honesty, and adhere to high ethical standards. They have also demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment to serve the Company.

Unless you direct otherwise or specifically indicate that you wish to abstain from voting for one or more of the nominees on the proxy, your proxy will be voted for each of the nominees below. Each nominee is a current director of the Company and has agreed to continue serving on the Board if elected. If any nominee is unable to serve as a director, proxies may be voted for another person designated by the Board.

**The Board of Directors recommends a vote FOR each of the nominees.**

**DEIRDRE P. CONNELLY**

**AGE: 57 DIRECTOR SINCE: 2016**

**RETIRED PRESIDENT**

**Member, Audit and Corporate Governance  
Committees**

**NORTH AMERICAN  
PHARMACUETICALS**

**OF GLAXOSMITHKLINE**

**CAREER**

Ms. Connelly was the President, North American Pharmaceuticals of GlaxoSmithKline, a global pharmaceutical company, from 2009 until her retirement in 2015. Before that she served as President, U.S. Operations for Eli Lilly and Company from 2005 to 2009.

**QUALIFICATIONS**

Substantial leadership experience and expertise as a senior executive of large publicly traded companies with global operations. She has extensive knowledge and expertise in strategy, operations, finance and capital management, brand marketing and product development.

OTHER PUBLIC COMPANY BOARDS  
Macy's, Inc., 2008–present.  
Genmab A/S, 2017–present.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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ITEM 1  
ELECTION OF DIRECTORS Nominees for Director

WILLIAM H. CUNNINGHAM                      AGE: 74    DIRECTOR SINCE: 2006

Non-Executive Chairman of the Board since: 2009

PROFESSOR AT THE UNIVERSITY OF TEXAS AT AUSTIN AND JAMES J. BAYLESS                      Member, Compensation, Corporate Governance, Executive and Finance Committees

CHAIR FOR FREE ENTERPRISE AT THE UNIVERSITY'S McCOMBS SCHOOL OF BUSINESS

**CAREER**                      Mr. Cunningham has been a professor with The University of Texas since 2000. Before that he served as Chancellor and CEO of The University of Texas System, as President of The University of Texas at Austin and as Dean of the McCombs School of Business.

**QUALIFICATIONS**                      Substantial experience in accounting, marketing, finance and corporate governance, as well as experience leading a large public institution. Mr. Cunningham also has significant experience serving on public company boards, including over 20 years in our industry as a Director of Jefferson-Pilot Corporation, a public insurance company with whom we merged in 2006.

**OTHER PUBLIC COMPANY BOARDS**                      John Hancock Mutual Funds, 1986–present.  
Southwest Airlines Co., 2000–present.

**PRIOR PUBLIC COMPANY BOARD SERVICE IN PAST 5 YEARS**                      LIN Media LLC (formerly LIN Television Corporation), 2002–2007 and 2009–2014.  
Resolute Energy Corporation, 2009–2015.

DENNIS R. GLASS                      AGE: 68    DIRECTOR SINCE: 2006

PRESIDENT AND CHIEF EXECUTIVE OFFICER OF LINCOLN NATIONAL CORPORATION                      Member, Executive Committee

<b>CAREER</b>	Mr. Glass has served as our President since 2006 and our CEO since 2007. He is also President of, and serves on the boards of, our principal insurance subsidiaries. Before our merger with Jefferson-Pilot Corporation, Mr. Glass was President, CEO and a Director of that company.
<b>QUALIFICATIONS</b>	A seasoned executive who has served in executive-level positions in the insurance industry for over 30 years, Mr. Glass brings to his role as a Director a deep knowledge of our industry, our regulators, our competitors and our products.
<b>OTHER PUBLIC COMPANY BOARDS</b>	None in past 5 years.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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Nominees for Director **ITEM 1**  
**ELECTION OF DIRECTORS**

GEORGE W. HENDERSON, III                      AGE: 69    DIRECTOR SINCE: 2006

Member, Audit and Finance Committees  
 RETIRED CHAIRMAN  
 AND CHIEF EXECUTIVE  
 OFFICER OF  
 BURLINGTON  
 INDUSTRIES, INC.

Mr. Henderson also serves as a Director of  
 Lincoln Life & Annuity Company of New York, one of our  
 insurance subsidiaries.

**CAREER**                      Mr. Henderson was Chairman and CEO of Burlington Industries, a global manufacturer of textile products, from 1998 to his retirement in 2003. Before that he served as that company's President and its COO. He was also a member of Burlington's Board of Directors for 13 years.

**QUALIFICATIONS**      Executive leadership and management experience at the highest levels of a global public company; significant experience with international operations, accounting and financial reporting.

**OTHER PUBLIC COMPANY BOARDS**      Bassett Furniture Industries, Inc., 2004–present.

ERIC G. JOHNSON                      AGE: 67    DIRECTOR SINCE: 1998

PRESIDENT AND CEO OF Chair, Finance Committee

BALDWIN RICHARDSON

FOODS COMPANY                      Member, Compensation and Executive Committees

**CAREER**                      Since 1997, Mr. Johnson has served as President and CEO of Baldwin Richardson Foods Company, a privately held manufacturer of products for the food service industry.

**QUALIFICATIONS** Extensive executive management skills; expertise in marketing, finance and the development and execution of corporate strategy; experience in mergers and acquisitions. Through his years of service on our Board, Mr. Johnson has also developed a deep base of knowledge regarding our business and our industry.

**OTHER PUBLIC COMPANY BOARDS** SUPERVALU, INC., 2013–present.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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Extensive background in real estate analysis, investment, management, and development, and international operations. Through her years of service on our Board, she has acquired a deep understanding of our business, our organization and our industry.

OTHER PUBLIC  
COMPANY  
BOARDS

Liberty Property Trust, 1994–present. Ms. Lachman will step down as a director of Liberty Property Trust at their 2018 annual meeting.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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Nominees for Director **ITEM 1**  
**ELECTION OF DIRECTORS**

**MICHAEL F. MEE**                      **AGE: 75    DIRECTOR SINCE: 2001**

**RETIRED EXECUTIVE              Member, Compensation, Executive and Finance Committees**  
**VICE**

**PRESIDENT AND CHIEF**

**FINANCIAL OFFICER OF**

**BRISTOL-MYERS SQUIBB**

**COMPANY**

**CAREER**                      From 1994 to 2001, Mr. Mee was the Executive Vice President and CFO of Bristol-Myers Squibb Co., a pharmaceutical and health care products company, where he was also a member of the Office of the Chairman. Before joining Bristol-Myers Squibb, Mr. Mee served in senior financial executive positions with several Fortune 500 companies.

**QUALIFICATIONS**        Significant public accounting and financial reporting skills; extensive management experience and leadership skills; expertise in corporate strategy, development and investments, international operations and risk assessment.

**OTHER PUBLIC              None in the past 5 years.**  
**COMPANY BOARDS**

**PATRICK S. PITTARD**              **AGE: 72    DIRECTOR SINCE: 2006**

**CHAIRMAN AND CEO OF        Chair, Compensation Committee**  
**SOUTHERN FIBER**  
**COMPANY**

Mr. Pittard also serves as a Director of Lincoln Life & Annuity Company of New York, one of our insurance subsidiaries.

**CAREER**

Mr. Pittard is Chairman and CEO of Southern Fiber Company, a company that provides fiber optic installation services, since 2017. Previously, Mr. Pittard served as CEO of Patrick Pittard Advisors LLC, a firm providing “C-level” services such as executive search and talent assessment. He also serves as a leadership instructor at the Terry School of Business at the University of Georgia and was the Chairman and CEO of ACT Bridge from 2011 to 2013. Before that Mr. Pittard was Chairman, President and CEO of Heidrick & Struggles International, Inc., a worldwide provider of executive-level search and leadership services and one of the largest publicly traded global recruiting firms, from which he retired in 2002.

**QUALIFICATIONS** Executive leadership and management experience at the highest levels of a global public company; experience driving strategic organizational growth; expertise in executive compensation, insurance and investments.

**OTHER PUBLIC COMPANY BOARDS** Artisan Funds, 2001–present.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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**ITEM 1**  
**ELECTION OF DIRECTORS** Nominees for Director

**ISAIAH TIDWELL** AGE: 73 DIRECTOR SINCE: 2006

**RETIRED EXECUTIVE** Chair, Corporate Governance Committee  
**VICE PRESIDENT AND**  
**GEORGIA WEALTH**  
**MANAGEMENT DIRECTOR OF**  
**WACHOVIA BANK, N.A** Member, Audit Committee

**CAREER** Before retiring in 2005, Mr. Tidwell was an Executive Vice President and Director of Wealth Management Operations for Wachovia Bank in Georgia. During his career at Wachovia, he took on various roles with increasing responsibility, eventually becoming Southern Regional Executive before being promoted to Executive Vice President. Earlier in his career, Tidwell was employed in various accounting and financial positions with Celanese Corporation.

**QUALIFICATIONS** Extensive experience in banking, financial services and wealth management. Through his years of service on the boards of other public companies, Mr. Tidwell has also developed knowledge of risk assessment practices and a significant understanding of finance and accounting principles.

**PRIOR PUBLIC COMPANY BOARD SERVICE IN PAST 5 YEARS** Harris Teeter Supermarkets, Inc. (formerly Ruddick Corporation), 1999–2014.  
 Synder’s–Lance, Inc. (acquired by Campbell Soup Company), 1995–2018.

**LYNN M. UTTER** AGE: 55 DIRECTOR SINCE: 2017

**CHIEF EXECUTIVE OFFICER** Member, Corporate Governance and Finance  
**OF** Committees

**FIRST SOURCE, LLC**

<b>CAREER</b>	Ms. Utter has served as the chief executive officer and a director of First Source, LLC, a privately held packager and distributor of national branded, unbranded and private label confectionery products, nuts, snacks, specialty foods and natural products sold to retailers throughout the United States, since April 2016. She previously served as the President and Chief Operating Officer of Knoll Office, a designer and manufacturer of office furniture products, from February 2012 to April 2015. She served as President and Chief Operating Officer of Knoll North America from 2008 to February 2012.
<b>QUALIFICATIONS</b>	Executive leadership experience in key operating roles, including her current role as chief executive officer. She has had wide-ranging experience as a senior executive in multiple industries and disciplines, including sales, manufacturing and distribution. Ms. Utter has also developed a strong knowledge of strategic planning as a Chief Strategy Officer and strategy consultant.
<b>OTHER PUBLIC</b>	WESCO International, Inc., 2006–present.
<b>COMPANY BOARDS</b>	

## COMPENSATION OF OUTSIDE DIRECTORS

### COMPENSATION OF OUTSIDE DIRECTORS

The Board adheres to the following guidelines in establishing outside director compensation:

We provide competitive compensation to attract and retain high-quality outside directors; and A significant portion of each outside director's compensation is paid in equity to help align our directors' interests with those of our shareholders.

In accordance with our Corporate Governance Guidelines, the Board's compensation program is reviewed and assessed annually by the Corporate Governance Committee. As part of this review, the committee may solicit the input of outside compensation consultants. During 2017, the Corporate Governance Committee asked Pay Governance LLC, an independent compensation consultant, to provide a competitive analysis of the compensation we provide to our outside directors. As a result of that review and the committee's discussion, the Corporate Governance Committee recommended making no changes to Board compensation for 2018.

The following table shows the fees in effect beginning January 1, 2017:

FEES	2017
<b>BOARD</b>	
Annual Retainer (Cash)	\$100,000
Deferred LNC Stock Units	\$161,000
Total Board Fees	\$261,000
<b>NON-EXECUTIVE CHAIRMAN OF THE BOARD</b>	
Annual Retainer (Cash)	\$120,000
Deferred LNC Stock Units	\$376,000
Total Non-Executive Chairman of the Board Fees	\$496,000
<b>COMMITTEES (CASH)</b>	
Audit Committee Chair	\$30,000
Audit Committee Member	\$10,000
Other Committee Chair	\$20,000

### SHARE OWNERSHIP REQUIREMENTS

Lincoln's share ownership guidelines require outside directors to hold, within five years of joining the Board, interests in the Company's common stock equal to five (5) times the annual Board or Chair cash retainer (for each Board member, this is \$500,000 and for the Chairman, this is \$600,000). Interests in our stock that count toward the share ownership guidelines include Deferred LNC Stock Units, LNC stock owned outright, and 33% of vested stock options. As of December 31, 2017, all of our directors are in compliance with this requirement, with the exceptions of Ms. Connelly, who joined the Board in May 2016 and has until May 2021 to meet the full share ownership requirement, and Ms. Utter, who joined the Board in November 2017 and has until November 2022 to meet the full share ownership requirement.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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COMPENSATION OF OUTSIDE DIRECTORS

Optional Deferral of Annual Retainer

#### OPTIONAL DEFERRAL OF ANNUAL RETAINER

In addition to receiving Board fees in the form of Deferred LNC Stock Units, directors may defer the cash component of their annual and committee retainers into various investment options under the Lincoln National Corporation Deferred Compensation Plan for Non-Employee Directors (the “Directors’ DCP”).

The investment options of the Directors’ DCP track those offered to employees under the LNC Deferred Compensation and Supplemental/Excess Retirement Plan (the “DC SERP”) and include a Lincoln National Corporation Stock Fund investment option (the “LNC Stock Fund”). However, the Directors’ DCP uses “phantom” versions of the DC SERP investment options, meaning that accounts are credited with earnings or losses as if the amounts had been invested in the chosen investment options.

All deferred amounts, including the annual retainer paid in Deferred LNC Stock Units, are payable only when the director retires or resigns from the Board. In addition, amounts invested in the LNC Stock Fund upon cessation of a director’s service on the Board are only payable in shares of Lincoln common stock.

#### MEETING FEES

No additional fees are paid for attending regularly scheduled Board or committee meetings, although the Corporate Governance Committee has discretion to recommend additional compensation (\$1,100 per meeting) for additional meetings. Outside directors who are also directors of Lincoln Life & Annuity Company of New York (“LNY”), our indirect, wholly owned subsidiary, receive an annual cash retainer of \$15,000 and a fee of \$1,100 for each LNY Board and committee meeting they attend. During 2017, three of our outside directors — Messrs. Henderson and Pittard, and Ms. Lachman — also served as directors of LNY.

#### OTHER BENEFITS

In addition to the compensation listed above, we offer our outside directors the following benefits:

Financial planning services—reimbursement of up to \$20,000 for an initial financial plan and \$10,000 for annual updates. The services must be provided by a Lincoln Financial Network financial planner for the director to be reimbursed.

Participation—at their own expense—in certain health and welfare benefits, including our self-insured medical and dental plans as well as life insurance and accidental death and dismemberment coverages.

Participation in a matching charitable gift program through which the Lincoln Financial Foundation, Inc. matches donations from a director to one or more eligible organizations, up to an annual total of \$15,000 for all gifts.



Directors' Compensation Table	COMPENSATION OF OUTSIDE DIRECTORS
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COMPENSATION OF NON-EMPLOYEE DIRECTORS* DURING 2017				
NAME	FEES EARNED			TOTAL
	OR PAID IN CASH <sup>1</sup>	STOCK AWARDS <sup>2</sup>	ALL OTHER COMPENSATION	
	(\$)	(\$)	(\$)	(\$)
Deirdre P. Connelly	110,000	161,000	-	271,000
William H. Cunningham	120,000	376,000	15,000	<sup>6</sup> 511,000
George W. Henderson, III	129,400	161,000	10,000	<sup>6</sup> 300,400
Eric G. Johnson	120,000	161,000	10,000	<sup>5</sup> 291,000
Gary C. Kelly	110,000	161,000	5,000	<sup>6</sup> 276,000
M. Leanne Lachman	149,400	161,000	25,000	<sup>5,6</sup> 335,400
Michael F. Mee	100,000	161,000	5,000	<sup>6</sup> 266,000
William Porter Payne <sup>3</sup>	40,385	65,019	-	105,404
Patrick S. Pittard	138,300	161,000	10,000	<sup>5</sup> 309,300
Isaiah Tidwell	130,000	161,000	12,750	<sup>6</sup> 303,750
Lynn M. Utter <sup>4</sup>	14,130	22,750	-	36,880

\* As an employee of the Company, Mr. Glass receives no director compensation.

1. As described above, \$100,000 (or \$120,000 in case of the non-executive chair) of the annual retainer was paid in cash. The fees shown in this column also include any fees that an outside director was paid as the chair of a committee, as a member of the Audit Committee, or for service on the Board of LNY.
2. The fair value of the stock awards was determined in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718, Stock Compensation. The assumptions made in calculating the grant date fair value of stock and option awards are set forth in Note 18 of the Notes to the Consolidated Financial Statements, included in Item 8 of our Form 10-K for the fiscal year ended December 31, 2017. Mr. Cunningham received an additional \$215,000 in Deferred LNC Stock Units for serving as non-executive Chairman during 2017.
3. Mr. Payne retired from our Board effective May 26, 2017.
4. Ms. Utter was elected to our Board effective November 10, 2017.
5. Includes the provision of financial planning services with an aggregate incremental cost to us of \$10,000 for each of Messrs. Johnson and Pittard, and Ms. Lachman.
6. Reflects contributions made on the director's behalf under the matching charitable gift program.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

## COMPENSATION OF OUTSIDE DIRECTORS

## Deferred LNC Stock Units and Stock Options

The following table shows the number of Deferred LNC Stock Units and vested unexercised LNC stock options held by each director as of December 31, 2017:

NAME	DEFERRED LNC STOCK	
	STOCK UNITS	OPTIONS
Deirdre P. Connelly	4,211	-
William H. Cunningham	100,378	-
George W. Henderson, III	62,910	-
Eric G. Johnson	54,443	-
Gary C. Kelly	24,322	17,040
M. Leanne Lachman	65,059	-
Michael F. Mee	69,145	-
Patrick S. Pittard	21,083	-
Isaiah Tidwell	32,237	-
Lynn M. Utter	374	-

Deferred LNC Stock Units include amounts reported in the Stock Awards column above and phantom units awarded under the LNC Outside Directors' Value Sharing Plan, which was terminated on July 1, 2004, plus any accrued dividend equivalents, which are automatically reinvested in additional phantom units of our common stock.



## ITEM 2

## RATIFICATION OF APPOINTMENT

## ITEM 2 | RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee evaluates the performance of the Company's independent auditors each year and determines whether to reengage them or consider other firms. In doing so, the committee considers the auditor's service quality and efficiency, capability, technical expertise, and knowledge of our operations and industry. On February 21, 2018, the Audit Committee appointed Ernst & Young LLP ("Ernst & Young") as our independent registered public accounting firm for fiscal year 2018. We have engaged this firm and its predecessors in this capacity continuously since 1968 for LNC and since 1966 for subsidiaries of LNC. In addition, the Audit Committee is involved in the selection of Ernst & Young's lead engagement partner and ensures that the mandated rotation of the lead partner occurs routinely.

As a matter of good corporate governance, we request that our shareholders ratify (approve) this appointment, even though this is not required. If shareholders do not ratify this appointment, the Audit Committee will take note of that and may reconsider its decision. If shareholders do ratify this appointment, the committee will still have discretion to terminate Ernst & Young and retain another accounting firm at any time during the year.

Representatives of Ernst & Young will be present at the Annual Meeting, where they will be given the opportunity to make a statement if they wish to do so. They will also be available to respond to questions about their audit of our consolidated financial statements and internal controls over financial reporting for fiscal year 2017.

The Board of Directors recommends a vote FOR the ratification of Ernst & Young as our independent registered public accounting firm for 2018.

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES AND SERVICES

The table below shows the total fees that Ernst & Young received for professional services rendered for fiscal years 2017 and 2016, with a breakdown of fees paid for different categories of work.

	FISCAL YEAR		FISCAL YEAR	
	ENDED -	% OF	ENDED -	% OF
	DECEMBER 31, 2017	TOTAL FEES	DECEMBER 31, 2016	TOTAL FEES
Audit Fees <sup>1</sup>	\$9,823,196	85.6%	\$10,188,388	88.1%
Audit-Related Fees <sup>2</sup>	1,649,620	14.4%	1,379,048	11.9%
Tax Fees <sup>3</sup>	—	—	—	—
All Other Fees	—	—	—	—
<b>TOTAL FEES</b>	<b>\$11,472,816</b>	<b>100.0%</b>	<b>\$11,567,436</b>	<b>100.0%</b>

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ITEM 2

RATIFICATION OF APPOINTMENT Pre-Approval Policy

1. **Audit Fees.** Fees for audit services include fees and expenses associated with the annual audit, the reviews of our interim financial statements included in quarterly reports on Form 10-Q, accounting consultations directly associated with the audit, and services normally provided in connection with statutory and regulatory filings.
2. **Audit-Related Fees.** Audit-related services principally include employee benefit plan audits, service auditor reports on internal controls, due diligence procedures in connection with acquisitions and dispositions, reviews of registration statements and prospectuses, and accounting consultations not directly associated with the audit or quarterly reviews.
3. **Tax Fees.** Fees for tax services include tax-filing and advisory services.

#### AUDIT COMMITTEE PRE-APPROVAL POLICY

The Audit Committee has policies and procedures to preapprove all audit and permissible non-audit services that our independent auditors provide. Management submits to the Audit Committee for approval a schedule of all audit, tax and other related services it expects the firm to provide during the year. The schedule includes examples of typical or known services expected to be performed, listed by category, to illustrate the types of services to be provided under each category. The Audit Committee preapproves the services by category, with specific dollar limits for each category. If management wants to engage the accounting firm for additional services, management must receive approval from the Audit Committee for those services. The Audit Committee chair also has the authority to preapprove services between meetings, subject to certain dollar limitations, and must notify the full Audit Committee of any such preapprovals at its next scheduled meeting.

#### OTHER INFORMATION

Ernst & Young has advised us that neither it nor any member of the firm has any financial interest, direct or indirect, in any capacity in us or our subsidiaries. The Company has made similar inquiries of our directors and executive officers, and we have identified no such direct or indirect financial interest in Ernst & Young.

Audit Committee Report	ITEM 2 RATIFICATION OF APPOINTMENT
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## AUDIT COMMITTEE REPORT

Management has primary responsibility for:

preparing our financial statements;  
establishing financial reporting systems and internal controls; and  
reporting on the effectiveness of our internal control over financial reporting.

The Company's independent registered public accounting firm is responsible for:

performing an independent audit of our consolidated financial statements;  
issuing a report on those financial statements; and  
issuing an attestation report on our internal control over financial reporting.

In this context, the Audit Committee has:

reviewed and discussed with management the audited financial statements for fiscal year 2017;  
discussed with our accounting firm the matters that the Public Company Accounting Oversight Board ("PCAOB") requires them to discuss as per Auditing Standard No. 1301, Communications with Audit Committee;  
received the written disclosures and letter from our accounting firm that the PCAOB requires regarding the firm's communications with the Audit Committee concerning independence; and  
discussed with our accounting firm that firm's independence.

Based upon the review and discussions referred to in this report, the Audit Committee recommended to the Board that the audited consolidated financial statements for fiscal year 2017 be included in the Company's Annual Report on Form 10-K for fiscal year ending December 31, 2017, for filing with the SEC.

The Audit Committee

Deidre P. Connelly

George W. Henderson, III

Gary C. Kelly

M. Leanne Lachman, Chair

Isaiah Tidwell



ITEM 3  
ADVISORY PROPOSAL ON  
EXECUTIVE COMPENSATION

ITEM 3 | ADVISORY PROPOSAL ON EXECUTIVE COMPENSATION

The Board recognizes that providing shareholders with an advisory vote on executive compensation can produce useful information on investor sentiment regarding the Company's executive compensation programs. As a result, this proposal provides shareholders with the opportunity to cast an advisory vote on the compensation of our executive management team, as described in the section of this proxy statement entitled "Compensation Discussion & Analysis," ("CD&A") and endorse or not endorse our fiscal 2017 executive compensation philosophy, programs and policies, and the compensation paid to the Named Executive Officers. As discussed in detail in the CD&A that begins on page 30, our executive compensation principles and underlying programs are designed to:

align the interests of our executive officers with those of our shareholders;  
link executive pay directly to the attainment of short- and long-term financial/business goals, which we refer to as "pay for performance;" and  
attract, motivate and retain key executives who are crucial to our long-term success.  
Key features of our compensation programs include:

**Pay for Performance.** We link our executives' targeted direct compensation to the performance of the Company as a whole, with the largest portion delivered as variable pay in the form of long-term equity awards and an annual incentive award. For instance, in 2017, 90% of our CEO's compensation was at risk and variable.

**Compensation Tied to Enterprise Performance and Shareholder Return.** Our annual and long-term incentive compensation programs have multiple balanced performance measures and goals that tie executive compensation to key enterprise performance metrics and shareholder return.

**Governance/Compensation Best Practices.** Among the best practices we follow: We have an independent Compensation Committee and compensation consultant; we do not provide tax gross-up benefits upon our change of control; and we have a double-trigger equity vesting requirement upon a change of control of the Company.

**Share Ownership Requirements.** Our executives are subject to rigorous share ownership guidelines to further align their interests with the long-term interests of our shareholders. For instance, our CEO is required to hold an amount of our shares equal to seven times his base salary, and our other executive officers must hold shares equal to four times their base salary.

In addition, we recognize that strong governance/compensation principles are essential to an effective executive compensation program. These governance/compensation principles and our executive compensation philosophy are established by the Compensation Committee. The Compensation Committee regularly reviews the compensation programs applicable to our executive officers to ensure that the programs support our objectives of aligning our executive compensation structure with our shareholders' interests and current market practices.

Our compensation policies and procedures are described in detail on pages 30 to 57.

Although the advisory vote on this proposal is non-binding — meaning that our Board is not required to adjust our executives' compensation or our compensation programs or policies as a result of the vote — the Board and the Compensation Committee will consider the voting results when determining compensation policies and decisions, including future executive compensation decisions. Notwithstanding the advisory nature of the vote, the resolution will be approved if more votes are cast for the proposal than against it. Abstentions and broker non-votes will not count as votes cast either for or against the proposal. We intend to hold a non-binding advisory vote on executive compensation each year, with the next such vote at our 2019 Annual Shareholders Meeting.

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ITEM 3  
ADVISORY PROPOSAL ON  
EXECUTIVE COMPENSATION

We urge you to read the CD&A and other information in the Executive Compensation Tables, beginning on page 58, which we believe demonstrate that our executive compensation programs align our executives' compensation with our short- and long-term performance; provide the incentives needed to attract, motivate and retain key executives crucial to our long-term success; and align the interests of our executive officers with those of our shareholders.

The Board of Directors unanimously recommends a vote FOR this proposal and FOR the following resolution:

“Resolved, that the shareholders approve, on an advisory basis, the compensation of the named executive officers of the Company, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion & Analysis, the 2017 compensation tables regarding named executive officer compensation, and the accompanying narrative disclosure in this proxy statement.”

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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COMPENSATION  
DISCUSSION & ANALYSIS

COMPENSATION DISCUSSION & ANALYSIS

This Compensation Discussion & Analysis (“CD&A”) contains information about:

our fundamental pay for performance compensation philosophy

the structure of our compensation programs and the reasoning behind this structure

how compensation decisions are made and how our compensation programs are administered

the compensation we paid under our performance-based incentive programs for performance periods ending in 2017, and how it related to our short- and long-term performance results

The CD&A also details the compensation of our NEOs (also referred to as “executives” or “executive officers”) included in the compensation tables beginning on page 58. These NEOs are:

DENNIS R. GLASS – President and CEO

RANDAL J. FREITAG – Executive Vice President, CFO and Head of Individual Life

RAJ B. CHAKRABORTY – Executive Vice President and Chief Digital Officer

ELLEN G. COOPER – Executive Vice President and Chief Investment Officer

WILFORD H. FULLER – President, Annuity Solutions, LFD and LFN

We encourage you to read the CD&A in conjunction with the compensation tables on pages 58 to 75.

To ensure the continued effectiveness of our pay-for-performance culture, the Compensation Committee each year reviews and approves the elements, measures, targets and payouts of our executive compensation programs. In setting the programs' performance measures and goals, the Compensation Committee chooses metrics that drive our overall corporate strategy and are linked to our long-term financial plan. Our executives' compensation is tied closely to the achievement of short- and long-term goals that (a) support our long-term business strategy and (b) measure the creation of sustainable long-term shareholder value.

At our 2017 Annual Meeting, shareholders expressed strong support for our executive compensation programs, with 91% of votes cast in favor of the advisory resolution on executive compensation.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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COMPENSATION  
DISCUSSION & ANALYSIS

## EXECUTIVE SUMMARY

### OUR PAY FOR PERFORMANCE PHILOSOPHY

We believe that those executives with significant responsibility and a greater ability to influence the Company's results should have a significant portion of their total compensation tied directly to business results. Therefore, the vast majority of our NEO compensation is tied to Company or individual performance (and, for business-unit executives, to the performance of individual business units). This also means that the vast majority of our NEO compensation is “at risk”—an executive will not reach his or her targeted pay amounts if the Company's performance does not meet expectations.

In keeping with this philosophy, annual and long-term incentive awards are the largest components of total NEO compensation, and the fixed pay element — base salary — is the smallest. The variable components are:

The Annual Incentive Program (“AIP”), which ties compensation to key Company performance metrics that, while measured annually, also support our long-term strategic goals

The Long-Term Incentive Program (“LTI”), which consists of a mix of long-term equity grants—including performance shares tied to metrics that reward increased shareholder value over a three-year period

As the following charts show, the vast majority of our CEO's and NEOs' target direct compensation is variable (i.e., based on performance, including that of our stock price). The following charts show, the vast majority of our CEO's and NEOs' target direct compensation is variable (i.e., based on performance, including that of our stock price.)

Note, the amounts in these graphs are shown at target and therefore will not match the values reflected in the Summary Compensation Table at page 58 of this proxy statement.

### EXECUTIVE COMPENSATION BEST PRACTICES

When evaluating our compensation practices and policies, the Compensation Committee takes into account competitive market trends and best practices, as well as the views of our shareholders. Examples of our governance

and compensation practices include:

Robust stock ownership guidelines and stock holding requirements;  
No executive contracts;  
The use of an independent compensation consultant for significant compensation decisions regarding our executives;  
“Double trigger” vesting provisions for our equity awards following our change of control;  
Annual assessment of compensation risks;  
Clawback provisions on our equity awards;  
No tax-gross-up benefits upon our change of control;  
No repricing or exchange of underwater stock options without shareholder approval;  
Prohibitions on pledging, hedging and speculation in our securities; and  
Limited perquisites for executive officers.

For more information, see “Change-of-Control Severance Arrangements” on page 56, “Alignment with Shareholders” on page 37, and “Role of the Compensation Consultant” on page 54.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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COMPENSATION

DISCUSSION & ANALYSIS Executive Summary

## 2017 PERFORMANCE OVERVIEW

We had strong financial results in 2017 as Lincoln's franchise positioned us well for growth. We continued to focus on increasing sales and profitability in all of our businesses through our powerful retail franchise that brings together a broad product portfolio and distribution breadth. We also continue to actively manage our capital through initiatives that we believe position us well for long-term, sustainable financial results.

Our full year results included the following highlights:

Over the longer term, our performance was also strong. For the three-year period from December 31, 2014, to December 31, 2017:

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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	COMPENSATION
Executive Summary	DISCUSSION & ANALYSIS

These charts illustrate some of the measures of our full-year results over the past three years, cumulatively and sales broken out by business unit. These are also among the key metrics used for our short- and long-term incentive compensation programs.

2015 - 2017 GAAP AND OPERATING EARNINGS PER SHARE

2015 - 2017 GAAP AND OPERATING TOTAL REVENUES

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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COMPENSATION

DISCUSSION & ANALYSIS

Executive Summary

## 2015 - 2017 SALES BY BUSINESS UNIT

More information on our business performance during 2017 is available in our Form 10-K for fiscal year ended December 31, 2017 (the “2017 Form 10-K”), which is included in the 2017 Annual Report to Shareholders that accompanies this proxy statement. A reconciliation of the measures not shown in accordance with U.S. generally accepted accounting principles (“GAAP”) used in this proxy statement to their corresponding GAAP measures can be found in Exhibit 1 on page E-1.

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Elements of Our Compensation Program	COMPENSATION DISCUSSION & ANALYSIS
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ELEMENTS OF OUR COMPENSATION PROGRAM

The following table outlines the elements of targeted direct compensation and how each element aligns with our objectives and guiding principles.

COMPENSATION ELEMENT	WHAT IT REWARDS	HOW IT ALIGNS WITH OUR OBJECTIVES	PERFORMANCE MEASURED	FIXED OR AT RISK	CASH OR EQUITY
BASE SALARY	Sustained high level of performance  Demonstrated success in meeting or exceeding key objectives  Highly developed skills and abilities critical to success of the business  Experience and time in position	Competitive base salaries enable us to attract and retain top talent  Merit-based salary increases align with our pay-for-performance philosophy	INDIVIDUAL	FIXED	CASH
ANNUAL INCENTIVE AWARDS	Company performance during the year against key financial goals  Specific business-segment performance during the year, measured against strategic business-segment goals	Competitive targets enable us to attract and retain top talent  Payouts depend on the achievement of established performance measures and goals that align pay with performance	CORPORATE AND BUSINESS SEGMENT	AT RISK	CASH



LONG-TERM INCENTIVE AWARDS

NONQUALIFIED STOCK OPTIONS

Increase in stock price      Value is dependent on our stock price; options have no value unless the stock price increases

Continued service

CORPORATE      AT RISK      EQUITY

Three-year ratable vesting supports retention

RESTRICTED STOCK UNITS

Increase in stock price and dividends      Value rises or falls as our stock price and dividend increase or decrease

Continued service      Three-year cliff vesting supports retention

CORPORATE      AT RISK      EQUITY

PERFORMANCE SHARES

Meeting or exceeding our return on equity goal      Payout is based on metrics important to our shareholders and critical to value creation

Total shareholder return performance relative to that of other companies      Three-year performance period supports retention and aligns pay with performance over an extended period of time

Relative performance metric creates incentive to outperform peers, with absolute metric rewarding performance versus plan

CORPORATE      AT RISK      EQUITY



COMPENSATION

DISCUSSION & ANALYSIS Our Executive Compensation Program Philosophy

## OUR EXECUTIVE COMPENSATION PROGRAM PHILOSOPHY

Our executive compensation program has three key objectives:

### PAY FOR PERFORMANCE

To link executive pay directly to the attainment of short-term and long-term financial/business goals, using short-term metrics that correlate with our strategic goals and long-term metrics that correlate to long-term shareholder value

### ALIGNMENT WITH SHAREHOLDERS

To provide compensation arrangements that link the interests of our executive officers to those of our shareholders

### COMPETITIVE COMPENSATION

To attract and retain key executive talent

These objectives, discussed below, guide us in setting and paying compensation to our NEOs.

### PAY FOR PERFORMANCE

Our executive compensation program is based on a “pay for performance” philosophy: The vast majority of our executives’ target compensation is made up of variable (“at risk”) compensation—in the form of annual cash incentive awards and long-term equity awards—that is linked to consolidated short- and long-term business performance and each individual’s contribution to that performance. In measuring an executive’s contribution, we put a strong emphasis on the individual’s role in implementing strategies and driving performance specific to their function or the operating units they direct.

The key objectives of our pay for performance philosophy are to:

- reward the achievement of superior financial results — in both the short-term and long-term — through balanced incentive programs;
- offer the opportunity to earn above-market compensation when overall and individual performance exceed expectations; and
- emphasize compensation that is at risk based on performance rather than compensation that is fixed—for instance, only 10% of our CEO’s target annual pay is fixed.

### Balanced Performance Measure and Goals

It is important to us and to our executives that performance goals be objectively measurable and that compensation be paid based on easily understood criteria that drive shareholder value.

To implement our pay for performance philosophy, the Compensation Committee chooses performance measures for our NEO incentive programs that focus on our overall corporate business strategies and that, if achieved, create sustained growth for our shareholders:

Our AIP is based on the same key financial measures indicative of Lincoln's current and future profitability; and Our LTI uses measures that correlate directly to the creation of long-term value for Lincoln shareholders. The goals for each performance measure are linked directly to the Company's financial plan. In setting the goals, management and the Compensation Committee intend for the maximum performance levels to present a substantial challenge for our NEOs, thereby creating a strong incentive to produce superior results. For 2017, the Compensation Committee chose the following performance measures, which it has used since 2011:

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Our Executive Compensation Program Philosophy	COMPENSATION DISCUSSION & ANALYSIS
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## 2017 ANNUAL INCENTIVE PROGRAM

PERFORMANCE MEASURE	WHY CHOSEN
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Income from Operations per Diluted Share	This is a key measure of profitability that management uses to evaluate our business and that investors commonly use to value companies in the financial services industry.
Business Unit Sales	In our business, sales create value because, over time and at a compounded growth rate, they are an indicator of future profitability. In addition, we believe that distribution strength (depth and breadth) is an important driver of our valuation and that sales are an effective way to measure the value of the distribution franchise and overall product competitiveness.
Controllable Costs	Management establishes annual budgets for the Company and for each business unit that are key to the success of our financial plan. The Compensation Committee sets a budget-related performance goal to reinforce the importance of containing costs and expenses across the entire organization.

## 2017 LONG-TERM INCENTIVE PROGRAM

### WHY CHOSEN

PERFORMANCE  
MEASURE

**Operating Return on Equity** This is an important measure that stock analysts use to value companies — especially those in the financial services industry — because it is a critical indicator of capital efficiency and is closely aligned with long-term shareholder value.

**Relative Total Shareholder Return** This measure reflects the Company’s delivery of shareholder value over time relative to that of our peers. Many investors look at a company’s total shareholder return when making an investment decision.

ALIGNMENT WITH SHAREHOLDERS

Through our annual and long-term incentive compensation programs, our share ownership requirements and share retention policy, and the design and governance features of our long-term equity programs, we tie the financial interests of our NEOs to those of our shareholders. For both the annual and long-term programs, the Compensation Committee chooses performance goals that align with our strategies for sustained growth and profitability.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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COMPENSATION	
DISCUSSION & ANALYSIS	Our Executive Compensation Program Philosophy

### Long-Term Incentives

The equity-based awards that are the basis of our long-term incentive compensation make up the largest part of our NEOs’ targeted direct compensation. To provide a balanced incentive program and to lessen the risk inherent in the greater focus on long-term incentives, executives receive a mix of equity-based compensation awards, which include:

- Performance share awards (“PSAs”) – The number of shares actually received depends on our performance over a three-year period relative to key inputs and outputs of shareholder value;
- Restricted stock units (“RSUs”) – These awards cliff-vest three years from the date of grant (cliff-vesting acts as a retention tool for our executives) and the value ultimately realized depends on how our stock performs over that three-year period; and
- Nonqualified stock options to purchase our common stock (“Options”) – These awards vest ratably over a three-year period and only have value if the stock price rises after the option grants are made.

### Share Ownership Guidelines and Holding Requirements

Our share ownership requirements formalize the Compensation Committee’s belief that our officers should maintain a material personal financial stake in the Company. The requirements also promote a long-term perspective in managing our business by linking the long-term interests of our executives with those of our shareholders and reducing the incentive for short-term risk-taking.

Our share ownership requirements are based on multiples of base salary and vary by job level. In addition to the minimum share ownership levels, each NEO must also retain an amount equal to 25% of the net profit shares resulting from equity-based LTI grants, such as vested RSUs or earned PSAs. This additional number of shares must be held for five years from the date of exercise for Options or the date of vesting for other awards. If at any point an NEO does not meet the share ownership requirements, the executive must hold 50% of the net profit shares resulting from equity-based LTI awards that are exercised or vest, as applicable, until the required ownership level is met. Each of our NEOs except for Mr. Chakraborty, who joined the Company in March 2017, is exceeding their share ownership requirements.

The table below shows our share ownership guidelines and share retention requirements by officer tier:

SHARE OWNERSHIP AND RETENTION REQUIREMENTS		
OFFICER POSITION	OFFICER MUST HOLD	ADDITIONAL RETENTION REQUIREMENTS

CEO	7 times base salary	25% of net profit shares* for 5 years
Executive Officers (other than our CEO)	4 times base salary	25% of net profit shares* for 5 years

\*Net profit shares reflect the value of the number of shares remaining after payment of the option exercise price and taxes owed at the time of exercise plus the after-tax value of any vested RSUs or earned PSAs.

Equity interests counted in determining whether share ownership guidelines have been met include:

shares owned outright;

amounts invested in Company stock funds offered under our employee benefits plans;

restricted stock and RSUs subject to service-based restrictions; and

in-the-money Options.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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Our Executive Compensation Program Philosophy

COMPENSATION

DISCUSSION & ANALYSIS

### Prohibition on Pledging and Hedging

Our Insider Trading and Confidentiality Policy includes provisions that prohibit: (i) the pledging of our securities, and (ii) the use of derivative instruments to hedge the value of any of our securities.

### Multiyear Performance and Vesting Periods

The multiyear performance criteria and vesting elements of our long-term incentive programs promote the retention of our executives by putting their focus on our long-term performance, thereby aligning our executives' interests with those of shareholders.

### Prohibition on Repricing

Our equity incentive compensation plans prohibit us from reducing the exercise price of outstanding Options without shareholder approval.

### Clawback Features

The equity awards for our NEOs are subject to "clawback" and forfeiture provisions, which allow us to rescind an executive's award(s) under certain conditions, such as:

the executive's employment is terminated for cause; or  
the executive violates any non-compete, non-disclosure, non-solicitation, non-disparagement or other restrictive covenants.

For example, if an executive violates any such agreement prior to or within six months after the vesting of any portion of an equity award, such as Options or PSAs, we may rescind the exercise or award, and require the executive to return any gain realized or value received.

### COMPETITIVE COMPENSATION

In general, we target our executives' total direct compensation — i.e., base salary, targeted annual incentive compensation, and targeted long-term incentive compensation — at the median of the compensation paid to executives in similar positions at the insurance-based financial services and investment management companies with which we compete for talent.

Because the roles and responsibilities of our executives are unlikely to be identical to those of executives with similar titles/roles in our peer companies, we often consider multiple sources of market data for this purpose. However, market data is only one of many factors considered when setting executive compensation targets. For more information on how we set target compensation and our benchmarking processes, please see "Setting Target Compensation" below.

CONSIDERATION OF OUR 2017 SHAREHOLDER VOTE ON EXECUTIVE COMPENSATION

The Compensation Committee and the Board appreciate and value the views of our shareholders. At our 2017 Annual Meeting of Shareholders, approximately 91% of shareholder votes were cast in favor of the “say on pay” advisory resolution on executive compensation. While we do review the program design on an annual basis, there have not been any significant changes to our compensation program in the last several years. In light of the continued strong shareholder support for our overall pay practices and NEO compensation, the Compensation Committee decided to maintain our general principles and philosophy in structuring executive compensation for 2018.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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COMPENSATION	Setting Target Compensation
DISCUSSION & ANALYSIS	Setting Target Compensation

## SETTING TARGET COMPENSATION

The Compensation Committee made compensation decisions for the 2017 calendar year for the NEOs based on a detailed analysis of Company-specific and external data.

## BENCHMARKING

To help the Compensation Committee set 2017 target direct compensation levels for our NEOs, Pay Governance LLC performed a comprehensive competitive compensation analysis in November 2016. They analyzed base pay, annual incentive opportunities, long-term incentive values, and total direct compensation (the sum of the elements listed here) to establish market rates for each executive officer position. They then compared our current executive compensation levels to the market median of our peers. For each of our NEOs, Pay Governance used market data drawn from the stock companies included in the Towers Watson 2016 Diversified Insurance Study of Executive Compensation (the “Towers DI Study”), which at the time were:

Compensation Peer Group for Benchmarking						
Participant	Competitor for Our Core Business Units	Lists LNC as a Peer	Top 15 Competitors in our Core Business Units <sup>1</sup>			Competitor for Competitor Distribution for Talent
			Group Life Protection	Retirement Plan Annuities Services		
Aegon/Transamerica						
Aflac						
Allstate						
AXA Group						
Cigna						
CNO Financial						
Genworth						
Hartford Financial Services						
John Hancock/Manulife						
MetLife						
Phoenix Companies						
Principal Financial						
Prudential Financial						
Sun Life Financial						
Unum Group						
Voya Financial Inc.						
Total Market Share of Top 15 Competitors <sup>1</sup>			62%	80%	71%	84%

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Setting Target Compensation	COMPENSATION DISCUSSION & ANALYSIS
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1. Source for Top 15 competitor data: (a) Life Insurance: ACLI Fact Book, based on individual Life Insurance Inforce; (b) Group Protection: LIMRA, based on 2016 Year End Sales Results; (c) Annuities: LIMRA 2016 Yearbook, based on Annuity Companies Assets Under Management; and (d) Plan Sponsor, based on total Defined Contribution Assets Under Management. A number of the top 15 companies in these core businesses are mutual companies, which are excluded from the benchmarking peer group (as described above).

We have used the Towers DI Study for 10 years, and if the companies included in the study change, we reflect those changes in our benchmarking peer group. This also reflects the continued changes to traditional life and annuity companies resulting from mergers, acquisitions, divestitures, spin-off and privatization across the insurance industry. In 2016, AIG was removed from the Towers DI Study, resulting in a corresponding change to our peer group. Neither the Compensation Committee nor management has any input into the companies included in this insurance industry survey.

The Compensation Committee believes that these companies are appropriate for compensation benchmarking because, even though none has our exact business mix, each is a competitor in one or more of our core business units and competes directly with us for talent and distribution of our products. Most of these companies compete with us in 2 or more lines of business.

The Compensation Committee has determined not to exercise discretion to remove or add peers to the benchmarking group derived from the Towers DI Study to keep a consistent peer group year-over-year. However, because some of these companies have either higher or lower market capitalization, assets or revenue than we do, the data is size-adjusted, where possible, to develop comparable market rates for a hypothetical organization of similar size and type to our own.

The market data was used as a primary reference for most roles. The Compensation Committee seeks to target total direct compensation within a competitive range of plus or minus 15% of the 50<sup>th</sup> percentile of market data being used. In some cases, the Compensation Committee may target compensation above or below this range. Reasons for doing this include:

organizational considerations; for example, because an executive's role is considered especially critical to our overall business strategy and to our succession planning;  
internal pay equity considerations;  
to gain the specific expertise needed to build a new business or improve an existing one; or

to retain highly qualified executives whom we have recruited from outside the insurance industry or whom we believe have skills or experience that will further our corporate strategy.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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COMPENSATION

DISCUSSION &amp; ANALYSIS Setting Target Compensation

## TALLY SHEETS

When making compensation decisions, the Compensation Committee considers:

the recommendations of our Chief Human Resources Officer (“CHRO”), the recommendations of our CEO, and the opinion of the Compensation Committee’s independent compensation consultant (although our CEO and CHRO do not make recommendations with respect to their own compensation);

the available market data; and

reports called “tally sheets” illustrating all elements of targeted total direct compensation, including:

- base salary;
- annual and long-term incentive awards;
- deferred compensation and changes in pension benefits;
- perquisites; and
- potential payments for various termination scenarios.

The tally sheets enable the Compensation Committee to analyze the value of total target compensation, as well as the value of compensation actually delivered compared with the value of compensation opportunities the Compensation Committee originally established.

The Compensation Committee also uses the tally sheets to assess whether our executive compensation program is consistent with our compensation philosophy and desired positioning relative to the market data. However, tally sheets are just one point of information the Compensation Committee uses to determine NEO compensation. The Compensation Committee performed a similar analysis to establish the total targeted direct compensation for our CEO.

The table below shows the total targeted direct compensation set by the Compensation Committee for our NEOs:

2017 TARGET TOTAL DIRECT COMPENSATION FOR OUR NAMED EXECUTIVE OFFICERS				
	ANNUAL	LONG-TERM		
	INCENTIVE	INCENTIVE	TOTAL	
	BASE	AWARD AT	AWARD AT	TARGETED
NAME	SALARY	TARGET	TARGET	ANNUAL COMPENSATION
Dennis R. Glass	\$1,248,000	\$2,496,000	\$8,320,000	\$12,064,000
Randal J. Freitag	\$738,189	\$922,736	\$2,089,075	\$3,750,000
Raj B. Chakraborty	\$630,000	\$630,000	\$840,000	\$2,100,000
Ellen G. Cooper	\$585,483	\$731,854	\$1,402,413	\$2,719,750
Wilford H. Fuller	\$669,500	\$1,071,200	\$1,814,300	\$3,555,000

We may also award discretionary cash or equity-based awards to our executives for a variety of reasons, including as a sign-on bonus, as a retention tool, or in recognition of significant challenges or difficult projects for which we have asked them to be responsible. In order to induce Mr. Chakraborty to join the Company as our Chief Digital Officer, the Compensation Committee approved a sign-on cash bonus for him in the amount of \$145,000 that was paid in 2017. Additionally the Compensation Committee approved a sign-on equity grant of RSUs to Mr. Chakraborty with a grant date fair value of approximately \$1,465,000 that will cliff vest in three years.

In recognition of Ms. Cooper's successful management of the Company's investment portfolio which resulted in significant expense savings, the Compensation Committee approved a leadership award in the form of an equity grant of RSUs to Ms. Cooper with a grant date fair value of approximately \$200,000 that will vest ratably over three years.

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## ANNUAL COMPENSATION FOR 2017

During 2017, annual compensation was made up of base salary and a short-term incentive award under the AIP.

### BASE SALARY

Base salaries are reviewed annually, upon promotion or following a change in job responsibilities, based on market data, considerations of pay equity and performance. In setting base salary levels for 2017, the Compensation Committee started with the 2016 base salaries and then approved merit increases based on the benchmarking data and compensation analysis discussed above and the individual performance of each NEO, using our enterprise-wide merit increase budget as a guide.

In general, base salaries are targeted to the 50<sup>th</sup> percentile of the market data developed during the benchmarking process described above. For 2017, the increases for our NEOs were around 3%, with the exception of Mr. Freitag. The Compensation Committee increased his base salary 10% to \$738,189 to bring it more in line with the current competitive levels within our marketplace for talent. The Committee set Mr. Chakraborty's base salary upon his joining the Company.

The Compensation Committee approved the following base salaries for our NEOs effective for 2017:

NAME	2017
Dennis R. Glass	\$1,248,000
Randal J. Freitag	\$738,189
Raj B. Chakraborty	\$630,000
Ellen G. Cooper	\$585,483
Wilford H. Fuller	\$669,500

## ANNUAL INCENTIVE PROGRAM

### 2017 Payout Opportunities

The table below shows the dollar amount of the threshold, target and maximum payout opportunities for the 2017 AIP established by the Compensation Committee for each of our NEOs; the threshold, target and maximum opportunities are calculated as a percentage of each NEO's base salary and capped at that amount. For the CEO, his AIP target as a percentage of base salary has remained flat since 2008. The threshold opportunity would be payable only in the case where the threshold goal is met for the performance measure with the lowest percentage payout amount.

ESTIMATED PAYOUT OPPORTUNITIES UNDER THE 2017 AIP			
NAME	THRESHOLD	TARGET	MAXIMUM

Dennis R. Glass	\$31,200	\$2,496,000	\$4,992,000
Randal J. Freitag	\$11,534	\$922,736	\$1,845,473
Raj B. Chakraborty	\$7,875	\$630,000	\$1,260,000
Ellen G. Cooper	\$7,319	\$731,854	\$1,463,708
Wilford H. Fuller	\$18,746	\$1,071,200	\$2,142,400

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Annual Compensation for 2017

## 2017 Performance Measures and Goals

In February 2017, the Compensation Committee established the goals and measures for the 2017 AIP.

Performance measures. The Committee selected three performance measures for 2017, the same measures it has used since 2011. The threshold, target and maximum goals associated with each measure are established annually so that they remain rigorous and in line with our financial plan.

Income from operations per share

Business unit sales

Management of controllable costs

The Compensation Committee chose these measures because they focus on our overall corporate strategy of balancing top-line revenue growth with profitability and prudent cost management. To learn more about why these measures were selected, see “Pay for Performance” on page 4.

For purposes of the 2017 AIP, Income from Operations is defined as net income in accordance with GAAP, but excluding the after-tax effects of the items detailed in Exhibit 1 on page E-1. This is one of the financial measures that management uses to assess our results. (To calculate Income from Operations per Share, the value of Income from Operations (as defined in Exhibit 1) was divided by the average diluted shares.) Management believes that excluding these items from net income better reflects the underlying trends in our businesses because the excluded items are unpredictable and not necessarily indicative of current operating fundamentals or future performance of the business segments. In addition, in most instances, decisions regarding these items do not necessarily relate to the operations of the individual segments.

For our CEO, performance is measured entirely at the corporate level, while our other NEOs are assessed on both corporate and business unit performance. To reflect the different roles and responsibilities of our NEOs, the Compensation Committee also weighs the performance measures differently for each NEO, as shown in the tables on pages 45 to 47.

Performance goals. In setting the goals for each of the performance measures, management and the Compensation Committee intended the maximum levels to present a significant challenge, therefore requiring exceptionally strong performance to achieve these goals. The target goal for corporate Income from Operations per Share was set after consideration of a number of factors, including a review of our internal financial plan. The target goal for business unit sales, at both the corporate and business-unit level, was based on our internal financial plan, emphasizing our corporate strategy to grow and protect the profitability of the business. The target goal for controllable costs was based upon controllable costs as budgeted in our annual financial plan. We believe that our methodology for determining financial performance targets for the AIP supports the following key objectives:

aligning incentives with our annual financial plan;

establishing challenging yet achievable incentive targets for our executives; and

setting targets that are consistent with our assessment of opportunities and risks for the upcoming year.

In establishing the performance goals for the 2017 AIP related to Annuities Sales, the committee took into account the challenging sales environment across the annuities industry when lowering the goal at target as compared to 2016.

The 2017 goal at target for Annuities Sales was nonetheless set nearly 10% above the actual sales for 2016, compared with industry forecasts of a 10 to 15% decline in Annuity Sales in our core markets. The Compensation Committee

believes this was a rigorous goal that took into account both the risks and opportunities in Annuities Sales. The goals at target for our other core businesses were increased year over year.

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## 2017 Performance Results and Actual Payouts

In February 2018, the Compensation Committee certified the performance results for the 2017 AIP. These formulaic results triggered a payout that was above target for all of our NEOs.

The following tables show the goals, weights, performance results and payout percentages for the 2017 AIP measures for each of our NEOs. Based on actual results, a payout percentage—expressed as a percentage of the NEO’s target payout opportunity—is first determined for each goal. These payouts are then weighted to determine the weighted payout for each goal. The sum of these weighted payouts equals the NEO’s payout percentage.

The tables also show the resulting performance-based payouts approved by the Compensation Committee under the 2017 AIP for each of our NEOs and how these payouts compared with each NEO’s target payout opportunity under this program.

The Compensation Committee can, at its discretion, reduce award payouts by including, rather than excluding, certain factors — listed in Items A through H of Exhibit 2 on page E-5 — if it determines that these factors were relevant to individual performance. The Compensation Committee may also make other discretionary adjustments to the calculation of the performance results if the net effect would be to reduce award amounts. In certifying the results for the 2017 AIP awards, the Compensation Committee did exercise negative discretion for each of our NEOs in certifying the performance results, which reduced the final results from the formulaic results.

DENNIS R. GLASS

	CORPORATE MEASURES (100%)								
	BUSINESS UNIT SALES					ENTERPRISE			
	INCOME FROM		GROUP			RETIREMENT		CONTROLLABLE	
	OPERATIONS	PER SHARE	LIFE	PROTECTION	ANNUITIES	PLAN	SERVICES	COSTS	
<b>GOALS</b>									
Threshold	\$6.04	\$666 M	\$429 M	\$7,200 M	\$6,952 M	N/A			
Target	\$6.64	\$757 M	\$488 M	\$9,000 M	\$8,690 M	100%			
Maximum	\$7.44	\$848 M	\$547 M	\$10,800 M	\$10,248 M	89%			
<b>RESULTS</b>									
Certified Performance	\$7.64	\$798 M	\$511 M	\$8,710 M	\$8,563 M	97.3	%		
Payout as Percentage of									
Target	200%	145.1%	139.0%	87.9%	94.5%	123.2%	%		
Weighting	50.0%	10.0%	7.0%	13.0%	5.0%	15.0%	%		

Weighted Payout	100.0%	14.5	%	9.7	%	11.40	%	4.7	%	18.5	%
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	TARGET	OPPORTUNITY	PAYOUT PERCENTAGE (sum of weighted PAYOUT payouts)	AMOUNT
ACTUAL PAYOUT UNDER THE 2017 AIP	\$2,496,000	\$2,496,000	158.9%	\$3,966,144

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## DISCUSSION &amp; ANALYSIS

Annual Compensation for 2017

RANDAL J. FREITAG

	CORPORATE MEASURES (92.5%)								BUSINESS UNIT MEASURES
	BUSINESS UNIT SALES								
	INCOME FROM OPERATIONS		GROUP		RETIREMENT PLAN		ENTERPRISE CONTROLLABLE COSTS		FINANCE CONTROLLABLE COSTS
	PER SHARE	LIFE	PROTECTION	ANNUITIES	SERVICES	COSTS	COSTS	COSTS	
<b>GOALS</b>									
Threshold	\$6.04	\$666 M	\$429 M	\$7,200 M	\$6,952 M	N/A			N/A
Target	\$6.64	\$757 M	\$488 M	\$9,000 M	\$8,690 M	100%			100%
Maximum	\$7.44	\$848 M	\$547 M	\$10,800 M	\$10,428 M	89%			90%
<b>RESULTS</b>									
Certified Performance Payout as Percentage of Target	\$7.64	\$798 M	\$511 M	\$8,710 M	\$8,563 M	97.3%			100%
Weighting	50.0%	10.0 %	7.0 %	13.0 %	5.0 %	7.5%			7.5%
Weighted Payout	100.0%	14.5 %	9.7 %	11.4 %	4.7 %	9.2%			7.5%

	TARGET	PAYOUT PERCENTAGE (sum of weighted PAYOUT OPPORTUNITY payouts)	AMOUNT
ACTUAL PAYOUT UNDER THE 2017 AIP	\$922,736	157.1%	\$1,449,619

RAJ B. CHAKRABORTY

	CORPORATE MEASURES (85%)							BUSINESS UNIT MEASURES	
	BUSINESS UNIT SALES								
	INCOME FROM OPERATIONS		GROUP			RETIREMENT PLAN		DIGITAL CONTROLLABLE COSTS	
	PER SHARE	LIFE	PROTECTION	ANNUITIES	SERVICES				
<b>GOALS</b>									
Threshold	\$6.04	\$666 M	\$429 M	\$7,200 M	\$6,952 M				N/A
Target	\$6.64	\$757 M	\$488 M	\$9,000 M	\$8,690 M				100%
Maximum	\$7.44	\$848 M	\$547 M	\$10,800 M	\$10,428 M				89%
<b>RESULTS</b>									
Certified Performance Payout as Percentage of Target	\$7.64	\$798 M	\$511 M	\$8,710 M	\$8,563 M				93.5%
Weighting	200%	145.1%	139.0%	87.9%	94.5%				158.7%
Weighted Payout	50.0%	10.0%	7.0%	13.0%	5.0%				15.0%
	100.0%	14.5%	9.7%	11.4%	4.7%				23.8%

	TARGET	OPPORTUNITY	PAYOUT PERCENTAGE (sum of weighted PAYOUT payouts)	AMOUNT
ACTUAL PAYOUT UNDER THE 2017 AIP	\$630,000		164.2%	\$1,034,460

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Annual Compensation for 2017	COMPENSATION DISCUSSION & ANALYSIS
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ELLEN G. COOPER

	CORPORATE MEASURES (85%)								BUSINESS UNIT MEASURES	
	BUSINESS UNIT SALES								CORPORATE INVESTMENTS CONTROLLABLE	
	INCOME FROM OPERATIONS		GROUP			RETIREMENT PLAN			SERVICES COSTS	
	PER SHARE	LIFE	PROTECTION	ANNUITIES	PLANS	PLANS	PLANS	PLANS	PLANS	PLANS
<b>GOALS</b>										
Threshold	\$6.04	\$666 M	\$429 M	\$7,200 M	\$6,952 M	N/A				
Target	\$6.64	\$757 M	\$488 M	\$9,000 M	\$8,690 M	100%				
Maximum	\$7.44	\$848 M	\$547 M	\$10,800 M	\$10,428 M	85%				
<b>RESULTS</b>										
Certified Performance	\$7.64	\$798 M	\$511 M	\$8,710 M	\$8,563 M	93.4%				
Payout as Percentage of Target	200%	145.1%	139.0%	87.9%	94.5%	143.8%				
Weighting	50.0%	9.0%	6.0%	16.0%	4.0%	15.0%				
Weighted Payout	100.0%	13.1%	8.3%	14.1%	3.8%	21.6%				

	TARGET	PAYOUT PERCENTAGE (sum of weighted PAYOUT OPPORTUNITY payouts)	AMOUNT
ACTUAL PAYOUT UNDER THE 2017 AIP	\$731,854	160.8%	\$1,176,821

WILFORD H. FULLER

CORPORATE MEASURES	BUSINESS UNIT MEASURES (80%)	
	INCOME NET	BUSINESS UNIT SALES

INCOME FROM OPERATIONS PER SHARE	CONTRIBUTION FROM MARGIN OPERATIONS FOR ANNUITIES				LFD AND LIFE ANNUITIES MARKET	RPS SMALL	LFD, LFN AND ANNUITIES CONTROLLABLE COSTS

**GOALS**

Threshold	\$6.04	\$845 M	(\$25.5)	M	\$666 M	\$7,200 M	\$2,088 M	N/A
Target	\$6.64	\$960 M	(\$5.5)	M	\$757 M	\$9,000 M	\$2,610 M	100%
Maximum	\$7.44	\$1,114M	\$14.5	M	\$848 M	\$10,800 M	\$3,133 M	85%

**RESULTS**

Certified Performance Payout as Percentage of Target	\$7.64	\$1,034 <sup>M</sup>	\$2.6	M	\$798 <sup>M</sup>	\$8,710 <sup>M</sup>	\$2,471 <sup>M</sup>	96.3%
Weighting	20.0%	148.1 %	140.5 %	%	145.1 %	87.9 %	80.0 %	124.9%
Weighted Payout	40.0%	21.0 %	10.0 %	%	12.0 %	25.0 %	7.0 %	5.0%
		31.1 %	14.1 %	%	17.4 %	22.0 %	5.6 %	6.2%

	TARGET	PAYOUT PERCENTAGE (sum of weighted PAYOUT OPPORTUNITY payouts)	AMOUNT
ACTUAL PAYOUT UNDER THE 2017 AIP	\$1,071,200	136.4%	\$1,461,117

COMPENSATION

DISCUSSION & ANALYSIS Long-Term Compensation Awarded or Vested in 2017

## LONG-TERM COMPENSATION AWARDED OR VESTED IN 2017

Long-term compensation for our NEOs generally includes three equity elements:

Options, which have a 10-year term and vest ratably over three years;

RSUs, which cliff-vest in three years; and

PSAs, which vest, if at all, depending on the outcome of pre-established performance measures over a three-year performance period. Consistent with our fundamental pay for performance philosophy, these awards are linked to metrics that measure the creation of long-term shareholder value, with above-target compensation paid out only when performance has exceeded the target level. PSA payouts are capped at two times target.

### 2017 LTI AWARD MIX

The charts below show our targeted long-term incentive mix — i.e., the percentage of the total 2017 LTI award delivered through each equity element for our CEO and the other NEOs. Starting in 2014, in recognition of our CEO's career stage, the Compensation Committee reduced the percentage of his LTI award delivered as Options and increased the percentage delivered as RSUs. For the other NEOs, in 2014, the Committee increased the percentage of their LTI award delivered as PSAs and decreased the amount delivered as RSUs, and this mix remained the same for 2017.

The RSUs and PSAs will be paid in shares of our common stock if the applicable vesting requirements and, in the case of PSAs, performance targets are met. Long-term equity-based awards such as these encourage our NEOs to act as owners, thus aligning their interests with those of shareholders. The Options, which vest ratably over a three-year period, and the RSUs, which cliff vest in three years, are not tied to formulas that could focus our executives on specific short-term outcomes. Instead, the value of these awards to our NEOs depends on the positive financial performance of our Company over time, as expressed through the multiyear increase in share value. These awards also earn dividends that are only paid out upon the award vesting. These equity awards are subject to the clawback provisions detailed on page 39.

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Long-Term Compensation Awarded or Vested in 2017	COMPENSATION DISCUSSION & ANALYSIS
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## 2017-2019 PERFORMANCE SHARE AWARDS

The 2017-2019 performance cycle began on January 1, 2017, and ends on December 31, 2019. In February 2017, the Compensation Committee established:

- the threshold, target and maximum PSA amounts payable to the NEOs;
- the relevant performance measures (ROE and Relative TSR);
- the peer group used to assess Relative TSR performance;
- the relative weighting of each performance measure; and
- the goals for threshold, target and maximum payouts for each performance measure.

The maximum goals were intended to present a challenge for management and create appropriate incentives for our executives to create financial growth and long-term shareholder value. For each performance measure, the maximum payout, which is capped at 200% of target, occurs when performance is superior and the minimum payout, 25% of target, results when the performance threshold is met but not exceeded. For example, the minimum award for a performance measure is calculated as follows: 25% multiplied by the relative weighting of the performance measure multiplied by the target payout opportunity.

The two performance measures for the 2017-2019 (ROE and Relative TSR) are weighted equally. For any portion of the PSAs to ultimately vest, the minimum achievement level for at least one of the performance measures must be attained. In other words, if performance on both measures falls below the threshold, there is no payout.

### PERFORMANCE AWARD MEASURES, WEIGHTINGS, AND GOALS FOR THE 2017-2019 PERFORMANCE AWARD CYCLE

<p><b>Return on Equity (ROE)</b></p> <p>Why Chosen: A key measure of our financial health that management uses to evaluate our business and that is also used by investors to value companies in the financial services industry. It provides a meaningful measure of performance that is closely tied to long-term shareholder value.</p> <p>Relative weight: 50%</p>	<p><b>Relative Total Shareholder Return (TSR)</b></p> <p>Why Chosen: Assesses the Company's delivery of shareholder value over time relative to that of our peers.</p> <p>Relative weight: 50%</p>
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GOAL AT THRESHOLD	GOAL AT TARGET	GOAL AT MAXIMUM	GOAL AT THRESHOLD	GOAL AT TARGET	GOAL AT MAXIMUM
10.95%	11.6%	12.25%	RANKING OF 8 <sup>th</sup>	MEDIAN OF PEER GROUP	RANKING OF 1 <sup>st</sup> to 3 <sup>rd</sup>
			out of 11		out of 11

Among the factors the Compensation Committee considered in setting the TSR and ROE performance measures were peer group performance, market data and our financial plan. In establishing the weightings of the performance share plan measures, the Compensation Committee took into account its belief and management’s belief that, over the long-term, ROE is a key input to shareholder value and TSR represents the actual value delivered to shareholders. The specific goals for each measure were set for compensation purposes only and do not constitute, and should not be viewed as, management’s projection of future results.

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## COMPENSATION

## DISCUSSION &amp; ANALYSIS Long-Term Compensation Awarded or Vested in 2017

ROE for the 2017-2019 performance period is an absolute measure that is to be calculated as of the end of the performance period. ROE is defined as Income from Operations (as defined above with respect to the 2017 AIP) divided by average shareholders' equity for the year. Shareholders' equity excludes accumulated other comprehensive income or other similar items and any increase in equity due to goodwill associated with an acquisition during the performance period.

TSR for the 2017-2019 performance period is a relative measure based on Lincoln's TSR for the performance period ranked against the TSR results for the peer group shown below. The Compensation Committee believes that the performance peer group should be limited to companies that publish financial results against which our results are compared and that offer competing insurance and financial products. With regard to MetLife, as a result of the spinoff of their U.S. retail unit, Brighthouse Financial, during the performance period, the Compensation Committee will include data for MetLife through the date of completion of the transaction and thereafter include data for Brighthouse Financial.

## 2017-2019 RELATIVE TSR PERFORMANCE PEER GROUP

AEGON	PRUDENTIAL FINANCIAL
AMERIPRISE FINANCIAL	SUN LIFE FINANCIAL
MANULIFE	TORCHMARK
METLIFE/BRIGHTHOUSE FINANCIAL	UNUM GROUP
PRINCIPAL FINANCIAL	VOYA FINANCIAL

If earned, the 2017-2019 performance share awards will be paid out in shares of our common stock. The table shows the number of shares that our executives have the potential to earn at different performance levels:

ESTIMATED SHARE PAYOUT OPPORTUNITIES UNDER THE 2017-2019 PERFORMANCE AWARD CYCLE AS OF GRANT DATE*			
NAME	THRESHOLD (#)	TARGET (#)	MAXIMUM (#)
Dennis R. Glass	4,352	34,812	69,624
Randal J. Freitag	1,457	11,655	23,310
Raj B. Chakraborty	641	5,126	10,252
Ellen G. Cooper	978	7,824	15,648
Wilford H. Fuller	1,265	10,122	20,244

\* Amounts do not include dividend equivalents

Mr. Chakraborty joined the Company in March 2017, and received his award at the May 2017 Compensation Committee meeting.

The grant date fair value of the Options, RSUs and PSAs awarded in 2017 are included in the Summary Compensation Table on page 58. Additional details regarding the 2017-2019 PSAs granted to the NEOs can be found

in the Grants of Plan-Based Awards table on page 61.

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Long-Term Compensation Awarded or Vested in 2017

COMPENSATION

DISCUSSION &amp; ANALYSIS

## 2015-2017 LTI PROGRAM

The Compensation Committee established the performance-based 2015 LTI Program at its February 2015 meeting, with performance metrics that measure the creation of long-term shareholder value. The Compensation Committee approved the equity awards under the 2015 LTI Program, including grants of Options, RSUs and PSAs.

### Options and RSUs

The Options vested over a three-year period, with one-third vesting on the anniversary of the grant date. The RSUs cliff vested three years from the date of grant. The final tranche of Options and the RSUs vested on February 25, 2018. Additional details regarding the Options and RSUs granted in 2015 can be found in the Outstanding Equity Awards table on page 63.

### 2015-2017 Performance Share Awards

At the February 2015 meeting, the Compensation Committee established the 2015-2017 performance cycle for PSAs for the period that began January 1, 2015 and ended on December 31, 2017. The Compensation Committee set:

the threshold, target and maximum PSA amounts payable to the NEOs;  
 the relevant performance measures (ROE and Relative TSR);  
 the relative weighting of each performance measure; and  
 the goals for threshold, target and maximum payouts for each performance measure (25%, 100% and 200% of target, respectively).

The payouts for the 2015-2017 LTI PSAs could have ranged from 0% to 200% of each NEO's target, with a threshold payout for each performance measure equal to 25% of target. For the PSA to be payable, the threshold or minimum achievement level for at least one of the performance measures must have been attained. Therefore, a minimum award would be calculated as follows: 25% multiplied by the relative weighting of the performance measure multiplied by the target amount.

The following table shows the number of shares that each NEO had the potential to earn under the 2015-2017 LTI performance period at the threshold, target and maximum levels:

ESTIMATED SHARE PAYOUT OPPORTUNITIES UNDER THE 2015-2017 PERFORMANCE AWARD CYCLE AS OF GRANT DATE*			
NAME	THRESHOLD (#)	TARGET (#)	MAXIMUM (#)
Dennis R. Glass	5,069	40,551	81,102
Randal J. Freitag	1,423	11,384	22,768
Ellen G. Cooper	820	6,558	13,116
Wilford H. Fuller	1,238	9,902	19,804

\* Amounts do not include dividend equivalents.



Mr. Chakraborty was not with the Company in 2015 at the start of this performance cycle.

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COMPENSATION

DISCUSSION & ANALYSIS Long-Term Compensation Awarded or Vested in 2017

In February 2018, the Compensation Committee reviewed the reports and analysis that management provided regarding our performance during the 2015-2017 performance cycle and determined the results for each performance measure, as shown in the graphic below. As of December 31, 2017, the Company’s ROE was 13.1%, which was above the goal at target shown in the table below. The Company’s TSR for the performance period was 38.7%, which ranked fifth among the peers listed below. As a result of the strong performance by the Company in each of these key metrics over the performance period (which exceeded the target performance level for the ROE measure and met the target performance level for TSR measure), the Compensation Committee approved a payout of the 2015-2017 performance share awards at 150% of target.

PERFORMANCE GOALS, ACTUAL RESULTS AND ACTUAL PAYOUT PERCENTAGES FOR THE 2015-2017 PERFORMANCE AWARD CYCLE

Return on Equity (ROE)			Relative Total Shareholder Return (TSR)		
Relative weight: 50%			Relative weight: 50%		
GOAL AT THRESHOLD	GOAL AT TARGET	GOAL AT MAXIMUM	GOAL AT THRESHOLD	GOAL AT TARGET	GOAL AT MAXIMUM
11.61%	12.26%	12.91%	RANKING OF 7 <sup>th</sup>	MEDIAN OF PEER GROUP	RANKING OF 1 <sup>st</sup> TO 2 <sup>nd</sup>
ACTUAL RESULTS	PAYOUT AS PERCENTAGE OF TARGET		ACTUAL RESULTS	PAYOUT AS PERCENTAGE OF TARGET	
13.1%	200%		5 <sup>th</sup> IN PEER GROUP (TSR OF 38.7%)	100%	

ROE for the 2015-2017 LTI performance period was an absolute measure that was calculated as of the end of the three-year performance period. ROE was calculated using the definition of Income from Operations that the Compensation Committee set for the 2015 AIP and divided by average Shareholders’ Equity for the year. The

definition of ROE used in this calculation can be found in Exhibit 2 on page E-5.

TSR for the 2015-2017 LTI was based on our TSR results for the performance period ranked against the TSR results for the peer group shown below:

**2015-2017 RELATIVE TSR PEER GROUP**

GENWORTH FINANCIAL	SUN LIFE FINANCIAL
MANULIFE	SYMETRA FINANCIAL <sup>1</sup>
METLIFE	TORCHMARK
PRINCIPAL FINANCIAL	UNUM GROUP
PRUDENTIAL FINANCIAL	VOYA FINANCIAL

1. Due to the acquisition of Symetra Financial during the 2015-2017 performance period, they were removed from the Peer Group in accordance with the provisions of the 2015 LTI program.

TSR for the 2015-2017 LTI is defined as the change in the price of a share of our common stock plus dividends paid, over the relevant performance period, divided by the price of a share of our common stock at the beginning of the performance period. We used an average of the prices of the common stock as reported on the NYSE consolidated transactions tape for the 30 trading days preceding the beginning and end dates to determine the beginning and ending share prices for the performance period to eliminate the effects of any short-term volatility on the stock price.

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Long-Term Compensation Awarded or Vested in 2017	COMPENSATION DISCUSSION & ANALYSIS
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The table below shows the resulting payouts:

ACTUAL PAYOUTS UNDER 2015-2017 PERFORMANCE SHARE AWARDS			
	PAYOUT PERCENTAGE	PAYOUT	
NAME	TARGET (# OF SHARES)	OF TARGET	(# OF SHARES) <sup>1</sup>
Dennis R. Glass	40,551	150.0%	60,827
Randal J. Freitag	11,384	150.0%	17,076
Ellen G. Cooper	6,558	150.0%	9,837
Wilford H. Fuller	9,902	150.0%	14,854

1. Share amounts do not include dividends accrued through the vesting date. For the actual payout amounts including dividends, see the Outstanding Equity Awards Table on page 58.

Mr. Chakraborty was not with the Company in 2015 and as a result he was not eligible for a payout for the 2015-2017 LTI performance cycle.

## PARTICIPATION IN EXECUTIVE COMPENSATION DECISIONS

### ROLE OF THE COMPENSATION COMMITTEE

The Compensation Committee has primary authority for determining the compensation of our executive officers, including our NEOs. Specifically, it:

- approves the individual pay components and aggregate compensation amounts for our executives;
- determines the form(s) in which compensation will be paid — i.e., cash or equity — and the equity vehicles to be used, including Options, PSAs or RSUs, among others; and
- establishes the target award levels and performance measures for the various short- and long-term compensation programs.

For a description of the Compensation Committee's principal functions, see "Board Committees – Compensation Committee" on page 12.

The Compensation Committee normally determines the portion of performance-based incentive awards earned for completed performance cycles at its first regularly scheduled meeting of the calendar year (usually in February) following the end of the applicable performance cycle. During this meeting, the Compensation Committee reviews financial results for the various performance measures for the just-completed annual and long-term performance cycles; certifies the achievement (or non-achievement) of the performance goals; and approves the earned portion of

the awards, as appropriate.

#### ROLE OF MANAGEMENT

In determining executive compensation, the Compensation Committee considers input from a number of sources, including executive management. However, our CEO does not play any role in, and is not present for, any discussions regarding his own compensation. Specifically, our CEO and CHRO provide the Compensation Committee with their views and insight on NEO compensation (with respect to the CEO, other than for himself), including:

their assessment of individual executive performance, the business environment, succession planning and retention;  
and  
recommendations for base salary, target annual incentive awards and target long-term incentive awards for each NEO. The Compensation Committee views this input as an essential component of the process.

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COMPENSATION

DISCUSSION & ANALYSIS Risk Considerations Relating to Compensation

## ROLE OF THE COMPENSATION CONSULTANT

The Compensation Committee regularly consults with Pay Governance LLC, an independent compensation consultant, for advice regarding compensation practices for our executives. The Compensation Committee has the sole authority to hire or fire any compensation consultant, as well as to establish the scope of the consultant's work.

During 2017, Pay Governance provided the Compensation Committee with:

- an evaluation of our executive officers' base salaries and short- and long-term target incentive compensation relative to that of identified peers and the broader market;
- an evaluation of the alignment of the Company's executive compensation with Company performance;
- information on trends in executive compensation, such as the use of various forms of equity compensation and the prevalence of different types of compensation vehicles;
- an advance review of all management-prepared materials for each Compensation Committee meeting;
- assistance in the review and discussion of all material agenda items;
- an independent review of our analytical work related to executive compensation;
- insight and advice in connection with the design of, and any changes to, our equity grants and short- and long-term incentive plans; and
- feedback regarding our CEO's total targeted direct compensation package.

Pay Governance does not provide us with any services other than advising the Compensation Committee on executive compensation and the Corporate Governance Committee on director compensation. The Compensation Committee has assessed the independence of Pay Governance pursuant to SEC rules and concluded that no conflict of interest exists.

## RISK CONSIDERATIONS RELATING TO COMPENSATION

The structure and administration of our compensation programs are designed to, among other objectives, appropriately balance risk and reward. As part of the annual risk assessment of our compensation plans, we identify, analyze and evaluate all of our employee compensation programs to assess any risks these programs might pose. The process includes, but is not limited to:

- identifying all of the compensation programs that cover our employees;
- reviewing these programs from a design and governance perspective, including evaluating the behavior each program was designed to encourage and detailing the flow of compensation for each program;
- identifying any risks inherent in the programs, including analyzing whether any of the programs encourage our executives or any other employees to take risks that could harm the Company; and
- identifying and discussing any additional risk mitigation factors in the program design and any additional risk controls outside of the compensation process specific to each business model.

Once the annual assessment is completed, our CFO and the Head of Total Rewards formally review the analysis of our programs and discuss the findings with the Compensation Committee.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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Other Compensation Considerations	COMPENSATION DISCUSSION & ANALYSIS
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Some of the features of our compensation programs that limit risk include the following:

our incentive plan awards are based on a variety of performance indicators, thus minimizing the potential for any single indicator of performance to have an undue influence on payout;

the Compensation Committee approves the final incentive plan awards and has the authority to decrease the awards even if the performance goals are met;

the “clawback” features of our equity awards, which allow us to rescind an executive’s award(s) under certain conditions;

the multiyear performance criteria for our LTI programs and the multiyear vesting elements of our other equity awards, which link the interests of our executives with the long-term health of the Company;

the balanced pay mix, which minimizes the significance of any single element of pay and decreases the likelihood that an executive would take inappropriate risks to inflate such pay;

both annual incentives and the PSAs have payouts that are capped;

our share ownership guidelines and holding requirements, which encourage our executives to focus on sustaining long-term performance rather than maximizing performance in any single year; and

fixed compensation is set at a level that allows executives to meet their essential financial needs.

For 2017, the Compensation Committee discussed the evaluation and risk assessment review of our compensation programs and confirmed that our compensation programs do not create risks that are reasonably likely to have a material adverse effect on the Company. The risk assessment for this year also identified other aspects of the administration and oversight of our plans that build considerable risk mitigation into the plans’ organizational structure.

## OTHER COMPENSATION CONSIDERATIONS

**Equity Award Procedures.** The Compensation Committee formally approves our equity grant procedures, including procedures for granting Options. All Options are granted with a “strike,” or exercise, price set at the closing price of our common stock as reported on the composite transactions table of the NYSE on the grant date. Although the Compensation Committee Chair may approve changes to executive compensation, subject to the Compensation Committee’s review and ratification, only the full Compensation Committee or the Board has the authority to grant equity awards to executive officers.

Although the Compensation Committee typically makes equity award grants during its first regularly scheduled meeting of the calendar year, the Compensation Committee or the Board may also grant equity awards to executives at other regularly scheduled or special meetings, or by taking action through unanimous written consent in order to accommodate special circumstances such as new hires or promotions.

For equity awards granted to executives at a regularly scheduled meeting of the Board or Compensation Committee, the grant date is the date of the meeting.

For equity awards granted at a “special” meeting of the Board or Compensation Committee that does not occur during the period in which trading of our securities is permitted under our Insider Trading and Confidentiality Policy (a “window period”), the grant becomes effective on the first business day of the next window period. (Window periods



generally begin on the later of the second business day after our quarterly earnings release or the first business day after our public call with investors.)

For equity awards granted by unanimous consent, the grant becomes effective on the first business day of the week following the effective date of the written consent; however, if that business day is not during a window period, the grant becomes effective on the first business day of the next window period.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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COMPENSATION  
DISCUSSION & ANALYSIS

Employee  
Benefit Plans

Tax Considerations. The Internal Revenue Code of 1986, as amended (“IRC”) generally limits a public company’s corporate income tax deduction for compensation to \$1 million per year for certain executives. Historically, this limit did not apply to compensation that qualified as “performance-based” under the IRC rules. In general, we intend to design our incentive award grants to qualify as performance-based compensation under the IRC rules, and our grants are subject to limits established under the LNC 2014 Incentive Compensation Plan (referred to hereinafter as the “2014 ICP” or, collectively with the LNC 2009 Amended and Restated Incentive Compensation Plan, as the “ICP”) in accordance with the relevant IRC rules; however, in certain circumstances, the Compensation Committee may have granted awards or paid compensation that did not qualify as performance-based under the IRC rules.

Federal legislation passed on December 22, 2017, repealed the “performance-based” exemption, and the limitation on deductibility generally was expanded to include all individuals who are considered NEOs in any year beginning on or after December 31, 2016. As a result, compensation paid to our NEOs in excess of \$1 million may not be deductible for taxable years commencing after December 31, 2017, subject to limited transition relief for arrangements in place as of November 2, 2017, the scope of which is uncertain. Further, no assurance can be given that compensation intended to satisfy the requirements for the exemption from IRC Section 162(m) in fact will do so. Despite the change in law, the Compensation Committee intends to continue to implement compensation programs that it believes are competitive and in the best interests of the company and its shareholders.

Despite the Compensation Committee’s efforts to structure the AIP and PSAs for the covered NEOs in a manner intended to qualify for the historical performance-based exemption, because of ambiguities and uncertainties as to the application and interpretation of IRC Section 162(m) and the regulations issued thereunder, no assurance can be given that compensation we intended to satisfy the requirements for exemption from IRC Section 162(m) in fact will. Further, the Compensation Committee reserves the right to modify compensation that was initially intended to be performance-based compensation under IRC Section 162(m) if it determines that such modifications are consistent with our business needs.

## EMPLOYEE BENEFIT PLANS

We offer our executives some additional benefits not offered to our non-executive employees, in some cases to replace benefits the executives lose as a result of regulatory limits in the broad-based tax-qualified plans. We use these benefits to attract and retain key employees, since our competitors typically offer the same types of benefits.

**Our Deferred Compensation Plan.** We provide certain benefits to our executive officers, including NEOs, through our nonqualified defined contribution plan — the Lincoln National Corporation Deferred Compensation & Supplemental/ Excess Retirement Plan (the “DC SERP”). For more information on the DC SERP, see page 67.

**Change-of-Control Severance Arrangements.** We offer our executives a severance plan that provides potential benefits in connection with a change of control of the Company. Payment of benefits under this plan, the Lincoln National Corporation Executives’ Severance Benefit Plan (the “LNC COC Plan”), is triggered when an executive’s employment is terminated (under specific circumstances) in anticipation of or within two years after our change of control. The objectives of the change-of-control benefits are to:

retain qualified executives in the face of an actual or threatened change of control of the Company;  
enable executives to help our Board assess any proposed change of control of the Company and advise whether such a proposal is in the best interests of the Company, our shareholders, our policyholders and customers without being unduly influenced by the possibility of employment termination; and  
demonstrate to those executives our desire to treat them fairly and competitively in such circumstances.

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Compensation Committee Report	COMPENSATION DISCUSSION & ANALYSIS
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Each year the Compensation Committee reviews a tally sheet prepared by Pay Governance that estimates for each NEO the benefits associated with a potential change of control of the Company and the cost of those benefits to us. For 2017, the Compensation Committee found that the estimated costs for these benefits would be reasonable. For more information on the LNC COC Plan, see page 69.

Severance Plans. We also offer our NEOs and our other executive officers a severance plan in the event their jobs are eliminated, other than in connection with our change of control. The plan pays 78 weeks of severance benefits. To qualify for benefits under this plan (the Severance Plan for Officers of Lincoln National Corporation (the “Officers’ Severance Plan”)), the officer must sign our standard form of agreement, waiver and release of claims, which includes forfeiture provisions for competition and solicitation. Any payments made under the Officers’ Severance Plan reduce, on a dollar-for-dollar basis, any payments the officer receives under the LNC COC Plan. For more information on the Officers’ Severance Plan, see page 70.

#### COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed this Compensation Discussion & Analysis with management and has recommended to the Board that the Compensation Discussion & Analysis be included in this proxy statement and incorporated by reference into the Company’s 2017 Form 10-K.

The Compensation Committee

William H. Cunningham

Eric G. Johnson

Michael F. Mee

Patrick S. Pittard, Chair

EXECUTIVE

COMPENSATION TABLES

Summary Compensation Table

## EXECUTIVE COMPENSATION TABLES

## SUMMARY COMPENSATION TABLE

The table below shows the compensation of our NEOs for 2017. See “Narrative to Summary Compensation Table” below for more information.

## SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	SALARY BONUS		STOCK AWARDS (\$) <sup>1</sup>	OPTION AWARDS (\$) <sup>2</sup>	PLAN COMPENSATION (\$) <sup>3</sup>	CHANGE IN PENSION VALUE AND NON- QUALIFIED DEFERRED NON-EQUITY INCENTIVE COMPENSATION EARNINGS (\$) <sup>4</sup>	ALL OTHER COMPENSATION (\$) <sup>5</sup>	TOTAL (\$) <sup>6</sup>
		(\$)	(\$)						
CHRISTOPHER R. GLASS President and CEO	2017	1,247,077	—	7,180,953	1,414,387	3,966,144	388,201	766,273	14,962,135
	2016	1,200,000	—	6,819,263	1,392,003	3,165,600	132,017	556,529	13,265,405
	2015	1,169,050	—	6,816,576	1,350,013	1,924,256	26,864	728,575	12,014,274
EDWARD J. TAGG Executive Vice President, and Head of Individual Life	2017	736,872	—	1,554,567	626,727	1,449,619	55,861	261,375	4,685,061
	2016	669,708	—	1,391,021	567,954	1,082,416	13,231	204,529	3,928,628
	2015	650,202	—	1,273,405	497,407	654,266	—	248,199	3,323,379
CHRISTOPHER B. KRABORTY <sup>7</sup> Executive Vice President	2017	496,731	145,000	2,077,939	251,994	1,034,460	—	71,675	4,077,799

Chief Digital er									
EN G. PER <sup>7</sup>	2017	585,155	—	1,243,636	420,729	1,176,821	—	221,754	3,648
utive Vice lent Chief ment Officer									
FORD H. ER	2017	669,125	—	1,350,144	544,293	1,461,117	—	263,371	4,288
lent, Annuity ons, and LFN	2016	650,000	—	1,293,170	528,007	1,106,560	—	273,858	3,851
	2015	555,880	—	1,105,348	431,755	1,066,050	—	333,888	3,492

1. Represents the grant date fair value of stock awards granted in 2017, 2016 and 2015 under the ICP. Values were determined in accordance with FASB ASC Topic 718 (Topic 718), and the assumptions made in calculating them can be found in Note 18 of the Notes to the Consolidated Financial Statements in Item 8 of our 2017 Form 10-K. Stock awards granted in 2017 include grants of RSUs and PSAs, the latter of which are subject to performance conditions.

The table below shows the grant date fair value of the RSUs and PSAs, as well as the value of the PSAs assuming the maximum level of performance (200% of target) is achieved under both the ROE and TSR performance measures described on page 49. The grant date fair value for the PSAs was calculated in accordance with Topic 718 using a performance factor of 1.1103, except for Mr. Chakraborty's PSA which used a performance factor of 1.07395, the probable outcome on the date of grant. The stock awards granted in 2017 are described in more detail in the Grants of Plan-Based Awards table on page 61.

Named Executive Officer	Grant Date Fair Value	Grant Date Fair Value	Value of 2017 PSA
	of 2017 RSU	of 2017 PSA	at Maximum Performance Level
	(\$)	(\$)	(\$)
Dennis R. Glass	4,409,622	2,771,331	4,992,041
Randal J. Freitag	626,730	927,837	1,671,327
Raj B. Chakraborty	1,717,082	360,857	672,019
Ellen G. Cooper	620,779	622,857	1,121,962
Wilford H. Fuller	544,346	805,797	1,451,495

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	EXECUTIVE
Summary Compensation Table	COMPENSATION TABLES

2. Represents the grant-date fair value of Option awards granted in 2017, 2016 and 2015 under the ICP. Values were determined in accordance with Topic 718, and the assumptions made in calculating them can be found in Note 18 of the Notes to the Consolidated Financial Statements in Item 8 of our 2017 Form 10-K. The Option awards granted in 2017 are described in more detail in the Grants of Plan-Based Awards table on page 61.
3. Represents the AIP awards earned for the 2017 performance period under the ICP. More information on the AIP awards is provided in the Grants of Plan-Based Awards table on page 61 and in the CD&A on pages 45 to 47.
4. These amounts reflect the total of all increases in the actuarial present value of each NEO's accumulated benefits under our qualified and nonqualified defined benefit pension plans shown in the Pension Benefits table on page 66. We froze these pension plans at the end of 2007. The year-end present values were computed using the same assumptions as those used for financial reporting purposes. For year-end 2017 those are a 4.0% interest rate to discount the normal retirement age (age 65 or current age if higher) lump sum value of annuity payments which were converted using an interest discount rate of 4.25% and the IRS-prescribed IRC 417(e)(3) mortality table for 2018. The NEOs did not have any preferential nonqualified deferred compensation earnings.
5. The table below gives details on all Other Compensation:

Name	Perquisites <sup>a</sup>	Tax Gross-ups	Contributions <sup>b</sup>	Additional Company	Total
				Contributions into Deferred Compensation Plan (Special 401 (k) Match, Executive Credit and Excess Core and Transition Match, Core and Transition Contributions) <sup>c</sup>	
Dennis R. Glass	76,551	-	36,000	653,722	766,273
Randal J. Freitag	-	-	34,020	227,355	261,375
Raj B. Chakraborty	25,636	-	23,365	22,673	71,675
Ellen G. Cooper	16,150	-	27,000	178,604	221,754
Wilford H. Fuller	-	-	27,000	236,371	263,371

(a) For Mr. Glass, \$76,511 of the amount reflects the aggregate incremental cost of personal use of the corporate aircraft. Mr. Glass generally uses the corporate aircraft for personal use only when necessary to accommodate his business schedule.

For Mr. Chakraborty, \$25,636 is for relocation expenses in connection with his relocation to our principal corporate offices.



For Ms. Cooper, the amount reflects matching charitable gifts made by Lincoln Financial Foundation, Inc. on her behalf, the reimbursement of costs of a medical exam, and reimbursement of tax-preparation expenses.

More information regarding perquisites and personal benefits, including a discussion of how we value personal use of the corporate aircraft, can be found under “Narrative to the Summary Compensation Table” on page 60.

(b) Represents Company matching, core and transition contributions under the LNC Employees’ 401(k) Plan (the “Employees’ 401(k) Plan”).

(c) Represents excess Company matching, core and transition contributions to the DC SERP, which are amounts above IRC limits. Also, for all NEOs except Mr. Glass, this amount includes an additional contribution — a “special executive credit” to the DC SERP — which is described in more detail on page 67.

6. Some totals might not reconcile due to rounding.

7. Only compensation for 2017 is provided for Mr. Chakraborty and Ms. Cooper. Mr. Chakraborty joined the Company in March 2017 and Ms. Cooper was not an NEO in prior years.

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EXECUTIVE

COMPENSATION TABLES

Summary Compensation Table

## NARRATIVE TO SUMMARY COMPENSATION TABLE

### 2017 Annual Incentive Program

For the 2017 AIP, the dollar amounts included in the Summary Compensation Table for each of our NEOs reflect the performance results for this program as certified by the Compensation Committee in February 2018. These results triggered a payout above target for each NEO. For more details on the 2017 AIP, including the performance measures, targets and final results, see the CD&A, pages 43 to 47.

### Perquisites and Personal Benefits

Below are the primary perquisites and personal benefits we offered our NEOs in 2017, not all of which were actually received by each NEO:

**Financial Planning and Tax Preparation Services.** We offer to reimburse our NEOs, along with other officers, up to \$6,000 annually for financial-planning services and up to \$2,700 annually for tax-preparation services provided by a certified public accountant other than Ernst & Young, our accounting firm. For the financial-planning services, we reimburse the first \$1,800 of such services, plus 50% of costs above that amount up to the \$6,000 maximum. Any unused portion of the \$2,700 tax-preparation reimbursement may be applied to the financial-planning reimbursement, but not vice versa.

**Personal Use of the Corporate Aircraft.** Since 2005, the Board has advised our CEO to use the corporate aircraft for both business and personal travel, when practical, because of security concerns and to maximize his time devoted to our business. If an executive (and any guests of the executive) uses the corporate aircraft for personal purposes, we treat this usage as a perquisite for proxy-statement reporting purposes and calculate the value of such services based on the total incremental cost to us. For personal flights, that cost is based on a cost-per-flight-hour charge that reflects the operating costs of the aircraft, including regularly required maintenance, inspections and related fees/taxes. We also include as an incremental cost any flights required to reposition the corporate aircraft (i.e., dead-head flights) because of a personal flight. When executives, their families and invited guests fly on the corporate aircraft as additional passengers on business flights, there is no incremental cost. Finally, if more than one executive is on a personal flight, we allocate the incremental cost on a proportional basis depending on the number of guests of each executive.

**Matching Charitable Gift Program.** Under this program, the Lincoln Financial Foundation, Inc. matches gifts from an NEO to one or more eligible recipient organizations, up to an annual total maximum of \$10,000, except for Mr. Glass who is also a Director and has a matching gift limit of up to \$15,000.

### Retirement Benefits

Under the DC SERP, our participating NEOs are eligible for an additional contribution — a “special executive credit” — as a percentage of “Total Pay.” For the purpose of determining the special executive credit, “Total Pay” under the DC SERP means base salary and AIP paid during the fiscal year.

For each NEO, the special executive credit is calculated annually as follows: 15% of Total Pay expressed as a percentage, offset by the total of: (a) the NEO's maximum basic matching contribution opportunity (6%); plus (b) core contributions (4%); plus (c) transition contributions, if any (up to 8%), as determined under the Employees' 401(k) Plan, each expressed as a percentage. For more details on the DC SERP, the contributions and the calculations of these amounts, see page 67.

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Grants of Plan-Based Awards	EXECUTIVE COMPENSATION TABLES
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## GRANTS OF PLAN-BASED AWARDS

The table below shows the awards granted to our NEOs during 2017 under the ICP.

GRANT DATE	ESTIMATED POSSIBLE PAYOUTS UNDER NON-EQUITY INCENTIVE PLAN AWARDS <sup>1</sup>			ESTIMATED FUTURE PAYOUTS UNDER EQUITY INCENTIVE PLAN AWARDS <sup>2</sup>			ALL OTHER STOCK AWARDS: NUMBER OF SHARES OF STOCK OR UNITS <sup>3</sup>	ALL OTHER OPTION AWARDS: NUMBER OF SECURITIES UNDERLYING OPTIONS <sup>4</sup>	EXERCISE OR BASE PRICE OF OPTION AWARDS <sup>5</sup>
	THRESHOLD (\$)	TARGET (\$)	MAXIMUM (\$)	THRESHOLD (#)	TARGET (#)	MAXIMUM (#)			
2/22/2017	31,200	2,496,000	4,992,000	4,352	34,812	69,624			
2/22/2017							61,501		
2/22/2017								73,350	71.70
2/22/2017	11,534	922,736	1,845,473	1,457	11,655	23,310			
2/22/2017							8,741		
2/22/2017								32,502	71.70
5/25/2017	7,875	630,000	1,260,000	641	5,126	10,252			
5/25/2017							26,195		
5/25/2017								15,270	65.55
2/22/2017	7,319	731,854	1,463,708	978	7,824	15,648			
2/22/2017							8,658		
2/24/2017								21,819	71.70
2/22/2017	18,746	1,071,200	2,142,400	1,265	10,122	20,244			
2/22/2017							7,592		
2/22/2017								28,227	71.70

1. Represents potential 2017 AIP awards. Actual amounts the NEOs earned are reflected in the Summary Compensation Table. More information on the 2017 AIP awards, including the applicable performance targets, is

- provided in the CD&A on pages 43 to 47.
2. Represents 30% of our CEO's 2017 LTI target, and 40% of the other NEO's 2017 LTI target, each awarded as PSAs for the 2017-2019 performance period, payable 100% in shares. Earned awards under the 2017-2019 performance cycle will be determined in the first quarter of 2020 (for the performance period ending December 31, 2019), and the amount of the award that is earned may range from 0% to 200% of the target amount depending upon the attainment of pre-established performance goals. For more information on the 2017-2019 performance awards and the performance goals that apply to these awards, see pages 49 to 50 in the CD&A. Dividend equivalents accrue on the LTI performance share awards, based on normal dividend rates, and are payable only in stock only if the related LTI award is actually earned based on certification of performance.
  3. Represents 53% of our CEO's 2017 LTI target, and 30% of the other NEO's 2017 LTI target, each awarded as RSUs that cliff-vest on the third anniversary of the grant date; these RSUs are described in more detail in the CD&A on page 48. Dividend equivalents accrue on the RSUs, are credited in the form of additional RSUs on each date that dividends are paid on our common stock, and are payable only in stock and only upon vesting of the related RSU award.
  4. Represents 17% of our CEO's 2017 LTI target, and 30% of the other NEO's 2017 LTI target, each awarded in the form of Options as described in more detail in the CD&A on page 48. The Options have 10-year terms and vest ratably over a three-year period, with one-third vesting on each of the first three anniversaries of the grant date. The Options do not have a reload feature.
  5. Represents the grant date fair value of the award determined in accordance with Topic 718. All assumptions made in calculating the aggregate fair value can be found in Note 18 of the Notes to the Consolidated Financial Statements included in Item 8 of our 2017 Form 10-K.
  6. For Ms. Cooper, 2,790 RSU shares vest ratably in three equal installments over the next three years.

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EXECUTIVE

COMPENSATION TABLES Grants of Plan-Based Awards

## NARRATIVE TO GRANTS OF PLAN-BASED AWARDS TABLE

The following terms also apply to these awards:

the exercise price and tax-withholding obligations related to the exercise of all Options may be paid by withholding or delivering shares, subject to certain conditions.

for stock awards, we withhold a sufficient number of shares to satisfy at least the NEO's mandatory minimum tax-withholding obligations upon vesting at the NEO's election.

the Options and stock awards granted in 2017 will vest fully: (1) if the executive dies or becomes permanently disabled; or (2) upon a "change of control" and either: (a) the termination of the executive's employment by the Company for any reason other than "cause"; or (b) the executive's termination of his or her employment for "good reason," as those terms are defined in the LNC COC Plan.

the Options and stock awards are not transferable except by will or under trust and estates law, unless the Compensation Committee permits such a transfer. The Compensation Committee has not permitted a transfer of any of the awards shown in the Grants of Plan-Based Awards table above.

in general, when an executive voluntarily leaves the Company after meeting the requirements for "retirement" in the applicable award agreement, the executive will receive a pro-rated performance award (but only if the applicable performance goals are achieved and the Compensation Committee does not withhold payout of the award, which it has the discretion to do). The prorated award will be based on the number of days of service out of the total number of days in the three-year performance cycle. Any payout will be made at the same time, and in the same manner, as other participants are paid.

in general, Options and RSU awards granted in 2017 will vest on a pro rata basis if an executive officer voluntarily leaves the Company with at least seven years of service on the Senior Management Committee.

the Options, RSUs and PSAs granted to our CEO will fully vest upon his retirement from the Company, with the PSAs vesting subject to the achievement of the applicable performance goals.

the Options, RSUs and PSAs are subject to forfeiture and "clawback" provisions, including non-compete, non-solicitation, non-disparagement and confidentiality/non-disclosure covenants. Specifically, we may require the NEO to return the shares (or possibly the cash received, in the case of Options) to us upon breach of one of the covenants. The restrictive covenants and forfeiture provisions expire six months after an Option or an RSU award vesting, or the payment of shares in accordance with a PSA. Additionally, we have the right to claw back any vested shares if the NEO is terminated for cause at any time after an award vests (no expiration date).

any vested Options may be exercised by the executive or his beneficiary (as applicable) until the earliest of:

- the expiration of the Option term;
- one year after the date the executive died or became disabled;
- five years after the date the executive voluntarily left the Company after meeting the requirements for "retirement"; or
- three months after the date the executive was involuntarily terminated for any reason other than cause.







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	25,179		30.64	2/23/2021	16,057	1,234,302	22,046	51,694,6
	52,198		24.99	2/22/2022	8,719	670,230	23,594	61,813,6
	61,430		29.54	2/28/2023				
	31,738		50.77	2/24/2024				
	25,167	12,584	58.26	2/25/2025				
	20,085	40,169	35.50	2/24/2026				
	-	32,502	71.70	2/22/2027				
BORTY -	15,270		65.55	5/25/2027	26,398	2,029,214	10,330	6794,067
	33,292		22.70	8/8/2022	5,171	397,495	10,341	4794,913
	36,349		29.54	2/28/2023	10,672	820,357	14,230	51,093,8
	17,191		50.77	2/24/2024	8,763	673,612	15,838	61,217,4
	14,498	7,250	58.26	2/25/2025				
	12,964	25,927	35.50	2/24/2026				
	-	21,819	71.70	2/22/2027				
D H.	54,359		29.54	2/28/2023	6,574	505,343	13,149	41,010,7
	26,652		50.77	2/24/2024	1,228	94,396	2,456	4188,754
	18,435	9,218	58.26	2/25/2025	14,975	1,151,128	20,495	51,575,4
	3,451	1,726	57.49	5/1/2025	7,572	582,060	20,490	61,575,0
	18,672	37,344	35.50	2/24/2026				
	-	28,227	71.70	2/22/2027				

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EXECUTIVE

COMPENSATION TABLES Outstanding Equity Awards at Fiscal Year-End

1. These Options were not exercisable at the end of 2017. The following table shows the dates when Options in this column vest and become exercisable.

Expiration Dates	Vesting Dates
------------------	---------------

2/25/2025	Balance vested on 2/25/2018
5/1/2025	Balance vests on 5/1/2018
2/24/2026	Balance vests equally on 2/24/2018 and 2/24/2019
2/22/2027	Vests in 3 equal annual installments beginning on 2/22/2018
5/25/2027	Vests in 3 equal annual installments beginning on 5/25/2018

2. These stock awards are RSUs that vest as follows:

	Vested On	Vest On	Vest On	Vest On
	70,215	117,467	59,695	
Dennis R. Glass	2/25/2018	2/24/2019	2/22/2020	
	8,593	16,057	8,719	
Randal J. Freitag	2/25/2018	2/24/2019	2/22/2020	
			26,398	
Raj B. Chakraborty	N/A	N/A	5/25/2020	
	942	941		
	2/22/2018	2/22/2019		
Ellen G. Cooper	5,171	10,672	6,880	
	2/25/2018	2/24/2019	2/22/2020	
	6,574	1,228	14,975	7,572
Wilford H. Fuller	2/25/2018	5/1/2018	2/24/2019	2/22/2020

The RSU awards include accrued but unpaid dividend equivalents credited in additional RSUs calculated at the normal dividend rate and settled in shares of our common stock only upon distribution of the vested award.

3. This represents the product of the number of shares/units and the closing price of our common stock as reported on the composite tape of the NYSE on December 29, 2017, which was \$76.87.
4. Represents PSAs that were granted in connection with the 2015-2017 performance cycle and vested on February 21, 2018, plus accrued dividend equivalents. Awards vested based on the actual performance certified by the Compensation Committee on February 21, 2018.
5. Represents PSAs granted in connection with the 2016-2018 performance cycle. Because our performance as of the end of the last fiscal year for this performance cycle exceeded the target performance measures, these awards are shown at maximum (200% of target), plus accrued but unpaid dividend equivalents. However, the amount, if any, of these awards that will be paid out will depend upon the actual performance over the full performance period and the Compensation Committee's certification of the performance after completion of the performance cycle, which should occur in the first quarter of 2019 for the 2016-2018 performance cycle.
6. Represents PSAs granted in connection with the 2017-2019 performance cycle. Because our performance as of the end of the last fiscal year for this performance cycle was above target, these awards are shown at maximum, plus accrued but unpaid dividend equivalents. However, the amount, if any, of these awards that will be paid out will depend upon the actual performance over the full performance period and the Compensation Committee's certification of the performance after completion of the performance cycle, which should occur in the first quarter of 2020 for the 2017-2019 performance cycle.

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Option Exercises and Stock Vested	EXECUTIVE COMPENSATION TABLES
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## OPTION EXERCISES AND STOCK VESTED

The table below provides information on Options exercised and stock awards that vested during 2017.

	OPTION AWARDS		STOCK AWARDS	
	NUMBER OF SHARES ACQUIRED ON EXERCISE	AGGREGATE VALUE REALIZED ON EXERCISE	NUMBER OF SHARES ACQUIRED ON VESTING <sup>1</sup>	AGGREGATE VALUE REALIZED ON VESTING <sup>2</sup>
NAME	(#)	(\$)	(#)	(\$)
Dennis R. Glass	319,694	5,759,612	150,292	10,722,822
Randal J. Freitag	4,373	1,599	30,502	2,181,076
Raj B. Chakraborty	—	—	—	—
Ellen G Cooper	—	—	15,988	1,142,176
Wilford H. Fuller	—	—	25,122	1,795,395

1. For each NEO, except Mr. Chakraborty, this includes shares delivered for RSUs that vested on February 24, 2017, and PSAs that vested on February 22, 2017. For Mr. Glass, the amount also reflects shares withheld on February 22, 2017 to cover employment taxes due on a grant of RSUs to comply with IRC tax-withholding regulations that apply to equity grants with early retirement provisions. For Messrs. Freitag and Fuller, the amount also reflects shares withheld on November 10, 2017 to cover employment taxes due on grants of RSUs to comply with IRC tax-withholding regulations that apply to equity grants with early retirement vesting provisions.
2. Calculated as shares vested times the closing price of our common stock as reported on the composite tape of the NYSE on the vesting date (or the last date before vesting that was a trading day for the NYSE). These prices were: \$70.82 for February 24, 2017; \$71.70 for February 22, 2017; and \$73.49 for November 10, 2017.

EXECUTIVE

COMPENSATION TABLES Pension Benefits

## PENSION BENEFITS

## RETIREMENT PLANS

The LNC Retirement Plan. As of December 31, 2007, we converted our retirement program from a defined-benefit to a defined-contribution design. As a result, benefit accruals ceased (i.e., were “frozen”) under the Lincoln National Corporation Retirement Plan for Employees Hired Prior to January 1, 2008 (the “LNC Retirement Plan”), a defined benefit plan.

Excess Retirement Plan. The Lincoln National Corporation Excess Retirement Plan (the “Excess Plan”) paid, or “restored,” benefits that would have been paid under the LNC Retirement Plan if certain limits were not imposed by Sections 401(a) and 415 of the IRC. The Excess Plan calculated benefits using the same formula as the qualified retirement plans that it “restored,” but without the IRC limits. The amount of the qualified retirement benefit payment is then deducted from, or offset against, the benefit calculated under the Excess Plan.

When the LNC Retirement Plan was “frozen,” the Excess Plan was also “frozen.” In addition, if the Company undergoes a change of control, no enhanced benefits are payable under the Excess Plan.

The following table shows the present value of the “frozen” accrued benefit, as of December 31, 2017, under the LNC Retirement Plan and the Excess Plan for each of our NEOs who are eligible to participate in these plans.

## PENSION BENEFITS

NAME	PLAN NAME	NUMBER OF	PRESENT VALUE OF PAYMENTS	
		YEARS OF	ACCUMULATED	DURING LAST
		CREDITED SERVICE <sup>1</sup>	BENEFIT <sup>2</sup>	FISCAL YEAR
		(#)	(\$)	(\$)
Dennis R. Glass	LNC Retirement Plan	13	710,877	—
	Excess Plan	13	2,470,178	—
Randal J. Freitag	LNC Retirement Plan	11.5	333,229	—
	Excess Plan	11.5	16,243	—
Raj B. Chakraborty		N/A	N/A	N/A
Ellen G. Cooper		N/A	N/A	N/A
Wilford H. Fuller		N/A	N/A	N/A

1. No benefits have accrued under these plans after December 31, 2007.

2.

All present values were determined using the same interest rate and mortality assumptions used for financial reporting purposes. The amounts shown for Messrs. Glass and Freitag reflect the present value of the lump sum payable at normal retirement age (age 65 or current age if higher) converted using a discount rate of 4.25% and the IRS-prescribed IRC 417(e)(3) mortality table for 2018.

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Nonqualified Deferred Compensation

EXECUTIVE

COMPENSATION TABLES

## NONQUALIFIED DEFERRED COMPENSATION

We have adopted the DC SERP, a nonqualified plan that permits our NEOs and other eligible employees to defer amounts of salary and annual incentive bonus that cannot be deferred under our tax-qualified Employees' 401(k) Plan due to the IRC limits.

The amount of eligible compensation (base salary and annual incentive bonus) that employees may contribute to the Employees' 401(k) Plan is subject to annual plan and IRC limits. During 2017, Lincoln made the following contributions to the Employees' 401(k) Plan:

a dollar-for-dollar basic matching contribution on the first 6% of eligible compensation contributed;  
a "core contribution" of 4% of eligible compensation; and  
for certain employees based on age and years of service as of December 31, 2007, a "transition contribution" of up to 8% of eligible compensation.

Any "core" and/or "transition" contributions that cannot be contributed to the Employees' 401(k) Plan due to plan and/or IRC limits are contributed to the DC SERP.

## SPECIAL EXECUTIVE CREDIT

For all NEOs except Mr. Glass, an additional contribution — a "special executive credit" as a percentage of "Total Pay"—was made to the DC SERP in 2017. For the purpose of determining this credit, "Total Pay" under the DC SERP is defined as base salary plus annual incentive bonus paid during the fiscal year. For each NEO, the special executive credit is calculated annually as follows: 15% of Total Pay, expressed as a percentage, offset by the total of: (a) the executive officer's maximum basic matching contribution opportunity (6%); plus (b) core contributions (4%); plus (c) transition contributions, if any, (up to 8%) as determined under the Employees' 401(k) Plan and the DC SERP, each expressed as a percentage.

Mr. Glass did not receive a special executive credit in 2017 because he received a transition credit in excess of 5% under the Employees' 401(k) Plan. Typically, special executive credits are calculated and credited to the DC SERP by March of the following year. In accordance with the terms of the DC SERP, effective 2018, the special executive credit will equal 5% of Total Pay for each executive officer as a result of the expiration of the transition contributions. In 2017, the special executive credits for our NEOs, expressed as a percentage of Total Pay, were: 2.4% for Mr. Freitag and 5% for each of Messrs. Chakraborty and Fuller and Ms. Cooper.

Special executive credits vest on the earlier of: five years after becoming eligible to receive special executive credits under the DC SERP; death; eligibility for long-term disability benefits under a Company-sponsored plan; or reaching age 62. However, executive officers as of January 1, 2008 — including Mr. Glass — were immediately vested in their special executive credits.

## ADDITIONAL TERMS OF THE DC SERP

We will pay out account balances based upon the total performance of the investment measures selected by the participant.

Our NEOs may select from a menu of “phantom” investment options used as investment measures for calculating the investment return notionally credited to their deferrals. These are generally the same investment options that are available under the Employees’ 401(k) Plan.

Amounts deferred and contributed under the DC SERP are credited to “notional” (or bookkeeping) accounts and are subsequently credited with earnings or losses mirroring the performance of the available investment options under the Employees’ 401(k) Plan.

All matching contributions are initially invested in the same investment options that the participant has elected for salary and bonus deferrals and are credited with notional earnings or losses.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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EXECUTIVE

COMPENSATION TABLES

Nonqualified Deferred Compensation

Our NEOs may at any time change their investment elections or, subject to our Insider Trading and Confidentiality Policy, transfer amounts between investments.

Our NEOs may change investment elections with respect to the LNC stock unit fund only during permitted trading “window” periods, which generally occur quarterly. We will issue actual shares of our common stock in settlement of these stock units when amounts credited to the LNC stock unit fund are actually paid to the participants. Before settlement, the participants have no rights associated with ownership of our common stock, including voting rights. The DC SERP is an unfunded plan and represents an unfunded promise to pay the benefits credited to each participant.

The table below provides information on each NEO’s deferrals and on contributions we made to the DC SERP on their behalf during 2017. It also shows each NEO’s aggregate balance under the DC SERP as of December 31, 2017.

## NONQUALIFIED DEFERRED COMPENSATION

NAME	EXECUTIVE CONTRIBUTIONS	COMPANY CONTRIBUTIONS	AGGREGATE EARNINGS	AGGREGATE WITHDRAWALS/ DISTRIBUTIONS	AGGREGATE BALANCE
	IN LAST FY <sup>1</sup>	IN LAST FY <sup>2</sup>	IN LAST FY	IN LAST FY	LAST FYE <sup>3</sup>
	(\$)	(\$)	(\$)	(\$)	(\$)
Dennis R. Glass	264,761	653,722	1,497,228	237,202	26,401,155
Randal J. Freitag	109,157	227,355	162,965	127,621	2,159,068
Raj B. Chakraborty	26,169	22,673	2,978	-	51,821
Ellen G. Cooper	88,969	178,604	32,054	-	1,026,281
Wilford H. Fuller	106,541	236,371	510,420	-	4,871,614

1. Amounts shown reflect deferral of a portion of salary for 2017 (included as Salary in the Summary Compensation Table for 2017) and deferral of a portion of the AIP amounts paid in 2017 relating to 2016 performance (included as Non-Equity Plan Compensation in the Summary Compensation Table for 2016). These amounts are:

	Salary	Incentive Plan
Named Executive Officer	(\$)	(\$)
Dennis R. Glass	74,825	189,936
Randal J. Freitag	44,212	64,945
Raj B. Chakraborty	26,169	—
Ellen G. Cooper	35,109	53,860

Wilford H. Fuller

40,148 66,394

2. Amounts shown reflect our employer contributions into the DC SERP during 2017.
3. In addition to the amounts shown in footnote 1 above, this column includes amounts that were reported in prior years' Summary Compensation Tables to the extent the NEO was an NEO at the time. These amounts are as follows: \$1,954,249 for Mr. Glass; \$466,828 for Mr. Freitag; and \$629,167 for Mr. Fuller. Mr. Chakraborty joined the Company in March 2017 and Ms. Cooper was not an NEO in prior years.

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Potential Payments upon Termination or Change of Control	EXECUTIVE COMPENSATION TABLES
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## POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

The narrative below describes the various termination and change-of-control arrangements applicable to our NEOs that are not broadly available to our employees on a non-discriminatory basis. The narrative is followed by tables showing potential payments each NEO would have received in the event of their termination of employment (voluntary, involuntary or in connection with our change of control) occurring on December 31, 2017.

### CHANGE-OF-CONTROL ARRANGEMENTS

All of our executive officers, including our NEOs, are eligible to participate in the LNC COC Plan. NEOs become eligible for benefits under the LNC COC Plan if (either in anticipation of or within two years after our change of control):

the NEO's employment is terminated by the Company for any reason other than "cause" (defined as conviction of a felony, fraudulent or willful misconduct by the executive that is materially and demonstrably injurious to our business or reputation, or the willful and continued failure of the executive to perform his or her duties, despite warning notices) or the NEO's death or disability; or

the NEO terminates his or her employment for "good reason" (defined as a "material and adverse" change in the NEO's responsibilities, a reduction in salary or target annual incentive bonus opportunity, or our failure to provide compensation and benefits materially similar to those offered in the past – with the exception of broad-based changes to our benefit plans that affect a significant portion of our employees).

If the conditions for payment under the LNC COC Plan are met, the Company would make a cash payment to the NEO based on a multiple of "annual base salary" and "target bonus." For purposes of the LNC COC Plan:

"annual base salary" means the highest annual rate of salary during the 12-month period immediately preceding the date of termination; and

"target bonus" means the target set for annual incentive bonus under the AIP for the calendar year in which the NEO's employment was terminated or for the year in which the change of control occurred, whichever is higher.

The amounts payable under the LNC COC Plan would be determined as follows:

Chief Executive Officer	3 times annual base salary + 3 times target bonus
All Other Participating Executives	

(including our other NEOs)	2 times annual base salary + 2 times target bonus
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Benefits offered under the LNC COC Plan do not include any tax "gross ups" to cover any excise tax amounts deemed to be "excess parachute payments" under IRC Section 280G.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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EXECUTIVE

COMPENSATION TABLES Potential Payments upon Termination or Change of Control

In addition to the cash payment, our NEOs would receive the following additional benefits and benefit enhancements under the LNC COC Plan:

Reimbursement, for a maximum of 18 months, of premiums the NEO paid for the continuation of coverage under our welfare benefit plans in accordance with the Consolidated Omnibus Budget Reconciliation Act;  
 For purposes of determining eligibility for retiree medical and dental coverage, additional credited service equal to the period that severance pay would be payable to the NEO under our broad-based employees' severance plan;  
 Vesting of AIP and LTI awards for each completed performance period, with awards for open performance periods paid at target and pro-rated to reflect the date on which the termination occurred and paid out at the end of the performance period (although the Compensation Committee has discretion under the ICP to fully vest awards); and  
 Reimbursement of the cost of outplacement services, up to a maximum of 15% of the NEO's highest rate of annual base salary during the 12-month period immediately preceding the date of employment termination.  
 NEOs in the LNC COC Plan may be eligible to receive payments under the LNC Severance Pay Plan or other severance arrangements (as described below). However, any payments they receive under those plans would reduce, on a dollar-for-dollar basis, the amount of any cash payment they receive under the LNC COC Plan.

As a condition to an NEO's receiving payments or benefits, the LNC COC Plan imposes non-disparagement and confidentiality obligations, as well as a non-solicitation obligation for two years following termination of the executive's employment.

#### CHANGE-OF-CONTROL FEATURES OF OTHER PLANS AND PROGRAMS

##### Options and RSUs

Unvested grants of Options and RSUs will vest and become either immediately exercisable or non-forfeitable only upon: (i) our change of control; and (ii) either: (a) termination of the executive's employment for any reason other than "cause;" or (b) the executive's termination of his or her employment for "good reason." In addition, the Compensation Committee may determine whether outstanding PSAs will be paid in shares immediately upon our change of control, including the discretion as to whether to pay at target or maximum.

##### Severance Plans

We sponsor the Officers' Severance Plan, which provides 78 weeks of severance benefits to our executive officers, including our NEOs, except our CEO, who is not eligible for the plan. Executive officers are paid in a lump sum no earlier than six months after the date the officer's job was eliminated.

To qualify for benefits under the Officers' Severance Plan, an officer must sign our standard form of agreement, waiver and release of claims, which includes forfeiture provisions for competition and solicitation, among other conditions.

All officers, including NEOs, also participate in the LNC Severance Pay Plan, a broad-based severance plan available to all employees on an equal basis, with benefits triggered by job elimination or job restructuring.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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Potential Payments upon Termination or Change of Control	EXECUTIVE COMPENSATION TABLES
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## Deferred Compensation Plan

Upon our change of control, our NEOs will receive the following benefit enhancements under the DC SERP:

Any unvested special executive credits will vest immediately.

Executives eligible for benefits under the LNC COC Plan, as of the date of our change of control and who separate from service within two years after such change of control, will receive an additional two (or three, in the case of our CEO) years' worth of core contributions, transition contributions, matching contributions, and special executive credits.

## POTENTIAL PAYMENT TABLES

The tables below show potential payments to each NEO if the NEO's employment were terminated as a result of:

early retirement or voluntary termination;  
 involuntary not-for-cause termination;  
 for-cause termination;  
 involuntary termination following our change of control;  
 death; or  
 disability.

Please note the following regarding the amounts in the tables:

Under the DC SERP, the amounts shown in the Nonqualified Deferred Compensation Table on page 68 under the Aggregate Balance at fiscal year-end were fully vested as of December 31, 2017, and therefore are fully payable and unaffected by the various termination scenarios. The DC SERP amounts are shown as lump sums, but are payable as either lump sums or as 5-, 10-, 15- or 20-year annual installments.

The amounts assume that termination was effective December 31, 2017, and are therefore estimates. The amounts actually paid at termination would differ from these estimates, which constitute forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. Additional assumptions are described in footnotes to the tables.

Long-term incentive compensation reflects equity-based awards that had not yet vested on the date of a termination event for which vesting continues post-termination or is accelerated as a result of the termination event. All awards held by each NEO at December 31, 2017, that would have become vested and/or exercisable upon a termination event are shown at a value using the closing price of our common stock on December 29, 2017, which was \$76.87. In general, vesting occurs as follows:

Options – Unvested Options will vest and become exercisable upon the NEO's death or disability. Unvested Options will also vest and become immediately exercisable following our change of control if: (a) the executive's employment is terminated by the Company for any reason other than "cause;" or (b) the executive terminates his or her employment for "good reason." If an NEO, other than the CEO, retires, the Options will vest pro rata for the time the NEO was employed during the vesting period, unless the NEO retires at age 62 or older, in which case the Options vest in full upon retirement. Only grants prior to 2016 will vest pro rata if an NEO is job eliminated. Options granted to our

CEO will vest in full upon retirement.

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EXECUTIVE

COMPENSATION TABLES Potential Payments upon Termination or Change of Control

Unvested RSUs will vest upon the NEO's death or disability. Unvested RSUs will also vest upon our change of control if: (a) the NEO's employment is terminated for any reason other than "cause"; or (b) the executive terminates his or her employment for "good reason." If an NEO, other than the CEO, retires, the RSUs will vest pro rata for the time the executive was employed during the vesting period. Only grants prior to 2016 will vest pro rata if an NEO is job eliminated. If our CEO retires his RSUs vest in full.

PSAs — Upon the NEO's death or disability, the PSAs will vest. Unvested PSAs will also vest upon our change of control if: (a) the NEO's employment is terminated for any reason other than "cause"; or (b) the executive terminates his or her employment for "good reason." For Ms. Cooper and Mr. Chakraborty they are shown vesting on a pro rata basis. If an NEO, other than the CEO, retires, the PSAs will vest pro rata for the time the executive was employed during the performance period once the Compensation Committee certifies the performance results after the end of the relevant performance cycle. Only grants made prior to 2016 will vest pro rata if an NEO is involuntarily terminated without cause. If our CEO retires his PSAs will be eligible to vest in full, again after the performance results have been certified by the Compensation Committee. Amounts in the table are calculated based on actual results for the 2015-2017 performance cycle and payouts at target for the 2016-2018 and 2017-2019 performance cycles. Under all termination events except our change of control, the PSAs are paid only at the end of the actual performance cycle once the results have been certified by the Compensation Committee. The effect of our change of control is discussed in detail beginning on page 69.

The tables exclude benefits — such as accrued vacation pay, distributions from the Employees' 401(k) Plan, disability benefits, and life insurance benefits equal to one times salary — that all employees are eligible to receive on the same basis.

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Potential Payments upon Termination or Change of Control	EXECUTIVE COMPENSATION TABLES
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Amounts in the table are estimates based on a hypothetical termination on December 31, 2017.

## POTENTIAL PAYMENTS

### BENEFITS

AND PAYMENTS	TRIGGER EVENTS			INVOLUNTARY		
	EARLY	RETIREMENT <sup>1</sup>	INVOLUNTARY	TERMINATION	AFTER	DISABILITY
	/VOLUNTARY	NOT-FOR-CAUSE	FOR-CAUSE	OF-CONTROL	CHANGE-	DEATH
	TERMINATION	TERMINATION <sup>2</sup>	TERMINATION			
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)

Dennis R.

Glass

Compensation:

Annual

Incentive	3,966,144	3,966,144	-	3,966,144	3,966,144	3,966,144
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Compensation

Options	5,087,745	5,087,745	-	5,087,745	5,087,745	5,087,745
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RSUs	19,008,952	19,008,952	-	19,008,952	19,008,952	19,008,952
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PSAs <sup>3</sup>	11,428,186	11,428,186	-	11,428,186	11,428,186	11,428,186
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Benefits &

Perquisites:

DC SERP <sup>4</sup>	-	-	-	1,750,896	-	-
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Miscellaneous	-	-	-	216,857	-	-
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Payments <sup>5</sup>	-	-	-	-	-	-
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Cash	-	-	-	11,232,000	-	-
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Severance	-	-	-	-	-	-
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Total	39,491,026	39,491,026	-	52,690,780	39,491,026	39,491,026
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Randal J.

Freitag

Compensation:

Annual

Incentive	1,449,619	1,449,619	-	1,449,619	1,449,619	1,449,619
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Compensation

Options	951,829	951,829	-	2,064,023	2,064,023	2,064,023
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RSUs	1,578,719	1,578,719	-	2,565,075	2,565,075	2,565,075
PSAs	2,352,043	2,352,043	-	2,352,043	3,521,492	3,521,492
Benefits & Perquisites:						
DC SERP <sup>4</sup>	-	43,663	-	497,389	-	43,663
Miscellaneous Payments <sup>5</sup>	-	14,040	-	136,280	-	-
Cash Severance	-	2,491,388	-	3,321,850	-	-
Total	6,332,210	8,881,300	-	12,386,278	9,600,208	9,643,871

Raj B.

Chakraborty

Compensation:

Annual

Incentive	-	1,034,460	-	1,034,460	1,034,460	1,034,460
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Compensation

Options	-	-	-	172,856	172,856	172,856
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RSUs	-	-	-	2,029,214	2,029,214	2,029,214
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PSAs	-	-	-	132,345	397,034	397,034
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Benefits & Perquisites:

DC SERP <sup>4</sup>	-	24,837	-	298,038	-	24,837
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Miscellaneous Payments <sup>5</sup>	-	21,060	-	132,266	-	-
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Cash Severance	-	1,890,000	-	2,520,000	-	-
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Total	-	2,970,357	-	6,319,180	3,633,564	3,658,401
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EXECUTIVE	Potential Payments upon Termination or Change of Control
COMPENSATION TABLES	

## POTENTIAL PAYMENTS

BENEFITS AND PAYMENTS	TRIGGER EVENTS		INVOLUNTARY TERMINATION AFTER CHANGE-		DISABILITY	DEATH
	EARLY RETIREMENT <sup>1</sup> /VOLUNTARY TERMINATION <sup>1</sup>	IN VOLUNTARY TERMINATION <sup>2</sup>	FOR-CAUSE TERMINATION <sup>1</sup>	FOR-CAUSE TERMINATION <sup>1</sup>		
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Ellen G. Cooper						
Compensation:						
Annual Incentive Compensation	-	1,176,821	-	1,176,821	1,176,821	1,176,821
Options	-	114,212	-	1,320,328	1,320,328	1,320,328
RSUs	-	377,185	-	1,891,463	1,891,463	1,891,463
PSAs	-	529,942	-	1,462,093	2,232,535	2,232,535
Benefits & Perquisites:						
DC SERP <sup>4</sup>	-	74,141	-	394,980	-	74,141
Miscellaneous Payments <sup>5</sup>	-	21,060	-	125,588	-	-
Cash Severance	-	1,976,006	-	2,634,674	-	-
Total	-	4,269,366	-	9,005,947	6,621,148	6,695,289
Wilford H. Fuller						
Compensation:						
Annual Incentive Compensation	-	1,461,117	-	1,461,117	1,461,117	1,461,117
Options	697,644	893,740	-	1,925,164	1,925,164	1,925,164
RSUs	875,526	1,439,024	-	2,332,928	2,332,928	2,332,928
PSAs	1,312,811	2,112,490	-	2,112,490	3,162,662	3,162,662
Benefits & Perquisites:						
DC SERP <sup>4</sup>	-	88,784	-	592,803	-	88,784
Miscellaneous Payments <sup>5</sup>	-	21,060	-	139,966	-	-
Cash Severance	-	2,611,050	-	3,481,400	-	-
Total	2,885,981	8,627,264	-	12,045,867	8,881,871	8,970,655

1. Based on their age and years of service, for Messrs. Glass and Freitag, this column reflects benefits based on retirement under our plans. For Messrs. Chakraborty and Fuller, and Ms. Cooper, this column reflects benefits payable under a voluntary termination scenario.

2.

Because of Messrs. Glass and Freitag's years of service and age, if their employment were involuntarily terminated without cause, they would be entitled to the same benefits as if they had retired under our plans. As a result, this column shows benefits based on retirement under our plans. For Mr. Chakraborty and Ms. Cooper, the amounts shown in this column are payable only if the officer has been "job eliminated" (as defined in our plan document), and has signed and not revoked an agreement, waiver and release in a form acceptable to the Company. For Mr. Fuller, the equity awards would be prorated in accordance with the terms of the award agreements.

3. Because of Mr. Glass' years of service and age, and the retirement provisions applicable to his awards, for all trigger events except termination for cause, his PSAs would be payable.
4. For Messrs. Glass, Freitag and Fuller and Ms. Cooper, the values for the DC SERP do not reflect the year-end balance shown in the Nonqualified Deferred Compensation Table on page 68, as they are fully vested in this amount, which would be payable under each scenario. For Mr. Chakraborty, values for the DC SERP do not reflect the vested account balance, but only the unvested balances that would be payable only under certain termination scenarios. The Special Executive Credit credited in 2018 to Messrs. Freitag and Fuller and Ms. Cooper is payable only under certain termination scenarios. Upon Involuntary Termination after Change in Control, Mr. Glass receives an additional three years of employer contributions under the DC SERP provisions based on his rate of pay and target bonus percentage in effect at the date of termination. Upon Involuntary Termination after Change in Control, Messrs. Chakraborty, Freitag and

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Potential Payments upon Termination or Change of Control

EXECUTIVE

COMPENSATION TABLES

Fuller and Ms. Cooper receive an additional two years of employer contributions under the DC SERP provisions based on their rate of pay and target bonus percentage in effect at the date of termination.

5. Amounts shown under Involuntary Not-for-Cause Termination reflect a cash stipend provided over the severance period. Amounts shown under Involuntary Termination after Change in Control reflect amounts for outplacement, tax preparation and financial planning services, and fully subsidized health and dental benefits for 18 months.

#### CEO PAY RATIO

Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, require companies to disclose certain information about the annual total compensation of our employees and the annual total compensation of our CEO, Mr. Dennis Glass.

#### Median Employee Identification Process

To identify the median of the annual total compensation of all our employees, as well as to determine the annual total compensation of our median employee and our CEO, we took the following steps:

¶We determined that, as of December 31, 2017, our employee population consisted of approximately 9,000 individuals as reported in Item 1, Business, in our 2018 Annual Report. This population consisted of our full-time, part-time, and temporary employees. We selected December 31, 2017, which is within the last three months of 2017, as the date upon which we would identify the “median employee” because it enabled us to make such identification in a reasonably efficient and economical manner.

¶To identify the “median employee” from our employee population, we compared the Medicare eligible amount of salary, wages, and other compensation of our employees as reflected in our payroll records as reported to the Internal Revenue Service on Form W-2 for 2017.

¶We identified our median employee using this compensation measure, which was consistently applied to all our employees included in the calculation. Since our employees are located in the United States, as is our CEO, we did not make any cost-of-living adjustments in identifying the “median employee.”

#### Calculation of the Pay Ratio

Once we identified our median employee, we combined all of the elements of such employee's compensation for 2017 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in annual total compensation of \$68,299. With respect to the total annual compensation of our CEO, we used the amount reported in the "Total" column of our 2017 Summary Compensation Table on page 58 of this proxy statement.

## Pay Ratio

For 2017, our last completed fiscal year:

¶The median of the annual total compensation of all employees of our company (other than our CEO) was \$68,299; and

¶The annual total compensation of our CEO, as reported in the Summary Compensation Table included elsewhere in this proxy statement, was \$14,963,035.

Based on this information, for 2017 the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees was 219 to 1.

The above pay ratio and annual total compensation amount are reasonable estimates that have been calculated using methodologies and assumptions permitted by SEC rules. We note that the ratio and total compensation amount may not be directly comparable to those of other companies because the methodologies and assumptions used to identify the median employee and determine that employee's total compensation, the composition and location of the workforce, and other factors may vary significantly among companies.

ITEM 4

SHAREHOLDER PROPOSAL REGARDING

SPECIAL SHAREHOLDER MEETINGS

ITEM 4 | SHAREHOLDER PROPOSAL REGARDING SPECIAL SHAREHOLDER MEETINGS

We expect the following proposal (Proposal 4 on the proxy card and voting instruction card) to be presented by a shareholder at the Annual Meeting. In accordance with SEC rules, the shareholder proposal is presented below as submitted by the shareholder. The Company disclaims all responsibility for the content of the proposal and the supporting statement, including other sources referenced in the supporting statement. Names, addresses and shareholdings of the shareholder proponent will be supplied promptly upon oral or written request made to the Corporate Secretary.

RESOLUTION PROPOSED BY SHAREHOLDER:

PROPOSAL 4 - SPECIAL SHAREHOLDER MEETING IMPROVEMENT

Resolved, Shareowners ask our board to take the steps necessary (unilaterally if possible) to amend our bylaws and each appropriate governing document to give holders in the aggregate of 10% of our outstanding common stock the power to call a special shareowner meeting (or the closest percentage to 10% according to state law). This proposal does not impact our board's current power to call a special meeting.

Special meetings allow shareowners to vote on important matters, such as electing new directors that can arise between annual meetings. This proposal topic won more than 70%-support at Edwards Lifesciences and SunEdison in 2013.

A shareholder right to call a special meeting and to act by written consent and are 2 complimentary ways to bring an important matter to the attention of both management and shareholders outside the annual meeting cycle such as the election of directors. More than 100 Fortune 500 companies provide for shareholders to call special meetings and to act by written consent.



Lincoln National shareholders do not have the right to call a special meeting. Plus the lax corporate laws of Indiana do not allow Lincoln National shareholders to act by written consent.

A shareholder ability to call a special meeting would put shareholders in a better position to ask for improvement in our board of directors after the 2018 annual meeting. For instance, directors could be given more appropriate assignments on our Board of Directors. Company performance and the stock price can benefit from such an improvement.

Three directors had 16 to 32 years long-tenure:

Michael Mee            16-years

Eric Johnson           19-years

Leanne Lachman       32-years

Long-tenure can impair the independence of a director no matter how well qualified. Independence is a priceless attribute in a director.

Deirdre Connelly and Patrick Pittard owned zero voting shares and are paid \$300,000 for perhaps 300 hours of work. Plus Ms. Connelly was on the Audit Committee and Nomination Committee. Mr. Pittard was on the Executive Pay Committee when the annual CEO pay package was \$19 million.

Serious consideration could be given to reassign directors off of important board committees when they have either long-tenure or own zero voting shares.

Please vote to increase management accountability to shareholders:

Special Shareholder Meeting Improvement – Proposal 4

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ITEM 4

SHAREHOLDER PROPOSAL REGARDING  
SPECIAL SHAREHOLDER MEETINGS

OUR RESPONSE – STATEMENT IN OPPOSITION TO PROPOSAL:

The Board has carefully reviewed the foregoing proposal and unanimously recommends a vote AGAINST this proposal because we believe it is not in the best long-term interests of the Company and its shareholders. We believe that our existing governance mechanisms ensure accountability to our shareholders and that the proposal should be evaluated in the full context of all of the Company's corporate governance practices.

Our shareholders already have a meaningful right to call a special meeting that is well within the mainstream for peer companies.

Our Amended and Restated Bylaws already provide that any shareholders who own an aggregate of at least 25% of the Company's outstanding shares of capital stock may call a special meeting. We believe this 25% threshold is reasonable, appropriate and aligned with our shareholders' interests. The current threshold is designed to strike the proper balance between ensuring that shareholders have the ability to call a special meeting and protecting against the risk that a small minority of shareholders, especially those with special interests, could trigger the expense and distraction of a special meeting to pursue matters that are not widely viewed as requiring immediate attention or that are being pursued for reasons that may not be in the best interests of the Company and our shareholders generally.

The vast majority of S&P 500 companies that allow shareholders to call special meetings do not have an ownership threshold as low as 10%. Seventy-nine percent of the American companies in the S&P 500 have a special meeting threshold of 25% or greater, and 36% of American companies in the S&P 500 do not permit shareholders to call a special meeting in any circumstance. Notably, in 2017, there were fifteen shareholder proposals made pursuant to Rule 14a-8 that asked shareholders to lower a special meeting threshold of 25% to a lower figure and shareholders rejected more than 93% of these proposals.

Special meetings require substantial resources.

The Board believes that a special meeting should only be called if required by law, or if a reasonably large representation of the Company's shares support holding a special meeting. A special meeting should be held only for extraordinary company business, such as when fiduciary or strategic considerations require that the matter be addressed on an expeditious basis and cannot wait until the next annual meeting. Given the size of the Company and our large number of shareholders, a special shareholder meeting is a significant undertaking that requires substantial management and expense resources. The Company must pay to prepare, print and distribute legal disclosure documents to shareholders, solicit proxies and tabulate votes. In addition, the Board and management must divert time and focus from their responsibility of managing the Company on behalf of all shareholders to prepare for, and conduct, the meeting, consequently detracting from their primary focus of operating our businesses and maximizing long-term shareholder value.

With a lower threshold, special meetings could be abused by special-interest shareholder groups.

The Board does not believe that ten percent is the appropriate threshold for calling special meetings, and substantially under-represents shareholder interests. As a result, the proposal could subject the Company to regular disruptions by special-interest shareholder groups with agendas that are not in the best interests of the Company or the other shareholders. In addition to our 25% ownership threshold for special meetings to be called by the Company's shareholders, special meetings of shareholders may be called by the Board or the Chairman, each of whom has a fiduciary duty under the law to act in the best interests of the Company and its shareholders as a whole when determining whether a matter is so pressing that it must be addressed at a special meeting. The proposal's 10% ownership threshold would permit a single large shareholder or a small group of shareholders who have a special interest (and who have no duty to act in the best interests of the Company or our shareholders at large) to use the extraordinary measure of a special meeting to serve their narrow self-interest. Such a low threshold grants a small minority of shareholders the unlimited power to call a special meeting, and thus opens the door to potential abuse and waste of corporate resources.

ITEM 4

SHAREHOLDER PROPOSAL REGARDING

SPECIAL SHAREHOLDER MEETINGS

We have adopted a number of governance mechanisms that are responsive to the concerns of our shareholders.

The proposed 10% threshold not only enables a small minority of the Company's ownership to take what is an extraordinary action, but such a low threshold is unnecessary in light of the Company's existing corporate governance practices, its demonstrated willingness to discuss Company business with shareholders, and its responsiveness to shareholders. The Company has strong corporate governance practices, provides ample avenues of communication between the Company and its shareholders, and has a proven record of accountability. The Company's current corporate governance practices reflect the Board's dedication to being responsive and accountable to shareholders. The Company solicits and values shareholder discussion and input on corporate governance matters and takes every step possible to ensure that such input is received in the ordinary course. In fact, our investor relations team maintains open and direct lines of communication with our shareholders, including hosting an annual Investor Day to hear the concerns of our shareholders, and we have been consistently responsive to shareholder feedback received in the past. Together, management and the Board regularly assess and refine the Company's corporate governance policies and procedures to take into account evolving best practices and to address feedback provided by shareholders and other stakeholders.

In addition, the Company has implemented numerous other corporate governance measures to ensure that the Board remains accountable to our shareholders, to provide shareholders with greater influence on the nomination and election of directors, and to afford shareholders the ability to directly communicate their views to the Board and make their views known. Some of these measures are:

- Our shareholders have the opportunity to cast a vote with respect to all of our directors at least once per year—our Board is de-classified and directors serve one-year terms;
- We have a majority voting standard for the election of directors, and a director resignation policy for directors in an uncontested election;
- Our shareholders already have the right to call a special meeting to transact company business;
- The Chairman of the Board is an independent director;
- All of the Company's directors, with the exception of the CEO, are independent and each of the Audit, Compensation, Corporate Governance and Finance Committees are entirely composed of independent directors;
- Shareholders are able to recommend director candidates to the Corporate Governance Committee (as described further under "Director Nomination Process" beginning on page 7);
- We provide for "proxy access" in our Bylaws pursuant to which shareholders can nominate a director candidate to stand for election, and have that nominee included in the Company's proxy materials;
- We align our directors' interests with those of our shareholders through robust stock ownership requirements;
- The Board greatly values shareholder discussion and input and provides channels for shareholders to communicate directly with members of the Board (as described further under "Communications with Directors" beginning on page 9);

Our Board and committees conduct annual self-evaluations;

Our Board also evaluates each director nominee on an annual basis;

We have appointed two new independent directors to the Board in the last two years; and

We eliminated super majority voting provisions from our Restated Articles of Incorporation and Bylaws with respect to:

- voting rights of preferred shareholders;
- prohibitions regarding shares of stock in our subsidiary;
- future amendments to our Bylaws;
- removal of directors; and
- certain business combinations.

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ITEM 4

SHAREHOLDER PROPOSAL REGARDING  
SPECIAL SHAREHOLDER MEETINGS

For major actions that require approval outside of a regularly scheduled annual shareholder meeting, existing rules and regulations provide sufficient protections for shareholders.

The Company's annual meeting of shareholders provides a regular opportunity for shareholders to raise appropriate matters of interest to the Company and our shareholders, as demonstrated by proposals such as this one. For those extraordinary circumstances where a matter cannot wait until the next annual meeting, our Bylaws permit a special meeting of shareholders to be called by (1) any shareholders who, in the aggregate, meet the 25% ownership threshold, (2) the Board or (3) the Chairman. In addition, under Indiana law and NYSE regulations, the Board must obtain shareholder approval for major corporate actions such as a merger, acceptance of a takeover bid, sale of substantially all assets, or amendments to the articles of incorporation.

In light of the strong shareholder rights the Company already has in place, including the right for shareholders holding 25% of the outstanding shares to call a special meeting, the Board's demonstrated commitment to strong corporate governance and responsiveness to shareholders, as well as the Company's record of solid performance and focus on delivering long-term shareholder value, the Board believes that adoption of this shareholder proposal is unnecessary, and that it is not in the long-term interests of all of our shareholders.

For these reasons, the Board of Directors unanimously recommends a vote AGAINST the foregoing shareholder proposal, Item 4.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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COMPENSATION COMMITTEE  
INTERLOCKS AND RELATED  
PARTY INFORMATION

## COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

William H. Cunningham, Eric G. Johnson, Michael F. Mee and Patrick S. Pittard served on the Compensation Committee during 2017. No member of the Compensation Committee had any relationship requiring disclosure under the “Related-Party Transactions,” as discussed below, and no member was an employee, officer, or former officer of us or our subsidiaries. In addition, no member of the Board is an executive officer of another entity at which one of our executive officers serves on the Board of Directors.

## RELATED-PARTY TRANSACTIONS

Our Corporate Governance Committee has a written policy for reviewing, approving and ratifying transactions with related parties. This policy applies to any transaction or proposed transaction that we must disclose publicly to comply with SEC rules, and it requires that the Corporate Governance Committee (or the full Board) pre-approve or ratify such transactions. In approving or ratifying any transaction or proposed transaction, the Corporate Governance Committee must determine that the transaction is fair and reasonable to Lincoln and otherwise complies with our policy on conflicts of interest. This policy does not require the Corporate Governance Committee to obtain a fairness opinion or other third-party support for its actions, although it has discretion to do so. If the Corporate Governance Committee does not ratify a transaction with a related party, Lincoln and/or the related party must make all reasonable efforts to terminate or unwind the transaction.

The policy does not apply to transactions in which we, our subsidiaries or affiliated planners provide insurance, annuities, mutual funds or similar products, or financial services on terms and conditions substantially similar to those available to similarly situated third parties in arm’s-length transactions. This exception also applies to products and services provided to or by an entity of which a related person is an executive officer or employee, provided that the related person receives the same benefits generally available to employees having an equivalent title at the other entity.

BlackRock, Inc. (“BlackRock”), acting in various fiduciary capacities, filed a Schedule 13G with the SEC, reporting that as of December 31, 2017, BlackRock beneficially owned approximately 8.7% of our outstanding common stock. In the ordinary course of business, our subsidiaries have agreements with subsidiaries of BlackRock to include BlackRock funds in certain of our products. In 2017, our subsidiaries recorded revenues of approximately \$11.3 million from BlackRock subsidiaries. In addition, BlackRock provides sub-advisory services to our subsidiaries. For 2017, our subsidiaries paid BlackRock approximately \$4.9 million for these services.





Security Ownership of More Than 5% Beneficial Owners

SECURITY OWNERSHIP

## SECURITY OWNERSHIP

## SECURITY OWNERSHIP OF MORE THAN 5% BENEFICIAL OWNERS

Our common stock trades on the NYSE under the symbol “LNC.” We have no other types of stock outstanding. The following table lists persons or entities that, to the best of our knowledge, were beneficial owners of more than 5% of our common stock as of December 31, 2017. The information shown is based solely on our review of Schedules 13G filed with the SEC.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

AS OF DECEMBER 31, 2017

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Common Stock	BlackRock, Inc. 55 East 52nd Street New York, NY 10022	18,933,036	8.7%
Common Stock	The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	23,688,259	10.82%

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SECURITY OWNERSHIP	Security Ownership of Directors, Nominees and Executive Officers
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## SECURITY OWNERSHIP OF DIRECTORS, NOMINEES AND EXECUTIVE OFFICERS

The following table shows the number of shares of common stock and stock units beneficially owned on March 15, 2018, by each director, director nominee and NEO, individually, and by all directors and executive officers as a group. LNC Stock Units are non-voting, non-transferable “phantom” stock units that track the economic performance of our common stock; a unit has the same value as a share of our common stock.

## SECURITY OWNERSHIP OF DIRECTORS, NOMINEES AND EXECUTIVE OFFICERS AS OF MARCH 15, 2018

NAME	AMOUNT OF LNC		TOTAL OF LNC		
	COMMON STOCK AND NATURE OF BENEFICIAL OWNERSHIP <sup>1</sup>	PERCENTAGE OF CLASS	LNC STOCK UNITS <sup>2</sup>	COMMON STOCK AND STOCK UNITS	TOTAL PERCENTAGE OF CLASS
Raj B. Chakraborty <sup>3</sup>	0	*	0	0	*
Deirdre P. Connelly	0	*	4,227	4,227	*
Ellen G. Cooper	198,699	*	0	198,699	*
William H. Cunningham	8,738	*	100,764	109,502	*
Randal J. Freitag	344,430	*	0	344,430	*
Wilford H. Fuller	353,704	*	39,510	393,214	*
Dennis R. Glass	804,470	*	74,019	878,489	*
George W. Henderson III	8,681	*	63,152	71,833	*
Eric G. Johnson	6,601	*	54,652	61,253	*
Gary C. Kelly	20,040	*	24,416	44,456	*
M. Leanne Lachman	0	*	65,309	65,309	*
Michael M. Mee	837	*	69,410	70,247	*
Patrick S. Pittard	0	*	21,164	21,164	*
Isaiah Tidwell	579	*	32,361	32,939	*
Lynn M. Utter <sup>3</sup>	0	*	375	375	*
All Directors and Executive Officers	1,924,639	*	549,359	2,473,998	1.12%
as a group –18 persons					

\*Each of these amounts represents less than 1% of the outstanding shares of our common stock as of March 15, 2018.

1. The number of shares that each person named in this table has a right to acquire within 60 days of March 15, 2018 is as follows: Ms. Cooper, 140,480; Mr. Freitag, 234,120 shares; Mr. Fuller, 160,101 shares; Mr. Glass, 327,072 shares; Mr. Kelly, 17,040 shares; and all directors and officers as a group, 1,012,073 shares. Mr. Kelly's shares include 3,000 shares held in a family trust.
2. LNC Stock Units are non-voting, non-transferable phantom stock units that track the economic performance of our common stock.
3. Mr. Chakraborty joined the Company in March 2017. Ms. Utter joined the Board in November 2017.

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Questions & Answers

ANNUAL MEETING

INFORMATION

## ANNUAL MEETING INFORMATION

**Q: Why did I receive this proxy statement or notice of internet availability of proxy materials?**

You received a copy of this proxy statement (or a notice of internet availability of proxy materials) because you owned shares of our stock on March 19, 2018, the record date, and that entitles you to vote at the Annual Meeting. This proxy statement describes the matters to be voted on at the meeting and provides information on those matters. It also provides certain information about the Company that we must disclose to you when the Board solicits your proxy.

**Q: Why did some shareholders receive a one-page notice in the mail regarding the internet availability of proxy materials instead of a full set of the printed proxy materials?**

The SEC allows us to provide access to proxy materials via the internet rather than mailing a printed copy to each shareholder. Most shareholders received a notice of internet availability, which explains how to access the proxy materials on the internet and how to vote using the internet.

**Q: How can I get a paper copy of the proxy materials?**

The notice of internet availability (the “Notice”) contains instructions on how to obtain a paper copy of all proxy materials — including our proxy statement, our 2017 annual report and a proxy card form. If you would like to receive paper copies of our proxy materials, please follow the instructions in the Notice and submit your request by May 14 to ensure that you receive the materials before the Annual Meeting.

**Q: How can I sign up for internet access to the proxy materials?**

If you hold shares registered in your name, you may sign up at [www.proxypush.com/lnc](http://www.proxypush.com/lnc) to receive access to the proxy material over the internet for future meetings, rather than receiving mailed copies. If you chose internet access, you will receive an email notifying you when the 2017 annual report to shareholders and this proxy statement are available, with links to access the documents on a website with instructions on how to vote via the internet. Your enrollment for internet access will remain in effect for subsequent years, although you can cancel it up to two weeks prior to the record date for any annual meeting.

If you hold your shares in “street name,” you may be able to obtain internet access to proxy materials by contacting your broker, bank or other intermediary.

**Q: What will I be voting on at the Annual Meeting?**

You are being asked to:

1. elect eleven directors for a one-year term expiring at the 2019 Annual Meeting of Shareholders;

2. ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm for 2018;
3. approve an advisory (non-binding) resolution on the compensation of our named executive officers; and
4. respond to an advisory shareholder proposal regarding the right to call special meetings of shareholders.

The Board recommends that you vote FOR agenda items 1, 2 and 3, and AGAINST agenda item 4.

While it is possible that other matters could come up for voting at the meeting, the Board is not aware of any other matters at present.

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ANNUAL MEETING

INFORMATION

Questions & Answers

**Q: How do I attend the Annual Meeting?**

If you attend the Annual Meeting, you will be asked to present valid, government-issued photo identification, such as a driver's license. If you are a holder of record, the top half of your proxy card or your Notice is your admission ticket. If you hold your shares in street name, you will need proof of ownership to be admitted to the meeting. A recent brokerage statement or a letter from your bank or broker are examples of proof of ownership. If you want to vote your shares held in street name in person, you must get a legal proxy in your name from the broker, bank or other nominee that holds your shares, and submit it with your vote.

Attendance at the Annual Meeting is limited to shareholders of the Company as of the record date (March 19, 2018). Each shareholder may appoint only one proxy holder or representative to attend the Annual Meeting on his or her behalf.

**Q: Who is entitled to vote?**

Only shareholders of record at the close of business on March 19, 2018, the record date for the meeting, are entitled to vote at the Annual Meeting.

**Q: What constitutes a quorum at the Annual Meeting?**

A majority of all outstanding shares entitled to vote at the Annual Meeting constitutes a quorum, which is the minimum number of shares that must be present or represented by proxy at the Annual Meeting in order to transact business. As of the record date, we had 218,686,569 shares of common stock, issued, outstanding and entitled to vote at the Annual Meeting. Once a share is counted as present at the Annual Meeting, it will be deemed present for quorum purposes for the entire meeting (and for any meeting resulting from a postponement of the Annual Meeting, unless a new record date is set).

Abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present. Generally, "broker non-votes" occur when brokerage firms return proxies for which no voting instructions have been received and the broker does not have discretionary authority to vote on the proposal.

**Q: How do I vote?**

You are entitled to one vote for each share of common stock you own. You will find the number of shares you own (and may vote) on the proxy card or the Notice that you received.

You may vote:

IN PERSON. If you are a shareholder of record (i.e., you own your shares directly and not through a broker-dealer or other financial institution), you may vote your shares at the meeting or send a personal representative, with an appropriate proxy, to vote on your behalf.

If you own your shares in “street name” (i.e., through a broker-dealer or other financial institution), you will need to present a proxy card from the institution that holds your shares to vote at the meeting.

Note: You cannot vote in person at the Annual Meeting if you only own share equivalents through the LNC Stock Fund of the Employees’ 401(k) Savings Plan, the LNL Agents’ 401(k) Savings Plan, or the LNL ABGA Money Purchase Plan, or through our dividend reinvestment plan.

For instructions on voting these share equivalents, see below under “How do I vote my 401(k), Money Purchase Plan, and/or dividend reinvestment plan shares?” For more information on voting in person, including appropriate forms of proof of ownership and directions to the meeting, contact Shareholder Services at 1-800-237-2920 or [shareholderservices@lfg.com](mailto:shareholderservices@lfg.com).

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Questions & Answers

ANNUAL MEETING

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**BY MAIL.** If you received a paper copy of the proxy materials, please mark, date, sign and mail the proxy card in the prepaid envelope the Company provided. For any other matter properly brought forth at the Annual Meeting, the individuals named as proxies will, to the extent permissible, vote all proxies in the manner they believe to be in our best interests.

**BY TELEPHONE OR INTERNET.** Whether you received a paper copy of the proxy materials or viewed them online, you may vote either by telephone (within the United States, Canada or Puerto Rico only) or through the internet, as follows:

**CALL:** 866-883-3382

**VISIT:** [WWW.PROXYPUSH.COM/LNC](http://WWW.PROXYPUSH.COM/LNC)

To use telephone or internet voting, you must provide your assigned control number noted on the proxy card or Notice. In addition to the instructions that appear on the proxy card or Notice, step-by-step instructions will be provided by a prerecorded telephone message or at the designated website.

If you hold your shares in “street name,” please check your proxy card or Notice, or contact your broker, nominee, fiduciary or other custodian, to determine if you will be able to vote by telephone or Internet.

**Q:** How many votes are needed to approve each proposal?

Assuming a quorum is present, a majority of the votes cast by the holders of shares entitled to vote at the annual meeting is required to elect each director, to ratify the appointment of Ernst & Young as our accounting firm, to approve the advisory resolution on the compensation of our NEOs, and to approve the shareholder proposal.

The proposal regarding the approval of our NEOs’ compensation is advisory only and not binding on the Board. Any other proposal that is properly presented at the Annual Meeting will be approved if the number of votes cast in favor of the proposal exceeds the number of votes cast against the proposal.

**Q:** How do abstentions, unmarked proxy cards and broker non-votes affect the voting results?

**Abstentions:** Abstentions will not count as votes cast either for or against a nominee or the proposals set forth in Items 2, 3 and 4.

Unmarked Proxy Cards: If you sign and return a proxy or voting instruction card but do not mark how your shares are to be voted, the individuals named as proxies will vote your shares, if permitted, as the Board recommends.

Broker Non-Votes: If you hold your shares in “street name,” you may instruct your broker how to vote your shares. If you do not provide voting instructions, your shares are referred to as “broker non-votes” and the bank, broker or other custodian may vote your shares, at its discretion, only on the ratification of the appointment of our accounting firm. These broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting for purposes of determining a quorum, but will not be considered in determining the number of votes necessary for approval. Broker non-votes will not count as votes cast either for or against a nominee or the proposals set forth in Items 2, 3 and 4.

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ANNUAL MEETING

INFORMATION

Questions & Answers

Q: Can I revoke my proxy or change my vote after I vote my proxy?

Yes, you may revoke your proxy or change your vote at any time prior to the Annual Meeting. To do so either:

1. notify our Corporate Secretary in writing that you are revoking your vote;
2. submit a new proxy by mail, telephone or internet; or
3. attend the meeting and vote your shares in person.

Q: How do I vote my 401(k), Money Purchase Plan, and/or dividend reinvestment plan shares?

If you have invested in the LNC Stock Fund of the LNC Employees' 401(k) Savings Plan, the LNL Agents' 401(k) Savings Plan, or the LNL ABGA Money Purchase Plan, your voting instructions, whether submitted via telephone or through the internet (as described above), tell the trustee of your plan how to vote the shares of common stock allocated to the plans. If our stock books contain identical account information regarding common stock that you own directly and common stock that you have an interest in through these plans, you will receive a single proxy/voting instruction card representing all shares you own. If you participate in one of these plans and do not provide the trustee with your voting instructions by 11:59 p.m. Eastern Time on May 22, the trustee of the plans will vote the shares allocated to your account in proportion to the shares held by each plan for which voting instructions have been received.

If you participate in our dividend reinvestment plan, your proxy/voting instruction card(s) will also include the number of shares of common stock allocated to your accounts in that plan. To vote your shares in that plan, you must return your proxy/voting instruction card(s) or submit your voting instructions by telephone or over the internet as instructed on your proxy/voting instruction card(s).

Q: Who may solicit proxies?

Our directors, officers and employees, as well as Innisfree M&A Incorporated ("Innisfree"), our proxy solicitation firm, may solicit proxies on behalf of the Board in person, by mail, telephone, fax and other electronic means.

Q: Who pays the costs of soliciting proxies?

We pay the cost of soliciting proxies. Our fee to Innisfree to solicit proxies this year is \$15,000, plus reasonable expenses. Our directors, officers and employees receive no additional compensation for soliciting proxies. We will reimburse certain brokerage firms, banks, custodians and other fiduciaries for the reasonable mailing and other expenses they incur in forwarding proxy materials to the beneficial owners of stock that those organizations hold of record.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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Shareholder Proposals for the 2019 Annual Meeting

GENERAL INFORMATION

## GENERAL INFORMATION

### SHAREHOLDER PROPOSALS FOR THE 2019 ANNUAL MEETING

#### TO BE INCLUDED IN OUR PROXY MATERIALS

If you wish to include a shareholder proposal in the proxy materials for our 2019 Annual Meeting of Shareholders, you must submit the proposal, in accordance with SEC Rule 14a-8, to our Corporate Secretary, who must receive the proposal by December 13, 2018.

In addition, if you wish to include a director nomination in the proxy materials for our 2019 Annual Meeting of Shareholders pursuant to our “proxy access” bylaws, you must meet the requirements set forth in our Bylaws and you must submit the materials required by our Bylaws within the same time outlined below for director nominations submitted by a shareholder for presentation directly at an annual meeting. All such proxy access director nominations must satisfy the requirements set forth in our Bylaws, a copy of which is available on our website ([www.lfg.com](http://www.lfg.com)) in the “About Us” Section under the “Corporate Governance” header. You may also obtain a hard copy of our Bylaws at no cost by contacting our Corporate Secretary.

#### TO BE PRESENTED IN PERSON AT SHAREHOLDER MEETINGS

Our Bylaws set forth advance-notice procedures with respect to proposals and director nominations submitted by a shareholder for presentation directly at an annual meeting, rather than for inclusion in our proxy statement. If you wish to propose a director nominee—or any other matter of business—at an annual shareholder meeting, you must follow the procedures contained in our Bylaws, which include notifying the Corporate Secretary at least 90 but not more than 120 days before the first anniversary of the prior year’s annual meeting. Based on this year’s annual meeting date of May 25, 2018, a notice will be considered timely received for the 2019 Annual Meeting of Shareholders if our Corporate Secretary receives it no earlier than January 25, 2019, and no later than February 24, 2019.

If our annual meeting is scheduled to be held more than thirty (30) days before or more than thirty (30) days after the first anniversary of the prior year’s annual meeting, you must give your notice by the close of business on the later of (i) the date 90 days prior to the scheduled annual meeting or (ii) the tenth day following the date that the scheduled annual meeting is first publicly announced or disclosed. All such proposals and director nominations must satisfy the requirements set forth in our Bylaws, a copy of which is available on our website ([www.lfg.com](http://www.lfg.com)) in the “About Us” section under the “Corporate Governance” header. You may also obtain a hard copy of our Bylaws at no cost by contacting our Corporate Secretary.

If any such matter is brought before the meeting in accordance with our Bylaws, the individuals identified on the proxy card may, if the matter will be voted on, vote the shares represented by proxies at their discretion in the manner they believe to be in our best interests. However, the person presiding at a meeting of shareholders (the Chairman) is authorized by the Bylaws to determine whether the proposed business was properly brought before the meeting or was lawful or appropriate for consideration at the meeting or whether a nomination for director was properly made. If the Chairman determines that any of these requirements was not met, then the proposed business shall not be transacted or the defective nomination shall be disregarded.

INCORPORATION BY REFERENCE

To the extent that this proxy statement has been or will be specifically incorporated by reference into any of our other filings under the Securities Act of 1933 or the Exchange Act, the sections of this proxy statement entitled “Audit Committee Report” and “Compensation Committee Report” shall not be deemed to be so incorporated, unless specifically provided otherwise in such filing.

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## COMPLIANCE WITH BENEFICIAL OWNERSHIP REPORTING

Section 16(a) of the Exchange Act requires that our directors, certain officers, and those who are beneficial owners of more than 10% of our stock file reports of their holdings and transactions with the SEC and the NYSE. Based on statements from our directors and our officers subject to Section 16, as well as a review of the reports filed for transactions during 2017, we believe that each of our directors and officers subject to Section 16 met all applicable filing requirements.

## ANNUAL REPORT

You may request a printed copy of our Annual Report on Form 10-K, at no charge, by writing to: Corporate Secretary, Lincoln National Corporation, 150 N. Radnor Chester Road, Radnor, PA 19087. In addition, you can access our Form 10-K and other reports on the SEC's website at [www.sec.gov](http://www.sec.gov) and on our website at [www.lfg.com](http://www.lfg.com).

## HOUSEHOLDING

SEC rules allow a single copy of the proxy materials or the Notice to be delivered to multiple shareholders sharing the same address and last name, or who we reasonably believe are members of the same family and who consent to receive a single copy of these materials in a manner provided by these rules. This practice is referred to as "householding" and can result in significant savings of paper and mailing costs.

Because we are using the SEC's notice and access rule, we will not household our proxy materials or notices to shareholders of record sharing an address. This means that shareholders of record who share an address will each be mailed a separate notice or paper copy of the proxy materials. However, we understand that certain brokerage firms, banks, or other similar entities holding our common stock for their customers may household proxy materials or notices. Shareholders sharing an address whose shares of our common stock are held by such an entity should contact such entity if they now receive (1) multiple copies of our proxy materials or Notices and wish to receive only one copy of these materials per household in the future, or (2) a single copy of our proxy materials or Notice and wish to receive separate copies of these materials in the future. Additional copies of our proxy materials are available upon request by writing to: Corporate Secretary, Lincoln National Corporation, 150 N. Radnor Chester Road, Radnor, PA 19087.

## ADDITIONAL VOTING MATTERS

The Board is not aware of any matters that will be presented for action at the Annual Meeting other than those mentioned in this proxy statement. However, if any other matter should properly come before the meeting, the persons authorized by the accompanying proxy will vote and act with respect to such matter(s) in what they believe to be in the best interests of the Company and its shareholders.

A list of shareholders entitled to vote at the Annual Meeting will be available for examination at the Annual Meeting.

For the Board of Directors,

Andrea D. Goodrich

Senior Vice President & Secretary

April 13, 2018

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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EXHIBIT 1

RECONCILIATION OF NON-GAAP MEASURES

DEFINITIONS OF NON-GAAP MEASURES USED IN THIS PROXY STATEMENT

Income (loss) from operations, operating revenues and return on equity (including and excluding average goodwill within average equity), excluding accumulated other comprehensive income (loss) ("AOCI"), using annualized income (loss) from operations are financial measures we use to evaluate and assess our results. Income (loss) from operations, operating revenues and operating return on equity ("ROE"), as used in this proxy statement, are non-GAAP financial measures and do not replace GAAP revenues, net income (loss) and ROE, the most directly comparable GAAP measures.

Income (Loss) from Operations

We exclude the after-tax effects of the following items from GAAP net income (loss) to arrive at income (loss) from operations:

Realized gains and losses associated with the following ("excluded realized gain (loss)"):

- o Sale or disposal of securities;
  - o Impairments of securities;
  - o Change in the fair value of derivative investments, embedded derivatives within certain reinsurance arrangements and our trading securities;
  - o Change in the fair value of the derivatives we own to hedge our guaranteed death benefit ("GDB") riders within our variable annuities, which is referred to as "GDB derivatives results;"
  - o Change in the fair value of the embedded derivatives of our guaranteed living benefit ("GLB") riders within our variable annuities accounted for under the Derivatives and Hedging and the Fair Value Measurements and Disclosures Topics of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), net of the change in the fair value of the derivatives we own to hedge the changes in the embedded derivative reserves, the net of which is referred to as "GLB net derivative results;"
    - o Change in the fair value of the embedded derivative liabilities related to index call options we may purchase in the future to hedge contract holder index allocations applicable to future reset periods for our indexed annuity products accounted for under the Derivatives and Hedging and the Fair Value Measurements and Disclosures Topics of the FASB ASC("indexed annuity forward-starting option");
- Change in reserves accounted for under the Financial Services - Insurance - Claim Costs and Liabilities for Future Policy Benefits Subtopic of the FASB ASC resulting from benefit ratio unlocking on our GDB and GLB riders ("benefit ratio unlocking");
- Income (loss) from reserve changes (net of related amortization) on business sold through reinsurance;
  - Gain (loss) on early extinguishment of debt;
  - Losses from the impairment of intangible assets;
  - Income (loss) from discontinued operations;

Acquisition and integration costs related to mergers and acquisitions; and  
Income (loss) from the initial adoption of new accounting standards, regulations and policy changes including the net impact from the Tax Cuts and Jobs Act.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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EXHIBIT 1

## Operating Revenues

Operating revenues represent GAAP revenues excluding the pre-tax effects of the following items, as applicable:

- Excluded realized gain (loss);
- Amortization of deferred front-end loads (“DFEL”) arising from changes in GDB and GLB benefit ratio unlocking;
- Amortization of deferred gains arising from the reserve charges on business sold through reinsurance;
- Revenue adjustments from the initial adoption of new accounting standards.

## Definition of Notable Items

Income (loss) from operations, excluding notable items is a non-GAAP measure that excludes items which, in management’s view, do not reflect the Company’s normal, ongoing operations.

- We believe highlighting notable items included in income (loss) from operations enables investors to better understand the fundamental trends in its results of operations and financial condition.

## Book Value Per Share Excluding AOCI

Book value per share excluding AOCI is calculated based upon a non-GAAP financial measure.

- It is calculated by dividing (a) stockholders' equity excluding AOCI by (b) common shares outstanding.
- We provide book value per share excluding AOCI to enable investors to analyze the amount of our net worth that is primarily attributable to our business operations.
- Management believes book value per share excluding AOCI is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period, primarily based on changes in interest rates.
- Book value per share is the most directly comparable GAAP measure.

## Special Note

### Sales

Sales as reported consist of the following:

- MoneyGuard® – 15% of total expected premium deposits;
- Universal life (UL), indexed universal life (IUL), variable universal life (VUL) – first year commissionable premiums plus 5% of excess premiums received;
-

Executive Benefits – single premium bank-owned UL and VUL, 15% of single premium deposits, and corporate owned UL and VUL, first year commissionable premiums plus 5% of excess premium received;

• Term – 100% of annualized first year premiums;

• Annuities – deposits from new and existing customers; and

• Group Protection – annualized first year premiums from new policies.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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## EXHIBIT 1

## FOR THE YEAR ENDED DECEMBER 31,

(millions of dollars, except per share data)	2017	2016	2015
Total Revenues	\$14,257	\$13,330	\$13,572
Less:			
Excluded realized gain (loss)	(336)	(518)	(329)
Amortization of DFEL on benefit ratio unlocking	3	1	(2)
Amortization of deferred gains arising from reserve changes on business sold through reinsurance	1	3	3
Total Operating Revenues	\$14,589	\$13,844	\$13,900
Net Income (Loss) Available to Common Stockholders – Diluted	\$2,086	\$1,192	\$1,150
Less:			
Adjusted for deferred units of LNC stock in our Deferred compensation plans <sup>(1)</sup>	7	—	(4)
Net Income (Loss)	\$2,079	\$1,192	\$1,154
Less <sup>(2)</sup> :			
Excluded realized gain (loss)	(218)	(337)	(214)
Benefit ratio unlocking	129	28	(29)
Net impact from the Tax Cuts and Jobs Act	1,322	—	—
Impairment of intangibles	(905)	—	—
Income (loss) from reserve changes (net of related amortization) on business sold through reinsurance	—	2	2
Gain (loss) on early extinguishment of debt	(3)	(41)	—
Income (Loss) from Operations	\$1,754	\$1,540	\$1,395
Earnings (Loss) Per Common Share (Diluted)			
Net income (loss)	\$9.22	\$5.03	\$4.51
Income (loss) from operations	7.79	6.50	5.46
Average Stockholders' Equity			
Average equity, including average AOCI	\$15,796	\$15,237	\$15,001
Average AOCI	2,454	2,427	2,308
Average equity, excluding AOCI	13,342	12,810	12,693
Average goodwill	2,160	2,273	2,273
Average equity, excluding AOCI and goodwill	\$11,182	\$10,537	\$10,420
Return on Equity, Including AOCI			
Net income (loss) with average equity including goodwill	13.2%	7.8%	7.7%
Return on Equity, Excluding AOCI			
Income (loss) from operations with average equity including goodwill	13.1%	12.0%	11.0%
Income (loss) from operations with average equity excluding goodwill	15.7%	14.6%	13.4%

1. The numerator used in the calculation of our diluted EPS is adjusted to remove the mark-to-market adjustment for deferred units of LNC stock in our deferred compensation plans if the effect of equity classification would result in a more dilutive EPS.

2.

We use our prevailing federal income tax rate of 35% while taking into account any permanent difference for events recognized differently in our financial statements and federal income tax returns when reconciling our non-GAAP measures to the most comparable GAAP measure.

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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## EXHIBIT 1

A reconciliation of book value per share to book value per share excluding AOCI as of December 31, 2017, 2016 and 2015, is presented below.

	AS OF DECEMBER 31,		
	2017	2016	2015
Book value per share, including AOCI	\$79.43	\$63.97	\$55.85
Per share impact of AOCI	14.81	6.92	3.47
Book value per share, excluding AOCI	64.62	57.05	52.38

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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EXHIBIT 2

## DEFINITIONS FOR INCENTIVE COMPENSATION PROGRAMS

### 2017 AIP

For the 2017 AIP, “Income from Operations” is defined as set forth in our Annual Report on Form 10-K for the year ended December 31, 2016, which is set forth in Exhibit 1. In addition, for calculating Income from Operations for the 2017 AIP the following items may be excluded from Income from Operations, all net of tax if any occur in the relevant period:

- A. Expenses related to acquisitions, mergers, divestitures, integration and restructuring activities, including restructuring charges, and losses associated with changes to employee benefit plans;
- B. Reductions in earnings in the performance period from those in the base year as a result of the ongoing impact of a change in accounting principle;
- C. Pre-tax losses and expenses resulting from claims, damages, judgments, liabilities and settlements arising from legal and regulatory proceedings in excess of \$10 million;
- D. Reductions in earnings resulting from the sale or reinsurance of a business or block of business;
- E. Reduction in earnings from increases in our effective tax rate and the related taxes due to legislative changes and changes in income tax laws, including but not limited to, changes in the computation of the separate account dividends received deduction under the federal income tax law and increases to the corporate tax rate;
- F. Reduction in earnings resulting from changes in regulatory requirements governing the Company;
- G. Reduction in earnings resulting from changes in the assumptions used in our actuarial models and systems, the changes resulting from the review of such models and systems and the changes to or conversion of actuarial systems;
- H. Reduction in earnings from the mark-to-market adjustments resulting from the accounting for the LNC stock component of the Company’s Deferred Compensation plan; and
- I. Reduction in earnings from significant disruptions in the operations of the Company as could result from a natural disaster, Acts of God, act of terrorism, inability of the capital markets to function and other similar items in nature that impact the operations of the Company.

For the 2017 AIP, “Income from Operations per Diluted Share” is defined as the sum of Income from Operations as defined in Exhibit 1 divided by the average diluted shares. The calculation of Income from Operations per Diluted Share will exclude the dilutive effect resulting from the accounting for the LNC stock component of the Company’s Deferred Compensation plan.

### 2015 LTI

For the 2015 LTI Program, Return on Equity (“ROE”) was defined as follows:

Income from Operations, as defined below, divided by average Shareholders’ Equity for the relevant period. Shareholders’ Equity excludes Accumulated Other Comprehensive Income or other similar items and excludes the increase in equity due to goodwill associated with an acquisition during the performance period. ROE was calculated as of December 31, 2017, using the average of the beginning and ending common shares outstanding for 2017.

Income from Operations is defined as net income for the relevant performance period in accordance with generally accepted accounting principles, all net of tax if any occur in the relevant period:



Realized gains and losses – defined as the following:

- o Sales or disposals and impairments of securities;
- o Change in the fair value of derivatives, embedded derivatives within certain reinsurance arrangements and trading securities (gains (losses) on the mark-to-market on certain instruments);
- o Change in the fair value of the derivatives we own to hedge our guaranteed death benefit (“GDB”) riders within our variable annuities;

LINCOLN NATIONAL CORPORATION 2018 PROXY STATEMENT

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EXHIBIT 2

- o Change in the fair value of the derivatives of our guaranteed living benefit (“GLB”) riders accounted for at fair value, net of the change in the fair value of the derivatives we own to hedge them; and
- o Changes in the fair value of the embedded derivative liabilities related to index call options we may purchase in the future to hedge contract holder index allocations applicable to future reset periods for our indexed annuity products accounted for at fair value;
- Changes in reserves resulting from benefit ratio unlocking on our GDB and GLB riders;
- Income (loss) from reserve changes, net of related amortization, on business sold through reinsurance;
- Gains (losses) on early extinguishment of debt;
- Losses from the impairment of intangible assets;
- Income (loss) from discontinued operations - both the income in the period and the gain or loss on disposition (U.S. GAAP requires that when a business meets the criteria for being classified as Discontinued Operations, all prior periods must be restated); and
- Income (loss) from the initial adoption of new accounting standards.

In addition, for calculating Income from Operations for the 2015 LTI Program the following items may be excluded from Income from Operations, all net of tax if any occur in the relevant performance period:

- A. Expenses related to acquisitions, mergers, divestitures, integration and restructuring activities, including restructuring charges, and losses associated with changes to employee benefit plans;
- B. Reductions in earnings in the performance period from those in the base year as a result of the ongoing impact of a change in accounting principle;
- C. Losses and expenses resulting from claims, damages, judgments, liabilities and settlements arising from legal and regulatory proceedings in excess of \$10 million;
- D. Reductions in earnings resulting from the sale or reinsurance of a business or block of business;
- E. Reduction in earnings from increases in our effective tax rate and the related taxes due to legislative changes and changes in income tax laws, including but not limited to, changes in the computation of the separate account dividends received deduction under the federal income tax law and increases to the corporate tax rate;
- F. Reduction in earnings resulting from changes in regulatory requirements governing the Company, including but not limited to the Dodd-Frank Wall Street Reform and Consumer Protection Act;
- G. Reduction in earnings resulting from changes in the assumptions used in our actuarial models and systems, the changes resulting from the review of such models and systems and the changes to or conversion of actuarial systems; and
- H. Reduction in earnings from significant disruptions in the operations of the Company as could result from a natural disaster, Acts of God, act of terrorism, inability of the capital markets to function and other similar items in nature that impact the operations of the Company.



LINCOLN NATIONAL CORPORATION ANNUAL MEETING OF SHAREHOLDERS Friday, May 27, 2016 9:00 a.m. Local Time The Ritz-Carlton Hotel 10 Avenue of the Arts Philadelphia, PA 19102 If you plan to attend the annual meeting, please bring this admission ticket with you. This ticket admits the shareholder. All meeting attendees must present valid government-issued photo identification. For your safety, all personal belongings or effects including bags, purses, and briefcases are subject to inspection. With the exception of purses and notepads, no personal items such as briefcases or bags, of any type, may be carried into the meeting area. The use of photographic and recording devices is prohibited in the meeting room. The proxy/voting instructions also cover all the shares as to which the undersigned has the right to give voting instructions to the trustees of the LNC 401(k) Savings Plan, the LNL Agents' 401(k) Savings Plan and the LNL ABGA Money Purchase Plan. Voting cutoff for Plan Participants is 11:59 p.m. on May 25, 2016. proxy This proxy is solicited by the Board of Directors for use at the Annual Meeting on May 27, 2016. The undersigned shareholder of Lincoln National Corporation (the "Company"), an Indiana corporation,