

LINCOLN NATIONAL CORP
Form DEF 14A
April 12, 2019
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
(as permitted by Rule 14a-6(e)(2))

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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Radnor, Pennsylvania / April 12, 2019

DEAR FELLOW SHAREHOLDER:

You are invited to attend our 2019 Annual Meeting of Shareholders, to be held Friday, May 24 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 2018 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 2018 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 2019 PROXY STATEMENT



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 24, 2019	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 12, 2019

The purpose of the meeting is to:

1. elect eleven directors for a one-year term expiring at the 2020 Annual Meeting of Shareholders;
2. ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2019;
3. approve an advisory resolution on the compensation of our named executive officers;
4. consider and vote upon up to two shareholder proposals 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 20, 2019. 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 85 for more information.

For the Board of Directors,

Nancy A. Smith

Senior Vice President & Secretary

Lincoln National Corporation

Radnor, Pennsylvania

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT



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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 24, 2019: This proxy statement and the accompanying annual report are available at: www.proxydocs.com/Inc.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

PROXY SUMMARY

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 24, 2019 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 20, 2019

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 2020 Annual Meeting of Shareholders.	FOR each director nominee	Page 17
2. Ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm for 2019.	FOR the ratification	Page 27
3. Approval of an advisory resolution on the compensation of our named executive officers.	FOR the resolution	Page 30
4.	AGAINST the proposal	Page 76

Respond to an advisory shareholder proposal regarding the amendment of our governing documents to provide an independent chair of the board.

5. Respond to an advisory shareholder proposal regarding an amendment to our proxy access bylaw. AGAINST the proposal Page 79

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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PROXY SUMMARY

BOARD OF DIRECTOR NOMINEES

NAME	DIRECTOR		SELECTED SKILLS/QUALIFICATIONS	INDEPENDENT	COMMITTEE MEMBERSHIPS
	AGE	SINCE			
Deirdre P. Connelly	58	2016	<ul style="list-style-type: none"> • business operations and strategic planning • finance and capital management • corporate governance 	Yes	<ul style="list-style-type: none"> • Audit • Corporate Governance
Retired President, North American Pharmaceuticals of GlaxoSmithKline					
William H. Cunningham	75	2006	<ul style="list-style-type: none"> • finance and capital management • marketing/public relations • talent management • corporate governance 	Yes	<ul style="list-style-type: none"> • Compensation • Corporate Governance • Executive (Chair) • Finance
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	69	2006	<ul style="list-style-type: none"> • business operations and strategic planning • finance and capital management • talent management 	No	<ul style="list-style-type: none"> • Executive
President and Chief Executive Officer, Lincoln National Corporation					
George W. Henderson, III	70	2006	<ul style="list-style-type: none"> • accounting • finance and capital management 	Yes	<ul style="list-style-type: none"> • Audit • Finance
Retired Chairman and Chief Executive Officer, Burlington Industries, Inc.					
Eric G. Johnson	68	1998	<ul style="list-style-type: none"> • business operations and strategic planning • finance and capital management • marketing/public relations 	Yes	<ul style="list-style-type: none"> • Compensation • Executive • Finance (Chair)
President and Chief Executive Officer,					

Baldwin Richardson Foods Company						
Gary C. Kelly	64	2009	<ul style="list-style-type: none"> • business operations and strategic planning • finance and capital management 	Yes		<ul style="list-style-type: none"> • Audit
Chairman of the Board and Chief Executive Officer, Southwest Airlines Co.			<ul style="list-style-type: none"> • public accounting 			<ul style="list-style-type: none"> • Finance
M. Leanne Lachman	76	1985	<ul style="list-style-type: none"> • business operations and strategic planning • finance and capital management • marketing/public relations • corporate governance • risk management 	Yes		<ul style="list-style-type: none"> • Audit (Chair)
President, Lachman Associates LLC and Executive in Residence, Columbia Graduate School of Business						
Michael F. Mee	76	2001	<ul style="list-style-type: none"> • finance and capital management • public accounting • business operations and strategic planning 	Yes		<ul style="list-style-type: none"> • Compensation • Executive • Finance
Retired Executive Vice President and Chief Financial Officer, Bristol-Myers Squibb Company						
Patrick S. Pittard	73	2006	<ul style="list-style-type: none"> • finance and capital management • public accounting • talent management • corporate governance 	Yes		<ul style="list-style-type: none"> • Compensation (Chair)
Chief Executive Officer, BDI DataLynk, LLC						

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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PROXY SUMMARY

BOARD OF DIRECTOR NOMINEES (CONT'D.)

NAME	DIRECTOR		SELECTED SKILLS/QUALIFICATIONS	INDEPENDENT	COMMITTEE MEMBERSHIPS
	AGE	SINCE			
Isaiah Tidwell Retired Executive Vice President and Georgia Wealth Management Director, Wachovia Bank, N.A.	74	2006	<ul style="list-style-type: none"> • accounting • risk management • corporate governance 	Yes	<ul style="list-style-type: none"> • Audit • Corporate Governance (Chair)
Lynn M. Utter Principal and Chief Talent Officer, Atlas Holdings LLC	56	2017	<ul style="list-style-type: none"> • business operations and strategic planning • risk management • corporate governance 	Yes	<ul style="list-style-type: none"> • Corporate Governance • Finance

Our director nominees provide the Board with the comprehensive diversity of relative skill sets needed to provide effective oversight in light of the Company's industry, risks and current and long-term strategic needs.

PROXY SUMMARY

GOVERNANCE HIGHLIGHTS

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

Independent Chairman of the Board

All directors, except CEO, are independent

All Audit, Compensation, Corporate Governance, and Finance Committee members are independent

Annual election of all directors

Majority voting standard for election of directors with director resignation policy for directors in uncontested elections

Independent directors meet regularly in executive session

Annual Board, Committee and individual director evaluations

Shareholder right to call special meetings (10% ownership threshold)

“Proxy access” rights to holders owning at least 3% of outstanding shares for 3 years

No super majority voting provisions in Restated Articles of Incorporation and Bylaws

Robust stock ownership guidelines for directors and executive officers

Prohibition on pledging, hedging and speculation in our securities

Executive compensation program strongly links pay and performance

Caps on awards under annual and long-term incentive programs

No repricing or exchange of underwater stock options without shareholder approval

Clawback provisions on equity awards

Double-trigger vesting provisions for equity awards following a change of control

No tax-gross-up provisions upon a change of control

No employment agreements with NEOs

Limited perquisites for executive officers

FINANCIAL HIGHLIGHTS

Our full year 2018 results included the following highlights:

PROXY SUMMARY

2018 SHAREHOLDER ENGAGEMENT AND RESPONSE TO FEEDBACK

In the Fall of 2018 we reached out to investors representing close to half of our shares outstanding to discuss various key corporate governance-related matters, including the ownership threshold for special shareholder meetings. As a result of this outreach, we engaged substantively with almost half of the contacted investors. The Board took into account the feedback received during this engagement effort when determining to amend the Company's Bylaws in November 2018 to reduce to 10% the percentage of outstanding stock required for shareholders to call a special meeting. In addition, based on feedback received from investors, and in light of the continued strong shareholder support for our overall pay practices and NEO compensation at the 2018 Annual Meeting, the Compensation Committee decided to maintain our general principles and philosophy in structuring executive compensation for 2019.

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 32. At the 2018 Annual Meeting, our shareholders expressed continued strong support for our executive compensation programs, with over 92% 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.

2018 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 2018 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 59. For additional details about our executive compensation programs and our NEOs' fiscal year 2018 compensation, please see "Compensation Discussion & Analysis" beginning on page 32 and "Executive Compensation Tables" beginning on page 59.

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GOVERNANCE Board Structure and Leadership

Proxy Statement

ANNUAL MEETING OF SHAREHOLDERS | MAY 24, 2019

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 2019 Annual Meeting of Shareholders, which will be held beginning at 9:00 a.m. local time on Friday, May 24 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 12. When we refer to our 2019 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 at the given time.

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 risk management process, including reviews of operational, financial, legal and regulatory, cybersecurity, compensation,

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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Our Corporate Governance Guidelines GOVERNANCE

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	CORPORATE GOVERNANCE	FINANCE
Strategy	Enterprise risk management efforts	Compensation policies and practices	Board governance Sustainability and corporate social responsibility	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			

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, Corporate Governance and Finance Committees. Our Board conducts an annual review of the performance of the Board and the Audit, Compensation, Corporate Governance, and Finance Committees. 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.

Our Board elects its Chairman annually and, if it has not elected a non-executive Chairman, may designate a Lead Director from among the Company's outside directors who is empowered with the same functions.

We have a Code of Conduct, available on our website at 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.

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.

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GOVERNANCE Director Nomination Process

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 under the applicable standards.

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 nominees. 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 underrepresented 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.

DIRECTOR QUALIFICATIONS

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 and each director nominee's ability to oversee the Company's strategies and risks. 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.

In addition, 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 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 environment.

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 these experienced 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 renominated continually. Each director's continued tenure is reconsidered annually, taking

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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.

Two new directors have been elected to our Board in the last three years. The Board will continue to review its composition and structure, balancing the need for continuity and experience with fresh ideas and perspectives.

DIRECTOR NOMINEE SELECTION PROCESS

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 and considers for re-nomination 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 2020 Annual Meeting” on page 89 and in our Amended and Restated Bylaws (“bylaws”), which can be found on our website at www.lfg.com. Any such recommendation must be received by the Corporate Secretary no earlier than January 25, 2020, nor later than February 24, 2020.

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.

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, COMMITTEE AND INDIVIDUAL DIRECTOR EVALUATIONS

Our Board recognizes that a thorough, constructive evaluation process enhances our Board's effectiveness and is an essential element of good corporate governance. Accordingly, every year, our Corporate Governance Committee oversees a Board, Committee and individual director evaluation process, which is designed to elicit feedback and recommendations from the directors that will improve the effectiveness of the Board.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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GOVERNANCE	Shareholder Engagement and Response to Feedback
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In general, our Board evaluations cover a variety of topics including the Company's strategy, financial performance, risk management and succession planning, as well as:

Board and committee composition, including skills, background and experience;	Areas where the Board and committees should increase their focus;
Board understanding of, and effectiveness in overseeing, its responsibilities;	Satisfaction with the Board schedule, agendas, topics and encouragement of open discussion;
Satisfaction with director performance, including that of Board and committee chairs in those positions;	Satisfaction with committee structure and composition; and
Board and committee information needs and quality of materials presented;	Access to management, experts and internal and external resources.

Each year, the Corporate Governance Committee reexamines the evaluation process to ensure that the process allows directors the opportunity to provide actionable feedback on the functioning of the Board as a whole as well as the performance of individual directors. The Board and each Committee then conduct their annual self-evaluations through the use of a written questionnaire that covers the topics discussed above. The Company's Corporate Secretary aggregates and summarizes the directors' responses to the questionnaires, highlighting comments and year-over-year trends. Responses are not attributed to specific Board or Committee members to promote candor. Using the questionnaires and summaries of written evaluations as guides, our Chairman reviews the results of the Board evaluation and each Committee chair reviews the results of each Committee evaluation. The evaluations and summaries are then shared and discussed with the full Board and each Committee during executive sessions.

Each director also participates in an annual individual director peer evaluation through which the director assesses the performance of and provides feedback on his or her fellow directors. As discussed above, the Corporate Governance Committee reviews the results of these individual director assessments, as well as of the Board and Committee self-evaluations, when considering each director's continued service on the Board.

SHAREHOLDER ENGAGEMENT AND RESPONSE TO FEEDBACK

We are committed to a robust shareholder engagement program. The Board values our shareholders' perspectives, and feedback from our shareholders on our business, corporate governance, executive compensation, and sustainability practices are important considerations for Board discussions throughout the year. Over the course of the year, we seek opportunities to connect with our investors to gain and share valuable insights into current and emerging global governance trends on those topics. In addition to speaking with our institutional investors, we respond to inquiries from our individual investors and other stakeholders. Our Board appreciates the feedback it receives from these discussions, and considers the feedback when structuring governance, compensation and sustainability practices. Our meetings and interactions with shareholders are designed to better understand how our shareholders perceive Lincoln and to provide our investors an opportunity to discuss matters that they think deserve attention.

In addition to engaging with investors at conferences and meetings throughout the year, in the Fall of 2018 we reached out to 27 of our global institutional investors representing 48% of our shares outstanding to discuss various key corporate governance-related matters. As a result of this outreach, we engaged substantively with close to half of these investors via teleconference or email, and the discussions covered a wide range of topics, including executive compensation, Board refreshment and social and environmental considerations. Overall, the feedback received from

investors was positive, with shareholders recognizing our good governance and proactive adoptions of best governance practices.

Among the topics discussed with investors during the Fall engagement was the ownership threshold for special shareholder meetings. A shareholder resolution at our 2018 Annual Meeting requesting a 10% ownership threshold for shareholders to call a special meeting passed with 51.47% of the vote. Following the 2018 Annual Meeting, the Board determined to review the Company's special meetings bylaw provision and, in connection therewith, to consider investor views and corporate governance practices. During our discussions with shareholders, they expressed mixed views on the appropriate ownership threshold; some viewed a 10% threshold as appropriate while others expressed a preference for a higher threshold. In

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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Board and Committee Meetings	GOVERNANCE
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part due to this feedback, the Board took action to amend the Company's bylaws in November 2018 to reduce to 10% the percentage of outstanding stock required for shareholders to call a special meeting.

Executive compensation was also a topic of discussion with investors during the Fall engagement. Based on the feedback received from investors, and in light of the continued strong shareholder support for our overall pay practices and NEO compensation at the 2018 Annual Meeting, the Compensation Committee decided to maintain our general principles and philosophy in structuring executive compensation for 2019.

BOARD AND COMMITTEE MEETINGS

The Board met four times during 2018, 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. 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 attended the 2018 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 2018. 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 2018 (C=CHAIR M=MEMBER)

	CORPORATE				CORPORATE ACTION ¹
	AUDIT	COMPENSATION	GOVERNANCE	EXECUTIVE	
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			M		M	
Number of Meetings in 2018	8	6	6	—	4	—

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 nine (9) such consents in 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.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

AUDIT COMMITTEE

Chair: Lachman

Members: Connelly, Henderson, Kelly and Tidwell

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

<p>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; (5) our risk assessment and risk management policies and processes; and (6) our policies regarding information technology security and protection from cyber risks</p>	<p>reviewing and discussing the risk policies and procedures adopted by management, and the implementation of these policies</p>
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hiring, firing, and evaluating the performance of the independent auditors and approving their compensation and all of their engagements

of these policies

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

reviewing the qualifications and backgrounds of senior risk officers

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

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

oversight of 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 27.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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COMPENSATION COMMITTEE

Chair: Pittard

Members: Cunningham, Johnson
and Mee

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 approving certain
and employee benefit
approving and executive
corporate compensation plans
goals and programs, and
and changes to such
objectives plans and programs
for
the
CEO
and reporting the
executive Compensation
officers' Committee's
compensation activities to the
Board on a regular
basis and making
any
evaluating recommendations
the the Compensation
CEO's Committee deems
performance appropriate.
and
setting
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 32.

CORPORATE GOVERNANCE COMMITTEE

Chair: Tidwell

Members: Connelly, Cunningham and Utter

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

Chair: Cunningham

Members: Glass, Johnson and Mee

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.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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FINANCE COMMITTEE

Chair: Johnson

Members: Cunningham,
Henderson, Kelly, Mee and Utter

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"> – our annual three-year financial plan – our capital structure, including issuance of securities by us or any of our affiliates, significant “off balance sheet” transactions, and our dividend and share repurchase strategies 	<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> <p>reporting the Finance Committee’s activities to the Board on a regular basis and</p>
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– our reinsurance strategies making any recommendations the Finance Committee deems appropriate.

– 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 2019 PROXY STATEMENT

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DIRECTOR ORIENTATION AND CONTINUING EDUCATION

Director education is an ongoing, year-round process, which begins when a director joins our Board. Upon joining our Board, new directors are provided with a comprehensive orientation to our Company, including our business, strategy and governance. New directors participate in an orientation program with senior business and functional leaders from all areas of the Company, during which there is discussion of strategic priorities and key risks and opportunities. On an ongoing basis, directors receive presentations on a variety of topics related to their work on the Board and within the insurance and financial services industries, both from senior management and from experts outside of the Company, for example at our annual Board retreat. We also encourage directors to enroll in continuing education programs sponsored by third parties at our expense.

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.

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.

**ITEM 1
ELECTION OF DIRECTORS**

ITEM 1 | ELECTION OF DIRECTORS

NOMINEES FOR DIRECTOR

Eleven directors will be up for election at the 2019 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: 58 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 2019 PROXY STATEMENT

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ITEM 1
ELECTION OF DIRECTORS Nominees for Director

WILLIAM H. CUNNINGHAM AGE: 75 DIRECTOR SINCE: 2006

<p>PROFESSOR AT THE UNIVERSITY OF TEXAS AT AUSTIN AND JAMES J. BAYLESS CHAIR FOR FREE ENTERPRISE AT THE UNIVERSITY'S McCOMBS SCHOOL OF BUSINESS</p>	<p>Non-Executive Chairman of the Board since: 2009</p> <p>Chair, Executive Committee</p> <p>Member, Compensation, Corporate Governance and Finance Committees</p>
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CAREER Mr. Cunningham has been a professor at 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: 69 DIRECTOR SINCE: 2006

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

CAREER 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.

QUALIFICATIONS 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.

OTHER PUBLIC COMPANY BOARDS None in past 5 years.

COMPENSATION OF OUTSIDE DIRECTORS

GEORGE W. HENDERSON, III AGE: 70 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: 68 DIRECTOR SINCE: 1998

Chair, Finance Committee
 PRESIDENT AND CEO OF
 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.

**PRIOR PUBLIC
COMPANY BOARD
SERVICE IN
PAST 5 YEARS** SUPERVALU, INC., 2013–2018.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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COMPENSATION OF DIRECTORS

GARY C. KELLY

AGE: 64 DIRECTOR SINCE: 2009

CHAIRMAN OF THE BOARD
AND CHIEF EXECUTIVE
OFFICER OF
SOUTHWEST AIRLINES CO.

Member, Audit and Finance Committees

CAREER

Mr. Kelly has been CEO of Southwest Airlines since 2004, and Chairman since 2008. He also served as President of Southwest from 2008 to 2017. Prior to that Mr. Kelly held a number of senior-level positions within the Southwest organization, including CFO. Before joining Southwest, Mr. Kelly served as a CPA for a public auditing firm.

QUALIFICATIONS

Executive leadership and management experience at the highest levels of a public company; ability to provide insights into operational, regulatory and governance matters; substantial expertise in finance, accounting and financial reporting.

OTHER PUBLIC
COMPANY
BOARDS

Southwest Airlines Co., 2004–present.

M. LEANNE LACHMAN

AGE: 76 DIRECTOR SINCE: 1985

PRESIDENT OF LACHMAN
ASSOCIATES LLC AND

Chair, Audit Committee

EXECUTIVE-IN-RESIDENCE,
COLUMBIA GRADUATE
SCHOOL OF BUSINESS

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

CAREER

Ms. Lachman has served since 2003 as President of Lachman Associates LLC, an independent real estate consultancy, and since 2000 as an Executive-in-Residence at Columbia Business

School. Before that she was Managing Director of Lend Lease Real Estate Investments, an institutional investment manager.

QUALIFICATIONS 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.

PRIOR PUBLIC COMPANY BOARD SERVICE IN PAST 5 YEARS Liberty Property Trust, 1994–2018.

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COMPENSATION OF OUTSIDE DIRECTORS

MICHAEL F. MEE AGE: 76 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 COMPANY BOARDS None in the past 5 years.

PATRICK S. PITTARD AGE: 73 DIRECTOR SINCE: 2006

CHIEF EXECUTIVE Chair, Compensation Committee
OFFICER OF
BDI DATALYNK, LLC

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

CAREER	Mr. Pittard has served as CEO of BDI DataLynk, LLC, a company that provides fiber optic technician training services, since 2018. Prior to that he served as Chair and CEO of Southern Fiber Company from 2017 to 2018. 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 Distinguished Executive-in-Residence at the Terry School of Business at the University of Georgia. Earlier in his career, 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 Partners Funds, Inc., 2001–present.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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COMPENSATION OF DIRECTORS

ISAIAH TIDWELL

AGE: 74 DIRECTOR SINCE: 2006

RETIRED EXECUTIVE
VICE PRESIDENT AND
GEORGIA WEALTH
MANAGEMENT DIRECTOR OF
WACHOVIA BANK, N.A

Chair, Corporate Governance Committee

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.

Snyder’s–Lance, Inc. (acquired by Campbell Soup Company), 1995–2018.

LYNN M. UTTER

AGE: 56 DIRECTOR SINCE: 2017

PRINCIPAL, CHIEF TALENT
OFFICER OF

Member, Corporate Governance and Finance
Committees

ATLAS HOLDINGS LLC

CAREER	Ms. Utter has served as a Principal and Chief Talent Officer of Atlas Holdings LLC, a private investment firm that owns and operates a portfolio of companies in a variety of industrial fields, since July 2018. Prior to that Ms. Utter served as the CEO and a director of First Source, LLC, from 2016 to 2018. 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 also served as President and Chief Operating Officer of Knoll North America from 2008 to February 2012.
QUALIFICATIONS	Executive leadership experience in key operating roles, including her recent 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.
OTHER PUBLIC	WESCO International, Inc., 2006–present.
COMPANY BOARDS	

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 2018, 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 to the Board certain fee increases for 2019.

The following table compares our director fees for 2018 to the revised fees that took effect beginning January 1, 2019:

FEES	2018	2019
BOARD MEMBERS OTHER THAN CHAIRMAN		
Annual Retainer (Cash)	\$100,000	\$110,000
Deferred LNC Stock Units	\$161,000	\$165,000
Total Board Fees	\$261,000	\$275,000
NON-EXECUTIVE CHAIRMAN OF THE BOARD		
Annual Retainer (Cash)	\$120,000	\$120,000
Deferred LNC Stock Units	\$376,000	\$376,000
Total Non-Executive Chairman of the Board Fees	\$496,000	\$496,000
COMMITTEES (CASH)		
Audit Committee Chair	\$30,000	\$35,000
Audit Committee Member	\$10,000	\$10,000
Compensation Committee Chair	\$20,000	\$25,000
Other Committee Chair	\$20,000	\$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 2018, this was \$500,000 for each Board member and \$600,000 for the Chairman). 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, 2018, 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.

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”). Like the DC SERP, the Directors’ DCP uses “phantom” versions of the 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 2018, 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.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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Directors' Compensation Table	COMPENSATION OF OUTSIDE DIRECTORS
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COMPENSATION OF NON-EMPLOYEE DIRECTORS* DURING 2018				
NAME	FEES EARNED			TOTAL
	OR PAID IN	STOCK	ALL OTHER	
	CASH ¹	AWARDS ²	COMPENSATION	
	(\$)	(\$)	(\$)	(\$)
Deirdre P. Connelly	110,000	161,000	-	271,000
William H. Cunningham	120,000	376,000	15,000	⁴ 511,000
George W. Henderson, III	129,400	161,000	7,500	⁴ 297,900
Eric G. Johnson	120,000	161,000	-	281,000
Gary C. Kelly	110,000	161,000	10,000	³ 281,000
M. Leanne Lachman	149,400	161,000	25,000	^{3,4} 335,400
Michael F. Mee	100,000	161,000	-	261,000
Patrick S. Pittard	139,400	161,000	10,000	³ 310,400
Isaiah Tidwell	130,000	161,000	15,000	⁴ 306,000
Lynn M. Utter	100,000	161,000	15,000	⁴ 276,000

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

- 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.
- 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, 2018. Mr. Cunningham received a total of \$376,000 in Deferred LNC Stock Units for serving as a director and the non-executive Chairman during 2018.
- Includes the provision of financial planning services with an aggregate incremental cost to us of \$10,000 for each of Messrs. Kelly and Pittard and Ms. Lachman.
- Reflects contributions made on the director's behalf under the matching charitable gift program.

LINCOLN NATIONAL CORPORATION 2019 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, 2018:

NAME	DEFERRED LNC STOCK	
	STOCK UNITS	OPTIONS
Deirdre P. Connelly	6,886	-
William H. Cunningham	108,341	-
George W. Henderson, III	66,698	-
Eric G. Johnson	58,070	-
Gary C. Kelly	27,379	17,040
M. Leanne Lachman	33,250	-
Michael F. Mee	73,050	-
Patrick S. Pittard	24,078	-
Isaiah Tidwell	35,443	-
Lynn M. Utter	4,588	-

Deferred LNC Stock Units include amounts reported in the Stock Awards column above, phantom units awarded under the LNC Outside Directors' Value Sharing Plan, which was terminated on July 1, 2004, and any phantom units held by the director in the LNC Stock Fund under the Directors' DCP pursuant to an election to defer cash Board fees, 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 27, 2019, the Audit Committee appointed Ernst & Young LLP ("Ernst & Young") as our independent registered public accounting firm for fiscal year 2019. 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 2018.

The Board of Directors recommends a vote FOR the ratification of Ernst & Young as our independent registered public accounting firm for 2019.

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 2018 and 2017, with a breakdown of fees paid for different categories of work.

	FISCAL YEAR		FISCAL YEAR	
	ENDED -	% OF	ENDED -	% OF
	DECEMBER 31, 2018	TOTAL FEES	DECEMBER 31, 2017	TOTAL FEES
Audit Fees ¹	\$10,882,024	88.3%	\$9,823,196	85.6%
Audit-Related Fees ²	1,438,314	11.7%	1,649,620	14.4%
Tax Fees ³	—	—	—	—
All Other Fees	—	—	—	—
TOTAL FEES	\$12,320,338	100.0%	\$11,472,816	100.0%

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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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.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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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 2018;
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 2018 be included in the Company's Annual Report on Form 10-K for fiscal year ending December 31, 2018, for filing with the SEC.

The Audit Committee

Deidre P. Connelly

George W. Henderson, III

Gary C. Kelly

M. Leanne Lachman, Chair

Isaiah Tidwell

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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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 2018 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 32, 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 2018, 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 have caps on payouts for incentive compensation; 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 32 to 58.

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

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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ITEM 3

ADVISORY PROPOSAL ON

EXECUTIVE COMPENSATION

against the proposal. We intend to hold a non-binding advisory vote on executive compensation each year, with the next such vote at our 2020 Annual Shareholders Meeting.

We urge you to read the CD&A and other information in the Executive Compensation Tables, beginning on page 59, 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 2018 compensation tables regarding named executive officer compensation, and the accompanying narrative disclosure in this proxy statement.”

LINCOLN NATIONAL CORPORATION 2019 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 2018, 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 59. These NEOs are:

DENNIS R. GLASS – President and CEO

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

LISA M. BUCKINGHAM – Executive Vice President and Chief People, Place and Brand Officer

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

WILFORD H. FULLER – Executive Vice President and President, Annuities, LFD and LFN

We encourage you to read the CD&A in conjunction with the compensation tables on pages 59 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, weightings 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 support our long-term business strategy and measure the creation of sustainable long-term shareholder value.

At our 2018 Annual Meeting, shareholders continued to express strong support for our executive compensation programs, with over 92% of votes cast in favor of the advisory resolution on executive compensation.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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Executive Summary	COMPENSATION DISCUSSION & ANALYSIS
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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.)

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 59 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 post-vesting stock holding requirements;
Caps on awards under our annual and long-term incentive programs;
The use of an independent compensation consultant for compensation decisions regarding our executives;
“Double trigger” vesting provisions for our equity awards following our change of control;
Annual assessment of compensation risks;
All long-term incentive awards are granted in equity;
Hold an annual vote on Say on Pay;
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;
No employment agreements with NEOs;
Prohibitions on pledging, hedging and speculation in our securities; and
Limited perquisites for executive officers.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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COMPENSATION

DISCUSSION & ANALYSIS Executive Summary

2018 PERFORMANCE OVERVIEW

As a company with a 114-year history, we recognize that a focus on long-term value creation and purpose is what will keep us in the business of servicing our customers, employees, communities and shareholders for the next century and beyond. At our core, our purpose is to provide advice and solutions that help empower people to take charge of their financial lives with confidence and optimism. We continue to deliver on this mission and our promises, which enabled us to deliver strong financial results in 2018 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:

Significant accomplishments this past year include returning to positive flows in the Annuities business in the fourth quarter, completing the acquisition of the Liberty group benefits business, which has outperformed our expectations to date, and executing on strategic transactions, which resulted in \$2.5 billion of capital deployed. Despite these efforts to continue to build long-term value for shareholders, our year-over-year stock price decreased to \$51.31 as of the market close on December 31, 2018 from \$76.87 on December 29, 2017. Over the longer term, our performance was solid with positive cumulative shareholder return for the three-year period from December 31, 2015, to December 31, 2018, and strong results for adjusted operating return on equity as of December 31, 2018:

LINCOLN NATIONAL CORPORATION 2019 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.

2016 - 2018 GAAP AND ADJUSTED OPERATING EARNINGS PER SHARE

2016 - 2018 GAAP AND ADJUSTED OPERATING TOTAL REVENUES

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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COMPENSATION

DISCUSSION & ANALYSIS Executive Summary

2016 - 2018 SALES BY BUSINESS UNIT

More information on our business performance during 2018 is available in our Form 10-K for fiscal year ended December 31, 2018 (the “2018 Form 10-K”), which is included in the 2018 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.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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Components of Our Compensation Program	COMPENSATION DISCUSSION & ANALYSIS
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COMPONENTS OF OUR COMPENSATION PROGRAM

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

COMPENSATION COMPONENT	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	Competitive base salaries enable us to attract and retain top talent	INDIVIDUAL	FIXED	CASH
	Demonstrated success in meeting or exceeding key objectives	Merit-based salary increases align with our pay-for-performance philosophy			
	Highly developed skills and abilities critical to success of the business				
	Experience and time in position				
ANNUAL INCENTIVE AWARDS	Company performance during the year against key financial goals	Competitive targets enable us to attract and retain top talent	CORPORATE AND BUSINESS	AT RISK	CASH
“AIP”	Specific business-segment performance during the year, measured against strategic	Payouts depend on the achievement of established performance measures and goals that align pay with performance and support shareholder value creation	SEGMENT		

business-segment goals

LONG-TERM INCENTIVE AWARDS

RESTRICTED STOCK UNITS	<p>Increase in stock price and dividends</p> <p>Continued service</p>	<p>Value rises or falls as our stock price and dividend increase or decrease</p> <p>Three-year cliff vesting supports retention</p>	CORPORATE	AT RISK	EQUITY
PERFORMANCE SHARES	<p>Meeting or exceeding our return on equity goal</p> <p>Total shareholder return performance relative to that of other companies in our sector</p>	<p>Payout is based on metrics important to our shareholders and critical to value creation</p> <p>Three-year performance period supports retention and aligns pay with performance over an extended period of time</p> <p>Relative performance metric creates incentive to outperform peers, with absolute metric rewarding performance versus plan</p>	CORPORATE	AT RISK	EQUITY
NONQUALIFIED STOCK OPTIONS	<p>Increase in stock price</p> <p>Continued service</p>	<p>Value is dependent on our stock price; options have no value unless the stock price increases</p> <p>Three-year ratable vesting supports retention</p>	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 business strategy and financial success 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;
allow the compensation of our executives to vary meaningfully with performance; 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 Measures 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. Annually, the Compensation Committee reviews the performance measures to ensure that the metrics selected are aligned with our corporate strategy. The Company's overall corporate strategy continues to focus on balancing top-line revenue growth with profitability and prudent cost management, and, as a result, for 2018, the Compensation Committee continued to align our executive compensation accordingly by choosing the following performance measures:

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Our Executive Compensation Program Philosophy	COMPENSATION DISCUSSION & ANALYSIS
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2018 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.
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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.
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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.
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2018 LONG-TERM INCENTIVE PROGRAM

WHY CHOSEN

PERFORMANCE MEASURE

Operating Return on Equity	This is an important measure used to value companies — especially those in the financial services industry — because it is a critical indicator of capital efficiency and correlated closely 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.

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.

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:

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;

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, with the ultimate value of any earned shares dependent on our stock price performance; and

Nonqualified stock options to purchase our common stock (“Options”) – These awards vest ratably over a three-year period and only have value if our stock price rises after the Options are granted.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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COMPENSATION

DISCUSSION & ANALYSIS Our Executive Compensation Program Philosophy

Share Ownership Guidelines and Share Retention 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 are 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	VALUE OF SHARES THAT 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.

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.

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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Consideration of our 2018 Shareholder Vote on Executive Compensation

COMPENSATION

DISCUSSION & ANALYSIS

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 2018 SHAREHOLDER VOTE ON EXECUTIVE COMPENSATION

The Compensation Committee and the Board appreciate and value the views of our shareholders. At our 2018 Annual Meeting of Shareholders, over 92% 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. Based on the results of our shareholder engagement conducted in the Fall of 2018, and in light of the continued strong shareholder support for our overall pay practices and NEO compensation at the 2018 Annual Meeting, the Compensation Committee decided to maintain our general principles and philosophy in structuring executive compensation for 2019.

SETTING 2018 TARGET COMPENSATION

The Compensation Committee made compensation decisions for the 2018 calendar year for the NEOs based on a detailed analysis of Company-specific and external data.

BENCHMARKING

The Compensation Committee uses a comprehensive competitive compensation analysis to set target direct compensation levels for our NEOs. For 2018, this analysis included a review of our competitors' 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, followed by a comparison of our current executive compensation levels to the market median of our peers.

For each of our NEOs, market data was drawn from the stock companies included in the Willis Towers Watson 2017 Diversified Insurance Study of Executive Compensation (the "Towers DI Study"). We have used the Towers DI Study for over 10 years, and if the companies included in the study change, we reflect those changes in our benchmarking peer group. In 2017, Phoenix Companies was removed from the Towers DI Study, resulting in a corresponding change to our peer group. This also reflects the continued changes to traditional life and annuity companies resulting from mergers, acquisitions, divestitures, spin-offs and privatization across the insurance industry. The Compensation Committee believes that these companies are

LINCOLN NATIONAL CORPORATION 2019 PROXY STATEMENT

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COMPENSATION
DISCUSSION & ANALYSIS Setting 2018 Target Compensation

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 two 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 are size-adjusted, where possible, to develop comparable market rates for a hypothetical organization of similar size and type to our own.

If there are significant changes that take place during the year, such as promotions, new hires or a reorganization of roles and responsibilities at the executive officer level, the Compensation Committee may review the executive's compensation in light of current market data provided by the Compensation Consultant and changes may be made accordingly.

Compensation Peer Group for Benchmarking					
2017 Towers DI Study Participant	Competitor for Our Core Business Units	Lists LNC Peer	Top 15 Competitors in our Core Business Units ¹ Group Life Protection	Retirement Plan Annuities Services	Competitor for Distribution and Talent
Aegon/Transamerica					
Aflac					
Allstate					
AXA Group					
Cigna					
CNO Financial					
Genworth					
Hartford Financial Services					
John Hancock/Manulife					
MetLife					
Principal Financial					
Prudential Financial					
Sun Life Financial					
Unum Group					
Voya Financial Inc.					

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 2017 Year End Sales Results; (c) Annuities: LIMRA 2017 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).

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The market data described on page 42 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 50th percentile of the 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;

to gain the specific expertise needed to build a new business or improve an existing one; or

uniqueness of an individual's role as compared to similar role at peer companies;

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.

internal pay equity considerations;

TALLY SHEETS

When making compensation decisions, the Compensation Committee considers:

the recommendations of our Chief People, Place & Brand Officer ("CPPBO"), the recommendations of our CEO, and the opinion of the Compensation Committee's independent compensation consultant (although our CEO and CPPBO 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; -perquisites; and

-annual and long-term incentive awards; -potential payments for various termination scenarios.

-deferred compensation and changes in pension benefits;

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.

TOTAL TARGETED 2018 DIRECT COMPENSATION

The table below shows the total targeted direct compensation set by the Compensation Committee for our NEOs for 2018:

2018 TARGET TOTAL DIRECT COMPENSATION FOR OUR NAMED EXECUTIVE OFFICERS

NAME	ANNUAL		LONG-TERM	TOTAL TARGETED
	BASE	INCENTIVE AWARD AT	INCENTIVE AWARD AT	
	SALARY	TARGET	TARGET	
	ANNUAL COMPENSATION			
Dennis R. Glass	\$1,300,000	\$2,600,000	\$9,050,000	\$12,950,000
Randal J. Freitag	\$775,000	\$1,046,250	\$2,178,800	\$4,000,050
Lisa M. Buckingham	\$693,000	\$831,600	\$1,265,880	\$2,790,480
Ellen G. Cooper	\$603,048	\$783,962	\$1,647,990	\$3,035,000
Wilford H. Fuller	\$710,000	\$1,100,500	\$1,994,500	\$3,805,000

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ANNUAL CASH COMPENSATION FOR 2018

During 2018, 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 and are based on market data, internal pay equity and performance. In setting base salary levels for 2018, the Compensation Committee started with the 2017 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 50th percentile of the market data developed during the benchmarking process described above. For 2018, the increases for our NEOs were in the range of 3% to 6%. During 2018, Ms. Buckingham's target compensation was reviewed after a reorganization that resulted in her undertaking additional job responsibilities.

The Compensation Committee approved the following base salaries for our NEOs effective during 2018:

NAME	2018
Dennis R. Glass	\$1,300,000
Randal J. Freitag	\$775,000
Lisa M. Buckingham	\$693,000
Ellen G. Cooper	\$603,048
Wilford H. Fuller	\$710,000

ANNUAL INCENTIVE PROGRAM

2018 Payout Opportunities

The table below shows the dollar amount of the threshold, target and maximum payout opportunities for the 2018 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. Payouts under the 2018 AIP are capped at the maximum amount. The CEO's AIP target as a percentage of base salary has remained unchanged 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 2018 AIP			
NAME	THRESHOLD	TARGET	MAXIMUM
Dennis R. Glass	\$32,500	\$2,600,000	\$5,200,000
Randal J. Freitag	\$13,078	\$1,046,250	\$2,092,500
Lisa M. Buckingham	\$10,395	\$831,600	\$1,663,200
Ellen G. Cooper	\$7,840	\$783,962	\$1,567,924
Wilford H. Fuller	\$13,756	\$1,100,500	\$2,201,000

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Annual Cash Compensation for 2018	COMPENSATION DISCUSSION & ANALYSIS
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2018 Performance Measures and Goals

In February 2018, the Compensation Committee established the goals and measures for the 2018 AIP.

Performance measures. The Committee selected the three performance measures for 2018 described below 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 38. 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

For purposes of the 2018 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 2 on page E-5. 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 2) 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 46 to 48.

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 2018 AIP related to Annuities Sales, the Compensation Committee took into account the sales environment across the business units over the previous year as well as the internal financial plan. The 2018 goals at target for Income from Operations and Business Unit Sales were each increased for 2018 over the targets set for 2017. In addition, the Committee also reviewed the weights for each goal and the goals for each role and made adjustments as appropriate to reflect each NEO’s role. The Compensation Committee believes these are rigorous goals at target that take into account both the risks and opportunities facing the Company. For example, the

goals for business unit sales for Group Protection reflected the increase in sales expected from the acquisition of the Group Benefits business from Liberty Mutual Insurance Company that was completed on May 1, 2018.

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Annual Cash Compensation for 2018

2018 Performance Results and Actual Payouts

In February 2019, the Compensation Committee certified the performance results for the 2018 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 2018 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 2018 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 I in 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 2018 AIP awards, the Compensation Committee did not exercise negative discretion for any of our NEOs, which maintained the formulaic results.

DENNIS R. GLASS

	CORPORATE MEASURES (100%)									
	BUSINESS UNIT SALES					ENTERPRISE				
	INCOME FROM		GROUP			RETIREMENT			CONTROLLABLE	
	OPERATIONS	PER SHARE	LIFE	PROTECTION	ANNUITIES	SERVICES	PLAN	COSTS		
GOALS										
Threshold	\$7.50	\$704M	\$536	M	\$10,032	M	\$8,373	M	N/A	
Target	\$8.24	\$800M	\$670	M	\$11,400	M	\$9,515	M	100	%
Maximum	\$9.23	\$896M	\$804	M	\$12,768	M	\$10,657	M	89	%
RESULTS										
Certified Performance	\$8.53	\$764M	\$587	M	\$12,363	M	\$10,068	M	98.2	%
Payout as Percentage of										
Target	129.3%	71.9 %	53.5 %	%	170.4 %	%	148.4 %	%	116.2 %	%
Weighting	50.0%	10.0 %	7.0 %	%	13.0 %	%	5.0 %	%	15.0 %	%
Weighted Payout	64.7%	7.2 %	3.7 %	%	22.2 %	%	7.4 %	%	17.4 %	%

PAYOUT

	TARGET	PERCENTAGE (sum of weighted PAYOUT OPPORTUNITY payouts)	AMOUNT
ACTUAL PAYOUT UNDER THE 2018 AIP	\$2,600,000	122.6%	\$3,187,600

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Annual Cash Compensation for 2018	COMPENSATION DISCUSSION & ANALYSIS
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RANDAL J. FREITAG

	CORPORATE MEASURES (77.5%)							BUSINESS UNIT MEASURES (22.5%)	
	BUSINESS UNIT SALES								
	INCOME FROM OPERATIONS	LIFE	PROTECTION	OPPORTUNITIES	RETIREMENT PLAN	ENTERPRISE CONTROLLABLE COSTS	FINANCE CONTROLLABLE COSTS	INCOME FROM OPERATIONS	LIFE
GOALS	PER SHARE								
Threshold	\$7.50	\$704M	\$536M	\$10,032M	\$8,373 M	N/A	N/A	\$550 M	
Target	\$8.24	\$800M	\$670M	\$11,400M	\$9,515 M	100%	100%	\$625 M	
Maximum	\$9.23	\$896M	\$804M	\$12,768M	\$10,657M	89%	90%	\$725 M	
RESULTS									
Certified Performance	\$8.53	\$764 ^M	\$587 ^M	\$12,363 ^M	\$10,068 ^M	98.2%	98.3%	\$645 ^M	
Payout as Percentage of Target	129.3%	71.9 %	53.5 %	170.4 %	148.4 %	116.2%	117.5%	120.0%	
Weighting	35.0%	13.0 %	7.0 %	10.0 %	5.0 %	7.5%	7.5%	15.0 %	
Weighted Payout	45.3%	9.3 %	3.7 %	17.0 %	7.4 %	8.7%	8.8%	18.0 %	

	TARGET	PAYOUT PERCENTAGE (sum of weighted PAYOUT OPPORTUNITY payouts)	AMOUNT
ACTUAL PAYOUT UNDER THE 2018 AIP	\$1,046,250	118.3%	\$1,237,714

LISA M. BUCKINGHAM

CORPORATE MEASURES (85%)	BUSINESS UNIT MEASURES (15%)
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	BUSINESS UNIT SALES								
	INCOME FROM OPERATIONS	GROUP			RETIREMENT PLAN			HUMAN RESOURCES CONTROLLABLE COSTS	MARKETING CONTROLLABLE COSTS
	PER SHARE	LIFE	PROTECTION	ANNUITIES	SERVICES	COSTS			
GOALS									
Threshold	\$7.50	\$704M	\$536 M	\$10,032 M	\$8,373 M	N/A			N/A
Target	\$8.24	\$800M	\$670 M	\$11,400 M	\$9,515 M	100%			100%
Maximum									