LINCOLN NATIONAL CORP
Form DEF 14A
April 10, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant x
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))
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Materials Pursuant to sec. 240.14a-11(c) or sec. 240.14a-12

Lincoln National Corporation

(Exact Name of Registrant as Specified in its Charter)

Payment of Filing Fee (Check the appropriate box)
x No fee required.
¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(l) and 0-11.1

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.
¨ Check box if any part of the fee is offset as provided by Exchange Act Tule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Radnor, Pennsylvania / April 10, 2015

DEAR FELLOW SHAREHOLDER:

You are invited to attend our 2015 Annual Meeting of Shareholders, to be held Thursday, May 21 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 2014 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 2014 annual report to shareholders and a proxy card. Electronic delivery enables us to provide you with the information you need more cost-effectively 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

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 21, 2015	9:00 a.m. local time	The Ritz-Carlton Hotel 10 Avenue of the Arts Philadelphia, Pennsylvania 19102

Mailing Date: April 10, 2015

The purpose of the meeting is to:

1. elect four directors for a one-year term expiring at the 2016 Annual Meeting;
2. ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015;
3. approve an advisory resolution on the compensation of our named executive officers; and
4. 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 16, 2015. Please cast your votes by one of the following methods:

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

If, going forward, you would like to receive electronic delivery of future proxy materials, please see page 76 for more information.

For the Board of Directors,

Charles A. Brawley, III
Senior Vice President, Associate General Counsel & Secretary
Lincoln National Corporation
Radnor, PA

TABLE OF CONTENTS

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 21, 2015:
This proxy statement and the accompanying annual report are available at: www.proxydocs.com/lnc.

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
Thursday, May 21, 2015 9:00 a.m. local time	The Ritz-Carlton Hotel 10 Avenue of the Arts Philadelphia, PA 19102 RECORD DATE March 16, 2015	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.

VOTING MATTERS

AGENDA ITEM		OUR BOARD'S VOTING RECOMMENDATION	WHERE TO FIND MORE INFORMATION
1.	Election of four directors for a one-year term expiring at the 2016 Annual Meeting.	FOR each director nominee	Page 12
2.	Ratification of Ernst & Young LLP as our independent registered public accounting firm for 2015.	FOR the ratification	Page 23
3.	Approval of advisory resolution on the compensation of our named executive officers.	FOR the resolution	Page 26

BOARD OF DIRECTOR NOMINEES

NAME	AGE	DIRECTOR SINCE	OCCUPATION	INDEPENDENT	COMMITTEE MEMBERSHIPS
George W. Henderson, III	66	2006	Retired Chairman and Chief Executive Officer,	Yes	Audit Finance

			Burlington Industries, Inc.		
Eric G. Johnson	64	1998	President and Chief Executive Officer, Baldwin Richardson Foods Company	Yes	Compensation Executive Finance
M. Leanne Lachman	72	1985	President, Lachman Associates LLC and Executive in Residence, Columbia Graduate School of Business	Yes	Audit
Isaiah Tidwell	70	2006	Retired Executive Vice President and Georgia Wealth Management Director, Wachovia Bank, N.A.	Yes	Audit Corporate Governance

- 1 -

GOVERNANCE HIGHLIGHTS

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

- The Chairman of the Board is an independent director;
- All of our directors, except for the chief executive officer, are independent;
- We have majority voting and a director resignation policy for directors in uncontested elections;
- We have robust stock ownership guidelines for directors and executive officers;
- Independent directors meet regularly in executive session;
- The Board and its committees conduct annual self-evaluations; and
- Beginning in 2017, we will no longer have a classified Board and all directors will stand for election annually.

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

We are asking you to cast an advisory, non-binding vote to approve compensation awarded to our named executive officers (“NEOs”) — our chief executive officer (“CEO”), chief financial officer (“CFO”) and three other most highly paid executive officers, as listed on page 28. At our last Annual Meeting, shareholders expressed strong support for our executive compensation programs, with 96% 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.

2014 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 2014 can 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 55. For additional details about our executive compensation programs and our NEOs' fiscal year 2014 compensation, please see "Compensation Discussion & Analysis" beginning on page 28 and "Executive Compensation Tables" beginning on page 55.

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS ½ MAY 21, 2015

The Board of Directors of Lincoln National Corporation (the “Company,” “we,” “us” or “Lincoln”) is soliciting proxies in connection with the proposals to be voted on at the 2015 Annual Meeting of Shareholders, which will be held on Thursday, May 21 at The Ritz-Carlton Hotel, 10 Avenue of the Arts, Philadelphia, Pennsylvania 19102, beginning at 9 a.m. local time. This proxy statement and a proxy card or a notice of Internet availability were sent to our shareholders on or about April 10. When we refer to 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

Our Board of Directors has 11 members, 10 of whom are non-employees, or outside directors. The Board has determined that all 10 outside directors are independent, as discussed below. The Board may fill a director vacancy or reduce the size of the Board without shareholder approval.

BOARD LEADERSHIP STRUCTURE

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

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

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

BOARD'S ROLE IN RISK OVERSIGHT

Enterprise risk management is an integral part of our business processes. Senior management is primarily responsible for establishing policies and procedures designed to assess and manage the Company's significant risks. We also have a Corporate Enterprise Risk and Capital Committee, made up of members of senior management and the Chief Risk Officer, that 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 enterprise risk management process, including reviews of operational, financial, legal/regulatory, compensation, strategic and competitive risks. The Board reviews the most-significant risks the Company faces and the manner in which our executives manage these risks. The Board has also delegated certain of its risk oversight efforts to its Committees, as shown below. This structure enables the Board and its Committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. We believe that the separation of the Chairman and CEO roles supports the Board's oversight role.

BOARD AND COMMITTEES: AREAS OF RISK OVERSIGHT

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

OUR CORPORATE GOVERNANCE GUIDELINES

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

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

- Our independent directors must meet in executive session at least once a year, with no members of management present. Our outside directors, all of whom are independent, meet in connection with each regularly scheduled Board meeting and at any other times they may choose.
- Only independent directors may serve on the Audit, Compensation and Corporate Governance committees.
- The written charters of the Audit, Compensation, and Corporate Governance committees comply with the NYSE's listing standards and are reviewed at least once each year.
- We have a Code of Conduct, available on our website at www.lfg.com that 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.
- Directors may not stand for election or reelection after reaching age 75.

The full texts of our Corporate Governance 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 Corporate Governance 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.

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 Avery, Cunningham, Henderson, Johnson, Kelly, Lachman, Mee, Payne, Pittard and Tidwell are independent; and

- all members of the Audit, Compensation and Corporate Governance committees are independent of our management and of the Company.

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

DIRECTOR NOMINATION PROCESS

Under our Corporate Governance Guidelines, the Board is responsible for selecting its own members. The Corporate Governance Committee is charged with: (1) identifying the competencies appropriate for the Board; (2) identifying which, if any, of those competencies may be missing or under-represented on the current Board; (3) identifying individuals with appropriate qualifications and attributes; and (4) recommending to the Board the director nominees for the next annual meeting of shareholders.

Although there are no specific minimum qualifications for director nominees, the Corporate Governance Committee's charter allows the Committee to consider any factors it deems appropriate. The Committee reviews with the Board the appropriate skills and characteristics required of directors in the context of the Board's current make-up. In addition to considering a candidate’s age, 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.

Although the Board does not have a formal diversity policy, our Corporate Governance Guidelines specify that the Corporate Governance Committee should consider diversity in the director identification and nomination process. As a result, the Committee seeks nominees with a broad diversity of backgrounds, experience, 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 abilities that enables the Board to fulfill its responsibilities in a constructive and collegial environment. In the annual evaluation of the Board and committees, the Board considers whether the members of the Board reflect such diversity and whether such diversity contributes to a constructive and collegial environment.

The Corporate Governance Committee begins the nomination process each year by deciding whether to re-nominate current directors. This includes an individual assessment of each director who will be up for re-election the following year. The Committee then reviews the results of the individual director evaluations. It 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 Committee determines the skills, experience and other characteristics that a potential nominee should possess (including whether or not the nominee would be considered independent under the NYSE listing standards) and seeks candidates with those qualifications. Although not required to do so, the 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 Committee also has a process for considering nominations from shareholders. For details on this process, see “General Information – Shareholder Proposals” on page 80.

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 Committee will do so, and other directors may be asked to interview the candidate as well. Upon completing the evaluation and the interview, the Committee recommends to the Board whether to nominate the individual.

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.

COMMUNICATIONS WITH DIRECTORS

Shareholders and others who wish to communicate with the full Board or its outside (non-executive) directors may do so by sending a letter to either “The Board of Directors” or “The Outside Directors,” as appropriate, at:

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.

BOARD AND COMMITTEE MEETINGS

The Board met four times during 2014, 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 11 directors attended the 2014 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 2014. 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 2014 (C=CHAIR M=MEMBER)

NAME	AUDIT	COMPENSATION	CORPORATE GOVERNANCE	EXECUTIVE	FINANCE	CORPORATE ACTION 1
William J. Avery	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	
William P. Payne			C	M		
Patrick S. Pittard		C				
Isaiah Tidwell	M		M			
Number of Meetings in 2014:	8	4	4	0	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 eight (8) such consents in 2014.

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.

AUDIT COMMITTEE

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

- helping the Board oversee: (1) the integrity of our financial statements; (2) our compliance with legal and regulatory requirements; (3) the independent auditor's qualifications and independence; (4) the performance of our general auditor and independent auditor; and (5) our risk assessment and risk management policies and processes
- hiring, firing and overseeing the independent auditors and approving their compensation and all of their engagements
- assessing significant matters arising from any audit
- 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
- reviewing and discussing the risk policies and procedures adopted by management and the implementation of these policies
- reviewing the qualifications and backgrounds of senior risk officers
- establishing procedures for handling complaints regarding accounting, internal auditing controls or auditing matters and for the confidential, anonymous submission of employee concerns regarding questionable accounting or auditing matters
- consulting with management before the appointment or replacement of the internal auditor
- preparing the report required for inclusion in our annual proxy statement
- reporting the Committee's activities to the Board on a regular basis and making any recommendations the Committee deems appropriate.

The Board has determined that Gary C. Kelly is an "audit committee financial expert" as defined under SEC rules. 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 23.

COMPENSATION COMMITTEE

The principal functions of the Compensation Committee include:

- establishing our general compensation philosophy, in consultation with the compensation consultant and senior management
- ensuring that succession plans are in place for the CEO and other executive officers
- reviewing and approving corporate goals and objectives for NEO compensation
- evaluating the CEO's performance, 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
- reviewing and approving all strategies, policies and programs related to the compensation of our executive officers and other key personnel
- making recommendations to the Board regarding incentive compensation and equity-based plans and approving all grants and awards to executive officers under such plans
- approving employment and severance agreements for executive officers
- approving certain employee benefit and executive compensation plans and programs and changes to such plans and programs
- reporting the Committee's activities to the Board on a regular basis and making any recommendations to the Board that the Committee deems appropriate.

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 28.

CORPORATE GOVERNANCE COMMITTEE

The principal functions of the Corporate Governance Committee include:

- identifying individuals qualified to become Board members
- recommending to the Board nominees for director (including those recommended by shareholders in accordance with our Bylaws)
- taking a leadership role in shaping our corporate governance and recommending to the Board the corporate governance principles applicable to us
- developing and recommending to the Board standards for determining the independence of directors
- making recommendations to the Board regarding the compensation program for 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
- reporting the Committee’s activities to the Board on a regular basis and making any recommendations the Committee deems appropriate.

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

EXECUTIVE COMMITTEE

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

FINANCE COMMITTEE

The principal functions of the Finance Committee include:

- reviewing and providing guidance to senior management with respect to:
  - 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;
  - our reinsurance strategies; and
  - proposed mergers, acquisitions, divestitures, joint ventures and other strategic investments
- reviewing our overall credit quality and credit ratings strategy
- reviewing the general account and our investment policies, strategies and guidelines
- reviewing our hedging program and the policies and procedures governing the use of financial instruments, including derivatives
- reviewing the funding adequacy of our qualified pension plans, including significant actuarial assumptions, investment policies and performance
- reporting the Committee's activities to the Board on a regular basis and making any recommendations the Committee deems appropriate.

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; and

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

ITEM 1 | ELECTION OF DIRECTORS

PHASE-OUT OF CLASSIFIED BOARD

Our Board has traditionally been divided into three classes, with each class serving for a three-year term. Elections of the Board have also been "staggered," meaning that only one class stands for election each year. In recognition of evolving corporate governance practices, we are changing this structure so that, by the 2017 Annual Meeting, the board will no longer be classified and our entire Board will stand for re-election every year.

We will begin this process at this year's Annual Meeting, where the class of directors up for re-election (Messrs. Henderson, Johnson, Tidwell and Ms. Lachman) will be elected for a one-year term. We will continue this process with each class of directors so that, by the 2017 Annual Meeting, shareholders will elect the entire board annually.

NOMINEES FOR DIRECTOR

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.

Nominees for a Term Expiring at the 2016 Annual Meeting

GEORGE W. HENDERSON, III RETIRED CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF BURLINGTON INDUSTRIES, INC.	AGE: 66 DIRECTOR SINCE: 2006 Member, Audit and Finance committees 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 1998–2003. 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 and accounting and financial reporting.
OTHER PUBLIC COMPANY BOARDS	Bassett Furniture Industries, Inc., 2004–present.

ERIC G. JOHNSON PRESIDENT AND CEO OF BALDWIN RICHARDSON FOODS COMPANY	AGE: 64 DIRECTOR SINCE: 1998 Chair, Finance Committee Member, Compensation and Executive committees

CAREER	Since 1997, Mr. Johnson has served as President and CEO of Baldwin Foods Company, a privately held manufacturer of products for the food service industry.
QUALIFICATIONS	Extensive executive management skills; expertise in marketing, finance and the development and execution of corporate strategy; experience in mergers and acquisitions. Through his years of service on our Board, Mr. Johnson has also developed a deep

	base of knowledge regarding our business and our industry.
OTHER PUBLIC COMPANY BOARDS	SUPERVALU, INC., 2013–present.

M. LEANNE LACHMAN PRESIDENT OF LACHMAN ASSOCIATES LLC AND EXECUTIVE-IN-RESIDENCE, COLUMBIA GRADUATE SCHOOL OF BUSINESS	AGE: 72 DIRECTOR SINCE: 1985 Chair, Audit Committee 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, a global institutional investment manager.
QUALIFICATIONS	Extensive background in real estate analysis, investment, management, and development, and international operations. Through more than 25 years of service on our Board, she has acquired a deep understanding of our business, our organization and our industry.
OTHER PUBLIC COMPANY BOARDS	Liberty Property Trust, 1994-present, including service on the audit, compensation and governance committees.

ISAIAH TIDWELL RETIRED EXECUTIVE VICE PRESIDENT AND GEORGIA WEALTH MANAGEMENT DIRECTOR OF WACHOVIA BANK, N.A.	AGE: 70 DIRECTOR SINCE: 2006 Member, Audit and Corporate Governance committees

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.
OTHER PUBLIC COMPANY BOARDS	Synder's–Lance, Inc. (formerly Lance, Inc.), 1995–present.
PRIOR PUBLIC COMPANY BOARD SERVICE IN PAST 5 YEARS	Harris Teeter Supermarkets, Inc. (formerly Ruddick Corporation), 1999–2014.

DIRECTORS CONTINUING IN OFFICE

Directors Continuing in Office until the 2016 Annual Meeting

WILLIAM J. AVERY RETIRED CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF CROWN CORK & SEAL COMPANY, INC.	AGE: 74 DIRECTOR SINCE: 2002 Member, Audit and Corporate Governance committees

CAREER	In 2001, Mr. Avery retired as Chairman and CEO of Crown Cork & Seal, a manufacturer of packaging products for consumer goods. Over his long career at that company, he was promoted to a series of positions with increasing responsibility, eventually becoming president before serving as CEO and later as chairman.
QUALIFICATIONS	Extensive experience in driving strategic direction and leading organizational growth; substantial experience in accounting, financial reporting, marketing and mergers and acquisitions.
OTHER PUBLIC COMPANY BOARDS	None in past 5 years.

WILLIAM H. CUNNINGHAM PROFESSOR AT THE UNIVERSITY OF TEXAS AT AUSTIN AND JAMES J. BAYLESS CHAIR FOR FREE ENTERPRISE AT THE UNIVERSITY'S MCCOMBS SCHOOL OF BUSINESS	AGE: 71 DIRECTOR SINCE: 2006 NON-EXECUTIVE CHAIRMAN OF THE BOARD SINCE: 2009 Member, Compensation, Corporate Governance, Executive and Finance committees

CAREER	Mr. Cunningham has been a professor with The University of Texas since 2000. Before that he served as chancellor and CEO of The University of Texas System, as president of The University of Texas at Austin and as dean of the McCombs School of Business.
QUALIFICATIONS	Substantial experience in accounting, marketing, finance and corporate governance, as well as experience leading a large public institution. Mr. Cunningham also has significant

	experience serving on public company boards, including over 20 years in our industry as a director of Jefferson-Pilot Corporation, a public insurance company that we acquired in 2006.
OTHER PUBLIC COMPANY BOARDS	John Hancock Mutual Funds, 1986–––present; and 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; and Resolute Energy Corporation, 2009–2015.

	WILLIAM PORTER PAYNE	AGE: 67 DIRECTOR SINCE: 2006
	CHAIRMAN OF CENTENNIAL HOLDING COMPANY, LLC	Chair, Corporate Governance Committee Member, Executive Committee

CAREER	Mr. Payne is the Chairman of Centennial Holding Company, LLC, a real estate investment firm. Previously, Mr. Payne served in an executive management role with Gleacher and Company, an investment banking and asset management firm. He was with Gleacher from 2000 through 2013.
QUALIFICATIONS	Extensive financial expertise; experience in providing strategic advisory services to complex organizations. Earlier in his career, Mr. Payne was an attorney specializing in commercial real estate transactions and mergers and acquisitions. His breadth of knowledge brings an interdisciplinary set of skills to the Board. He also has expertise in corporate governance, having served on a number of public company boards.
PRIOR PUBLIC COMPANY BOARD SERVICE IN PAST 5 YEARS	Cousins Properties, Inc., 1996–2014.

	PATRICK S. PITTARD	AGE: 69 DIRECTOR SINCE: 2006
	CHAIRMAN OF PATRICKPITTARD ADVISORS LLC	Chair, Compensation Committee Mr. Pittard also serves as a director of Lincoln Life & Annuity Company of New York, one of our insurance subsidiaries.

CAREER	Mr. Pittard is chairman of PatrickPittard Advisors LLC, a human capital firm providing "C-level" services such as executive search and talent assessment. He also serves as a leadership instructor at the Terry School of Business at the University of Georgia and was the chairman and CEO of ACT Bridge from 2011 to 2013. Before that Mr. Pittard was chairman, president and CEO of Heidrick & Struggles International, Inc., a worldwide provider of executive-level search and leadership services and one of the largest publicly traded

	global recruiting firms, from which he retired in 2002.
QUALIFICATIONS	Executive leadership and management experience at the highest levels of a global public company; experience driving strategic organizational growth; expertise in executive compensation, insurance and investments.
OTHER PUBLIC COMPANY BOARDS	Artisan Funds, 2001—present.

Directors Continuing in Office until the 2017 Annual Meeting

DENNIS R. GLASS PRESIDENT AND CHIEF EXECUTIVE OFFICER OF LINCOLN NATIONAL CORPORATION	AGE: 65 DIRECTOR SINCE: 2006 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 and investment industries for over 30 years, Mr. Glass brings to his role as a director a deep knowledge of our industry, our competitors and our products.
OTHER PUBLIC COMPANY BOARDS	None in past 5 years.

GARY C. KELLY CHAIRMAN OF THE BOARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF SOUTHWEST AIRLINES CO.	AGE: 60 DIRECTOR SINCE: 2009 Member, Audit and Finance committees

CAREER	Mr. Kelly has been President and CEO of Southwest Airlines since 2004, and Chairman since 2008. Previously 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.

	MICHAEL F. MEE RETIRED EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER OF BRISTOL-MYERS SQUIBB COMPANY	AGE: 72 DIRECTOR SINCE: 2001 Member, Compensation and Finance committees

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.
PRIOR PUBLIC COMPANY BOARD SERVICE IN PAST 5 YEARS	Ferro Corporation, 2001–2010.

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 2014, the 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 Committee recommended to the Board an increase of $15,000 in the Deferred LNC Stock Unit portion of the annual retainer for our outside directors for 2015.

The following chart compares our director fees for 2014 to the revised fees that took effect on January 1, 2015:

FEES	2014	2015
Board		
Annual Retainer (Cash)	$ 86,000	$ 86,000
Deferred LNC Stock Units	$146,000	$161,000
Total Board Fees	$232,000	$247,000
Non-Executive Chairman of the Board		
Deferred LNC Stock Units	$200,000	$200,000
Committees (Cash)		
Audit Committee Chair	$30,000	$30,000
Audit Committee Member	$10,000	$10,000
Other Committee Chair	$10,000	$10,000

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 cash retainer. Interests in our stock that count towards the share ownership guidelines include Deferred LNC Stock Units, LNC stock owned outright and thirty-three percent of vested stock options. All of our directors are in compliance with this requirement.

- 19 -

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 track the ones offered to employees under the LNC Employees’ 401(k) Savings Plan (the “Employees’ 401(k) Plan”) and include a Lincoln National Corporation Stock Fund investment option (the “LNC Stock Fund”). However, the Directors’ DCP uses “phantom” versions of the Employees’ 401(k) plan 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 2014, three outside directors — Mr. Henderson, Ms. Lachman and Mr. Pittard — also served as directors of LNY.

OTHER BENEFITS

We offer outside directors several benefits in addition to the compensation listed above. These include:

- Financial planning services—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.

COMPENSATION OF DIRECTORS* DURING 2014

NAME	FEES EARNED OR PAID IN CASH1 ($)	STOCK AWARDS2 ($)	ALL OTHER COMPENSATION ($)		TOTAL ($)
William J. Avery	96,000	146,000	25,000	3,4	267,000
William H. Cunningham	86,000	346,000	15,000	4	447,000
George W. Henderson, III	115,400	146,000	-		261,400
Eric G. Johnson	96,000	146,000	20,000	3	262,000
Gary C. Kelly	96,000	146,000	15,000	4	257,000
M. Leanne Lachman	135,400	146,000	15,000	4	296,400
Michael F. Mee	86,000	146,000	-		232,000
William Porter Payne	96,000	146,000	15,000	4	257,000
Patrick S. Pittard	115,400	146,000	35,000	3,4	296,400
Isaiah Tidwell	96,000	146,000	15,000	4	257,500

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

1. As described above, $86,000 of the annual retainer was paid in cash. In 2014, Mr. Kelly deferred 100% of his cash fees into the Directors' DCP. The fees shown in this column also include any fees that an outside director was paid as the chair of a committee, as a member of the Audit Committee or for service on the Board of LNY.

2. The fair value of the stock awards was determined in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718, Stock Compensation. The assumptions made in calculating the grant date fair value of stock and option awards are set forth in Note 19 of the Notes to the Consolidated Financial Statements, included in Item 8 of our Form 10-K for fiscal year 2014. Mr. Cunningham received an additional $200,000 in Deferred LNC Stock Units for serving as non-executive Chairman during 2014.

3. Includes the provision of financial planning services with an aggregate incremental cost to us of $10,000 for Mr. Avery and $20,000 each for Mr. Johnson and Mr. Pittard.

4. Reflects contributions made on the director's behalf under the matching charitable gift program.

The following table shows the number of deferred stock units and vested unexercised stock options held by each director as of December 31, 2014:

Name	Deferred LNC Stock Units	Stock Options
William J. Avery	33,101	25,105
William H. Cunningham	75,622	41,359
George W. Henderson, III	50,137	41,359
Eric G. Johnson	42,986	33,180
Gary C. Kelly	14,442	17,040
M. Leanne Lachman	53,047	33,180
Michael F. Mee	56,243	33,180
William Porter Payne	31,200	33,284
Patrick S. Pittard	33,317	41,359
Isaiah Tidwell	25,793	39,314

Deferred LNC Stock Units include amounts reported in the Stock Awards column above and phantom units awarded under the LNC Outside Directors' Value Sharing Plan, which was terminated on July 1, 2004, plus any accrued dividend equivalents, which are automatically reinvested in additional phantom units of our common stock. The stock options held by Messrs. Cunningham, Henderson, Payne, Pittard and Tidwell include former options for Jefferson-Pilot Corporation common stock, which were converted into stock options for our common stock in connection with our merger with Jefferson-Pilot.

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 25, 2015, the Committee appointed Ernst & Young LLP ("Ernst & Young") as our independent registered public accounting firm ("our accounting firm") for fiscal year 2015. We have engaged this firm and its predecessors in this capacity continuously since 1968. In addition, the 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. They will also be available to respond to questions about their audit of our consolidated financial statements for fiscal year 2014.

The Board of Directors recommends a vote FOR the ratification of Ernst & Young as our independent registered public accounting firm for 2015.

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 2014 and 2013, with a breakdown of fees paid for different categories of work.

	Fiscal Year Ended – December 31, 2014	% of Total Fees	Fiscal Year Ended – December 31, 2013	% of Total Fees
Audit Fees1	$9,841,680	88.0	$9,848,970	91.5
Audit-Related Fees2	1,222,782	10.9	908,198	8.4
Tax Fees3	115,164	1.0	8,788	0.1
All Other Fees		0.0		
TOTAL FEES:	$11,179,626	100	$10,765,956	100

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 pre-approve all audit and permissible non-audit services that our accounting firm provides. Management submits to the 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 Committee pre-approves 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 Committee for those services. The Committee chair also has the authority to pre-approve services between meetings, subject to certain dollar limitations, and must notify the full Committee of any such pre-approvals at its next scheduled meeting.

OTHER INFORMATION

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

AUDIT COMMITTEE REPORT

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 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 2014;
- discussed with our accounting firm the matters that the Public Company Accounting Oversight Board ("PCAOB") requires them to discuss as per Auditing Standard No. 16, 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 2014 be included in the Company's Annual Report on Form 10-K for fiscal year 2014 for filing with the SEC.

The Audit Committee

William J. Avery
George W. Henderson, III
Gary C. Kelly
M. Leanne Lachman, Chair
Isaiah Tidwell

ITEM 3 | ADVISORY PROPOSAL ON EXECUTIVE COMPENSATION

The SEC requires that we allow shareholders to vote their approval, on an advisory basis, of the compensation of our named executive officers as disclosed in this proxy statement. As discussed in detail in the Compensation Discussion & Analysis ("CD&A") section that begins on page 28, our executive compensation principles and underlying programs are designed to:

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

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 2014 nearly 90% of our CEO's compensation was at risk and variable.

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

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

Share Ownership Requirements. Our executives are subject to rigorous stock 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.

In addition, we recognize that strong governance principles are essential to an effective executive compensation program. These governance principles and our executive compensation philosophy are established by the Compensation Committee, which is independent of management and advised by an independent consultant. The Committee regularly reviews the compensation programs for 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 28 to 54.

Although the advisory vote on this proposal is non-binding — meaning that our Board is not required to adjust our executives' compensation or our compensation programs or policies as a result of the vote — the Board and the Compensation Committee will consider the voting results when determining compensation policies and decisions, including future executive compensation decisions. Notwithstanding the advisory nature of the vote, the resolution will be approved if more votes are cast for the proposal than against it. Abstentions and broker non-votes will not count as votes cast either for or against the proposal. We intend to hold a non-binding advisory vote on executive compensation each year, with the next such vote at our 2016 Annual Meeting.

We urge you to read the CD&A and other information in the “Executive Compensation” section, beginning on page 28, which we believe demonstrates 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 unanimously recommends a vote FOR this proposal and vote FOR the following resolution:

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

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis ("CD&A") contains information about:

- our foundational 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 2014, 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 55. These NEOs are:

DENNIS R. GLASS President and CEO
RANDAL J. FREITAG Executive Vice President and CFO
CHARLES C. CORNELIO President, Retirement Plan Services (Retired in 2015)
WILFORD H. FULLER President, Lincoln Financial Group Distribution
MARK E. KONEN President, Insurance and Retirement Solutions

We encourage you to read the CD&A in conjunction with the compensation tables on pages 55 to 72.

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

At our 2014 Annual Meeting, shareholders expressed strong support for our executive compensation programs, with 96% of votes cast in favor of the advisory resolution on executive compensation.

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 more 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"—executives will not reach their 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 55 of this proxy statement.

EXECUTIVE COMPENSATION BEST PRACTICES

When considering changes to our compensation practices and policies, the Compensation Committee takes into account competitive market trends and the views of our shareholders. Examples of our governance and compensation practices include:

- Robust stock ownership guidelines and stock holding requirements;
- Moderate change-of-control benefits;
- The use of an independent compensation consultant for significant compensation decisions regarding our executives;
- "Double trigger" vesting provisions for our equity awards following our change of control;
- 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;
- Restrictions regarding pledging, hedging and speculation in our securities; and

- Limited perquisites for executive officers.

For more information, see “Change of Control Severance Arrangements” on page 53; “Alignment with Shareholders” on page 34; and “Role of the Compensation Consultant” on page 51.

2014 PERFORMANCE OVERVIEW

Our financial results in fiscal year 2014 were strong, reflecting our continued ability to deliver on our business strategies and to maintain our focus on achieving long-term, sustainable growth. They included the following highlights:

The graphs below illustrate some other measures of our full-year 2014 results. These are also among the key metrics used for our short- and long-term incentive compensation programs.

More information on our business performance during 2014 is available in our Form 10-K for fiscal year ended December 31, 2014 (the “2014 Form 10-K”), which is included in the 2014 Annual Report to Shareholders that accompanies this proxy statement. A reconciliation of the measures not shown in accordance with 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.

ELEMENTS OF OUR COMPENSATION PROGRAM

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

COMPENSATION ELEMENT	WHAT IT REWARDS	HOW IT ALIGNS WITH OUR OBJECTIVES	PERFORMANCE MEASURED	FIXED OR VARIABLE	CASH OR EQUITY
BASE SALARY	· Sustained high level of performance · Demonstrated success in meeting or exceeding key objectives · Highly developed skills and abilities critical to success of the business · Experience and time in position	· Competitive base salaries enable us to attract and retain top talent · Merit-based salary increases align with our pay-for-performance philosophy	INDIVIDUAL	FIXED	CASH
ANNUAL INCENTIVE AWARDS	· Company performance during the year against key financial goals · Specific business-segment performance during the year, measured against strategic business-segment goals	· Competitive targets enable us to attract and retain top talent · Payouts depend on the achievement of established performance measures and goals that align pay with performance	CORPORATE AND BUSINESS SEGMENT	VARIABLE	CASH
LONG-TERM INCENTIVE AWARDS					
NON-QUALIFIED STOCK OPTIONS	· Increase in stock price · Continued service	· Value is dependent on our stock price; options have no value unless the stock price increases · Three-year ratable vesting supports retention	CORPORATE	VARIABLE	EQUITY
RESTRICTED STOCK UNITS	· Increase in stock price and dividends · Continued service	· Value rises or falls as our stock price increases or decreases · Three-year cliff vesting supports retention	CORPORATE	VARIABLE	EQUITY
PERFORMANCE SHARES	· Meeting or exceeding our return on equity goal · Total shareholder return performance	· Payout is based on metrics important to our shareholders and critical to value creation	CORPORATE	VARIABLE	EQUITY

	relative to that of other companies	· Three-year performance period supports retention and aligns pay with performance over an extended period of time · Relative performance metric creates incentive to outperform peers	

OUR EXECUTIVE COMPENSATION PROGRAM PHILOSOPHY

Our executive compensation program has three key objectives:

PAY-FOR-PERFORMANCE	ALIGNMENT WITH SHAREHOLDERS
To link executive pay directly to the attainment of short-term and long-term financial/business goals, using short-term metrics that correlate with our strategic goals and long-term metrics that correlate to long-term shareholder value	To provide incentives 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 our 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 role and/or the business units they direct.

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

- reward the achievement of superior financial results — in both the short term and long term — through balanced incentive programs;
- offer the opportunity to earn above-market compensation when overall and individual performance exceed expectations; and
- emphasize compensation that is at risk based on performance rather than compensation that is fixed—for instance, only 11% of the CEO's target annual pay is fixed.

Balanced Performance Measures and Goals

It is important to us and to our executives that performance be measurable and that compensation be paid based on criteria that executives and shareholders alike can easily identify and understand.

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 create sustained growth for our shareholders:

•

Our AIP is based on measures that are 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, therefore creating a strong incentive to produce superior results. For 2014, the Compensation Committee chose the following performance measures, which it has used since 2011:

2014 ANNUAL INCENTIVE PROGRAM	
PERFORMANCE MEASURE	WHY CHOSEN
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.
SALES GROWTH	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 valuation and that sales growth is an effective way to measure the value of the distribution franchise and overall product competitiveness.
CONTROLLABLE COSTS	Management establishes annual budgets for the Company and for each business unit that are key to the success of our financial plan. The Compensation Committee sets a budget-related performance goal to reinforce the importance of containing costs and expenses across the entire company.

2014 LONG-TERM INCENTIVE PROGRAM	
PERFORMANCE MEASURE	WHY CHOSEN
OPERATING RETURN ON EQUITY	This is an important measure that stock analysts use to value companies — especially those in the financial services industry — because it is a critical indicator of capital efficiency and is closely aligned with long-term shareholder value.
RELATIVE TOTAL SHAREHOLDER RETURN	This measure reflects the Company's delivery of shareholder value over time relative to that of our peers.

ALIGNMENT WITH SHAREHOLDERS

Through our annual and long-term incentive compensation programs, our share ownership requirements, 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:

- Performance share awards ("PSAs") – the number of shares actually received on payout of these awards depends on our performance over a three-year period relative to key metrics of shareholder value;

- Restricted stock units ("RSUs") – these awards cliff-vest three years from the date of grant (cliff-vesting acts as a retention tool for our executives) and the value ultimately realized depends on how our stock performs over that three-year period; and

- Non-qualified stock options to purchase our common stock ("Options") – these awards vest over time and only have value if the stock price rises after the option grants are made.

Share Ownership Guidelines and Holding Requirements

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

Our share ownership requirements are based on multiples of base salary and vary by job level. Equity interests counted in determining whether share ownership guidelines have been met include:

- shares owned outright;
- amounts invested in shares of our common stock through our employee benefits plans;
- restricted stock and RSUs; and
- in-the-money vested Options.

SHARE OWNERSHIP AND HOLDING REQUIREMENTS

OFFICER POSITION	VALUE OF SHARES THAT OFFICER MUST HOLD	ADDITIONAL HOLDING REQUIREMENTS
CEO	7 times base salary	25% of net profit shares* for 5 years
Executive Officers (other than the CEO)	4 times base salary	25% of net profit shares* for 5 years

* Net profit shares reflect the value of an amount 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 performance shares.

In addition to the minimum share ownership levels, each NEO must also hold 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 amount 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.

Policy on Pledging, Speculation and Hedging

Our Insider Trading and Confidentiality Policy includes provisions that prohibit pledging of and speculation in our securities. In addition, executives may not, without the approval of the Corporate Governance Committee, use derivative instruments to hedge the value of any of our securities. The Committee has not granted any approval under this authority.

Multi-Year Performance and Vesting Periods

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

Prohibition on Repricing

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

Clawback Features

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

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

For example, if an executive violates any such agreement within six months of having exercised Options or received shares from a PSA, 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 exactly the same as 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” on page 37.

CONSIDERATION OF OUR 2014 SHAREHOLDER VOTE ON EXECUTIVE COMPENSATION

The Compensation Committee and the Board appreciate and value the views of our shareholders. At our 2014 Annual Meeting of Shareholders, approximately 96% of shareholder votes were cast in favor of the "say on pay" advisory resolution on executive compensation. In light of this strong shareholder support for our overall pay practices and NEO compensation, the Compensation Committee decided to maintain our general principles and philosophy in structuring executive compensation for 2015.

SETTING TARGET COMPENSATION

The Compensation Committee made compensation decisions for the 2014 calendar year for the NEOs based on a detailed analysis of Company-specific and external data.

BENCHMARKING

To help the Compensation Committee set 2014 target direct compensation levels for our NEOs, in November 2013 Pay Governance performed a comprehensive competitive compensation analysis. They analyzed base pay, annual incentive opportunities, long-term incentive values and total direct compensation (the sum of the elements listed here) to establish market rates for each executive officer position. They then compared our current executive compensation levels to the market median of our peers.

For Messrs. Glass, Freitag and Konen, Pay Governance used market data drawn from the stock companies included in the Towers Watson 2013 Diversified Insurance Study of Executive Compensation (the "2013 Towers DI Study"), which are:

AFLAC	JOHN HANCOCK
AIG	METLIFE
ALLSTATE	PHOENIX COMPANIES
AXA GROUP	PRINCIPAL FINANCIAL
CIGNA	PRUDENTIAL FINANCIAL
CNO FINANCIAL	SUN LIFE FINANCIAL
GENWORTH FINANCIAL	TRANSAMERICA
HARTFORD FINANCIAL SERVICES	UNUM GROUP
ING	

The Compensation Committee believes that these companies are appropriate for compensation benchmarking because, even though none has our exact business mix, each is a major competitor in one or more of our businesses and competes directly with us for talent. 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 ensure comparability with our scope. We have used the same market survey for a number of years, and if the companies included in the study change, we reflect those changes in our benchmarking peer group. Neither the Committee nor management has any input into the companies included in this general industry survey.

The survey data were 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 market data being used. In some cases the Committee may target compensation above this range. Reasons for doing this include:

- organizational considerations; for example, because an executive's role is considered especially critical to our overall business strategy and to our succession planning;
- internal pay equity considerations;
- to gain the specific expertise needed to build a new business or improve an existing one; or
- to retain highly qualified executives whom we have recruited from outside the insurance industry or whom we believe have skills or experience that will further our corporate strategy.

For Messrs. Cornelio and Fuller, different compensation benchmarking data were reviewed due to the unique nature of their roles. Specifically:

- Mr. Cornelio has served as president of Retirement Plan Services since December 2009 and also serves as chief administrative officer, overseeing the Company’s Information Technology and Shared Services areas. In view of this dual role, the Compensation Committee reviewed compensation data for executives in similar positions from the McLagan Partners’ Investment Management Survey for 2013, as well as for companies from the Towers Watson 2013 Financial Services Executive Compensation Survey and the 2013 Towers DI Study. For a list of the companies included in the McLagan Partners’ Survey and the Towers Watson Survey, see Exhibit 2 beginning on page E-4. Mr. Cornelio announced his retirement from the Company, which is effective April 15, 2015.
- As president of Lincoln Financial Group Distribution, Mr. Fuller is responsible for our wholesale and retail distribution businesses. Therefore, the Compensation Committee reviewed compensation data for executives in similar positions from the McLagan Partners’ Investment Products Sales and Marketing Survey for 2013, as well as from the companies in the 2013 Towers DI Study. For a list of the companies included in the McLagan Partners’ Investment Products Sales and Marketing Survey, see Exhibit 3 on page E-6.

TALLY SHEETS

When making compensation decisions, the Compensation Committee considers:

- the recommendations of our Chief Human Resources Officer, the recommendations of our CEO (only with respect to NEOs other than himself), and the opinion of its compensation consultant;
- the available market data; and
- reports called "tally sheets" illustrating all elements of targeted total direct compensation, including:
  - base salary;
  - annual and long-term incentive awards;
  - deferred compensation and change in pension;
  - perquisites; and
  - potential payments for various termination scenarios.

The tally sheets enable the Compensation Committee to analyze the value of total target compensation, as well as the value of compensation actually delivered compared with the value of compensation opportunities the 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 Committee uses to determine NEO compensation. The Committee performed a similar analysis to establish the total targeted direct compensation for our CEO.

2014 TARGET TOTAL DIRECT COMPENSATION FOR OUR NAMED EXECUTIVE OFFICERS

NAME	BASE SALARY	ANNUAL INCENTIVE AWARD AT TARGET	LONG-TERM INCENTIVE AWARD AT TARGET	TOTAL TARGETED ANNUAL COMPENSATION
Dennis R. Glass	$1,135,000	$2,270,000	$6,750,000	$10,155,000
Randal J. Freitag	$575,384	$690,461	$1,404,156	$2,670,001
Charles C. Cornelio	$581,507	$785,035	$1,158,458	$2,525,000

Wilford H. Fuller	$484,000	$1,161,600	$1,179,145	$2,824,745
Mark E. Konen	$644,008	$901,611	$1,523,150	$3,068,769

ANNUAL COMPENSATION FOR 2014

During 2014, annual compensation was made up of base salary and a short-term incentive award under the AIP.

BASE SALARY

Base salaries are reviewed annually. In setting base salary levels for 2014, the Compensation Committee started with the 2013 base salaries and then made adjustments based on the compensation analysis discussed above and the individual performance of each NEO. In general, most of the NEOs received a three percent merit increase for 2014. The Committee approved the following base salaries for our NEOs effective January 1, 2014:

Dennis R. Glass	$1,135,000
Randal J. Freitag	$575,384
Charles C. Cornelio	$581,507
Wilford H. Fuller	$484,000
Mark E. Konen	$644,008

ANNUAL INCENTIVE PROGRAM

2014 Payout Opportunities

The table below shows the dollar amount of the estimated threshold, target and maximum payout opportunities for the 2014 Annual Incentive Program that the Compensation Committee established on the grant date; the threshold, target and maximum opportunities are calculated as a percentage of each NEO's base salary. 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 2014 AIP			
NAME	THRESHOLD	TARGET	MAXIMUM
Dennis R. Glass	$34,050	$2,270,000	$4,540,000
Randal J. Freitag	$10,357	$690,461	$1,380,921
Charles C. Cornelio	$14,719	$785,035	$1,570,069
Wilford H. Fuller	$14,520	$1,161,600	$2,323,200
Mark E. Konen	$25,470	$901,611	$1,803,221

2014 Performance Measures and Goals

In February 2014, the Compensation Committee established the goals and measures for the 2014 AIP.

Performance measures. The Committee selected three performance measures for 2014, the same ones it has used since 2011.

- Income from Operations per Share
- Sales growth
- Management of controllable costs

The Committee chose these measures because they focus on our overall corporate strategy of balancing top-line revenue growth with profitability and prudent cost management. To learn more about why these measures were selected, see Pay-for-Performance on page 33.

For purposes of the 2014 AIP, Income from Operations is defined as net income in accordance with GAAP, but excluding the after-tax effects of the items detailed in Exhibit 1 on page E-1. This is one of the financial measures that management uses to assess our results. (To calculate "Income from Operations per Share," the value of Income from Operations (as defined in Exhibit 1) was divided by the average diluted shares.) Management believes that excluding these items from net income better reflects the underlying trends in our businesses because the excluded items are unpredictable and not necessarily indicative of current operating fundamentals or future performance of the business segments. In addition, in most instances decisions regarding these items do not necessarily relate to the operations of the individual segments.

For our CEO, performance is measured entirely at the corporate level, while our other NEOs are assessed on both corporate and business unit performance. To reflect the different roles and responsibilities of our NEOs, the Committee also weights the performance measures differently for each NEO, as shown in the tables on pages 42-44.

Performance goals. In setting the goals for each of the three 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 sales growth, 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.

2014 Performance Results and Actual Payouts

In February 2015, the Compensation Committee certified the performance results for the 2014 AIP. These results exceeded expectations.

The following tables show the goals, weights, performance results and payout percentages for the 2014 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 2014 AIP for each of our NEOs and how these payouts compared with each NEO's target payout opportunity under this program.

- 41 -

DENNIS R. GLASS

CORPORATE MEASURES 100%
SALES GROWTH

	INCOME FROM OPERATIONS PER SHARE	LIFE	GROUP PROTECTION	ANNUITIES	RETIREMENT PLAN SERVICES	ENTERPRISE CONTROLLABLE COSTS
GOALS						
Threshold	$4.85	$658 M	$449 M	$12,203 M	$6,560 M	N/A
Target	$5.33	$748 M	$510 M	$13,867 M	$7,455 M	100%
Maximum	$5.97	$837 M	$571 M	$15,531 M	$8,349 M	89%
RESULTS						
Certified Performance	$5.81	$669 M	$484 M	$13,778 M	$7,515 M	96.6%
Payout as a percentage of Target	175.0%	34.2%	68.0%	96.0%	106.7%	130.1%
Weighting	50.0%	11.0%	8.0%	10.0%	6.0%	15.0%
Weighted Payout	87.5%	3.8%	5.4%	9.6%	6.4%	19.5%

	TARGET OPPORTUNITY	PAYOUT PERCENTAGE (sum of weighted payouts)	PAYOUT AMOUNT
ACTUAL PAYOUTS UNDER 2014 AIP	$2,270,000	132.2%	$3,000,940

RANDAL J. FREITAG

CORPORATE MEASURES 92.5%
SALES GROWTH

BUSINESS UNIT MEASURES

	INCOME FROM OPERATIONS PER SHARE	LIFE	GROUP PROTECTION	ANNUITIES	RETIREMENT PLAN SERVICES	ENTERPRISE CONTROLLABLE COSTS	CONTROLLABLE COSTS FINANCE
GOALS							
Threshold	$4.85	$658 M	$449 M	$12,203 M	$6,560 M	N/A	N/A

Target	$5.33	$748 M	$510 M	$13,867 M	$7,455 M	100%	100%
Maximum	$5.97	$837 M	$571 M	$15,531 M	$8,349 M	89%	90%
RESULTS							
Certified Performance	$5.81	$669 M	$484 M	$13,778 M	$7,515 M	96.6%	99.6%
Payout as a percentage of Target	175.0%	34.2%	68.0%	96.0%	106.7%	130.1%	104.2%
Weighting	50.0%	11.0%	8.0%	10.0%	6.0%	7.5%	7.5%
Weighted Payout	87.5%	3.8%	5.4%	9.6%	6.4%	9.8%	7.8%

	TARGET OPPORTUNITY	PAYOUT PERCENTAGE (sum of weighted payouts)	PAYOUT AMOUNT
ACTUAL PAYOUTS UNDER 2014 AIP	$690,461	130.3%	$889,670

CHARLES C. CORNELIO

	CORPORATE MEASURES	BUSINESS UNIT MEASURES (75%)					
	INCOME FROM OPERATIONS PER SHARE	INCOME FROM OPERATIONS RPS	SALES GROWTH RPS	CONTROLLABLE COSTS RPS	SALES GROWTH LIFE	SALES GROWTH ANNUITIES	CONTROLLABLE COSTS SS/IT
GOALS							
Threshold	$4.85	$121 M	$6,560 M	N/A	$658 M	$12,203 M	N/A
Target	$5.33	$138 M	$7,455 M	100%	$748 M	$13,867 M	100%
Maximum	$5.97	$160 M	$8,349 M	90%	$837 M	$15,531 M	90%
RESULTS							
Certified Performance	$5.81	$160 M	$7,515 M	100.0%	$669 M	$13,778 M	95.6%
Payout as a percentage of Target	175.0%	200.0%	106.7%	100.0%	34.2%	96.0%	143.5%
Weighting	25.0%	25.0%	20.0%	5.0%	7.5%	7.5%	10.0%
Weighted Payout	43.8%	50.0%	21.3%	5.0%	2.6%	7.2%	14.4%

	TARGET OPPORTUNITY	PAYOUT PERCENTAGE (sum of weighted payouts)	PAYOUT AMOUNT
ACTUAL PAYOUTS UNDER 2014 AIP	$785,035	144.2%	$1,132,020

WILFORD H. FULLER

	CORPORATE MEASURES	BUSINESS UNIT MEASURES (70%)					
				SALES GROWTH			
	INCOME FROM OPERATIONS PER SHARE	LFD NET CONTRIBUTION MARGIN	LFN NET CONTRIBUTION MARGIN	LIFE	ANNUITIES	RPS SMALL MARKET	CONTROLLABLE COSTS LFD & LFN
GOALS							
Threshold	$4.85	$2.7 M	($2.7) M	$658 M	$12,203 M	$1,659 M	N/A
Target	$5.33	$12.7 M	$7.3 M		$13,867 M	$1,885 M	100%

Maximum	$5.97	$22.7 M	$17.3 M	$748 M $837 M	$15,531 M	$2,111 M	85%
RESULTS							
Certified Performance	$5.81	$17.8	$12.4 M	$669 M	$13,778 M	$1,812 M	92.8%
Payout as a percentage of Target	175.0%	151.0%	151.0%	34.2%	96.0%	75.8%	147.8%
Weighting	30.0%	10.0%	10.0%	15.0%	15.0%	5.0%	15.0%
Weighted Payout	52.5%	15.1%	15.1%	5.1%	14.4%	3.8%	22.2%

	TARGET OPPORTUNITY	PAYOUT PERCENTAGE (sum of weighted payouts)	PAYOUT AMOUNT
ACTUAL PAYOUTS UNDER 2014 AIP	$1,161,600	128.2%	$1,489,171

- 43 -

MARK E. KONEN

	CORPORATE MEASURES	BUSINESS UNIT MEASURES (80%)						
	INCOME FROM OPERATIONS PER SHARE	INCOME FROM OPERATIONS			SALES GROWTH			CONTROLLABLE COSTS IS AND ANNUITIES
		LIFE	GROUP PROTECTION	ANNUITIES	LIFE	GROUP PROTECTION	ANNUITIES	
GOALS								
Threshold	$4.85	$464 M	$62 M	$739 M	$658 M	$449 M	$12,203 M	N/A
Target	$5.33	$527 M	$71 M	$840 M	$748 M	$510 M	$13,867 M	100%
Maximum	$5.97	$612 M	$82 M	$974 M	$837 M	$571 M	$15,531 M	90%
RESULTS								
Certified Performance	$6.03	$612 M	$23 M	$925 M	$669 M	$484 M	$13,778 M	98.3%
Payout as a percentage of Target	200.0%	200.0%	0.0%	164.3%	34.2%	68.0%	96.0%	116.5%
Weighting	20.0%	12.0%	12.0%	12.0%	11.3%	11.4%	11.3%	10.0%
Weighted Payout	40.0%	24.0%	0.0%	19.6%	3.9%	7.8%	10.8%	11.7%

	TARGET OPPORTUNITY	PAYOUT PERCENTAGE (sum of weighted payouts)	PAYOUT AMOUNT
ACTUAL PAYOUTS UNDER 2014 AIP	$901,611	117.7%	$1,061,196

The Compensation Committee can, at its discretion, reduce award payouts by including rather than excluding certain factors — listed in Items A through H of Exhibit 4 on page E-7 — if it determines that these factors were relevant to individual performance. The Committee may also make other discretionary adjustments to the calculation of the performance results if the net effect would be to reduce award amounts. The certified performance for the 2014 AIP awards reflects the Compensation Committee's decision to reduce the award payout levels from the formulaic results to exclude the beneficial impact of a transaction relating to reinsurance for all, except for a group of employees including Mr. Konen, whose award payouts reflect their significant work on the transaction.

LONG-TERM COMPENSATION AWARDED OR VESTED IN 2014

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

- Options, which have a 10-year term and vest ratably over three years;
- RSUs, which cliff-vest in three years; and
- PSAs, which vest, if at all, depending on the outcome of pre-established performance measures over a three-year performance period. Consistent with our fundamental pay-for-performance philosophy, these awards are linked to metrics that measure the creation of long-term shareholder value, with above-target compensation paid out only when performance has exceeded the target level. PSA payouts are capped at two times target.

2014 LTI AWARD MIX

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

The RSUs and PSAs will be paid in shares of our common stock if the applicable vesting date and performance targets are met. Long-term equity-based awards such as these encourage our NEOs to act as owners, thus aligning their interests with those of shareholders. The Options, which vest ratably over a three-year period, and the RSUs, which cliff vest in three years, are not tied to formulas that could focus our executives on specific short-term outcomes. Instead, the value of these awards to our NEOs depends on the positive financial performance of our Company over time, as expressed through the multi-year increase in share value. These equity awards are subject to the clawback provisions detailed on page 36.

2014-2016 PERFORMANCE SHARE AWARDS

The 2014-2016 performance cycle began on January 1, 2014 and ends on December 31, 2016. In February 2014, the Committee established:

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

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

The two performance measures for the 2014-2016 (Return on Equity and Relative Total Shareholder Return) are weighted equally. For any portion of the PSAs to ultimately vest, the minimum achievement level for at least one of the performance measures must be attained. In other words, if performance on both measures falls below the threshold, there is no payout.

PERFORMANCE AWARD MEASURES, WEIGHTINGS AND GOALS
FOR THE 2014-2016 PERFORMANCE AWARD CYCLE

Return on Equity (ROE) Why Chosen: A key measure of our financial health that management uses to evaluate our business and that is also used by investors to value companies in the financial services industry. It provides a meaningful measure of performance that is closely tied to long-term shareholder value. Relative Weight: 50%			Relative Total Shareholder Return (TSR) Why Chosen: Assesses the Company's delivery of shareholder value over time relative to that of our peers. Relative weight: 50%		
GOAL AT THRESHOLD	GOAL AT TARGET	GOAL AT MAXIMUM	GOAL AT THRESHOLD	GOAL AT TARGET	GOAL AT MAXIMUM
11%	11.65%	12.30%	RANKING OF 8th	MEDIAN OF PEER GROUP	RANKING OF 1ST TO 3RD

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

- 46 -

ROE for the 2014-2016 performance period is an absolute measure that is to be calculated as of the end of the performance period. ROE is defined as Income from Operations (as defined above with respect to the 2014 AIP) divided by average shareholders' equity for the year. Shareholders' equity excludes accumulated other comprehensive income or other similar items and any increase in equity due to goodwill associated with an acquisition during the performance period.

TSR for the 2014-2016 performance period is a relative measure based on Lincoln's TSR for the performance period ranked against the TSR results for the peer group shown below. The Committee believes that the performance peer group should be limited to companies that publish financial results against which our results are compared and that offer competing insurance and financial products. The TSR Performance Peer group was updated for the 2014-2016 performance period to remove the Hartford after the sale of its annuity business.

2014-2016 RELATIVE TSR PERFORMANCE PEER GROUP

GENWORTH FINANCIAL	PRUDENTIAL FINANCIAL
MANULIFE	SUN LIFE FINANCIAL
METLIFE	SYMMETRA FINANCIAL
PRINCIPAL FINANCIAL	TORCHMARK
PROTECTIVE LIFE	UNUM GROUP

If earned, the 2014-2016 performance share awards will be paid out in shares of our common stock. The table shows the number of shares that our executives have the potential to earn at different performance levels:

ESTIMATED SHARE PAYOUT OPPORTUNITIES UNDER
THE 2014-2016 PERFORMANCE AWARD CYCLE AS OF GRANT DATE*

NAME	THRESHOLD (#)	TARGET (#)	MAXIMUM (#)
Dennis R. Glass	5,817	46,534	93,068
Randal J. Freitag	1,383	11,063	22,126
Charles C. Cornelio	1,141	9,128	18,256
Wilford H. Fuller	1,161	9,291	18,582
Mark E. Konen	1,500	12,001	24,002

* Amounts do not include dividend equivalents

The grant date fair value of the Options, RSUs and PSAs are included in the Summary Compensation Table on page 55. Additional details regarding the 2014-2016 PSAs granted to the NEOs can be found in the Grants of Plan-Based Awards table on page 58.

2012-2014 LTI PROGRAM

The Compensation Committee established the performance-based 2012 LTI Program at its February 2012 meeting, with performance metrics that measure the creation of long-term shareholder value. The Committee approved the equity awards under the 2012 LTI Program, including grants of Options, RSUs and performance share awards.

Options and RSUs

The Options vested over a three-year period, with one third vesting on the anniversary of the grant date. The RSUs cliff vested three years from the date of grant. The final tranche of Options and the RSUs vested on February 22, 2015. Additional details regarding the Options and RSUs granted in 2012 can be found in the Outstanding Equity Awards table on page 60.

2012-2014 Performance Share Awards

At that February 2012 meeting, the Committee also established the 2012-2014 performance cycle for PSAs for the period that began January 1, 2012 and ended on December 31, 2014. The Compensation Committee set:

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

The payouts for the 2012-2014 LTI PSAs could have ranged from 0% to 200% of each NEO's target, with a threshold payout for each performance measure equal to 25% of target. For the PSA to have been payable, the threshold or minimum achievement level for at least one of the performance measures must have been attained. Therefore, a minimum award would be calculated as follows: 25% multiplied by the relative weighting of the performance measure multiplied by the target amount.

The following table shows the number of shares that each NEO had the potential to earn under the 2012-2014 LTI performance period at the threshold, target and maximum levels:

ESTIMATED SHARE PAYOUT OPPORTUNITIES UNDER
THE 2012-2014 PERFORMANCE AWARD CYCLE AS OF GRANT DATE*

NAME	THRESHOLD (#)	TARGET (#)	MAXIMUM (#)
Dennis R. Glass	10,356	82,845	165,690
Randal J. Freitag	2,196	17,570	35,140
Charles C. Cornelio	1,608	12,862	25,724
Wilford H. Fuller	1,734	13,871	27,742
Mark E. Konen	2,603	20,820	41,640

* Amounts do not include dividend equivalents

In February 2015, the Compensation Committee reviewed the reports and analysis that management provided regarding our performance during the 2012-2014 performance cycle and determined the results for each performance measure, as shown in the graphic below. As of the end of the 2012-2014 performance period, the Company's ROE, as adjusted to remove the beneficial impact of a transaction related to reinsurance, was 12.7 %, which was above the goal at maximum shown in the table below. The Company's TSR for the performance period was 204.8%, which was ranked 2nd among the peers listed below. As a result of the strong performance by the Company in each of these key metrics over the performance period (which exceeded that maximum performance level for each measure), the Compensation Committee approved a payout of the 2012-2014 performance share awards at 200% of target.

PERFORMANCE GOALS, ACTUAL RESULTS AND ACTUAL PAYOUT PERCENTAGES
FOR THE 2012-2014 PERFORMANCE AWARD CYCLE

Return on Equity (ROE) Relative weight: 50%			Relative Total Shareholder Return (TSR) Relative weight: 50%		
GOAL AT THRESHOLD	GOAL AT TARGET	GOAL AT MAXIMUM	GOAL AT THRESHOLD	GOAL AT TARGET	GOAL AT MAXIMUM
10%	10.5%	11%	RANKING OF 8th	MEDIAN OF PEER GROUP	RANKING OF 1ST TO 3RD

ACTUAL RESULTS	PAYOUT AS PERCENTAGE OF TARGET	ACTUAL RESULTS	PAYOUT AS PERCENTAGE OF TARGET
12.7%	200%	2nd IN PEER GROUP (TSR OF 204.8%)	200%

ROE for the 2012-2014 LTI performance period was an absolute measure that was calculated as of the end of the three year performance period. ROE was calculated using the definition of Income from Operations that the Committee set for the 2012 AIP and divided by average Shareholders' Equity for the year. The definition of ROE used in this calculation can be found in Exhibit 4 on page E-7.

TSR for the 2012-2014 LTI was based on our TSR results for the performance period ranked against the TSR results for the peer group shown below:

2012-2014 RELATIVE TSR PEER GROUP

GENWORTH FINANCIAL	PROTECTIVE LIFE
HARTFORD FINANCIAL SERVICES	PRUDENTIAL FINANCIAL
MANULIFE	SUN LIFE FINANCIAL
METLIFE	TORCHMARK
PRINCIPAL FINANCIAL	UNUM GROUP

TSR was defined as the change in the price of a share of our common stock plus dividends paid, over the relevant performance period, divided by the price of a share of our common stock at the beginning of the performance period. We used an average of the prices of the common stock as reported on the NYSE consolidated transactions tape for the 45 calendar days preceding the beginning and end dates to determine the beginning and ending share prices for the performance period.

The table below shows the resulting payouts:

ACTUAL PAYOUTS UNDER 2012-2014 PERFORMANCE SHARE AWARDS

NAME	TARGET (# OF SHARES)	PAYOUT PERCENTAGE OF TARGET	PAYOUT (# OF SHARES)1
Dennis R. Glass	82,845	200%	165,690
Randal J. Freitag	17,570	200%	35,140
Charles C. Cornelio	12,862	200%	25,724
Wilford H. Fuller	13,871	200%	27,742
Mark E. Konen	20,820	200%	41,640

1. Share amounts do not include dividends accrued through the vesting date. For the actual payout amounts including dividends see the Outstanding Equity Awards Table on page 60.

PARTICIPATION IN EXECUTIVE COMPENSATION DECISIONS

ROLE OF THE COMPENSATION COMMITTEE

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

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

For a description of the Compensation Committee's principal functions, see “The Board of Directors and Committees – Compensation Committee” on page 9.

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

ROLE OF MANAGEMENT

In determining executive compensation, the Compensation Committee considers input from a number of sources, including executive management. However, our CEO does not play any role in, and is not present for, any discussions regarding his own compensation. Specifically, our CEO and Chief Human Resources Officer provide the Compensation Committee with their views and insight on NEO compensation, including:

- their assessment of individual performance, the business environment, succession planning and retention; and
- recommendations for base salary, target annual incentive awards and target long-term incentive awards for each NEO except our CEO.

The Committee views this input as an essential component of the process.

ROLE OF THE COMPENSATION CONSULTANT

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

During 2014, Pay Governance provided the Committee with:

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

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

RISK CONSIDERATIONS RELATING TO COMPENSATION

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

- identifying all of the compensation programs that cover our employees;
- reviewing these programs from a design and governance perspective, including evaluating the behavior each program was designed to encourage and detailing the flow of compensation for each program;
-

identifying any risks inherent in the programs, including analyzing whether any of the programs encourage our executives or any other employees to take risks that could harm the Company; and

- identifying and discussing any additional risk mitigation factors in the program design and any additional risk controls outside of the compensation process specific to each business model.

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

Some of the features of our compensation programs that limit risk include the following:

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

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

- the "clawback" features of our equity awards, which allow us to rescind an executive's award(s) under certain conditions;

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

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

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

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

For 2014, the Compensation Committee discussed the evaluation and risk assessment review of our compensation programs and confirmed that our compensation programs do not create risks that are reasonably likely to have a material adverse effect on the Company. The risk assessment for this year also identified other aspects of the administration and oversight of our plans that build considerable risk mitigation into the plans' organizational structure.

OTHER COMPENSATION CONSIDERATIONS

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

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

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

- For equity awards granted at a "special" meeting of the Board or Committee that does not occur during the period in which trading of our securities is permitted under our Insider Trading and Confidentiality Policy (a "window period"), the grant becomes effective on the first business day of the next window period. (Window periods generally begin on the later of the second business day after our quarterly earnings release or the first business day after our public call with investors.)

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

Tax Considerations. The Internal Revenue Code of 1986, as amended ("IRC") generally limits a public company's corporate income tax deduction for compensation to $1 million per year for each "covered employee," which includes each NEO (other than our CFO). However, this limit does not apply to compensation that qualifies as "performance-based" under IRC rules. In general, we intend our incentive award grants to qualify as performance-based compensation under the IRC rules, and our grants are subject to limits established under the LNC 2009 Amended and Restated Incentive Compensation Plan ("ICP") in compliance with the relevant IRC rules.

In certain circumstances, the Compensation Committee may further limit compensation awards or pay compensation that does not qualify as performance-based under the IRC rules.

- For PSAs, the Committee may reduce the target award or payout for any "covered employee" or increase or decrease any other executive's individual payout, based on certain circumstances that may occur during the cycle.

- The Committee may also pay non-performance-based compensation to "covered employees" based on circumstances that could affect performance results, such as changing economic and market conditions, mergers or acquisitions, sale of a business, restructuring charges, reserve strengthening or release, and/or extraordinary natural occurrences or man-made events (e.g., acts of war). In doing so, the Committee would consider various factors, including investor reaction, stock price performance, performance of peers, retention considerations, and the CEO's recommendation.

EMPLOYEE BENEFIT PLANS

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

Our Deferred Compensation Plan. We provide certain benefits to our executive officers, including NEOs, through our non-qualified defined contribution plan — the Lincoln National Corporation Deferred Compensation & Supplemental/Excess Retirement Plan (the "DC SERP"). For more information on the DC SERP, see page 64.

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

- retain qualified executives in the face of an actual or threatened change of control of the Company;

- enable executives to help our Board assess any proposed change of control of the Company and advise whether such a proposal is in the best interests of the Company, our shareholders, our policyholders and customers without being unduly influenced by the possibility of employment termination; and

- demonstrate to those executives our desire to treat them fairly and competitively in such circumstances.

Each year the Compensation Committee reviews a tally sheet prepared by Pay Governance that estimates for each NEO the benefits associated with a potential change of control of the Company and the cost of those benefits to us. For 2014, the Committee found that the estimated costs for these benefits would be reasonable. For more information on the LNC COC Plan, see page 66.

Severance Plans. We also offer our NEOs and our other executive officers a severance plan in the event their job is eliminated, other than in connection with our change of control. The plan pays 52 weeks of severance benefits as well as a lump-sum stipend of $200/week for each week of the severance period. To qualify for benefits under this plan (the Severance Plan for Officers of Lincoln National Corporation (the “Officers’ Severance Plan”), the officer must sign our standard form of agreement, waiver and release of claims, which includes non-compete and non-solicitation provisions. Any payments made under the Officers' Severance Plan reduce, on a dollar-for-dollar basis, any payments the officer receives under the LNC COC Plan. For more information on the Officers' Severance Plan, see page 67.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed this Compensation Discussion & Analysis with management and has recommended to the Board that the Compensation Discussion & Analysis be included in this proxy statement and incorporated by reference into the Company's Form 2014 10-K.

The Compensation Committee

Patrick S. Pittard, Chair
William H. Cunningham
Eric G. Johnson
Michael F. Mee

EXECUTIVE COMPENSATION TABLES

SUMMARY COMPENSATION TABLE

The table below shows the compensation of our NEOs for 2014. See "Narrative to Summary Compensation Table" below for more information.

NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)	STOCK AWARDS ($)[1]	OPTION AWARDS ($)[2]	NON-EQUITY INCENTIVE PLAN COMPENSATION ($)[3]	CHANGE IN PENSION VALUE AND NONQUALIFIED DEFERRED COMPENSATION EARNINGS ($)[4]	ALL OTHER COMPENSATION ($)[5]	TOTAL ($)[6]
DENNIS R. GLASS President and CEO of LNC	2014	1,135,000	__	5,589,052	1,350,010	3,000,940	272,177	848,154	12,195,333
	2013	1,100,000	__	4,204,470	2,135,005	3,999,600	__	739,083	12,178,158
	2012	1,075,000	__	4,247,938	2,069,453	3,104,600	173,443	671,779	11,342,213
RANDAL J. FREITAG Executive Vice President and CFO	2014	575,384	__	1,027,891	421,258	899,670	55,425	258,141	3,237,769
	2013	558,625	__	885,969	449,876	1,100,235	__	220,232	3,214,937
	2012	545,000	__	900,900	438,881	871,074	27,929	186,252	2,970,036
CHARLES C. CORNELIO[7] President, Retirement Plan Services (Retired)	2014	581,507	__	848,074	347,540	1,132,020	92,363	272,335	3,273,839
	2013	564,570	__	700,467	355,683	1,150,876	__	220,656	2,992,252
WILFORD H. FULLER President, Lincoln Financial Group Distribution	2014	484,000	__	863,206	353,752	1,489,171	__	365,026	3,555,155
	2013	484,000	__	784,009	398,093	2,103,658	__	307,934	4,077,694
	2012	440,000	__	911,260	346,485	1,641,200	__	245,685	3,584,630
MARK E. KONEN	2014	644,008	__	1,115,015	456,950	1,061,196	114,854	308,849	3,700,872
	2013	625,250	__	1,049,887	533,107	1,323,529	__	276,995	3,808,768
	2012	610,000	__	1,067,571	520,077	1,146,922	60,057	265,813	3,670,440

President,
Insurance and
Retirement
Solutions

1. Represents the grant date fair value of stock awards granted in 2014, 2013 and 2012 under the ICP. Values were determined in accordance with FASB ASC Topic 718 (Topic 718), and the assumptions made in calculating them can be found in Note 19 of the Notes to the Consolidated Financial Statements in Item 8 of our 2014 Form 10-K. Stock awards granted in 2014 include grants of RSUs and PSAs, the latter of which are subject to performance conditions.

The table below shows the grant date fair value of the RSUs and PSAs, as well as the value of the PSAs assuming the maximum level of performance (200% of target) is achieved under both the ROE and TSR performance measures described on page 46. The grant date fair value for the PSAs was calculated in accordance with Topic 718 using a performance factor of 1.08, the probable outcome on the date of grant. The stock awards granted in 2014 are described in more detail in the Grants of Plan-Based Awards table on page 58.

NAMED EXECUTIVE OFFICER	GRANT DATE FAIR VALUE OF 2014 RSU ($)	GRANT DATE FAIR VALUE OF 2014 PSA ($)	VALUE OF 2014 PSA AT MAXIMUM PERFORMANCE LEVEL ($)
Dennis R. Glass	3,037,518	2,551,534	4,725,062
Randal J. Freitag	421,289	606,602	1,123,337
Charles C. Cornelio*	347,571	500,503	926,857
Wilford H. Fuller	353,765	509,440	943,408
Mark E. Konen	456,981	658,034	1,218,582

* See Footnote 7.

2. Represents the grant-date fair value of Option awards granted in 2014, 2013 and 2012 under the ICP. Values were determined in accordance with Topic 718, and the assumptions made in calculating them can be found in Note 19 of the Notes to the Consolidated Financial Statements in Item 8 of our 2014 Form 10-K. The Option awards granted in 2014 are described in more detail in the Grants of Plan-Based Awards table on page 58.

3. Represents the AIP awards earned for the 2014 performance period under the ICP. More information on the AIP awards is provided in the Grants of Plan-Based Awards table on page 58 and in the CD&A on pages 28 to 54.

4. These amounts reflect the total of all increases in the actuarial present value of each NEO's accumulated benefits under our qualified and non-qualified defined benefit pension plans shown in the Pension Benefits table on page 62. We froze these pension plans at the end of 2007. Present values were calculated at year-end 2014, 2013 and 2012, respectively, using the interest-rate and mortality-rate assumptions included in Note 17 of the Notes to our Consolidated Financial Statements in Item 8 of our 2014 Form 10-K and of our Forms 10-K for 2013 and 2012. The NEOs did not have any preferential non-qualified deferred compensation earnings.

5. The table below gives details on All Other Compensation:

NAME	PERQUISITESa ($)	TAX GROSS-UPS OR MISCELLANEOUS ($)	401(K) MATCH, CORE AND TRANSITION CONTRIBUTIONSb ($)	ADDITIONAL COMPANY CONTRIBUTIONS INTO DEFERRED COMPENSATION PLAN (SPECIAL EXECUTIVE CREDIT AND EXCESS MATCH, CORE AND TRANSITION CONTRIBUTIONS)c ($)	TOTAL ($)
Dennis R. Glass	47,156	__	34,500	766,498	848,154
Randal J. Freitag	12,700	__	32,760	212,681	258,141
Charles C. Cornelio	14,050	__	34,500	223,785	272,335
Wilford H. Fuller	—	—	26,000	339,026	365,026
Mark E. Konen	16,844	__	34,500	257,505	308,849

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

For Mr. Freitag, the amount reflects $10,000 in matching charitable gifts made by Lincoln Financial Foundation, Inc. on his behalf and the reimbursement of tax-preparation expenses.

For Mr. Cornelio, the amount reflects the cost of matching charitable gifts made by Lincoln Financial Foundation, Inc. on his behalf, and the reimbursement of financial-planning and tax-preparation expenses.

For Mr. Konen, the amount reflects the aggregate incremental cost of personal use of the corporate aircraft, the cost of matching charitable gifts made by Lincoln Financial Foundation, Inc. on his behalf, and the reimbursement of financial planning and tax-preparation expenses.

More information regarding perquisites and personal benefits, including a discussion of how we value personal use of the corporate aircraft, can be found under "Narrative to the Summary Compensation Table" on page 57.

(b) Represents Company matching, core and transition contributions under our Employees' 401(k) Plan.

(c) Represents excess Company matching, core and transition contributions to the DC SERP, which are amounts above IRC limits. Also, for all NEOs except Mr. Glass, this amount includes an additional contribution — a "special executive credit" to the DC SERP — which is described in more detail on page 64.

6. Some numbers might not add due to rounding.

7. Mr. Cornelio has retired from the Company effective as of April 15, 2015. He was not an NEO in 2012. He will be eligible to receive a pro rata portion of his 2014 RSU and PSA awards, and not the full amount shown in the table in Footnote 1 above.

NARRATIVE TO SUMMARY COMPENSATION TABLE

2014 Annual Incentive Program

For the 2014 AIP, the dollar amounts included in the Summary Compensation Table for each of our NEOs reflect the performance results for this program as certified by the Compensation Committee in February 2015. These results exceeded the goal at target for each NEO. For more details on the 2014 AIP, including the performance measures, targets and final results, see the CD&A, pages 28 to 54.

Perquisites and Personal Benefits

Below are the primary perquisites and personal benefits we offered our NEOs in 2014, not all of which were actually received:

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

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

Matching Charitable Gift Program. Under this program, the Lincoln Financial Foundation, Inc. matches gifts from an NEO to one or more eligible recipient organizations, up to an annual total maximum of $10,000.

Retirement Benefits

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

For each NEO, the special executive credit is calculated annually as follows: 15% of Total Pay expressed as a percentage, offset by the total of: (a) the NEO’s maximum basic matching contribution opportunity (6%); plus (b) core contributions (4%); plus (c) transition contributions, if any (up to 8%), as determined under the Employees’ 401(k) Plan, each expressed as a percentage. For more details on the DC SERP, the contributions and the calculations of these amounts, see page 64.

GRANTS OF PLAN-BASED AWARDS

The table below shows the awards granted to our NEOs during 2014 under the ICP.

NAME	GRANT DATE	ESTIMATED POSSIBLE PAYOUTS UNDER NON-EQUITY INCENTIVE PLAN AWARDS1 THRESHOLD ($)	TARGET ($)	MAXIMUM ($)	ESTIMATED FUTURE PAYOUTS UNDER EQUITY INCENTIVE PLAN AWARDS2 THRESHOLD (#)	TARGET (#)	MAXIMUM (#)	ALL OTHER STOCK AWARDS: NUMBER OF SHARES OF STOCK OR UNITS3 (#)	ALI A NUM SEC UNDE O
DENNIS R. GLASS		34,050	2,270,000	4,540,000					
	2/24/2014				5,817	46,534	93,068		
	2/24/2014							59,829	
	2/24/2014								
RANDAL J. FREITAG		10,357	690,461	1,380,921					
	2/24/2014				1,383	11,063	22,126		
	2/24/2014							8,298	
	2/24/2014								
CHARLES C. CORNELIO		14,719	785,035	1,570,069					
	2/24/2014				1,141	9,128	18,256		
	2/24/2014							6,846	
	2/24/2014								
WILFORD H. FULLER		14,250	1,161,600	2,323,200					
	2/24/2014				1,161	9,291	18,582		
	2/24/2014							6,968	
	2/24/2014								
MARK E. KONEN		25,470	901,611	1,803,221					
	2/24/2014				1,500	12,001	24,002		
	2/24/2014							9,001	
	2/24/2014								

1. Represents potential 2014 AIP awards. Actual amounts the NEOs earned are reflected in the Summary Compensation Table. More information on the 2014 AIP awards, including the applicable performance targets, is provided in the CD&A on pages 40 to 44.

2. Represents 35% of the CEO's 2014 LTI target, and 40% of the other NEO's 2014 LTI target, each awarded as PSAs for the 2014-2016 performance period, payable 100% in shares. Awards under the 2014-2016 performance cycle will be determined in the first quarter of 2017 (for the performance period ending December 31, 2016), and the amount of the award that vests may range from 0% to 200% of target depending upon the attainment of pre-established performance goals. For more information on the 2014-2016 performance awards and the performance goals that apply to these awards, see pages 45 to 47 in the CD&A. Dividend equivalents accrue on the LTI performance share awards, based on normal dividend rates, and are payable in stock only if the related LTI award actually vests based on certification of performance.

3. Represents 45% of the CEO's 2014 LTI target, and 30% of the other NEO's 2014 LTI target, each awarded as RSUs that cliff-vest on the third anniversary of the grant date; these RSUs are described in more detail in the CD&A on page 45. Dividend equivalents accrue on the RSUs, are credited in the form of additional RSUs on each date that dividends are paid on our common stock, and are payable only in stock and only upon vesting of the related RSU award.

4. Represents 20% of the CEO's 2014 LTI target, and 30% of the other NEO's 2014 LTI target, each awarded in the form of Options as described in more detail in the CD&A on page 45. The Options have 10-year terms and vest ratably over a three-year period, with one-third vesting on each of the first three anniversaries of the grant date. These Options do not have a reload feature.

5. Represents the grant date fair value of the award determined in accordance with Topic 718. All assumptions made in calculating the aggregate fair value can be found in Note 19 of the Notes to the Consolidated Financial Statements included in Item 8 of our 2014 Form 10-K.

NARRATIVE TO GRANTS OF PLAN-BASED AWARDS TABLE

The following terms also apply to these awards:

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

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

- The Options and stock awards granted in 2014 will vest fully: (1) if the executive dies or becomes permanently disabled; or (2) upon a “change of control” and either: (a) the termination of the executive’s employment for any reason other than “cause”; or (b) the executive's termination of his or her employment for “good reason,” as those terms are defined in the LNC COC Plan.

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

- In general, when an executive voluntarily leaves the Company after reaching age 55 with at least five years of service, or is involuntarily terminated for any reason other than cause and signs a general release of claims against us, the executive will receive a pro-rated performance award (but only if the applicable performance goals are achieved and the Compensation Committee does not withhold payout of the award, which it has the discretion to do). The pro-rated award will be based on the number of days of service out of the total number of days in the three-year performance cycle. Any payout will be made at the same time, and in the same manner, as other participants are paid.

- In general, Options and RSU awards granted in 2014 will vest on a pro rata basis if an executive voluntarily leaves the Company after reaching age 55 with at least five years of service, or is involuntarily terminated for any reason other than cause and signs a general release of claims against us.

- The Options, RSUs and PSAs granted to the CEO will fully vest upon his retirement from the Company.

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

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

the expiration of the Option term;

one year after the date the executive died or was disabled;

five years after the date the executive voluntarily left the Company after reaching age 55 with at least five years of service; or three months after the date the executive was involuntarily terminated for any reason other than cause.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The table below provides information on unexercised Options , unvested stock awards and unvested equity incentive plan awards for each NEO as of the end of 2014.

	OPTION AWARDS				STOCK AWARDS		
NAME	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#) EXERCISABLE1	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#) UNEXERCISABLE2	OPTION EXERCISE PRICE ($)	OPTION EXPIRATION DATE	NUMBER OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED3 (#)	MARKET VALUE OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED4 ($)	EQUITY INCENTIVE PLAN AWARDS: NUMBER OF UNEARNED SHARES, UNITS OR OTHER RIGHTS THAT HAVE NOT VESTED (#)
DENNIS R.	278,103		53.60	02/12/16	67,124	3,871,054	171,7895
GLASS	319,694		52.76	02/07/18	58,915	3,397,613	151,9236
	134,283		30.64	02/23/21	57,881	3,337,984	93,9416
	164,085	82,044	24.99	02/22/22			
	97,177	194,355	29.54	02/28/23			
		101,711	50.77	02/24/24			
RANDAL J.	9,270		53.60	02/12/16	14,674	846,248	36,4345
FREITAG	4,373		70.66	02/22/17	12,984	743,613	32,0136
	15,966		52.76	02/07/18	8,376	483,033	22,3336
	8,065		16.24	05/14/19			
	6,478		25.78	02/22/20			
	25,179		30.64	02/23/21			
	34,798	17,400	24.99	02/22/22			
	20,476	40,954	29.54	02/28/23			
		31,738	50.77	02/24/24			
CHARLES	40,679		53.60	02/12/16	10,334	595,984	26,6715
C.	29,582		70.66	02/22/17	9,942	573,334	25,3106
CORNELIO	53,293		52.76	02/07/18	6,829	393,840	18,4276
	20,850		30.64	02/23/21			
	25,474	12,738	24.99	02/22/22			
	16,189	32,379	29.54	02/28/23			
		26,184	50.77	02/24/24			
WILFORD	22,485		30.64	02/23/21	11,585	668,125	28,7635
H. FULLER	27,472	13,737	24.99	02/22/22	8,071	465,428	28,3296
	18,119	36,240	29.54	02/28/23	11,411	658,049	18,7566
		26,652	50.77	02/24/24	7,033	405,613	

MARK E.	44,140		70.66	02/22/17	16,761	966,629	43,1735
KONEN	84,591		52.76	02/07/18	14,919	860,391	37,9366
	8,306		16.24	05/14/19	8,984	518,131	24,2276
	33,749		30.64	02/23/21			
	41,236	20,619	24.99	02/22/22			
	24,264	48,531	29.54	02/28/23			
		34,427	50.77	02/24/24			

1. Options shown in this column with an expiration date in 2016 for Messrs. Glass, Freitag, Cornelio and Konen were originally issued as options to purchase common stock of Jefferson-Pilot and converted into Options to purchase our common stock on April 3, 2006.

2. These Options were unexercisable at the end of 2014. The following table shows the dates when Options in this column vest and become exercisable.

EXPIRATION DATES	VESTING DATES
2/22/2022	Balance vested on 2/22/2015
2/28/2023	Balance vests equally on 2/28/2015 and 2/28/2016
2/24/2024	Vests in 3 equal annual installments beginning on 2/24/2015

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

	VESTED ON	VEST ON	VEST ON
Dennis R. Glass	67,124 2/22/2015	58,915 2/28/2016	57,881 2/24/2017
Randal J. Freitag	14,674 2/22/2015	12,894 2/28/2016	8,376 2/24/2017
Charles C. Cornelio	10,334 2/22/2015	9,942 2/28/2016	6,829 2/24/2017
Wilford H. Fuller	19,656 2/22/2015	11,411 2/28/2016	7,033 2/24/2017
Mark E. Konen	16,761 2/22/2015	14,919 2/28/2016	8,984 2/24/2017

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

4. This represents the product of the number of shares/units and the closing price of our common stock as reported on the composite tape of the NYSE on December 31, 2014, which was $57.67.

5. Represents PSAs that were granted in connection with the 2012-2014 performance cycle and vested on February 25, 2015, plus accrued dividend equivalents. Awards vested based on the actual performance certified by the Compensation Committee on February 25, 2015.

6. Represents PSAs granted in connection with the 2013-2015 and the 2014-2016 performance cycles. Because our 2014 performance exceeded the target performance measures, these awards are shown at maximum (200% of target), plus accrued but unpaid dividend equivalents. However, the amount, if any, of these awards that will be

paid out will depend upon the actual performance over the full performance period and the Compensation Committee's certification of the performance after completion of the performance cycle, which should occur in the first quarter of 2016 for the 2013-2015 performance cycle and the first quarter of 2017 for the 2014-2016 performance cycle.

OPTION EXERCISES AND STOCK VESTED

The table below provides information on Options exercised and stock awards that vested during 2014.

	OPTION AWARDS		STOCK AWARDS	
NAME	NUMBER OF SHARES ACQUIRED ON EXERCISE (#)	AGGREGATE VALUE REALIZED ON EXERCISE ($)	NUMBER OF SHARES ACQUIRED ON VESTING1 (#)	AGGREGATE VALUE REALIZED ON VESTING2 ($)
Dennis R. Glass	272,650	2,059,298	198,503	10,022,591
Randal J. Freitag	9,379	52,390	37,039	1,870,177
Charles C. Cornelio	62,757	1,267,162	30,670	1,548,636
Wilford H. Fuller	32,383	1,212,238	33,076	1,670,078
Mark E. Konen	115,066	1,634,826	49,646	2,506,714

1. For each NEO this includes shares delivered for RSUs that vested on February 23, 2014 and performance shares that vested on February 24, 2014. For Mr. Glass, the amount also reflects shares withheld on February 25, 2014 from a grant of RSUs to comply with IRC tax-withholding regulations that apply to equity grants with early retirement provisions.

2. Calculated as shares vested times the closing price of our common stock as reported on the composite tape of the NYSE on the vesting date (or the last date before vesting that was a trading day for the NYSE). These prices were: $49.95 for February 21, 2014; $50.77 for February 24, 2014; and $50.13 for February 25, 2014.

PENSION BENEFITS

RETIREMENT PLANS

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

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

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

The table below shows the present value of the “frozen” accrued benefit, as of December 31, 2014, under the LNC Retirement Plan and the Excess Plan for each of our NEOs except for Mr. Fuller, who is not eligible to participate in either plan.

PENSION BENEFITS

NAME	PLAN NAME