

# LINCOLN NATIONAL CORPORATION COMPENSATION COMMITTEE CHARTER

NOVEMBER 8, 2017

## I. Purposes

The Compensation Committee (the “Committee”) is a standing committee appointed by the Board of Directors (the “Board”) of Lincoln National Corporation (the “Corporation”) whose purpose is:

1. To discharge the Board’s responsibilities relating to the compensation of the Corporation’s Chief Executive Officer (“CEO”) and other Section 16 Officers;
2. To establish, in consultation with senior management of the Corporation, a compensation philosophy with sound principles and standards, and to oversee the development, implementation, and continuing operation of compensation programs consistent with that philosophy;
3. To ensure that succession plans are in place for the CEO and other Section 16 Officers;
4. To ensure that an effective management development planning process is in place consistent with the long-term needs of the Corporation; and
5. To ensure that the Corporation’s compensation and benefit plans for the CEO, executive officers and other employees are competitive, support the Corporation’s overall business strategy and reflect personal and overall business performance.

## II. Membership, Structure and Operations

The Committee shall consist of three or more members of the Board. The members of the Committee shall meet, and shall be determined by the Board to meet, the independence requirements of the New York Stock Exchange, and any standards promulgated by the Securities and Exchange Commission (“SEC”). In addition, all members of the Committee shall be “non-employee directors” as defined in Rule 16b-3 under the Securities Exchange Act of 1934 (“Rule 16b-3”) and “outside directors” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (“Section 162(m”).

The membership and structure of the Committee shall be subject to the Corporation's Amended and Restated Bylaws then in effect to the extent such Bylaws are consistent with applicable laws and rules of the SEC and the New York Stock Exchange.

The members of the Committee shall be elected, replaced and serve at the pleasure of the Board for such term or terms as the Board may determine. The Board, based on nominations recommended by the Corporation’s Corporate Governance Committee, shall elect members of the Committee. Committee members may resign by giving written notice to the Board.

The Board shall designate one member of the Committee as its chairperson. The chairperson, in consultation with Committee members, if deemed appropriate, will determine the frequency and length of meetings necessary to carry out the Committee's responsibilities. The chairperson shall preside at each meeting or, in the absence of the chairperson, one of the other members of the Committee shall be designated as the acting chair of the meeting. The chairperson (or acting chair) may direct appropriate members of the Corporation's management and staff to prepare draft agendas and related background information for each Committee meeting. The draft agenda shall be reviewed and approved by the Committee chairperson (or acting chair) in advance of distribution to the other Committee members. Written minutes of each meeting, in the form approved at a subsequent meeting, shall be duly filed in the Corporation's records. The Corporate Secretary is responsible for the distribution of the meeting agenda and the retention of appropriate Committee documentation. The Committee may invite the CEO and members of management to its meetings, as the Committee deems appropriate. The Committee may, at its discretion, meet in executive session with or without the presence of management.

### **III. Duties and Responsibilities**

The Committee's duties and responsibilities shall be:

1. To review and discuss with management the Compensation Discussion & Analysis ("CD&A"), to produce the Compensation Committee Report to be included in the Corporation's annual proxy statement (or annual report on Form 10-K) and to recommend the inclusion of the CD&A in the Corporation's annual proxy statement (or annual report on Form 10-K).
2. To annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level based on this evaluation. In evaluating and determining the CEO's compensation, the Committee may consider, among other factors, the Corporation's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years. Nothing in this Charter should be construed as precluding discussion of CEO compensation with the Board.
3. To evaluate on an annual basis whether the Corporation's compensation programs create unnecessary and excessive risks that are reasonably likely to have a material adverse effect on the Corporation, and to direct management to mitigate any such risks identified in any such programs.
4. To periodically review and approve all compensation strategies, policies and programs that encompass total remuneration of the Corporation's executive officers and key personnel to ensure that such strategies, policies and programs are competitive, support the Corporation's overall business strategy and are appropriate in relation to individual and overall business performance.
5. To review and approve, within the bounds of its authority as set forth below, the establishment of employee benefit plans. For amounts beyond that authority, the Committee will recommend such establishment to the Board.

6. To make recommendations to the Board with respect to the establishment of or changes to existing incentive compensation plans and equity-based plans of the Corporation.
7. To review and approve at least annually the elements of annual remuneration for the CEO and other Section 16 Officers of the Corporation, including but not limited to: (a) annual base salary level, (b) annual incentive opportunities and award level, (c) long-term incentive opportunities and award level, including stock options and other equity-based awards, and (d) changes to any other executive benefits. To review periodically the following elements of remuneration for the CEO and other Section 16 Officers of the Corporation, if applicable: (a) pension and other benefits, (b) employment agreements, (c) severance agreements, and (d) change in control agreements or provisions.
8. To (a) administer the Corporation's incentive compensation plans or programs providing for performance-based awards under Section 162(m) with respect to those employees who are described in subsection 16(a) of the Securities Exchange Act of 1934 or who are or are expected to be "covered employees," as defined in Section 162(m), (b) approve all such grants or awards that are intended to be exempt from the application of either or both of such provisions, and (c) take such actions and have such responsibilities as may be set forth from time to time in such plans or programs. For purposes of Section 162(m), the Committee (or any subcommittee) shall include only those members qualified as "outside directors" as defined in that section. In addition, for purposes of Rule 16b-3, the Committee (or any subcommittee) shall include only those members qualified as "non-employee directors" as defined in that rule.
9. To ensure that appropriate programs and procedures are established to provide for the development, selection and succession of officers and key personnel within the Corporation. In addition, the Committee shall review and recommend for Board approval, candidates for the CEO position.
10. To establish procedures for the Committee to exercise oversight of the evaluation of management's performance.
11. To review and assess the results of the Corporation's most recent advisory vote on executive compensation, and, at least once every six years, recommend to the Board for approval by shareholders the frequency with which the Corporation will conduct an advisory vote on executive compensation.
12. To make regular reports to the Board of actions taken and other matters deemed appropriate to be brought to the Board's attention at the next Board meeting.
13. To annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

14. To annually perform a self-evaluation of the performance of the Committee. The evaluation shall be conducted in such manner as the Committee deems appropriate. The evaluation shall compare the performance of the Committee with the requirements of this Charter.
15. To perform any other duties or responsibilities expressly delegated to the Committee by the Board.
16. To assess at least annually whether the work of any compensation consultant, outside legal counsel or other adviser to the Committee involved in determining or recommending executive compensation has raised any conflict of interest, and to authorize any required disclosure.

#### **IV. Authority**

1. The Committee shall have authority to approve employee benefit and executive compensation plans and programs, provided the present value cost for each plan or change to a plan will not exceed \$20 million for the next five years after the effective date of such change.
2. The Committee may form and delegate authority to one or more subcommittees comprising one or more members of the Committee (subject to the requirements of Section 162(m) and Rule 16b-3, to the extent applicable).
3. The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, outside legal counsel or other adviser.
4. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, outside legal counsel or other adviser retained by the Committee.
5. The Committee shall have appropriate funding from the Corporation, as determined by the Committee, for the payment of reasonable compensation to a compensation consultant, outside legal counsel or any other adviser retained by the Committee.
6. The Committee may select a compensation consultant, outside legal counsel or other adviser to the Committee only after taking into consideration, all factors relevant to that person's independence from management, in accordance with the requirements of the New York Stock Exchange, and any standards promulgated by the SEC.

#### **V. Resources**

The Committee shall have the resources necessary to discharge its duties and responsibilities.