



# Insider Trading and Confidentiality Policy

## POLICY STATEMENT

It is the Policy and practice of Lincoln Financial Group to comply strictly with laws governing the use of *material non-public information*, sometimes more commonly referred to as “inside information.” As the unlawful use or communication of *material non-public information* by directors, officers and employees as well as each person who represents or is registered with Lincoln could have dire consequences for Lincoln and such persons, all Lincoln personnel are required to be familiar with these policies and comply with the procedures described below. Anyone with questions as to the application of this Policy should contact LNC’s General Counsel or the Corporate Secretary.

All italicized words are defined in the “Definitions” section below. “Lincoln” is used herein to mean Lincoln National Corporation (“LNC”) and/or its subsidiaries.

## BACKGROUND

This Policy sets forth procedures that all directors, officers and employees of Lincoln, as well as each person who represents or is registered with Lincoln are required to follow. The purpose of this Policy is not only to address your obligations, but also to avoid any situation that could damage Lincoln’s reputation for integrity and ethical conduct.

Federal law prohibits persons subject to this Policy from trading in *Lincoln securities* while in possession of *material non-public information* about Lincoln that has not been publicly disseminated, commonly referred to as, inside information.

These laws prohibit:

- (i) the purchase or sale of securities while in possession of *material non-public information* regarding Lincoln;
- (ii) communication of *material non-public information* to another person who trades on the information or who passes the information on to another who trades, which is known as “tipping;” and
- (iii) the misappropriation of *material non-public information* from Lincoln about a *non-Lincoln security*.

The Insider Trading and Securities Fraud Enforcement Act of 1988 authorizes the imposition of substantial penalties for violation of the insider trading laws. A person who has violated the insider trading laws, including a person who shares inside information with another person who trades on the information, i.e. a “tipper,” but who does not personally profit from insider transactions, may be subject to a criminal penalty of up to \$5,000,000 and twenty years in prison, and a civil penalty of up to the greater of \$1,000,000 or three times the profit gained or loss avoided as a result of such unlawful purchase, sale or communication.

## INSIDER TRADING AND OTHER PROHIBITED ACTIVITIES

### Policy on Lincoln Securities

#### *Trading*

If you become aware of *material non-public information* relating to Lincoln that has not been disclosed to the public for a reasonable period of time to allow the securities markets the opportunity to digest the information, you cannot commit to any transaction restricted by this Policy (as described below) involving a *Lincoln security*, unless otherwise approved by LNC's General Counsel or his or her designee. The period of time necessary for the public to digest the information may vary based upon the facts of each situation, but generally at least one (1) business day should elapse between the first public disclosure of *material non-public information* and any trading. The restrictions set forth in this Policy also apply to your *family members* as well as trusts and other entities owned or controlled by you.

**Transactions restricted by this Policy include all transactions in *Lincoln securities*, including initiating an election or change that will increase or decrease your contributions to, or balance in, the LNC Stock Fund within Lincoln's 401(k) or other benefit plans.**

The following transactions are **not** restricted by this Policy:

- the exercise of employee stock options: (a) by tendering cash or shares to Lincoln to pay the exercise price or related tax withholding; or (b) through a net share settlement method; however, the sale of stock to obtain the cash needed to exercise an option or pay withholding taxes, or the sale of stock acquired upon the exercise of an option, is restricted by this Policy;
- automatic purchases pursuant to Lincoln's 401(k) or other benefit plans or dividend reinvestment plans pursuant to a pre-existing election;
- bona fide gifts of *Lincoln securities* unless you know the recipient intends to sell the *Lincoln security* promptly upon receipt;
- sales pursuant to written plans, which comply with this Policy (as described below); and
- withholding of stock to pay applicable withholding taxes upon the vesting of restricted stock.

#### **No Hedging**

No director, officer or employee may use derivative instruments to *hedge* the value of any *Lincoln security*.

#### **Prohibition on Pledging**

No director or *Executive Officer* may pledge, or use as collateral, any *Lincoln Securities* to secure personal loans or other obligations, including holding any *Lincoln Securities* in a margin account.

#### **Window Periods**

No person in the categories described below, or their *family members*, may commit to any transaction restricted by this Policy involving a *Lincoln security*, except during *window periods*, unless such transaction is otherwise approved by LNC's General Counsel or his or her designee:

1. Members of the Board of Directors of Lincoln National Corporation;

2. Lincoln officers with a title of Vice President and above and such officers' administrative assistants;
3. All Lincoln employees located in Lincoln's *executive offices*;
4. Employees assigned to LNC's Corporate Enterprise Communications and Investor Relations departments and business unit financial communications staff;
5. All of Lincoln's actuaries;
6. Direct reports of LNC's Chief Accounting Officer and/or Controller;
7. Direct reports of LNC's CFO and each business unit's CFO and/or Controller; and
8. Other persons notified by Lincoln's Legal Department.

Note, a *window period* is a Lincoln compliance requirement and does not constitute a legal right to trade in *Lincoln securities*. Accordingly, even during *window periods*, if you are in possession of *material non-public information*, you may not trade in *Lincoln securities*.

In addition, Lincoln can impose a trading moratorium that prohibits trading in *Lincoln securities* during a certain period, including during a *window period*.

Also, because of the complexity of Section 16 of the Securities Exchange Act of 1934 ("Exchange Act"), members of the Board of Directors, and *Section 16 Officers* and business unit chief financial officers must consult with the General Counsel or the Corporate Secretary prior to engaging in any transaction in *Lincoln securities*.

All other persons subject to this Policy should use their own judgment in determining whether it is appropriate under this Policy to enter into a particular transaction. However, you are encouraged to restrict your trading in *Lincoln securities* to *window periods*. You may consult with LNC's General Counsel or the Corporate Secretary if you have any questions about this Policy.

#### ***Confidentiality of Material, Non-Public Information***

Further, you cannot directly or indirectly disclose *material non-public information* to any other person who could use the information to trade in a *Lincoln security* prior to its public disclosure. No person subject to this Policy may:

- communicate such information to anyone outside of Lincoln for other than legitimate corporate purposes, where appropriate steps have been taken to prevent the misuse of such information, or in compliance with External Communications Policy;
- communicate such information within Lincoln, except on a need-to-know basis, in the ordinary course of business, when you have no reason to believe the information will be misused;
- recommend someone to purchase, sell or retain *Lincoln securities* when you are in possession of *material non-public information*; or
- engage in any other action to take personal advantage of that information.

You should consult with your business unit's legal counsel or chief compliance officer before disclosing *material non-public information* to ensure that you do not violate the Policy.

### **Trading in Lincoln Securities under Written Plans**

The section of this Policy restricting trading in *Lincoln securities* does not apply to trades made pursuant to a written plan meeting the requirements of this Policy and Rule 10b5-1 of the Exchange Act.

However, trading pursuant to a written plan only provides an affirmative defense against claims of insider trading under Rule 10b-5 of the Exchange Act. Trading under written plans **does not exempt** *Section 16 Officers* and directors from the short-swing profit liability provisions of Section 16 of the Exchange Act. Therefore, all written plans for such officers and directors should be drafted to ensure that Section 16 of the Exchange Act will not be violated.

To comply with this Policy and Rule 10b5-1, you **must not** be in possession of *material non-public information* at the time you enter into the written plan. Accordingly, written plans should generally be entered into during open *window periods*. The written plan should be executed by you and the person who will direct the trading before any transactions occur. Further, the written plan must:

- specify the amount of *Lincoln securities* to be purchased or sold, the price or prices at which the securities are to be traded and the date and dates on which the securities are to be purchased or sold; or
- include a written formula or algorithm, or computer program for determining the amount, price and date; and/or
- give discretion over trading decisions to a third party who is not and does not come into possession of *material non-public information* and over whom you do not exercise any subsequent influence over the trading decisions.

The actual purchases or sales must be pursuant to the written plan without altering or deviating from it or entering into or attaining a corresponding or hedging transaction or position. The written plan must have been entered into in good faith and not as part of a plan or scheme to evade the purposes of this Policy or the insider trading rules and the securities laws. A reasonable period of time should elapse from the execution of the plan and the first transactions under the plan. Although this period of time may vary depending upon facts and circumstances, it is recommended that transactions under the plan should commence no earlier than thirty (30) days following the execution of the plan. Finally, every written plan must be submitted in advance to the General Counsel or the Corporate Secretary for review.

### **Policy on non-Lincoln Securities**

Lincoln's reputation and ability to work with its customers and other business partners depend not only upon the quality of its products and services but also upon the trust and confidence established with customers and others. Maintaining the confidentiality of its customers' actions and contemplated plans, and preserving the confidentiality of information Lincoln receives from its customers and others, is fundamental to that trust and confidence.

In order to achieve these objectives, all persons subject to this Policy must avoid trading in *non-Lincoln securities* of customers and others using *material non-public information* received from such customers and others.

*Material non-public information* obtained by persons subject to this Policy about a customer or other business entities with which Lincoln works, whether or not in the course of their work for Lincoln, should not be communicated to anyone in violation of any law, regulation or other applicable requirement.

All persons are strictly prohibited from using for non-Lincoln business purposes any *material non-public information* obtained at or through their employment or relationship with Lincoln. No person may, under any circumstances, use confidential information obtained at or through Lincoln, or from any sources, in

deciding whether to buy, sell or hold *non-Lincoln securities*, or in assisting others in making such a decision.

## **DEFINITIONS**

### ***Executive Officer***

Executive officer means any Lincoln officer who is a member of LNC's senior management committee.

### ***Executive Offices***

Executive offices mean:

LNC's executive offices located at 150 N. Radnor Chester Road, Building A-3, Radnor, PA, or where such offices may be located from time to time.

### ***Family Members***

Includes your spouse, children (including adopted children and step-children), grandchildren, siblings, parents, grandparents, and in-laws sharing your household. This Policy also covers *Lincoln securities* held by trusts (of which you are a trustee or beneficiary) as well as partnerships, LLCs or corporations that you directly or indirectly control. Control is presumed to exist if you are a director or executive officer of such an entity or if you beneficially own more than 10% of such entity's voting securities.

### ***Hedge***

Includes any security transaction that reduces the risk on an already existing investment position in a *Lincoln security*, including the purchase or sale of options, puts, calls, straddles, equity swaps or other derivatives linked to a *Lincoln security*.

### ***Lincoln Security***

**Includes any security issued by LNC, its subsidiaries or affiliates**, including common stock, preferred stock, debt securities, warrants and stock purchase rights as well as option positions on any of these (including puts, calls and straddles), whether publicly or privately traded. "*Lincoln security*" also includes securities issued by any person that derive their value from the value of a security issued by LNC, its subsidiaries or affiliates, such as phantom stock or stock units you may acquire through Lincoln's benefit plans.

### ***Material Non-Public Information***

Material information is any information (whether fact, development or intended action) that a reasonable investor would consider significant in determining whether to buy, sell, or hold a company's securities, such as information that could reasonably be expected to affect the market price of such securities. Both positive and negative information may be material. It is impossible to give an exhaustive list of all types of material events, but the following illustrated items are often considered to be material:

- information originating within Lincoln with respect to its earnings, sales (including annuity deposits, purchases of mutual fund shares, institutional inflows and first year premiums) and net flows;
- earnings guidance;
- significant balance sheet, capital and ratings issues;
- mergers, acquisitions, divestitures, tender offers, joint ventures, or changes in assets;
- changes in auditors or auditor notification that the issuer may no longer rely on an audit report;

- events regarding Lincoln's *securities* (e.g., defaults, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of securityholders, public or private sales of additional securities or information related to any additional funding);
- changes in key management;
- a significant disruption in Lincoln's operations or loss, potential loss, breach or unauthorized access of its property or assets, including its facilities and information technology infrastructure; and
- unusual and other major business developments.

It may also include information originating outside Lincoln such as planned sales or purchases of *Lincoln securities* by third parties.

Information is non-public if it has not been disseminated in a manner reasonably designed to provide broad, non-exclusionary distribution of the information to the public as above described.

### ***Non-Lincoln Security***

Includes all of the types of securities listed above under *Lincoln security*, but issued by an entity other than LNC, its subsidiaries or affiliates.

### ***Section 16 Officer***

Section 16 Officer is any officer of LNC who is notified that he/she is subject to Section 16 of the Exchange Act.

### ***Window Periods***

Generally, *window periods* begin on the later of: (i) the second (2nd) business day following the quarterly earnings release or (ii) the first (1<sup>st</sup>) business day following the quarterly investors conference and end on the fifteenth (15<sup>th</sup>) day of the last month of the quarter, unless Lincoln determines otherwise. If such fifteenth (15<sup>th</sup>) day is not a day on which trading occurs on the New York Stock Exchange, the *window period* shall end on the business day immediately preceding such day.

## **COMPLIANCE**

We recognize that even innocent actions can potentially create an appearance of impropriety, and that this appearance alone could damage the reputation of the company. The policies and the other procedures set forth herein were designed with this "appearance" issue in mind. It goes without saying that the actual misuse of *material non-public information*—whether or not the information is obtained through Lincoln and whether or not involving the purchase or sale of a *Lincoln security* or *non-Lincoln security* – is, of course, prohibited.

Lincoln expects the strictest compliance with these policies and procedures. Failure to observe them may result in serious legal difficulties for the person involved as well as for Lincoln. Failure to follow the letter and spirit of these policies and procedures would be considered a basis for termination of employment or relationship with Lincoln, and may expose the violator to serious civil and criminal penalties.

This policy also applies to *family members* of directors, officers, employees and each person who represents or is registered with Lincoln. Such persons are responsible for informing the *family members* sharing their personal household about this Policy and their compliance obligations.

If you have any doubt or uncertainty as to your responsibilities under this statement of policies, you should seek clarification and guidance from LNC's General Counsel or the Corporate Secretary. You should not try to resolve any uncertainties on your own.