

LINCOLN NATIONAL CORP  
Form DEF 14A  
April 14, 2017  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

## SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE  
SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only  
(as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Lincoln National Corporation**

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(Name of Registrant as Specified in Its Charter)





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Radnor, Pennsylvania / April 14, 2017

**DEAR FELLOW SHAREHOLDER:**

You are invited to attend our 2017 Annual Meeting of Shareholders, to be held Friday, May 26 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 2016 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 2016 Annual Report to Shareholders and a proxy card. Electronic delivery enables us to more cost-effectively provide you with the information you need while reducing the environmental impact of printing and mailing paper copies.

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

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

Sincerely,

**William H. Cunningham**

Chairman of the Board

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

May 26, 2017

9:00 a.m.  
local time

The Ritz-Carlton Hotel  
10 Avenue of the Arts  
Philadelphia, Pennsylvania 19102

Mailing date: April 14, 2017

**The purpose of the meeting is to:**

1. elect ten Directors for a one-year term expiring at the 2018 Annual Meeting of Shareholders;
2. ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2017;
3. approve an advisory resolution on the compensation of our named executive officers;
4. respond to an advisory proposal regarding the frequency (every one, two or three years) of future advisory resolutions on the compensation of our named executive officers;
5. approve amendments to our restated articles of incorporation to remove supermajority voting standards applicable to the following provisions:
  - Item 5(a) voting rights of preferred stock, prohibitions regarding shares of stock in our subsidiary and future amendments to the bylaws
  - Item 5(b) removal of directors;
  - Item 5(c) certain business combinations; and
6. consider and vote upon such other business as may properly come before the meeting or any adjournment thereof.

You may vote at the Annual Meeting if you were a shareholder of record at the close of business on March 20, 2017. 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 82 for more information.

For the Board of Directors,

**Andrea D. Goodrich**

Senior Vice President & Secretary

Lincoln National Corporation

Radnor, Pennsylvania

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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 26, 2017: This proxy statement and the accompanying annual report are available at: <a href="http://www.proxydocs.com/Inc">www.proxydocs.com/Inc</a> .	



**Table of Contents****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**

<b>DATE / TIME</b>	<b>PLACE</b>	<b>VOTING</b>
Friday, May 26, 2017 9:00 a.m. local time	The Ritz-Carlton Hotel 10 Avenue of the Arts Philadelphia, PA 19102	Shareholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals.
	<b>RECORD DATE</b> March 20, 2017	

**VOTING MATTERS**

<b>AGENDA ITEM</b>	<b>OUR BOARD'S RECOMMENDATION</b>	<b>WHERE TO FIND MORE INFORMATION</b>
1. Election of ten directors for a one-year term expiring at the 2018 Annual Meeting of Shareholders.	FOR each director nominee	Page 15
2. Ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for 2017.	FOR the ratification	Page 25

3. Approval of an advisory resolution on the compensation of our named executive officers.	FOR the resolution	Page 28
4. Respond to an advisory proposal regarding the frequency (every one, two or three years) of future advisory resolutions on the compensation of our named executive officers.	for a ONE-YEAR frequency	Page 30
5. Approval of Amendments to our Restated Articles of Incorporation to remove the supermajority voting standards applicable to certain provisions.	FOR all three proposed amendments	Page 76

Table of Contents**BOARD OF DIRECTOR NOMINEES**

NAME OCCUPATION	DIRECTOR		SKILLS/QUALIFICATIONS	INDEPENDENT	COMMITTEE MEMBERSHIPS
	AGE	SINCE			
<b>Deirdre P. Connelly</b> Retired President, North American Pharmaceuticals of GlaxoSmithKline	55	2016	business operations and strategic planning finance and capital management corporate governance	Yes	Audit  Corporate Governance
<b>William H. Cunningham</b> Professor, University of Texas at Austin and James J. Bayless Chair for Free Enterprise at the University's McCombs School of Business	73	2006	finance and capital management marketing/public relations  corporate governance	Yes	Compensation  Corporate Governance  Executive (Chair)  Finance
<b>Dennis R. Glass</b> President and Chief  Executive Officer, Lincoln National Corporation	67	2006	business operations and strategic planning finance and capital management	No	Executive
<b>George W. Henderson, III</b> Retired Chairman and Chief Executive Officer, Burlington Industries, Inc.	68	2006	accounting  finance and capital management	Yes	Audit  Finance

<b>Eric G. Johnson</b> President and Chief Executive Officer, Baldwin Richardson Foods Company	66 1998	business operations and strategic planning finance and capital management marketing/public relations	Yes	Compensation Executive Finance (Chair)
<b>Gary C. Kelly</b> Chairman of the Board, President and Chief Executive Officer, Southwest Airlines Co.	62 2009	business operations and strategic planning finance and capital management public accounting	Yes	Audit Finance
<b>M. Leanne Lachman</b> President, Lachman Associates LLC and Executive in Residence, Columbia Graduate School of Business	74 1985	business operations and strategic planning finance and capital management marketing/public relations corporate governance	Yes	Audit (Chair)
<b>Michael F. Mee</b> Retired Executive Vice President and Chief Financial Officer, Bristol-Myers Squibb Company	74 2001	finance and capital management public accounting business operations and strategic planning	Yes	Compensation Finance

**Table of Contents****BOARD OF DIRECTOR NOMINEES (CONT D.)**

NAME	DIRECTOR	COMMITTEE
OCCUPATION	AGE SINCE	MEMBERSHIPS
		INDEPENDENT
<b>Patrick S. Pittard</b> Chairman, Patrick Pittard Advisors, LLC	71 2006	Yes
	public accounting finance and capital management  talent management corporate governance	Compensation (Chair)
<b>Isaiah Tidwell</b> Retired Executive Vice President and Georgia Wealth Management Director, Wachovia Bank, N.A.	72 2006	Yes
	accounting risk management corporate governance	Audit Corporate Governance (Chair)

**GOVERNANCE HIGHLIGHTS**

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

Our Chairman of the Board is an independent director;

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

All of our directors stand for election annually;

We require majority voting and maintain a director resignation policy for directors in uncontested elections;

We provide for proxy access in our bylaws;

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

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

Independent directors meet regularly in executive session; and

Our Board and committees conduct annual self-evaluations.

## EXECUTIVE COMPENSATION HIGHLIGHTS

The key objectives of our executive compensation program are to:

MOTIVATE OUR EXECUTIVES TO INCREASE PROFITABILITY AND SHAREHOLDER RETURN	PAY COMPENSATION THAT VARIES BASED ON PERFORMANCE	RETAIN KEY EXECUTIVE TALENT, AS THIS IS CRITICAL TO OUR SUCCESS
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We are asking you to cast an advisory, nonbinding vote to approve compensation awarded to our named executive officers ( NEOs ) our chief executive officer ( CEO ), chief financial officer ( CFO ) and three additional most highly paid executive officers, as listed on page 31. At our last Annual Meeting, shareholders expressed strong support for our executive compensation programs, with 93% of votes cast in favor of the advisory resolution on executive compensation.

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**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.

**2016 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 2016 could vary significantly based on company performance, including stock-price performance.

**TARGET PAY MIX FOR CEO**

**TARGET PAY MIX FOR NEOs (EXCLUDING CEO)**

Note, the amounts in these graphs are shown at target and therefore will not match the values reflected in the Summary Compensation Table on page 58. For additional details about our executive compensation programs and our NEOs' fiscal year 2016 compensation, please see Compensation Discussion & Analysis beginning on page 31 and Executive Compensation Tables beginning on page 58.

**Proxy Statement**

**ANNUAL MEETING OF SHAREHOLDERS | MAY 26, 2017**

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 2017 Annual Meeting of Shareholders, which will be held beginning at 9:00 a.m. local time on Friday, May 26 at The Ritz-Carlton Hotel, 10 Avenue of the Arts, Philadelphia, Pennsylvania 19102. This proxy statement and a proxy card or a notice of internet availability were sent to our shareholders on or about April 14. 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.

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### **GOVERNANCE OF THE COMPANY**

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

### **BOARD STRUCTURE AND LEADERSHIP**

As of the Annual Meeting our Board of Directors will have ten members, nine of whom are non-employees, or outside directors. The Board has determined that all nine outside directors are independent, as discussed below. The Board may fill a director vacancy or reduce the size of the Board without shareholder approval.

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

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

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

### **BOARD'S ROLE IN RISK OVERSIGHT**

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

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**BOARD AND COMMITTEES: AREAS OF RISK OVERSIGHT**

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

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

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

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

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

## **DIRECTOR INDEPENDENCE**

Under the Corporate Governance Guidelines, a majority of our directors must at all times be independent and meet the NYSE listing standards regarding independence as incorporated in our 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:

All of our Directors, except Mr. Glass are independent.

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

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

## **DIRECTOR NOMINATION PROCESS**

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

Identifying the competencies appropriate for the Board.

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

Identifying individuals with appropriate qualifications and attributes.

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

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

Our Board reflects a diverse, highly engaged group of directors with appropriate skills and varying backgrounds. We have a rigorous board evaluation process that includes an annual self-assessment and peer review to foster the right mix of subject matter expertise, capabilities and perspectives. Our Board also takes a thoughtful approach to board refreshment with the intent to align directors' skills with our company strategy. The Board regularly reviews the composition and qualifications of our directors. After a deliberate and inclusive process, Deirdre Connelly was elected as a new director during 2016, to fill the vacancy left by a retiring director. Ms. Connelly's experience and expertise is well-suited to our board and complements that of our other directors. The Board will continue to review its composition and structure balancing the need for continuity and experience with fresh ideas and perspectives.

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, experiences, professions, education and differences in viewpoints and skills.

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

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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 (in light of the composition and needs of the Board and its committees, and 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 will also consider nominations from shareholders. Such nominations must be submitted in writing to our Corporation Secretary at our principal executive office, and must include the same information that would be required for a candidate to be nominated by a shareholder at a meeting of shareholders as described under General Information Shareholder Proposals for the 2018 Annual Meeting on page 86. Any such recommendation must be received by the Corporate Secretary no earlier than January 26, 2018, and not later than February 25, 2018.

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.

## **ANNUAL BOARD EVALUATION**

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

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**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 our principal executive offices:

Lincoln National Corporation

150 N. Radnor Chester Road

Radnor, PA 19087

Attention: Office of the Corporate Secretary

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

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

**BOARD AND COMMITTEE MEETINGS**

The Board met four times during 2016, and each director attended 75% or more of the aggregate of: (1) the total number of Board meetings; and (2) the total number of meetings held by committees on which he or she served. Although the Board does not have a formal policy that requires directors to attend our Annual Meeting of Shareholders, directors are encouraged to attend. All of the Company's directors attended the 2016 Annual Meeting.

**Table of Contents****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 2016. 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 2016 (C=CHAIR M=MEMBER)						
	AUDIT	COMPENSATION	CORPORATE GOVERNANCE	EXECUTIVE	FINANCE	CORPORATE ACTION <sup>1</sup>
Deirdre P. Connelly	M		M			
William H. Cunningham		M	M	C	M	
Dennis R. Glass				M		C
George W. Henderson, III	M				M	
Eric G. Johnson		M		M	C	
Gary C. Kelly	M				M	
M. Leanne Lachman	C					
Michael F. Mee		M		M	M	
William P. Payne			M	M		
Patrick S. Pittard		C				
Isaiah Tidwell	M		C			
Number of Meetings in 2016	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 twelve (12) such consents in 2016.

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

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**AUDIT COMMITTEE**

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

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

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

preparing the report required for inclusion in our annual proxy statement

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

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

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

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

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

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

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

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

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

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**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 the CEO and executive officers' 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 the 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 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 31.

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**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.**

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**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

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

**Table of Contents****ITEM 1 | ELECTION OF DIRECTORS****NOMINEES FOR DIRECTOR**

Ten directors will be up for election at the 2017 Annual Meeting to hold office until the next annual meeting and until their respective successors are elected and qualified. Mr. Payne is not standing for reelection. Of the directors standing for election, Mr. Glass is an officer of the Company. In addition to annual elections, our bylaws require our directors to be elected by a majority of votes cast in an uncontested election.

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

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

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

**DEIRDRE P. CONNELLY**

**AGE: 55 DIRECTOR SINCE: 2016**

*RETIRED PRESIDENT NORTH*

*Member, Audit and Corporate Governance  
Committees*

*AMERICAN PHARMACUETICALS*

*OF GLAXOSMITHKLINE*

**CAREER**

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

**QUALIFICATIONS**

Substantial leadership experience and expertise as a senior executive of large publicly-traded companies with

global operations. She has extensive knowledge and expertise in strategy, operations, finance and capital management, brand marketing and product development.

**OTHER PUBLIC COMPANY BOARDS**

Macy's, Inc. 2008 - present.  
Genmab A/S 2017 - present.

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**WILLIAM H. CUNNINGHAM**      **AGE: 73**    **DIRECTOR SINCE: 2006**

*PROFESSOR AT THE*

Non-Executive Chairman of the Board since:  
2009

*UNIVERSITY OF TEXAS AT*

*AUSTIN AND JAMES J. BAYLESS*

*Member, Compensation, Corporate  
Governance, Executive and Finance  
Committees*

*CHAIR FOR FREE ENTERPRISE*

*AT THE UNIVERSITY S*

*McCOMBS SCHOOL OF*

*BUSINESS*

**CAREER**

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

**QUALIFICATIONS**

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

**OTHER PUBLIC COMPANY BOARDS**

John Hancock Mutual Funds, 1986 present.

Southwest Airlines Co., 2000 present.

**PRIOR PUBLIC COMPANY BOARD SERVICE IN PAST 5 YEARS**

LIN Media LLC, (formerly LIN Television Corporation) 2002 2007 and 2009 2014.

Resolute Energy Corporation, 2009 2015.

**DENNIS R. GLASS**

**AGE: 67    DIRECTOR SINCE: 2006**

*PRESIDENT AND CHIEF*

*Member, Executive Committees*

*EXECUTIVE OFFICER*

*OF LINCOLN NATIONAL*

*CORPORATION*

**CAREER**

Mr. Glass has served as our President since 2006 and our CEO since 2007. He is also President of, and serves on the boards of, our principal insurance subsidiaries. Before our merger with Jefferson-Pilot Corporation, Mr. Glass was President, CEO and a Director of that company.

**QUALIFICATIONS**

A seasoned executive who has served in executive-level positions in the insurance industry for over 30 years, Mr. Glass brings to his role as a Director a deep knowledge of our industry, our competitors and our products.

**OTHER PUBLIC COMPANY BOARDS**

None in past 5 years.

**Table of Contents**

**GEORGE W. HENDERSON, III**      **AGE: 68**      **DIRECTOR SINCE: 2006**

*RETIRED CHAIRMAN*

*Member, Audit and Finance Committees*

*AND CHIEF EXECUTIVE*

*OFFICER OF BURLINGTON  
INDUSTRIES, INC.*

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

**CAREER**

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

**QUALIFICATIONS**

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

**OTHER PUBLIC COMPANY BOARDS**

Bassett Furniture Industries, Inc., 2004 - present.

**ERIC G. JOHNSON**

**AGE: 66**      **DIRECTOR SINCE: 1998**

*PRESIDENT AND CEO OF*

*Chair, Finance Committee*

*BALDWIN RICHARDSON*

*FOODS COMPANY*

*Member, Compensation and Executive Committees*

**CAREER**

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

**QUALIFICATIONS**

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

**OTHER PUBLIC COMPANY BOARDS**

SUPERVALU, INC., 2013 present.

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**GARY C. KELLY**

**AGE: 62 DIRECTOR SINCE: 2009**

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

*Member, Audit and Finance Committees*

**CAREER**

Mr. Kelly has been CEO of Southwest Airlines since 2004, and President 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.

**M. LEANNE LACHMAN**

**AGE: 74 DIRECTOR SINCE: 1985**

*PRESIDENT OF LACHMAN  
ASSOCIATES LLC AND*

*Chair, Audit Committee*

*EXECUTIVE -IN-RESIDENCE,  
COLUMBIA GRADUATE  
SCHOOL OF BUSINESS*

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

**CAREER**

Ms. Lachman has served since 2003 as President of Lachman Associates LLC, an independent real estate consultancy, and since 2000 as an Executive-in-Residence at Columbia Business School. Before that she was Managing Director of Lend Lease

Real Estate Investments, a global institutional investment manager.

**QUALIFICATIONS**

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

**OTHER PUBLIC COMPANY BOARDS**

Liberty Property Trust, 1994 present.

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**MICHAEL F. MEE**

**AGE: 74    DIRECTOR SINCE: 2001**

*RETIRED EXECUTIVE VICE*

*Member, Compensation and Finance Committees*

*PRESIDENT AND CHIEF*

*FINANCIAL OFFICER OF*

*BRISTOL-MYERS SQUIBB*

*COMPANY*

**CAREER**

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

**QUALIFICATIONS**

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

**OTHER PUBLIC COMPANY BOARDS**

None in the past 5 years.

**PATRICK S. PITTARD**

**AGE: 71    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 Patrick Pittard 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.

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**ISAIAH TIDWELL**

**AGE: 72 DIRECTOR SINCE: 2006**

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

*Chair, Governance Committee*

*Member, Audit Committee*

**CAREER**

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

**QUALIFICATIONS**

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