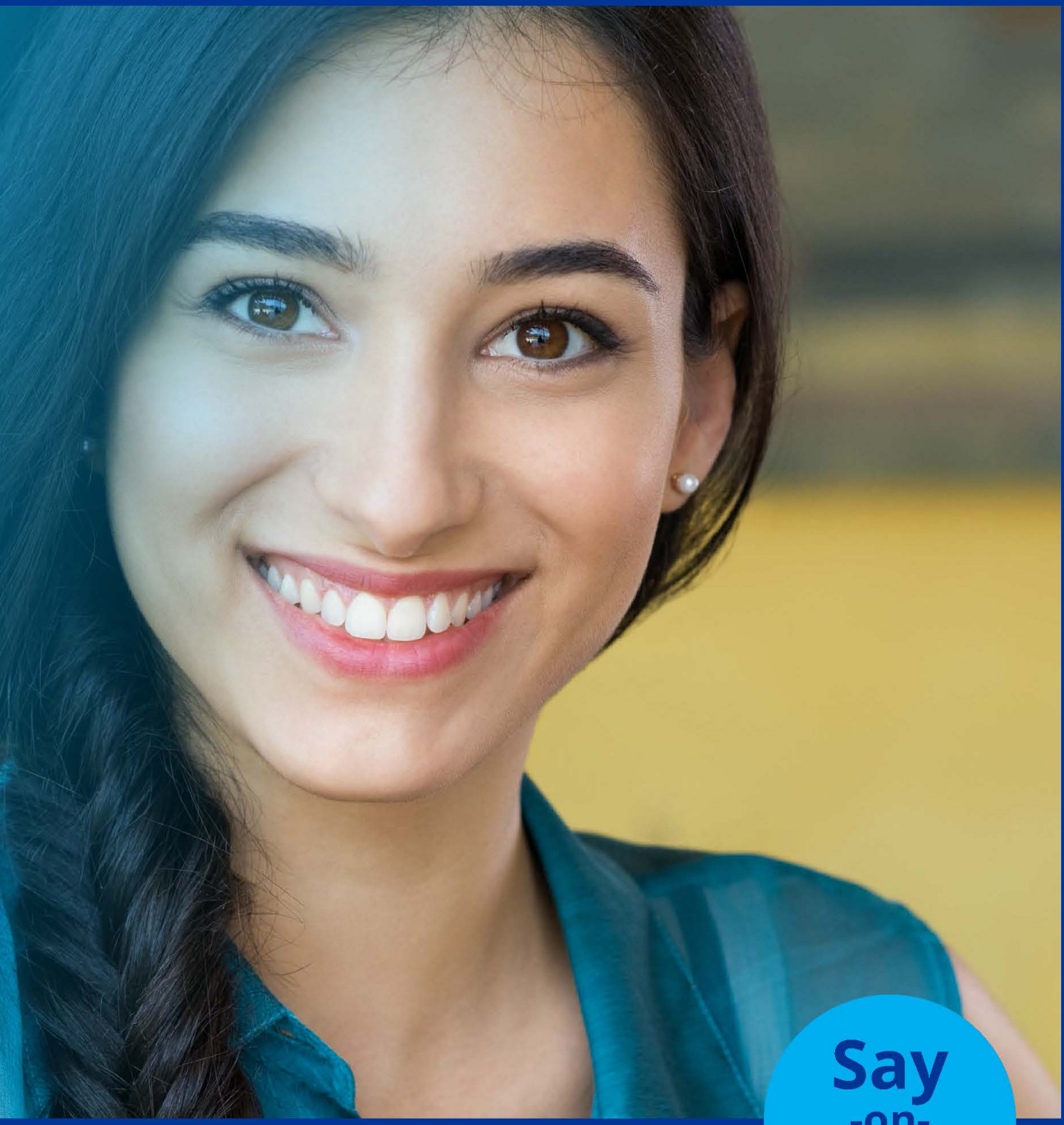


Say -on- Pay

2021 Annual General Meeting

Shareholder Information on Compensation Proposals

Alcon

Dear Shareholder,

This brochure provides you with information regarding our compensation-related proposals submitted to the 2021 Annual General Meeting ("AGM") and confirms our commitment towards a transparent Say-on-Pay approach.

The Compensation Committee and the Board of Directors are committed to a pay-for-performance framework and to align company and executive performance with shareholder interests. This is emphasized and reflected with a major portion of performance-based elements within the compensation framework for members of the Executive Committee Alcon ("ECA"). We benchmark ECA compensation against a carefully selected peer group of European and North American companies with similar characteristics of size, industry, business mix and global footprint. Our budget for the financial year 2022 considers potential adjustments and affords the flexibility to offer competitive compensation to the ECA.

The framework for the Board's compensation will remain unchanged. Further, the proposal does not contemplate any changes to the Board's compensation levels for the upcoming term of office from the 2021 AGM to the 2022 AGM.

On behalf of the Board of Directors and the members of the Compensation Committee, we thank you for your continued trust in Alcon. We are grateful for your participation in this year's AGM.

Sincerely,



F. Michael Ball
Chair of the Board of Directors



Karen May
Chair of the Compensation Committee

In line with the Swiss Ordinance against Excessive Compensation in Listed Stock Companies and our Articles of Incorporation, we are asking you to cast the following three votes:

Agenda item 4.1

Consultative vote on the 2020 Compensation Report

The Board of Directors proposes that the 2020 Compensation Report, included in the 2020 Annual Report, be accepted (non-binding consultative vote).

Agenda item 4.2

Binding vote on the maximum aggregate amount of compensation of the Board of Directors for the next term of office, i.e. from the 2021 AGM to the 2022 AGM

The Board of Directors proposes that shareholders approve the maximum aggregate amount of compensation of the Board of Directors covering the period from the 2021 AGM to the 2022 AGM in the amount of CHF 3,320,000.

Agenda item 4.3

Binding vote on the maximum aggregate amount of compensation of the ECA for the 2022 financial year

The Board of Directors proposes that shareholders approve the maximum aggregate amount of compensation of the ECA for the 2022 financial year in the amount of CHF 38,400,000.

4.1 Consultative vote on the 2020 Compensation Report

The Board of Directors proposes that the 2020 Compensation Report, included in the 2020 Annual Report, be accepted (non-binding consultative vote).

The Compensation Report, included on pages 81-112 of Alcon's 2020 Annual Report, provides detailed information regarding compensation awarded to the members of the ECA and the Board in the 2020 financial year. It also sets out Alcon's compensation framework and philosophy. Alcon's 2020 Annual Report is available in electronic form on our website at the following address: https:// investor.alcon.com/financials/annual-reports/default.aspx.

ECA Compensation 2020

The year 2020 represented the first full calendar year for Alcon as an independent, stand-alone company following the Spin-off from Novartis in April 2019. We continued to build, with a few minor modifications, the ECA and Board compensation programs Alcon adopted in 2019.

The compensation program consisted of a balanced set of fixed and variable elements rewarding short-term and long-term performance through the delivery of cash payments and equity awards. Performance goals were aligned to the strategic plan in a mix of absolute and relative measures including financial and non-financial metrics.

	Annual Base Salary	Short-Term Incentive (annual incentive)	Long-Term Incentives	Benefits
Purpose	In line with global pay practices, reflects responsibilities, experience and skills	Rewards annual performance against key objectives	Rewards long-term performance in line with Alcon's strategy and business priorities	Retirement savings and insurance in line with local market practices and benefits associated with global mobility and international relocation
Payment	Cash	Cash	Equity (Performance Stock Units)	Cash or in-kind, contributions to retirement savings and insurance policies
Performance period	—	One year	Three-year cliff vesting	—
Performance measures	—	Three financial performance measures, individual performance rating and a funding mechanism	Four equally weighted performance measures including financial, external and innovation metrics	—
Payout range	—	0%-200% of the individual target award	0%-200% of the number of Performance Stock Units granted	—
Basis	Fixed	Variable	Variable	Fixed in proportion of pay

Board compensation 2020

The components of our Board compensation is consistent with other SMI companies providing cash retainer and full value shares. To maintain the independence and integrity of our Board, we do not pay any performance-based compensation to the members of our Board. At a glance, the Board fees include:

	Base fee[1]	Additional fee[1]	Payment in cash[2]	Payment in shares
Board Chair	Chair fee	Not entitled to additional fee	50% of the Chair fee	50% of the Chair fee
Board member	Member fee	For roles in Committees as Chair and/or member[3], and/or as Vice Chair of the Board	50% of the base and additional fees	50% of the base and additional fees

1 Payable from AGM 2020 to AGM 2021

2 Board members may also elect to receive all or part of the cash fee (50%) in shares

3 Audit and Risk Committee; Compensation Committee; Governance and Nomination Committee; and Innovation Committee

4.2 Binding vote on the maximum aggregate amount of compensation of the Board of Directors for the next term of office, i.e. from the 2021 AGM to the 2022 AGM

The Board of Directors proposes that shareholders approve the maximum aggregate amount of compensation of the Board of Directors covering the period from the 2021 AGM to the 2022 AGM in the amount of CHF 3,320,000.

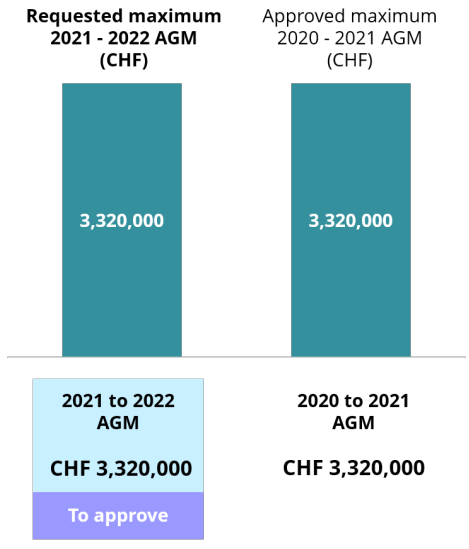
From the 2021 AGM to the 2022 AGM, Alcon's Board will be continue to be comprised of 10 members. The Board compensation framework and fees will remain unchanged. In 2020, the CC commissioned a benchmarking study of Board pay against other SMI companies. The results of the study indicated that our Board pay is below the median level of SMI companies. Due to the magnitude of COVID-19 impact on the Company's financial results, the Board made the decision to not propose any compensation change at the 2021 AGM for the term 2021 AGM - 2022 AGM.

The fixed compensation of non-executive Board members is comprised of a base fee for Board membership and additional fees for roles on Board committees. Board membership fees, as well as additional fees as Chair or member of committees and/or for specific roles such as Vice-Chair of the Board, are paid on a per-term basis in installments. Board members receive a minimum of 50% of their compensation in the form of Alcon shares. Each member of the Board may elect to receive a greater percentage (up to 100%) of their compensation in Alcon shares in lieu of cash. The Chair of the Board receives no additional fees for roles on Board committees. David J. Endicott, our CEO, does not receive any additional compensation for his Board membership.

The graphic below of the Board fees sets out the base fees, the Board Chair and Vice Chair fees, and the fees for Chairs and members of committees as described above. The proposed total aggregate compensation of all non-executive members of the Board for the term from the 2021 AGM to the 2022 AGM amounts to CHF 3,320,000. For comparison, the approved amount for the term 2020 AGM - 2021 AGM is the same as set out below.

Base fee for Board membership for non-executive Directors	
Chair of the Board	CHF 950,000
Vice-Chair of the Board	CHF 240,000
Member of the Board	CHF 200,000

Additional fees for non-executive Directors	**Chair**	**Member**
Audit and Risk Committee	CHF 70,000	CHF 35,000
Compensation Committee	CHF 50,000	CHF 25,000
Governance and Nomination Committee	CHF 50,000	CHF 25,000
Innovation Committee	CHF 50,000	CHF 25,000



4.3 Binding vote on the maximum aggregate amount of compensation of the ECA for the 2022 financial year

The Board of Directors proposes that shareholders approve the maximum aggregate amount of compensation of the ECA for the 2022 financial year in the amount of CHF 38,400,000.

Our compensation framework for members of the ECA, based on our pay-for-performance philosophy, considers Alcon's position as a company with ambitious growth and business objectives. It is also designed to reflect the realities of the competitive global market for executive talent. The Company's compensation philosophy:

- Ensures a broadly competitive level of remuneration appropriate to each executive's scale of responsibility and individual performance;
- Attracts, retains and motivates a world-class executive team to drive performance;
- Supports long-term value creation for shareholders;
- Considers the geographic and industry-specific nature of our talent pool and the medical device industry;
- Aligns the compensation program for the senior executives with the broader management and employee population; and
- Fully embraces Swiss governance expectations and follows principles of simplicity and transparency.

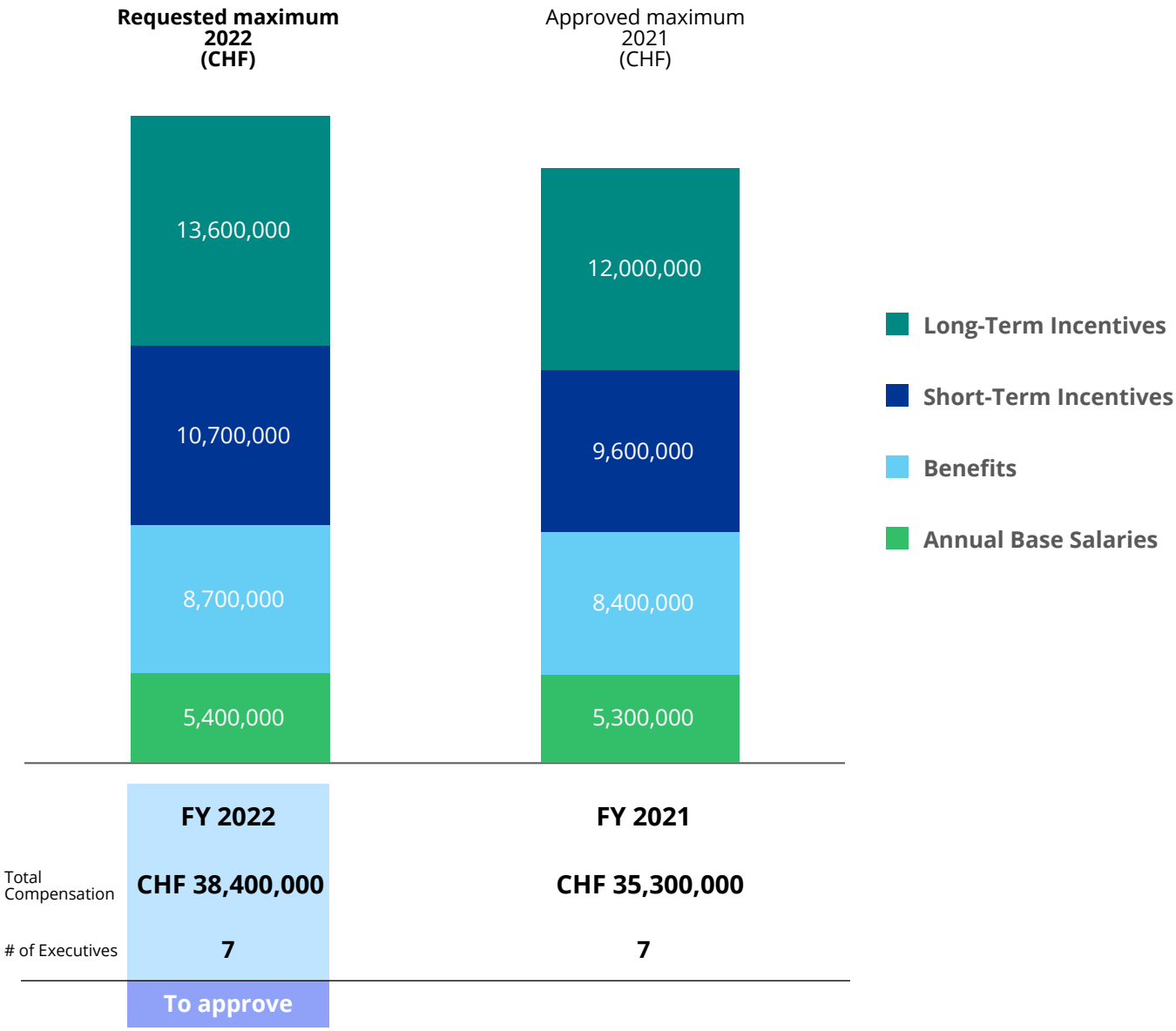
The peer group companies used for external executive compensation benchmarking represent a blend of European and North American companies and provide a good balance of industries, companies and geographies from which executive talent is sourced. Based on our compensation framework, the ECA members' total compensation is comprised of an annual base salary, benefits and variable compensation elements.

Annual Base Salary: The base salary reflects each ECA member's individual role, performance, experience and potential as well as the market value of their respective roles.

Benefits: Employment benefits are provided in line with local market practices and legal requirements. Certain ECA members were relocated to Switzerland in connection with the establishment of Alcon's new headquarters in Geneva. The affected ECA members are provided with allowances for their relocation under Alcon's international global mobility policy.

Variable Compensation: Alcon commits to the principle of "pay-for-performance," which is reflected in an emphasis on variable compensation, comprised of the Short-Term Incentive ("STI") and Long-Term Incentive ("LTI") awards. The STI, paid fully in cash and capped at 200% of the individual target award, focuses on Alcon's annual operating business performance and individual performance. The LTI, share-based and capped at 200% of the granted number of performance stock units, is designed to drive sustainable long-term value creation. These combined awards link a substantial portion of the overall total compensation to company and individual performance.

The following graphic illustrates the requested maximum aggregate amount of compensation of the ECA for the 2022 financial year (FY) in comparison to the approved amount for the 2021 financial year.



For 2022, the proposed maximum aggregate compensation budget incorporates an increase of 8.8% from the previous year. The bulk of the increase is aimed at aligning variable performance-based compensation with market levels and practices to ensure competitive compensation offerings to the members of the ECA consistent with our pay for performance philosophy.

We believe that potential adjustments will be necessary to remain competitive in the 2022 financial year:

- The benchmarking analysis against the established peer group indicated that the target total direct compensation for majority of the ECA members was below the market median.
- The Board and the Compensation Committee believe in competitive compensation for motivating and retaining the members of the ECA in the interest of the Company; this is underpinned by a strong pay-for-performance compensation philosophy that rewards for long-term value for creation for the Company and the shareholders.
- The proposed budget will allow the Compensation Committee to make adjustments in 2022, where necessary, to provide competitive compensation to the ECA.

The proposed maximum compensation amount for the financial year 2022 assumes a maximum payout of 200% of target for our STI awards and a payout of 100% of target for our LTI awards.