

# Charter

## The Compensation, Governance and Nomination Committee of Alcon Inc.

### Mission Statement

The Compensation, Governance and Nomination Committee (the "CGNC") assists the Board concerning, but not limited to, the compensation strategy, the design of the compensation plans, the compensation of the members of the Board and of the CEO, and the Compensation Report, and determines the compensation of the other members of the Executive Committee. The CGNC further supports the Board in fulfilling its responsibilities with respect to the governance of the Company, the identification of individuals who are qualified to become (or be re-elected as) Board members and the public responsibilities of the Company.

Pay for performance is one of the guiding principles of the compensation strategy of Alcon Inc. and its affiliates (the "Group").

The Group aims to reward those associates who achieve competitive business results and exemplify the Group values and behaviors. The compensation strategy strives to strengthen the performance-oriented culture and to reinforce entrepreneurial behavior resulting in contributions that motivated and dedicated associates make to sustain superior business results whilst holding executives accountable for behavior that displays innovation, quality, performance, collaboration, courage and integrity.

### Organization

The CGNC shall consist of a minimum of three and a maximum of five members of the Board. The Board shall elect a Chair of the CGNC. The members of the CGNC shall be elected individually by the General Meeting of Shareholders for a term of office until completion of the next Ordinary General Meeting of Shareholders. Members of the CGNC whose term of office has expired shall be immediately eligible for re-election. If there are vacancies on the CGNC, the Board shall appoint substitutes from amongst its members for the remaining term of office.

The members of the CGNC shall be independent in accordance with the independence criteria set forth in the Appendix.

The CGNC will meet no fewer than four times a year. Special meetings may be convened as required.

The CGNC shall report regularly to the Board on its decisions, determinations, approvals, findings and other matters the CGNC deems appropriate or the Board requests.

The CGNC may invite to its meetings other Board members, members of the management and such other persons the CGNC deems appropriate in order to carry out its responsibilities. The Chair of the Board shall be a permanent guest of the Committee. No executive may be present during the decision on his or her own pay.

The CGNC shall have the authority to retain an independent compensation consultant and to approve the consultant's fees and other retention terms. The CGNC shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. In retaining services of consultants or advisors, the CGNC takes due care to consider the independence of any such consultant or advisor from the management of Alcon.

The CGNC shall obtain appropriate funding, as determined by the CGNC, to support its activities, including for payment of the independent compensation consultant and advisors.

### Roles and Responsibilities

The CGNC shall have the following responsibilities:

#### *Regarding Compensation and Talent Management*

1. Develop a compensation philosophy in line with the principles described in the Articles of Incorporation and submit to the Board for approval.
2. Develop the principles and design of compensation plans, long-term incentive/equity plans, and unique pension arrangements and benefits, if any, for the Executive Committee and submit to the Board for approval.
3. Support the Board of Directors in preparing the proposals to the General Meeting of Shareholders regarding the compensation of the members of the Board of Directors and the Executive Committee.
4. Prepare the Compensation Report and submit to the Board for approval.
5. Propose to the Board the contractual terms (if any) and compensation of the members of the Board (incl. the Chair of the Board) and the CEO.
6. Approve, upon proposal by the CEO, the terms of employment, compensation, promotion or termination of the other members of the Executive Committee (except for the CEO).
7. Develop the terms of, and administer, the Group's long-term incentive/equity compensation plans, including the weightings, payout curves and caps for the chosen performance measures.
8. Together with the Audit and Risk Committee, assess whether the Group's incentives level and targets are appropriately aligned to business performance and do not encourage excessive risk taking.
9. Determine the critical performance measures (financial, strategic and operational) that inform how well the Group is performing in relation to the business strategy for incorporation into the incentive plans.
10. At the start of each performance period, review, after Board approval, the Group financial, strategic, operational and individual targets for Executive Committee members. Incorporate these targets into the short-term and long-term incentive/equity compensation plans.
11. Periodically review and approve a peer group(s) of companies for executive compensation comparisons.
12. At the start of each performance period, approve the target total direct compensation

levels and the mix of compensation (fixed/variable, short/long-term, individual/Group, and cash/equity) for Executive Committee members taking into consideration pay and conditions for the wider population of Group associates.

13. At the end of each performance period, taking into consideration the Board's evaluation of Group performance against targets established at the beginning of the performance cycle, approve performance results under the incentive plans, evaluate individual performance, approve the amount of compensation earned by Executive Committee members and recommend the amount of compensation earned by the CEO to the Board for approval taking into account the overall performance of the business and, if appropriate, making adjustments to the formulaic outcome of any incentive plans, within the plan Rules.
14. Consider and decide whether there is a need for malus and/or clawback provisions to be exercised and, if so, the extent and form of the malus and/or clawback.
15. Periodically assess the effectiveness of the executive short-term and long-term incentive plans in relation to market practices and the Group's strategic objectives, values and pay-for-performance principles.
16. Work together with other Board Committees, including the Innovation Committee and the Audit and Risk Committees to ensure that executive compensation is correctly aligned to performance and is not structured in a way that could lead to inappropriate risk taking.
17. Annually assess the level of Board compensation against the peer group and other relevant companies and submit to the Board its recommendations for the compensation of Board members and the compensation and terms of employment of the Chair of the Board.
18. Establish executive and director stock ownership guidelines and stock trading policies, and monitor compliance with such policies.
19. Inform the Board about policies, programs and key decisions and regularly report to the Board on the decisions and deliberations of the CGNC.
20. As directed by the Chair of the Board, oversee communications and engagement on executive compensation matters with shareholders and their advisors, including shareholder voting on Board and Executive Committee compensation, and assess the voting results on executive compensation matters of the most recent General Meeting of Shareholders.
21. Annually assess the engagement and performance of compensation consultants or other outside advisors engaged by the CGNC and their independence in relation to any potential conflicts of interest.
22. Keep abreast of regulatory and corporate governance best practice requirements regarding Board, Executive Committee and other senior executive compensation.
23. Keep abreast of market trends and consideration of external factors that may

influence pay in terms of design, structure, quantum, disclosure, etc.

#### *Regarding Governance and Nomination*

##### *In General*

24. With the Chair of the Board, review periodically the Articles of Incorporation and the Regulations and recommend to the Board changes thereto in respect of good corporate governance and fostering shareholders' rights.
25. With the Chair of the Board, recommend such other actions not set out below regarding the governance of the Company that are in the best interests of the Company and its shareholders, as the CGNC shall deem appropriate.

##### *Board Composition*

26. Review the composition and size of the Board in order to ensure the Board has the proper expertise and consists of persons with sufficiently diverse backgrounds.
27. Determine the criteria for selection of the Chair of the Board, Board members and Board Committee members. The CGNC considers factors such as (i) personality, skills and knowledge, (ii) diversity of viewpoints, professional backgrounds and expertise, (iii) business and other experience relevant to the business of the Company, (iv) the ability and willingness to commit adequate time and effort to Board and Committee responsibilities, (v) the extent to which personality, background, expertise, knowledge and experience will interact with other Board members to build an effective and complementary Board, and (vi) whether existing board memberships or other positions held by a candidate could lead to a conflict of interest.
28. With the participation of the Chair of the Board, actively seek, interview and screen individuals qualified to become Board members for recommendation to the Board.
29. Assess and recommend to the Board as to whether members of the Board should stand for re-election. For its assessment, the CGNC considers, among other things, ability and willingness to commit adequate time to the Board and Committee matters.
30. In case a Board member tenders his/her resignation, review the appropriateness of continued service on the Board of such member.
31. With the Chair of the Board and the Board Secretary, develop and periodically review an orientation program for new Board members and an ongoing education program for existing Board members.

##### *Board Committees*

32. With the Chair of the Board, periodically review the Regulations and the charters of the Board Committees and make recommendations to the Board for the creation of additional Board Committees or a change in mandate or dissolution of Board Committees.
33. With the Chair of the Board, periodically review the composition of the Board Committees. When doing so, the CGNC takes into account whether a member of a Board Committee is suitable for the tasks of his respective Board Committee.
34. With the Chair of the Board, periodically review the chairmanships of the respective Board Committee.
35. Ensure that each Committee conducts the required number of meetings and makes sufficient reports to the Board on its activities and findings.
36. Periodically review the number, structure and effectiveness of the Board Committees and recommend changes, if any, to the full board.

*Conflicts, Other Directorships and Board Members Independence*

37. Review directorships and consulting agreements of Board members for conflicts of interest.
38. The Chair of the Board reviews actual and potential conflicts of interest a Board member may have and proposes to the Board how the conflict should be handled. Ensure the Board member having an actual or potential conflict of interest appropriately conducts himself/herself in matters before the Board as it pertains to such a conflict.
39. Annually submit to the Board a proposal concerning the determination of the independent status of the Board members and the corresponding disclosure.

*Other*

40. Review and reassess the adequacy of this charter annually and submit proposed changes to the Board for approval.
41. Conduct an annual self-evaluation of the CGNC performance.
42. Determine appropriate means for evaluating the Board, Directors and Committee performance and direct periodic assessments.
43. Assume other responsibilities assigned to it by law, the Articles of Incorporation and by the Board.

Effective: [April 2, 2019]