

Charter

The Compensation Committee of Alcon Inc.

Mission Statement

The Compensation Committee (the “CC”) assists the Board with compensation and human capital strategies, the design of the compensation plans, the compensation of the members of the Board and of the CEO, talent succession and the Compensation Report, and determines the compensation of the other members of the Executive Committee.

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 CC shall consist of a minimum of three and a maximum of five members of the Board. The Board shall elect a Chair of the CC. The members of the CC 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 CC whose term of office has expired shall be immediately eligible for re-election. If there are vacancies on the CC, the Board shall appoint substitutes from amongst its members for the remaining term of office.

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

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

The CC shall report regularly to the Board on CC policies, programs, deliberations, decisions, determinations, approvals, findings and other matters the CC deems appropriate or the Board requests.

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

The CC shall have the authority to retain an independent compensation consultant and to approve the consultant’s fees and other retention terms. The CC 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 CC takes due care to consider the independence of any such consultant or advisor from the management of Alcon.

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

Roles and Responsibilities

The CC shall have the following responsibilities:

1. Develop a compensation philosophy in line with the principles described in the Articles of Incorporation and submit to the Board for approval.
2. Provide oversight for the human capital strategy of the Company, including talent management, succession planning for the CEO and other members of the ECA, the Company's diversity and inclusion initiatives and equal pay measures and results.
3. 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.
4. Periodically review and approve a peer group(s) of companies for executive compensation comparisons.
5. 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.
6. 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.
7. 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.
8. 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.
9. Prepare the Compensation Report and submit to the Board for approval.
10. 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.
11. 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.
12. 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).

13. Work together with other Board Committees as appropriate to ensure that executive compensation, including applicable incentive targets, is correctly aligned to business performance and is not structured in a way that could lead to inappropriate or excessive risk taking.
14. 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.
15. 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, and recommend the CEO's target total direct compensation level and mix of compensation to the Board for approval, in each case taking into consideration pay and conditions for the wider population of Group associates.
16. 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.
17. 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.
18. Establish executive and director stock ownership guidelines and stock trading policies, and monitor compliance with such policies.
19. 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.
20. Annually assess the engagement and performance of compensation consultants or other outside advisors engaged by the CC and their independence in relation to any potential conflicts of interest.
21. Keep abreast of regulatory and best practice requirements regarding Board, Executive Committee and other senior executive compensation.

22. Keep abreast of market trends and consideration of external factors that may influence pay in terms of design, structure, quantum, disclosure, etc.
23. Review and assess the adequacy of this charter annually and submit proposed changes to the Board for approval.
24. Conduct an annual self-evaluation of the CC performance.
25. Assume other responsibilities assigned to it by law, the Articles of Incorporation and by the Board.

Effective: May 6, 2020