

# Regulations of the Board of Directors, its Committees and the Executive Committee of Alcon Inc.

(Règlement d'organisation d'Alcon Inc.)

**Alcon Inc.**  
1701 Fribourg, Switzerland

The Alcon logo is positioned in the bottom right corner of the page. It consists of the word "Alcon" in a white, bold, sans-serif font, set against a dark blue background that forms a curved shape extending from the bottom right towards the center of the page.

**Alcon**

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### Regulations of the Board of Directors, its Committees and the Executive Committee of Alcon Inc.

Based on Article 25 of the articles of incorporation of Alcon Inc. (the "Articles of Incorporation"), the Board of Directors (the "Board") promulgates the following regulations (the "Regulations").

These Regulations govern the duties, powers and responsibilities of the following executive bodies and persons of Alcon Inc. (the "Company"):

- Board
- Committees of the Board
- Chair of the Board (the "Chair")
- Vice Chairs of the Board (the "Vice Chairs")
- Chief Executive Officer (the "CEO")
- Executive Committee, and
- Internal Audit

All references to functions in these Regulations shall apply to both male and female persons.

**Section 1****General Provisions**Duty of Care and  
Loyalty**Article 1**

Each member of the Board, or the Executive Committee is under the duty to safeguard and further the interests of the Company and its shareholders.

## Conflict of Interests

**Article 2**

No member of the Board, the Committees of the Board or the Executive Committee shall participate in the deliberations and resolutions on matters which affect, or reasonably might affect, the interests of that member or of a person close to that member.

## Confidentiality

**Article 3**

Each member of the Board, the Committees of the Board, or the Executive Committee shall at all times keep strictly confidential all information – except information which is already in the public domain – relating to the Company and its affiliated companies (the “Group”) which the member has learned during the exercise of his duties. This obligation and duty shall continue even after the term of office of the member has expired.

Business documents of the Company and the Group shall be returned by members of the Board, the Committees of the Board, or the Executive Committee at the latest on expiry of their term of office.

**Article 4**

A member of the Board, the Committees of the Board, or the Executive Committee who is not able to participate in a meeting of the executive body may not be represented by another member of the body or any other person.

No Representation of  
Members**Article 5**

Unless stated otherwise in these Regulations, the presence in person or by telephone or video conference of a majority of the members is required for any meeting of the Board, the Committees of the Board or the Executive Committee. If the chairperson does not participate, the members shall nominate a chairperson *ad hoc* who shall be the deputy chairperson.

Quorum, Majority  
Requirements

Resolutions of the Board, the Committees of the Board, or the Executive Committee require the affirmative majority of the votes cast.

In the event of a tie on any issue, (i) in a Committee of the Board, the full Board shall decide the issue, and (ii) in the Executive Committee, the CEO shall decide the issue.

The CEO has the power to overrule any resolution taken by the Executive Committee.

No quorum is required for meetings at which the sole order of business is to deliberate and approve resolutions providing for the confirmation of capital increases or the amendment of the Articles of Incorporation in connection with an increase in the share capital.

The adoption of resolutions on items not on the agenda requires

the affirmative vote of at least two thirds of the members of the Board or the Committees of the Board, present at a meeting.

Meetings and  
Resolutions

**Article 6**

Meetings of the Board, the Committees of the Board and the Executive Committee may be held in any location determined by the chairperson of the respective body.

Resolutions may be passed in writing (including by electronic communication or facsimile). A proposal for a circular resolution must be communicated to all members, giving a deadline for responding, and is approved if: (i) more than two-thirds of all members cast a vote or give written notice that they abstain; (ii) an absolute majority of all members casting a vote approve the proposed resolution; and (iii) no member requests a meeting in relation to the subject matter of the proposed resolution within one full business day of receiving notice of the proposal.

**Article 7**

The Board, the Committees of the Board and the Executive Committee shall each appoint a secretary, who need not be a member of the body.

The secretary of each body shall keep the minutes of meetings, which shall contain all resolutions adopted at the meeting.

Secretary, Minutes

**Article 8**

Persons who are not members of the Board, the Committees of the Board, or the Executive Committee may participate in meetings of such bodies if their expertise is required and if they have been invited by the chairperson of the body. Such persons shall not vote in any resolutions.

Participation of  
Non-Members

Business and  
Legal Separateness

**Article 9**

The Company is a holding company which directly or indirectly owns a global group of subsidiaries that conduct business operations (the "Business"). To ensure proper functioning of the Business in the interests of the Company and its shareholders and to comply with various requirements imposed by relevant laws and regulatory authorities, the Board shall supervise and, where necessary and appropriate, coordinate the Business by providing overall guidance and support.

Each company in the Group ("Group Company") shall be legally separate from all other Group Companies and shall manage its business independently. No Group Company shall operate the business of another Group Company nor shall any Group Company act as agent of any other Group Company.

**Article 10**

Any member of the Board and any member of the Executive Committee shall obtain the written consent of the Chair, and the Chair himself/herself, as applicable, shall obtain the written consent of the chair of the Compensation, Governance and Nomination Committee, prior to

Other Offices or Investments

- a) accepting (i) any board memberships of listed companies and, in the case of members of the Executive Committee, of any listed and non-listed companies, or (ii) any major external appointments. If a Board Member has been qualified by the Board as independent or non-executive, the agreement of the Chair, or the Chair of the Compensation, Governance and Nomination Committee respectively, should also be sought before accepting additional commitments that might conflict with that qualification; or
- b) accepting any board membership or other role with, or making or holding a significant investment in, a company or other entity which is or is about to be in competition with the Group, except for investments in a collective investment scheme, where the assets of such scheme include a multitude of assets and are invested at the discretion of a third party

In addition, any member of the Board and any member of the Executive Committee shall inform the Chair, or the Chair of the Compensation, Governance and Nomination Committee, respectively, before accepting any other membership of a board of directors or other significant commitments involving affiliation with other businesses or governmental units. Changes to such board memberships or significant commitments shall be reported as well.

In any case, each member of the Board and each member of the Executive Committee shall comply with the maximum number of offices permitted by the Articles of Incorporation.

## Board of Directors

### Section 2

#### Duties of the Board

##### Article 11

The Board is the ultimate executive body of the Company.

It shall resolve all Business matters that are not reserved to the authority of the General Meeting of Shareholders or to other executive bodies of the Company by law, the Articles of Incorporation, or these Regulations.

In particular, the Board shall have the following duties:

- a) The ultimate direction of the Business, including, without limitation, the taking of resolutions and the giving of necessary instructions or overall guidance and support regarding the following matters:
  - The strategy upon recommendation of the Executive Committee
  - Entry into new areas of activity and withdrawal from existing areas of the Business; acquisitions and divestments of companies, participations in companies or businesses, or incorporations or liquidations of companies or businesses, if such matters are of fundamental significance to the Business
  - The opening and closing down of sites of fundamental significance to the Business
  - The initiation and settlement of legal proceedings of fundamental significance to the Business
  - The setting of financial targets and financial means to reach such targets
  - The promulgation of corporate policies, in particular on financial matters, investments, personnel matters, cybersecurity, leadership, compensation, compliance with laws, corporate citizenship, communication and safety and environmental protection and supervising management's compliance therewith
  - The adoption from time to time of further regulations and instructions regarding the organization of the Business and the duties and responsibilities of the executive bodies.
- b) The determination of the organization of the Company and the Group.

- c) The manner of governance of the Company, including the adoption from time to time of principles of corporate governance that are in the best interests of the Company and its shareholders.
- d) The structuring of the accounting system, financial controls and financial planning.
- e) The preparation of the annual report of the Company and of the Group, and of the compensation report.
- f) The appointment, removal, determination of duties and responsibilities, and succession plans of the following persons:
  - The members of the Committees of the Board (subject to the powers of the General Meeting to appoint and remove the members of the Compensation, Governance and Nomination Committee)
  - One or two Chairs
  - The CEO, and
  - The members of the Executive Committee.
- g) The designation of those persons who shall have signatory power for the Company and the manner in which such persons may sign on behalf of the Company.
- h) The ultimate supervision of the persons entrusted with the management of the Business, specifically in view of their compliance with laws, the Articles of Incorporation, these Regulations and other applicable regulations, directives and instructions.
- i) The preparations for the General Meeting of Shareholders and carrying out the resolutions of the General Meeting, including the preparation of the proposals to the General Meeting related to the compensation of the Board of Directors and of the Executive Committee and to the Compensation Report, as per the Articles of Incorporation.
- j) Notification of the court if liabilities exceed assets.
- k) The adoption of resolutions concerning an increase of the share capital to the extent that such power is vested in the Board (Article 651 paragraph 4 of the Swiss Code of Obligations), as well as resolutions concerning confirmation of capital increases and related amendments to the Articles of Incorporation.

- l) The determination of (i) the compensation strategy and of the principles, policies, structure and design of compensation plans for the Executive Committee, (ii) the long-term incentive/equity plans, (iii) the compensation of the members of the Board and of the CEO, and of the terms of employment of the CEO, (iv) the group financial, strategic and operational targets and the evaluation of target achievement, and the approval of the Compensation Report.
- m) The determination of the maximum aggregate amount or maximum partial amounts of compensation, in the event the General Meeting of Shareholders has not approved a proposal of the Board of Directors, as per the Articles of Incorporation.
- n) The determination of (i) whether or not a Board member is independent, based on a proposal by the Compensation, Governance and Nomination Committee, and (ii) whether or not the members of the Audit and Risk Committee meet the financial literacy and expertise standards, both as stipulated by applicable law, regulation and listing requirements.
- o) The examination of the expert qualifications of specially qualified auditors.
- p) The determination and promotion of a culture that seeks to safeguard and strengthen the Group's reputation for responsible and sustainable conduct including (i) overseeing the Company's strategy and governance on corporate responsibility and key related issues that may affect the Company's, and (ii) reviewing emerging trends with regard to corporate responsibility as well as providing advice to the management thereabout.
- q) The approval of other business, if such business exceeds the authority delegated from time to time by the Board to the Committees of the Board or to the Executive Committee.

Delegation of Management

**Article 12**

Where not stipulated as a Board responsibility in law, the Articles of Incorporation or these Regulations, the Board delegates to the Executive Committee the management of the Business pursuant and subject to these Regulations.

Meetings, Agenda

**Article 13**

The Board shall meet at the invitation of the Chair as often as may be required.

Invitations for meetings of the Board shall contain the agenda for the meeting and shall be issued at least five business days in advance, except for urgent matters.

Also, any member of the Board may request a meeting for a specific purpose or the inclusion of a certain item on the agenda. Such requests must be submitted to the Chair in writing at least two days prior to the meeting, except for urgent matters.

The Chair shall take the chair at the meetings of the Board.

The independent members of the Board shall meet in separate sessions, as necessary.

## Right to Request Information

**Article 14**

The members of the Board have full and unrestricted access to management and employees of the Company and the affiliated companies in the execution of their duties. This includes the right to request information and inspection pursuant to Article 715a of the Swiss Code of Obligations.

## Authority to Retain Independent Advisors

**Article 15**

The Board shall have the authority to retain independent advisors for any matters within the scope of its responsibilities. The Board shall obtain appropriate funding, as determined by the Board, for payment of compensation to any outside advisors engaged by the Board.

## Authorized Signatories

**Article 16**

The Board appoints those of its members who shall be authorized to sign documents on behalf of the Company.

## Resignation of Board members

**Article 17**

A member of the Board shall inform the Chair upon a material change of his or her business or professional affiliations or responsibilities and offer his/her resignation, as appropriate.

## Evaluation of Board performance

**Article 18**

The Board conducts a periodic evaluation of the performance of the Board and of the Chair.

**Committees of the Board****Section 3****Article 19**

The Board shall form the following permanent Committees:

## Committees of the Board

- Compensation, Governance and Nomination Committee
- Audit and Risk Committee, and
- Innovation Committee

The composition and duties of these Committees shall be as set forth in the applicable Committee charters in compliance with legal requirements. The Committee charters are attached to these Regulations and incorporated herein by reference.

**Section 4****Chair and Vice Chairs**

Chair	<p><b>Article 20</b> In addition to other duties described in these Regulations and the Articles of Incorporation, the Chair, elected by the General Meeting of Shareholders, has the following duties:</p> <ul style="list-style-type: none"> <li>a) Provides leadership to the Board in its governance role, coordinating the tasks within the Board and, in particular, calls Board meetings and sets their agenda;</li> <li>b) Coordinates, together with the Chairpersons of the Committees, the work of all Committees. The Chair may attend the Committee meetings in consultation with the relevant Committee Chairperson;</li> <li>c) Establishes and keeps a close working relationship with the CEO, providing advice and support while respecting the fact that the day-to-day management responsibility is delegated to the Executive Committee led by the CEO;</li> <li>d) Promotes effective relationships and communication between the Board and the CEO and the Executive Committee;</li> <li>e) Takes the lead in crisis situations;</li> <li>f) Together with the CEO, ensures effective communication with shareholders, other stakeholders and the general public. The Chair is the primary representative of the Board and, together with the CEO, represents Alcon to the media. Other Board members may only discuss Alcon matters with the media with the prior approval of the Chair; and</li> <li>g) Works closely with the CEO in evaluating members of the Executive Committee and in establishing succession plans for key management positions.</li> </ul> <p><b>Article 21</b> In case and as long as the Chair is incapacitated, the Vice Chair (or one of them if two have been appointed), shall be tasked by the Board to lead the Board.</p> <p>If and as long as the Chair is not independent, the Vice Chair (or one of them if two have been appointed) (in this capacity acting also as "Senior Independent Director"), shall be tasked by the Board with the following duties:</p> <ul style="list-style-type: none"> <li>a) Chairs the sessions of the independent members of the Board, as required; and</li> <li>b) Leads the independent members of the Board in case of a crisis or matter requiring their separate consideration or decision. Every independent Board member may request separate meetings of the independent members if the need arises.</li> </ul>
Vice Chair	

**Section 5****Executive Committee**

Members of  
Executive Committee

**Article 22**

The Executive Committee is headed by the CEO. It shall consist of such members as may be appointed or removed by the Board from time to time.

Duties of Executive  
Committee

**Article 23**

The Executive Committee under the leadership of the CEO is responsible for the management of the Business and functions as a coordination committee, independent of any legal entity of the Group.

In particular, and without limitation, the Executive Committee shall have the following duties:

- a) Prepare corporate policies, strategies and strategic plans for the attention of and approval by the Board or its Committees.
- b) Implement the strategies, policies, and matters agreed upon by the Board or its Committees.
- c) Regularly assess the achievement of the targets for the Business.
- d) Submit the following to the Board or to one of its Committees for approval or advice in accordance with such regulations and standards as are promulgated by the Board from time to time:
  - Appointments to and removals of associates with material impact on the Business
  - Capital investments, financial measures, and the acquisition or divestiture of companies, participations and businesses of fundamental significance in accordance with such regulations and standards as are promulgated by the Board from time to time
  - Significant agreements with third parties and engagement in new business activities
  - The revenue, financial, and investment budgets of the Business, including any addenda thereto
- e) Implement the matters approved by the Board.
- f) Prepare and submit quarterly and annual financial reports for the attention and approval of the Board or its Committees, and keep the Board informed of all matters of fundamental significance to the Business.
- g) Implement modifications to the organization of the Business to ensure efficient operation of the Business and achievement of optimized consolidated results.
- h) Promote an active internal and external communications policy.
- i) Ensure that management capacity, financial and other resources are provided and used efficiently.
- j) Deal with such other matters as are delegated by the Board to the Executive Committee from time to time.

CEO

**Article 24**

In addition to other duties that may be assigned by the Board, the CEO, supported by the Executive Committee, has the following duties:

- a) Has a leading role in preparing corporate policies, strategies and strategic plans according to Article 24 above.
- b) Has overall responsibility for the management and performance of the Business.
- c) Is the primary contact person for the Board and is responsible for the reporting to the Board.
- d) Leads the Executive Committee.
- e) Builds and maintains an effective executive team and proposes adequate succession planning. He submits proposals for the appointment of members of the Executive Committee to the Compensation, Governance and Nomination Committee.
- f) Appoints and promotes senior management subject to such standards as shall be adopted by the Board from time to time.
- g) May adopt further policies regarding the organization of the Executive Committee in accordance with the Articles of Incorporation and these Regulations.
- h) Represents Alcon, in coordination with the Chairman, with major customers, financial analysts, investors and the media.

**Article 25**

The Executive Committee may delegate duties as stipulated in Article 23 above to other executives and committees. The CEO shall ensure proper reporting to the Executive Committee or the Board as the case may be.

Sub-committees of the Executive Committee

**Section 6**

**Internal Audit**

Duties of Internal Audit

**Article 26**

The Group's internal audit, led by the Head of Internal Audit, shall:

- a) Carry out operational and system audits, assisting the organizational units in the accomplishment of objectives by providing an independent approach to the evaluation, improvement, and effectiveness of their risk management and internal control framework. All organizational units of the Group are subject to audit.
- b) Prepare reports regarding the audits it has performed, and report to the CEO and to the Audit and Risk Committee material irregularities, whether actual or suspected, without delay.
- c) Perform such other functions and audits as assigned to it by the Board, the Audit and Risk Committee or the CEO from time to time.

**Effectiveness, Amendments**

**Article 27**

These Regulations shall come into effect on April 2, 2019 or any other day that will be the first trading day of the Company's shares on the SIX Swiss Exchange and the New York Stock Exchange.

**Section 7**

Effectiveness Amendments

These Regulations may only be amended or replaced by the Board.

Mike Ball  
Chairman

Royce Bedward  
General Counsel and  
Corporate Secretary

## 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]

## Charter

### **The Audit and Risk Committee of Alcon Inc.**

#### **Mission Statement**

The Audit and Risk Committee (the "ARC") will assist the Board of Directors of Alcon Inc. (the "Board") in (A) monitoring (1) the integrity of the financial statements of Alcon Inc. (the "Company") and its affiliated companies (the "Group"), (2) the external auditor's qualifications and independence, (3) the performance of the Group's internal audit function and external auditors, and (4) the compliance by the Group with legal and regulatory requirements, and (B) ensuring that risks are properly assessed and professionally managed by (1) overseeing the Alcon risk management system and processes and (2) reviewing the Alcon risk portfolio and related actions implemented by the management.

#### **Organization**

The ARC shall consist of a minimum of three members of the Board. The Board will designate one member of the ARC as its chairperson.

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

Each member of the ARC must be financially literate; as such, qualification is interpreted by the Board in its business judgment. At least one member shall be an "audit committee financial expert." Such member has (1) an understanding of generally accepted accounting principles and financial statements, (2) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves, (3) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Group's financial statements, or experience actively supervising one or more persons engaged in such activities, (4) an understanding of internal control over financial reporting, and (5) an understanding of audit committee functions. To qualify, an individual must have gained the foregoing attributes through any of the following means:

- Education and experience 1) in a position as a principal financial or accounting officer, controller, public accountant, or auditor, or 2) in a position involving similar functions;
- Experience in actively supervising a principal financial or accounting officer, controller, public accountant, or auditor (or an individual performing similar functions);
- Experience in overseeing or assessing companies or public accountants in the preparation, auditing, or evaluation of financial statements; or
- Other relevant experience.

The ARC shall meet no less than four times a year. The ARC shall meet periodically in separate executive sessions with management, the internal auditors and, but not less frequently than quarterly, the external auditor, and have such other direct and independent interaction with such persons from time to time as the members of the ARC deem appropriate.

The ARC may invite to its meetings Company management, internal auditors, external auditors, and such other persons as the ARC deems appropriate in order to carry out its responsibilities. The ARC shall exclude from its meetings anyone with a personal interest in the matters to be discussed.

The ARC shall regularly report to the Board on decisions and deliberations of the ARC.

The ARC shall have the authority to retain independent counsel and other advisors, and to conduct or authorize investigations into any matters within the scope of its responsibilities.

The Company shall provide for appropriate funding, as determined by the ARC, for payment of compensation to the external auditors and any outside advisors engaged by the ARC.

### Responsibilities

The ARC has the following roles and responsibilities:

#### *Regarding External Auditors*

1. Evaluate the qualifications, performance and independence of the external auditors, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and internal auditors.
2. Ensure rotation of the lead group audit partner(s) and quality review partner(s) of the external auditors at least every five years. Consider whether, in order to ensure continuing auditor independence, it is appropriate to adopt a policy of rotating the external auditing firm on a regular basis. Set policies for the Company's hiring of employees or former employees of the external auditors.
3. On behalf of the Board, which has fully delegated this task to the ARC, (1) select and nominate the external auditors for election by the meeting of the shareholders (pursuant to mandatory Swiss company law), and (2) be directly responsible for the supervision and compensation of the external auditors (including the resolution of any disagreement between management and the external auditors regarding financial reporting). The external auditors shall report directly to the ARC.
4. On behalf of the Board, which has fully delegated this task to the ARC, pre-approve all auditing services, internal control-related services and non-audit services permitted under applicable statutory law, regulations and listing requirements to be performed for the Group by its external auditor. The ARC shall establish and maintain the necessary approval procedures.
5. Obtain and review a report from the external auditors at least annually regarding (1) the external auditors' internal quality-control procedures, (2) any material issues raised by the most recent quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (3) any steps taken to deal with any such issues, and (4) all relationships between the external auditors and the Group.
6. Discuss with the external auditors the results of their audits, any unusual items or disclosures contained in the audits and the matters required by, PCAOB and International Standards on Auditing, including the following:
  - The initial selection of and changes in significant accounting policies

- The methods used to account for significant or unusual transactions and the effects of significant accounting policies in controversial or emerging areas
- The process utilized by management to formulate significant accounting estimates and the basis for the auditors' conclusions regarding the reasonableness of these estimates
- Audit findings and recommendations, including audit adjustments that either individually or in the aggregate have a significant effect on the audit
- The auditors' responsibility for other information presented with the audited financial statements, such as a management report on financial status
- Any disagreements with management, whether or not satisfactorily resolved, concerning matters that individually or in the aggregate may be significant to the Company's or the Group's financial status or the auditors' report
- Significant matters that were the subject of consultations with other accountants
- Significant issues discussed with management with regard to the initial or recurring retention of the auditor and
- Any serious difficulties encountered in dealing with management during the performance of the audit

#### *Regarding Internal Auditors*

7. Review periodically, together with the CEO, the adequacy of the organizational structure, budget and appointment and replacement of the senior internal auditing executives.
8. Review the significant reports to management prepared by the internal audit department and management's responses.
9. Discuss with the external auditor and management the internal audit department's responsibilities, staffing and any recommended changes in the planned scope of the internal audit.

#### *Regarding Financial Reporting*

10. Review and discuss with management and the external auditors the Company's and Group's quarterly and annual financial statements (including the sections on Operating and Financial Review and Prospects) to consider significant financial reporting issues and judgments made in connection with the preparation of the Company's and Group's financial statements, including any significant changes in the Company's or Group's selection or application of accounting principles.
11. On behalf of the Board, which has fully delegated this task to the ARC, review and approve the Company's and Group's quarterly financial statements for the first three quarters of each calendar year and the corresponding financial results releases, including financial information and earnings guidance provided to analysts and rating agencies. The Board remains responsible for the approval of the annual financial statements of the Company and the Group annual financial guidance and of the corresponding financial results releases.
12. Maintain oversight of the adequacy and effectiveness of internal control over financial reporting.

#### *Regarding Compliance with Laws*

13. Review major issues regarding the status of the Company's compliance with laws and regulations, as well as major legislative and regulatory developments that may have significant impact on the Company.
14. Review the processes and procedures for management's monitoring of compliance with local laws. To this end, the ARC will obtain and review reports submitted at least annually by those persons the ARC has designated as responsible for compliance with laws.

#### *Regarding Compliance with Policies*

15. Review compliance by management of the Company with those Company policies designated by the Board from time to time, including policies on ethical business standards. To this end, the ARC will obtain and review reports submitted at least annually by each of those persons the ARC has designated as responsible for implementation of and compliance with such policies and give guidance and direction on how the policies are to be administered.

#### *Regarding Risk Management*

16. Ensure that Alcon has implemented an appropriate and effective risk management system and process.
17. Ensure that all necessary steps are taken to foster a culture of risk-adjusted decision-making without constraining reasonable risk taking and innovation.
18. Approve guidelines and review policies and processes.
19. Review with management, internal auditors and external auditors, the identification, prioritization and management of the

risks, the accountabilities and roles of the functions involved with risk management, the risk portfolio and the related actions implemented by management.

20. Inform the Executive Committee and the Board on a periodic basis on the risk management system and on the most significant risks and how these are managed.
21. Review such other matters in relation to Alcon' risk management as the ARC may, in its own discretion, deem desirable in connection with its responsibilities described above.
22. Keep itself up to date on risk management best practices.

#### *Other*

23. Review the financial literacy of each ARC member to determine whether he or she meets the applicable legal standards and propose to the Board the appropriate determination and its disclosure.
24. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Group regarding accounting, internal accounting controls or auditing matters, and (b) the confidential, anonymous submission by employees of the Group of concerns regarding questionable accounting or auditing matters.
25. Review disclosures made by the CEO and chief financial officer regarding compliance with their certification obligations, including the Company's disclosure controls and procedures and internal controls for financial reporting and evaluations thereof.
26. Review such other matters in relation to the Group's accounting, auditing, financial reporting and compliance with law and policies as the ARC may, in its own discretion, deem desirable in connection with the review functions described above.
27. Annually review and reassess the adequacy of this charter and submit proposed changes to the Board for approval.
28. Conduct periodic self-evaluations of the ARC's performance.

#### **Limitation of ARC's Role**

While the ARC has the responsibilities and powers set forth in this charter, it is not the duty of the ARC to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with applicable rules and regulations. These are the responsibilities of management and the external auditor. Also, the design of the risk management system and the risk management process (including the identification, prioritization and management of the risks) lies within the responsibility of the management.

Effective: [April 2, 2019]

## **Charter**

### **The Innovation Committee of Alcon Inc.**

#### **Mission Statement**

The Innovation Committee is appointed by and acts on behalf of the Board of Directors of Alcon Inc. The purpose of the Committee is to assist the Board in its oversight of matters relating to Alcon's strategic direction and investments in research and development and emerging technologies. The Committee: (i) oversees the research and development strategy, (ii) evaluates and challenges the effectiveness and competitiveness of the research and development function, (iii) reviews and discusses emerging scientific trends and activities critical to the success of research and development and (iv) reviews the innovation pipeline, including internal and external investments in innovation.

#### **Organization**

The Innovation Committee shall consist of a minimum of three members of the Board of Directors of Alcon Inc. (the "Board"). The Board will designate one member of the Innovation Committee as the chairperson.

The Innovation Committee shall meet no less than three times per year and have direct and independent interaction with such persons from time to time as the members of the Innovation Committee deem appropriate.

The Innovation Committee may invite to its meetings members of the management and such other persons as the Innovation Committee deems appropriate in order to carry out its responsibilities. The Innovation Committee shall exclude from its meetings anyone with a personal interest in the matters to be discussed. The Chair of the Board and Alcon CEO shall be permanent invitees.

The Innovation Committee shall regularly report to the Board on the activities of the Innovation Committee.

The Innovation Committee shall have the authority to retain independent advisors for any matters within the scope of its responsibilities. The Innovation Committee shall obtain appropriate funding, as determined by the Innovation Committee for payment of compensation to any outside advisors engaged by the Innovation Committee.

### Responsibilities

The Innovation Committee has the following roles and responsibilities:

1. Provide counsel to the Board and the management team in the area of technology, application of technology and new business models.
2. Review and make recommendations to the Board on internal and external (e.g. potential acquisitions, alliances, collaborations and equity investments) investments in innovation.
3. Assist the Board with oversight and evaluation of management's development and implementation of Alcon's technology and innovation strategies and its alignment with Alcon's overall strategy and objectives.
4. Inform the Board on a periodic basis about emerging scientific trends, research and development programs and opportunities and activities critical to the success of the product development pipeline.
5. Review, evaluate and advise the Board regarding the quality, direction and competitiveness of the innovation pipeline.
6. Review and discuss significant emerging science and technology, programs, issues and trends.
7. Review such other matters in relation to Alcon's research and development, technology and innovation programs as the committee may, in its own discretion, deem desirable in connection with its responsibilities.
8. Annually review and reassess the adequacy of this charter and submit proposed changes to the Board for approval.
9. Conduct periodic self-evaluations of the Innovation Committee's performance.

Effective: [April 2, 2019]

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## Independence Criteria for the Board of Directors and its Committees

### Independence of the members of the Board of Directors

The Compensation, Governance and Nomination Committee (“CGNC”) annually submits to the full Board of Directors of Alcon Inc. (the “Board”) a proposal concerning the determination of the independent status of the Board members (“Director”). For purposes of such assessment, the CGNC considers all relevant facts and circumstances of which it is aware. The majority of Directors shall meet the independence criteria set forth below. Any member of the Audit and Risk Committee (“ARC Director”) or the CGNC (“CGNC Director”) shall also meet the relevant additional independence criteria as further described below.

In order to be considered independent, a Director shall not have any material relationship with Alcon Inc. and any of its subsidiaries (“Alcon”) other than his/her service as a director.

As applicable in this Appendix, “affiliate” means a Director that directly or indirectly through one or more intermediaries, controls, is controlled or is under common control with Alcon.

#### I. Material Relationships

##### 1. A Director will not be considered independent if

- The Director has received, during any twelve-month period within the last three years, direct compensation (other than for former service as an interim Chairman or CEO or other executive officer) of more than USD 120000 (other than dividends or Board/Board Committee fees and retirement or deferred compensation for prior service, provided such compensation is not contingent on continued service) from Alcon
- A Family Member<sup>1</sup> has received, during any twelve-month period within the last three years, direct compensation of more than USD 120000 (other than compensation received for service as an employee other than an executive officer) from Alcon
- The Director is, or has been within the last three years, an employee of Alcon (other than for former service as an interim Chairman or CEO or other executive officer)
- A Family Member is, or has been within the last three years, an executive officer of Alcon
- The Director is a current partner or employee of the auditor of Alcon (“Auditor”)

<sup>1</sup> Family Member includes a person’s spouse, parents, children, siblings, mother-, father-, brothers-, sisters-, sons- and daughters-in-law and anyone (other than domestic employees) who shares such person’s home.

- A Family Member is a partner of the Auditor or is an employee of the Auditor and works on Alcon’ audit
- The Director or a Family Member is a former partner or employee of the Auditor who personally worked on Alcon’ audit during the last three years
- The Director or a Family Member is, or has been within the last three years, employed as an executive officer of an enterprise while any of Alcon’ present executive officers serves or has served on that enterprise’s compensation committee
- An enterprise has made payments to or received payments from Alcon for goods, property or services in an amount that exceeds, in any of the last three fiscal years, the greater of USD 1 million or 2% of the enterprise’s consolidated gross revenues, and
- The Director is an employee of that enterprise or
- A Family Member is an executive officer in that enterprise

2. *In addition to the independence criteria set under 1. above, an ARC Director may not be considered independent if*

- The ARC Director, or his/her spouse, minor child, minor stepchild, or child or stepchild sharing the home of the ARC Director, accepts any salary or consulting, advisory or other compensatory fee (other than Board/Board Committee compensation or fixed amounts under a retirement plan, including deferred compensation, for prior service provided such compensation is not contingent on continued service) from Alcon<sup>2</sup>, or
- The ARC Director is an affiliate of Alcon

If an ARC Director simultaneously serves on the audit committees of more than three public companies other than Alcon, then the CGNC must determine that such simultaneous service would not impair the ability of such Director to effectively serve on the ARC.

3. *In addition to the independence criteria set under 1. above, in determining the independence of any CGNC Director, the Board shall*

- consider all factors specifically relevant to determining whether a Director has a relationship to Alcon which is material to that Director’s ability to serve in the CGNC, including but not limited to:
  - (i) the source of compensation of such Director, including any consulting, advisory or other compensatory fee paid by Alcon to such Director, and
  - (ii) whether such Director may be an affiliate of Alcon.

<sup>2</sup>This criteria also applies if the ARC Director accepts any such fee indirectly through an entity in which the ARC Director is a partner, member, officer occupying a comparable position as an executive officer or similar position and which provides accounting, consulting, legal, investment banking or financial advisory services to Alcon.

## II. Immaterial Relationships

Unless the CGNC concludes in its assessment to the contrary, a relationship is presumed not to impair the independence of a Director if

- A Family Member is an employee but not an executive officer of Alcon, unless the Family Member is an ARC Director’s spouse, minor child, minor stepchild or child or stepchild sharing the ARC Director’s home
- The Director or a Family Member holds less than 10% interest in any legal entity that has a relationship with Alcon
- The Director or a Family Member is a board member of a legal entity and that legal entity has made payments to or received payments from Alcon for goods, property or services in an amount that did not exceed, in any of the last three fiscal years, the greater of USD 1 million or 2% of the legal entity’s consolidated gross revenues
- The Director or a Family Member is a board member or executive officer of a non-profit organization and Alcon’s contributions to such organization did not exceed, in any of the last three fiscal years, the greater of USD 1 million or 2% of the organization’s consolidated gross revenues
- A legal entity in which the Director or a Family Member is director, executive officer or employee has been indebted to Alcon in connection with a transaction in the ordinary course of business or in an amount that did not exceed

USD 100 000 during the last fiscal year

- The Director or a Family Member serves on the board of another enterprise at which an executive officer or another board member of Alcon also serves as board member

The enumeration of relationships mentioned in this Section II is merely exemplary. The fact that a particular relationship is not listed does not mean that the relationship affects the independence of a Director.

Effective: [April 2, 2019]

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**Alcon**