

Stock Ownership Guidelines for Directors and Executive Officers

Purpose

The Board of Directors (“Board”) of Johnson & Johnson (“J&J”) believes that it is in the best interest of J&J and its stockholders to align the financial interests of J&J executive officers (Executive Committee Members and other executives as may be designated by the Board) and non-employee members of the Board with those of stockholders.

Ownership Guideline

Accordingly, the Board has established the following Stock Ownership Guidelines for the amount of J&J stock that Executive Committee Members (as a multiple of base salary) and non-employee members of the Board (as a multiple of annual retainer) shall hold:

- Chief Executive Officer: 12 times base salary
- Other Executive Committee Members: 6 times base salary
- Other executives designated by the board: To be determined by the Board
- Non-employee Members of the Board: 5 times annual cash retainer (plus all shares initially granted upon election to the Board, if applicable)

In addition, the Board may delegate to the Management Compensation Committee, the authority to determine stock ownership guidelines for executives of J&J other than the Executive Committee Members.

Retention Guideline

Individuals who are subject to these Stock Ownership Guidelines may not sell any net shares following the exercise of options, the vesting of restricted stock units or the vesting of performance share units until the required ownership level has been met. After achievement of the ownership level, individuals must continue to retain enough shares to maintain such level while serving as an Executive Committee Member or Non-Employee Director, as applicable.

Timeframe

Individuals who are subject to these Stock Ownership Guidelines are required to achieve the applicable ownership threshold within five years after first becoming subject to these Guidelines. If an individual becomes subject to a greater ownership amount, due to promotion or an increase in base salary or annual retainer, the individual is expected to meet the higher ownership threshold within three years.

Definition of Ownership

Stock ownership for the purpose of these Stock Ownership Guidelines will include the following:

1. Shares owned directly, including restricted shares and shares deliverable upon settlement of restricted or unrestricted stock units, excluding restricted shares or restricted stock units that remain subject to achievement of performance goals, such as performance share units.
2. Shares owned indirectly, if the individual has an economic interest in the shares. For this purpose, indirect ownership includes shares that would be beneficially owned and reported for purposes of the stock ownership table in the Company's proxy statement (excluding shares subject to a right to acquire) and shares beneficially owned and reportable on Table 1 of Forms 3, 4 or 5 under the Securities Exchange Act.
3. Shares owned through savings plans, such as the Company's 401(k) plan and its deferred compensation plan for executives, or acquired through the employee stock purchase plan.

Stock ownership will not include shares underlying stock options or otherwise subject to a right to acquire, except to the extent expressly provided above.

Stock Ownership Calculation

Share prices of all companies are subject to market volatility. The Board believes that it would be unfair to require an executive or Board member to buy more shares simply because J&J's stock price drops temporarily. In the event there is a significant decline in the J&J stock price that causes a Director's or executive's holdings to fall below the applicable threshold, the Director or executive will not be required to purchase additional shares to meet the threshold, but such Director or executive shall not sell or transfer any shares until the threshold has again been achieved. Compliance with these Stock Ownership Guidelines will be evaluated on an annual basis, as determined by the Nominating and Corporate Governance Committee, and not on a running basis.

Administration

The Nominating and Corporate Governance Committee of the Board shall be responsible for monitoring the application of these Stock Ownership Guidelines. That Committee shall prepare a report on compliance with the Stock Ownership Guidelines, at least once per year, and deliver the report to the Board.

Adopted: December 3, 2020