STAAR SURGICAL COMPANY

GUIDELINES on SIGNIFICANT CORPORATE GOVERNANCE ISSUES

The Board of Directors (the "Board") of STAAR Surgical Company (the "Company") has approved the following principles to further its continuing efforts to enhance corporate governance. The Board will review and amend these guidelines from time to time as it deems necessary and appropriate, and recognizes that exceptions to the guidelines will take place from time to time.

Role and Composition of the Board of Directors

1. The stockholders elect the Board to oversee their interest in the long-term health of the business and its financial strength. The Board is the ultimate decision-making body of the Company, except with respect to those matters reserved for the stockholders by statute or by our charter. The Board selects the corporate officers, who are charged with the conduct of the Company's business. Having selected the corporate officers, the Board acts as an advisor and counselor to the corporate officers as well as senior management and ultimately monitors its performance.

2. The core responsibility of the Board is to exercise its business judgment to act in what it reasonably believes is the best interests of the Company and the stockholders. Directors must fulfill their responsibilities consistent with their fiduciary duties to the stockholders, in compliance with all applicable laws and regulations.

3. The Chairman of the Board is the chief steward of the Company's corporate governance and is in charge of all activities of the Board of Directors. The Chief Executive Officer is in charge of the management of the Company. The Board determines whether to have a joint CEO-Chairman position or whether to separate these offices. The Board has determined that at this time, stockholder interests are better served by separating the offices of Chairman and Chief Executive Officer and providing that an independent director serves in the role of Chairman. The Chief Executive Officer will be nominated to serve on the Board, and if elected by the stockholders will participate fully in all Board activities except those reserved for independent directors.

4. While the Board exercises an advisory role in the selection and supervision of senior management, the Chief Executive Officer leads the Company and the Board delegates to the Chief Executive Officer ultimate authority over all employees and corporate officers of the Company. The function of the Board in monitoring the performance of the senior management of the Company is fulfilled by the presence of outside directors of stature who possess substantive knowledge of the business.

5. The Board also plans for succession to the position of Chairman of the Board and the position of Chief Executive Officer, as well as other senior management positions. To assist the Board, the Chief Executive Officer annually provides the Board with an assessment of senior managers and of their potential to succeed him or her. He or

she also provides the Board with an assessment of persons considered potential successors to senior management positions.

6. It is the policy of the Company that the Board consists of a majority of independent directors as defined under the rules promulgated by the Nasdaq Stock Market, and as further determined under director selection criteria recommended by the Nominating and Governance Committee. It is the policy of the Company that the number of directors not exceed a number that can function efficiently as a body. Our bylaws provide for a Board size ranging between three and nine. The Nominating and Governance Committee considers and makes recommendations to the Board concerning the appropriate size and needs of the Board. The Nominating and Governance Committee considers candidates to fill new positions created by expansion and vacancies that occur by resignation, by retirement or for any other reason.

7. In keeping with the Nasdaq rules, a majority of the board is composed of independent directors. The independent directors regularly meet separately or hold executive sessions to discuss and make decisions regarding matters including the supervision of management and those matters reserved for determination by independent directors under the rules of Nasdaq and the Securities and Exchange Commission ("SEC").

8. Ordinarily, directors should not serve on more than three other boards of public companies in addition to the Board. Current positions in excess of these limits may be maintained unless the Board determines that doing so would impair the director's service on the Board.

9. Upon retirement as an officer of the Company, the Chief Executive Officer will tender his resignation as a member of Board. The decision whether the Chief Executive Officer may retain his seat on the Board shall be made by the Nominating and Governance Committee.

10. When a director's principal occupation or business association changes substantially during his or her tenure as a director, that director shall tender his or her resignation for consideration by the Nominating and Governance Committee, which will recommend to the Board the action, if any, to be taken with respect to the resignation.

11. Directors are nominated by the Board or by stockholders in accordance with the bylaws. The Nominating and Governance Committee will review all nominees for the Board in accordance with its charter. The assessment will include a review of the nominee's judgment, experience, independence, understanding of the Company's industry or other related industries, and the specific criteria developed by that committee. Final approval of a candidate is determined by the full Board after a full discussion about the candidate.

12. The Nominating and Governance Committee annually reviews the compensation of the Chairman and the other independent directors. An external adviser shall periodically, but at least once every three years, report to the Nominating and

Governance Committee on the status of STAAR Board compensation in relation to other U.S. companies. Changes in Board compensation, if any, should come at the suggestion of the Nominating and Governance Committee, but with full discussion and approval by the Board. The Nominating and Governance Committee will make Board compensation change recommendations after it has reviewed the information it considers appropriate from the Human Resources department and outside consultants. In making recommendations, the Nominating and Governance Committee shall seek to fairly compensate the Board at levels that are competitive with other companies in the industries in which STAAR competes and to align Board members' interests with the long-term interests of STAAR's stockholders. In its deliberations, the Nominating and Governance Committee and the Board shall consider whether the levels of Board compensation could impair independence and shall evaluate any consulting, charitable contribution or other potential indirect compensation arrangements. All directors will receive a part of their compensation in stock or options to purchase stock. It is the policy of the Company that directors who are also officers of the Company do not receive additional compensation for service as directors.

13. It is the general policy of the Company that the Board as a whole makes all major decisions to be made by the Board. As a consequence, the standing committees of the Board are limited to those committees essential to, or mandated for, the operation of a publicly owned company of STAAR's size. Currently these committees are the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee. The members and chairs of these committees are recommended to the Board by the Nominating and Governance Committee. Only independent directors serve on the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee. The membership of these committees is rotated from time to time.

14. To further its policy of having major decisions made by the Board as a whole, the Company has a full orientation and continuing education process for Board members, which includes extensive materials, meetings with key management and visits to Company facilities.

15. The independent directors, acting on the recommendations of the Compensation Committee, determines the compensation of the Chief Executive Officer and his or her annual and long-term performance goals, and evaluates his or her performance in light of those goals. The Compensation Committee conducts an evaluation of the performance of the Chief Executive Officer annually, reports on its evaluation to the Chief Executive Officer and the full Board, and submits its recommendations regarding retention of the Chief Executive Officer and performance goals for the succeeding year. The Board approves annual and long-term performance goals and compensation for senior management of the Company based on the recommendations of the Compensation Committee.

16. The Chief Executive Officer is responsible for establishing effective communications with the Company's stakeholder groups, i.e., stockholders, customers, company associates, communities, suppliers, creditors, governments and corporate

partners. It is the policy of the Company that management speaks for the Company. The Chairman conducts all meetings of the Board and speaks for the Board.

Functioning of the Board

1. The Chairman of the Board sets the agenda for Board meetings, with the understanding that certain items pertinent to the advisory and monitoring functions of the Board will be brought to it periodically by the Chief Executive Officer and senior management for review or decision. For example, the annual corporate budget is reviewed by the Board. At the beginning of each year, the Chairman will establish a schedule of agenda subjects to be discussed during the year. Each Board member is free to suggest the inclusion of items on the agenda. The Chairman of the Board will be proactive in encouraging Board members to submit agenda items. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chair of that committee. Any member of the Board may request that an item be included on the agenda.

2. The Chairman conducts all meetings of the Board, including executive sessions of the independent directors.

3. Board materials related to agenda items are provided to Board members sufficiently in advance of Board meetings to allow the directors to prepare for discussion of the items at the meeting.

4. At the invitation of the Board, members of senior management recommended by the Chief Executive Officer attend all or part of a Board meeting for the purpose of participating in discussions. Generally, presentations of matters to be considered by the Board are made by the manager responsible for that area of the Company's operations. In addition, Board members have free access to all other members of management and employees of the Company. It is assumed that Board members will use judgment to be sure that this access is not distraction to the business operations of the Company.

5. As necessary and appropriate, Board members may consult with independent legal, financial and accounting advisors to assist in their duties to the Company and its stockholders.

6. Executive sessions or meetings of independent directors without management present are held regularly (at least two times a year) to review the report of the outside auditors, the compensation and performance of the Chief Executive Officer and senior management, and any other relevant matter. Meetings are held from time to time with the Chief Executive Officer for a general discussion of relevant subjects.

7. The Board, under the direction of the Nominating and Governance Committee, will conduct a self-evaluation of performance at least annually.

Functioning of Committees

1. The Audit Committee, the Compensation Committee and the Nominating and Governance Committee consist only of independent directors.

2. The Audit Committee, the Compensation Committee and the Nominating and Governance Committee operate pursuant to written charters, which are available for investors to view on the Company website.

3. The chair of each committee determines the frequency and length of meetings of each of the committees. The chair of each committee, in consultation with the appropriate members of management, will develop the Committee's agenda. The agenda provides sufficient time to consider each item of business. Committee members receive materials related to agenda items sufficiently in advance of a meeting when necessary to allow the members to prepare for discussion.

4. The Board determines the responsibilities of each committee, subject to legal and regulatory requirements. The members of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee review their respective charters at least once each year and recommend changes to the Board.

5. Each committee is responsible for preparing an annual performance self-evaluation.

Periodic Review

From time to time these Corporate Governance Guidelines are reviewed by the Nominating and Governance Committee, which recommends amendments to the full Board.

Director Qualification Standards

The Board, acting on the recommendations of the Nominating and Governance Committee, has established a formal set of Director Selection Criteria. These include qualifications for independent directors, who must comprise a majority of the Board and who must exclusively serve on the Audit Committee and the Nominating and Governance Committee.

To be considered "independent" for purposes of these standards, a director must be determined, by resolution of the Board as a whole, after due deliberation, to meet the requirements promulgated from time to time by Nasdaq.

Conflicts of Interest

1. The Company will not make any personal loans or extensions of credit to directors or executive officers.

2. To help maintain the independence of the Board, all directors are required to deal at arm's length with the Company and its subsidiaries and to disclose any transaction or circumstance affecting the director that might be perceived as creating an interest that conflicts with, or is different from, the interest of the Company and its stockholders.

Policies on Business Ethics and Conduct

1. All Company employees, including the Chief Executive Officer, Chief Financial Officer and principal accounting officer, are required to abide by the Code of Ethics to ensure that a climate of ethical, law-abiding, fair and honest conduct exists throughout the organization. The Code of Ethics forms the foundation of all conduct within the organization. It is intended to foster good corporate citizenship in the communities where STAAR operates, compliance with all corporate policies and procedures, an open relationship among colleagues that contributes to good business conduct, and the integrity of employees. STAAR's policies and procedures cover all areas of professional conduct, including employment policies, conflicts of interest, intellectual property and the protection of confidential information, as well as adherence to all laws and regulations applicable to the conduct of our business.

2. Employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of our Code of Ethics. The Sarbanes-Oxley Act of 2002 requires companies to have procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. We currently have these procedures in place, and we will monitor any rules adopted by the SEC to determine whether we need to modify our process.

Management Development

The Chief Executive Officer provides an annual detailed report to the Compensation Committee on STAAR's program regarding management development.