

AVERY DENNISON CORPORATION
COMPENSATION AND EXECUTIVE
PERSONNEL COMMITTEE CHARTER*

Purpose

The Compensation and Executive Personnel Committee (“Committee”) is appointed by the Board of Directors (“Board”) to discharge the Board’s responsibilities relating to compensation of the Company’s Chief Executive Officer (“CEO”) and other senior executives.** The Committee has overall responsibility for approving and evaluating compensation and benefit plans, policies and programs of the Company, as they affect the, CEO and senior executives. In addition, the Committee will review plans and candidates for succession to the CEO and senior executive positions.

The Committee is also responsible for reviewing the Company’s disclosure with respect to executive compensation and recommending to the Board that the Compensation Discussion & Analysis (the “CD&A”) be included in the Company’s annual proxy statement. The CD&A will include disclosure regarding the extent to which the Committee considered the results of the most recent stockholder advisory vote on executive compensation.

Committee Membership

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence requirements of the New York Stock Exchange (“NYSE”) and the rules and regulations of the Securities and Exchange Commission (“Commission”). Committee members also shall qualify as “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and “outside directors” for purposes of Section 162(m) of the Internal Revenue Code, as amended (the “Code”).

The Chairman and members of the Committee shall be appointed by the Board on the recommendation of the Governance and Social Responsibility Committee. Committee members may be replaced by the Board.

Committee Meetings

The Committee shall meet as often as it determines to be necessary, but not less frequently than annually. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Committee Authority and Responsibilities

1. The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO’s performance in light of those goals and objectives, and determine and approve the CEO’s overall

* Charter originally adopted by the Board on January 29, 2004 and subsequently amended on February 24, 2005, February 22, 2007, July 23, 2008, December 3, 2009, December 2, 2010, December 1, 2011, December 6, 2012, December 5, 2013 and December 3, 2015.

** Includes Executive Officers, as defined by the SEC regulations, and other level 2 and 3 executives.

compensation level based on this evaluation. In determining the incentive components of CEO compensation, the Committee shall consider the Company's performance and absolute or relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.

2. The Committee shall review and approve the annual base salaries and annual incentive opportunities of the CEO and senior executives. In addition and when appropriate, the Committee shall review and approve the following as they affect the CEO and Executive Officers: (a) other incentive awards and opportunities, including both cash-based and equity-based awards and opportunities; (b) employment agreements and severance agreements; and (c) change-in-control agreements and change-in-control provisions affecting compensation and benefits. The Committee shall also review and approve any special or supplemental compensation and benefits for the CEO and Executive Officers, and persons who formerly served as the CEO and/or as Executive Officers, including supplemental retirement benefits and perquisites provided to them during and after employment. In addition, the Committee shall receive periodic reports and make recommendations to the Board on the Company's compensation strategy, incentive plans and benefit programs for Avery Dennison employees. The Committee shall also oversee and periodically assess any material risks associated with the Company's compensation policies and programs.

Notwithstanding the foregoing, if any grant or award to the CEO or any other senior executive is intended to qualify for the performance-based compensation exemption from the limitation on deductibility of executive compensation imposed by Section 162(m) of the Code or any successor thereto, the Committee, rather than the Board, shall approve such award, but it shall refer such award to the Board for ratification.

3. The Committee shall recommend to the Board appropriate compensation programs and levels for non-employee Directors of the Company.
4. The Committee shall review and discuss with management the Compensation Discussion and Analysis (CD&A) and, based on such review and discussion, recommend to the Board that the CD&A be included in the Company's annual proxy statement. The Committee shall also oversee the stockholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes. The Committee shall review and approve the report required by the rules of the Commission to be included in the Company's annual proxy statement.
5. The Committee shall periodically discuss with management and evaluate the extent to which the Company's compensation policies and programs may create incentives that encourage excessive risk-taking.
6. The Committee shall have the authority, in its sole discretion, to obtain advice and assistance from internal or external consultants, legal counsel or other advisors. The Committee shall be directly responsible for their oversight and shall have the sole authority to retain and terminate any compensation consultant or other external advisor, shall have sole authority to approve the advisor's fees and other terms and conditions of the retention and shall receive appropriate funding from the Company for the retention. Prior to retaining or obtaining advice

from its advisors, the Committee must consider the advisor's independence from management, in accordance with the rules and regulations of the Commission and the listing standards of the NYSE.

7. The Committee will conduct an annual review of the CEO's performance and will periodically report to the Board on succession planning, including CEO and senior executive succession.
8. The Committee may form and delegate authority to subcommittees or the CEO when appropriate.
9. The Committee shall make regular reports to the Board.
10. The Committee shall review this Charter annually and recommend any proposed changes to the Board for approval.
11. The Committee shall annually review its own performance.