

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 Directors and 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 Directors, 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 and Director compensation and recommending to the Board that the Compensation Discussion & Analysis be included in the Company’s annual proxy statement.

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.

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

Notwithstanding the foregoing, if any grant or award to the CEO 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 Internal Revenue 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.

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

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.
3. The Committee shall recommend to the Board appropriate compensation programs and levels for non-employee Directors of the Company.
4. The Committee shall have authority to obtain advice and assistance from internal or external advisors. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of Director, CEO or senior executive compensation and benefits and shall have sole authority to approve the consultant's fees and other terms and conditions of the retention of the consultant.
5. 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.
6. The Committee may form and delegate authority to subcommittees or the CEO when appropriate.
7. The Committee shall make regular reports to the Board.
8. The Committee shall review this Charter annually and recommend any proposed changes to the Board for approval.
9. The Committee shall annually review its own performance.

Approved by the Board on December 3, 2009