

Executive Development and Compensation Committee

Charter

1. **MEMBERSHIP.** The membership of the Executive Development and Compensation Committee (the "Committee") will consist of no less than three members of the Board of Directors, all of whom meet the applicable statutory and regulatory definitions of being independent from management.
2. **MEETINGS AND PURPOSE.** The Committee shall meet at least once each year to perform an evaluation of the performance of the Chief Executive Officer and any other corporate officers selected by the Committee for such a review and to approve the compensation plans for such executives. The Committee shall report the results of such evaluations to the Board and the Board shall discuss such evaluations upon receiving the report or at the next regularly scheduled Board meeting. The Committee shall also meet to review and approve awards earned by executives under long and short term incentive plans, stock option plans and the like, and to review and approve management's recommendations for the succeeding year's awards. The Committee shall provide a report regarding such awards at the next regularly scheduled Board meeting after any such awards are granted. Meetings also may be called by the Chair, or by a majority of members of the Committee, to fulfill the duties and responsibilities of the Committee set forth below. Meetings shall be held at mutually agreeable times and locations. Meetings may be held by conference telephone or similar methods by means of which all persons participating in the meeting can hear and speak to each other.
3. **DUTIES AND RESPONSIBILITIES.** The Committee shall:
 - a. Establish long-term goals, measurements and incentives for the Chief Executive Officer and establish a compensation package commensurate with those goals and measurements based on the Company's performance, the relative shareholder return, comparable awards at similar companies, awards granted to the Chief Executive Officer in prior years, and such other criteria as the Committee may develop from time to time.
 - b. Review and approve, annually, the compensation paid to the Chief Executive Officer in light of the goals established for the Chief Executive Officer and make recommendations to the Board with respect to compensation, incentive compensation, and equity based compensation for the Chief Executive Officer and other selected executives, and the cash and stock incentive awards to all executives.
 - c. Establish a procedure for obtaining "feedback" from executives reporting to the Chief Executive Officer and from Board members on the performance of the Chief Executive Officer.

- d. Evaluate the performance of the Chief Executive Officer, at least annually, and advise the Chief Executive Officer of the Committee's views through regular meetings between the Chief Executive Officer and the Committee's Chair, and with the full Committee, as appropriate.
- e. Review and approve, annually, the Company's succession plan for the Chief Executive Officer and the other key management and operating executives. Review development plans for other high potential candidates and meet them personally, to the extent feasible, to evaluate their capability for future executive positions.
- f. Review the Company's organizational structure, from time to time, to ensure that the structure permits Paxar to take advantage of its best people and best operating environments, and thereby to achieve its goals by permitting and encouraging the development of high potential executives.
- g. Prepare and sign the annual Report on Executive Compensation required to be included in Paxar's Annual Proxy Statement.
- h. Have the authority to retain and terminate, at its sole discretion and at Company expense, consultants with expertise in the areas of the Committee's responsibilities.
- i. Conduct an annual performance review of the Committee.

Adopted October 24, 2002

Amended April 29, 2004