



Important Update

Avery Dennison U.S. Pension Plan Insurer Selection and Transition Process

As you know, your annuity benefit under the Avery Dennison U.S. Pension Plan (“Pension Plan”) is scheduled to be transferred to the yet-to-be selected insurer(s) later this year.

This notice describes the insurer selection process and the expected transfer timing. The accompanying FAQ document has more details. *This communication is only for your information. No action is required on your part, unless you plan to initiate benefit payments or make changes to a current Pension Plan payment before July 1, 2019.*

Overview of Annuity Transfer Process

Selecting an insurer to assume the Pension Plan’s pension payment obligations is a fiduciary decision governed by the Employee Retirement Income Security Act (ERISA). To make this decision, the fiduciaries must conduct an objective and thorough search. For more information on the selection process, please refer to the FAQ document.

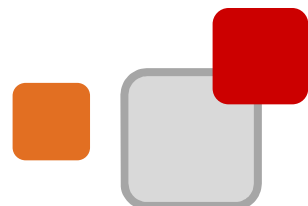
Avery Dennison has hired a highly experienced independent fiduciary, State Street Global Advisors, to assist with the selection process and ensure that it meets the ERISA standards.

Important Information and Key Dates

The selection process, which began in late 2018, has several stages, including information gathering and a request for proposal, a bid process, evaluation of insurer financials and processes, and meetings with the potential insurers.

We want to ensure you are aware of the following information and related key dates.

- **March 2019: Expected Month of Insurer Selection**
You will be notified once the insurer(s) has been selected.
- **April 2019 – June 2019: Expected Transition Period**
During this period, Pension Plan data and administrative responsibilities will move to the selected insurer(s).
- **April 12, 2019: Deadline to Initiate Benefit Commencement Process for Payments Starting On or Before July 1, 2019**
If you are planning to commence your pension benefit and would like to start receiving payments beginning May through July 1, 2019, please call or go online to start the process **before Friday, April 12, 2019**. After that date, you will need to initiate your benefit commencement process through the selected insurer(s).
- **May 13, 2019: Deadline to Submit Election Authorization Paperwork and Account Update Submissions**
If you are planning to commence your pension benefit and would like to start receiving payments on or before July 1, 2019, please ensure that the Avery Dennison Retirement Center receives your authorization and confirmation paperwork by **Monday, May 13, 2019**. After that date, you will need to complete the benefit commencement process through the selected insurer(s).



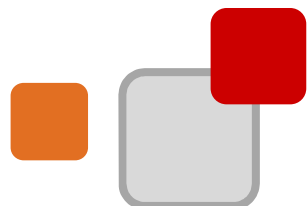
You may also submit any address change, direct deposit, or tax withholding updates to the Avery Dennison Retirement Center through **Monday, May 13, 2019**. After that date, you may contact the selected insurer(s) to process these updates once the transition is complete.

Please Note

Because of the volume and complexity of the transition process, please start the process **early** and allow additional time if you are considering starting pension benefit payments during the transition period.

For More Information

You may reference the updated FAQ document on the <http://www.yourtotalrewards.com/averydennison> site or contact the Avery Dennison Retirement Center at **1-888-236-3782, Option 3** to obtain information about your benefit or to ask questions about the insurer decision and transition process.





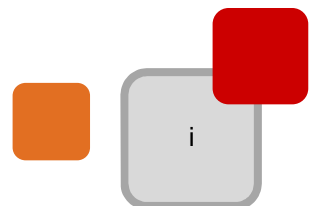
Frequently Asked Questions

Pension Plan
Insurer Selection and
Transition Process



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Pension Plan Transition General Questions

1. *What is happening to the Avery Dennison U.S. Pension Plan?*

The Avery Dennison U.S. Pension Plan (“Pension Plan”) terminated effective September 28, 2018. Avery Dennison announced that it would settle its obligations under the Pension Plan by purchasing a group annuity contract for vested participants and alternate payees through the yet-to-be selected insurer(s).

The Pension Plan will transition the administration and payment of benefits to one or more highly rated insurance companies whose core businesses include managing annuities. **Participants and their alternate payees will not lose any portion of the Pension Plan benefit as a result of this action.**

2. *Why did the Company decide to take this action?*

Avery Dennison’s goal is to mitigate financial volatility associated with its retirement programs while ensuring that employee benefits remain competitive. Defined benefit pension plans, like the Pension Plan, can drive significant annual cost increases and financial volatility for an organization. This is why the Company closed the Pension Plan to new participants effective December 31, 2008 and froze the accrual of additional benefits under the Pension Plan at the end of 2010. To ensure that employees continued to have competitive benefits, the Company increased its contribution rate for eligible participants to the Avery Dennison Corporation Employee Savings Plan (“401(k) Plan”) after the Pension Plan was frozen. The Company again increased its 401(k) Plan matching contribution rate for eligible participants in 2018.

Avery Dennison believes that the purchase of a group annuity contract will protect the interests of participants who will be covered by the group annuity contract, because managing long-term liabilities, such as annuities, will be the core competency of the selected insurer(s).

3. *Who will be affected by the Pension Plan transition?*

The transition will affect current and former U.S.-based Avery Dennison employees who joined the Pension Plan before December 31, 2008, have met vesting requirements, and are currently receiving or eligible to receive a future benefit from the Pension Plan. The transition will also affect beneficiaries and alternate payees who are receiving payments or may receive a future benefit.

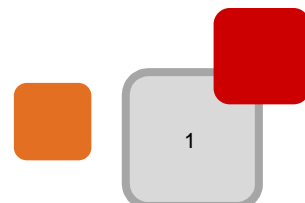
4. *Will the transition and group annuity contract purchase impact my accrued benefit or current payments? Will the transition change or stop the monthly payments I receive?*

No. The value of your Pension Plan benefit will remain the same, whether you have commenced receiving payments or not. If you are receiving payments now, you will continue to receive the same monthly payments you do now but from an insurance company selected by the Pension Plan fiduciaries to provide annuity payments to you.

Following the purchase of the group annuity contract and transition period, you will no longer receive payments from the Pension Plan. However, there will be no change to the amount or form of retirement payments you currently receive.

5. *Will the Pension Plan transition impact my benefits or recurring payments under other Avery Dennison qualified or non-qualified plans, such as the 401(k) Plan, Benefit Restoration Plan, or Executive Variable Deferred Retirement Plan (EVDRP)?*

No. Any benefits you may have under other Avery Dennison plans or programs, such as the 401(k) Plan, Benefit Restoration Plan, or EVDRP, are not affected by this action. There will be no changes to Avery Dennison’s other qualified or non-qualified plans as a result of the purchase of the group annuity contract. You will continue to receive any recurring payments currently in progress.



6. *I'm thinking about retiring this year. How does the Pension Plan transition affect me at this point?*

If you are eligible for early or normal retirement under Pension Plan terms, you may begin receiving your monthly payments at any time. However, please note that there may be a short delay in new commencement processing under the current Pension Plan administrator during the administrative transition to the insurer(s), once selected. Therefore, participants considering payment commencement starting in May, June or July 1, 2019 are encouraged to (a) begin the commencement process **before April 12, 2019** and (b) submit election authorization and confirmation paperwork **before May 13, 2019**. Any outstanding paperwork for earlier commencement dates should also be submitted by the earlier of May 13, 2019 or the deadline noted in the paperwork.

7. *I'm still working for Avery Dennison and haven't started receiving my pension benefits. How am I affected?*

You are not required to start payments now. You may contact the Pension Plan administrator or, following the transition, the insurer(s) to commence your benefit payments once you are eligible under the Pension Plan and when you are ready. Once the Pension Plan transitions to the insurer(s), you may start your annuity benefit without separating from service with Avery Dennison.

Pension Plan Insurer Selection and Transition Process Questions

Insurer Selection Questions

8. *What is a group annuity contract?*

A group annuity contract is a financial product sold by an insurer that provides annuity payments to the individuals covered by the group annuity contract. The amount and form of annuity payments provided by the group annuity contract will be the same as the amount and form of annuity payments that you would receive under the Pension Plan. Your survivor designated under the Pension Plan will also not change. Following your death, your survivor will be eligible to receive payments under the group annuity contract in the same amount and form as the payments that he or she would have received under the Pension Plan.

9. *Can I elect whether to be included in the purchase of the group annuity contract?*

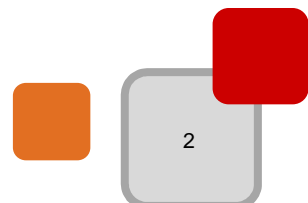
No, you may not opt out from having your benefits covered by the group annuity contract. Following the transition, there is no option to continue the current administration structure for your benefit under the Pension Plan.

10. *Can the selected insurer(s) change my pension benefits in the future?*

No. The contracts with the selected insurer(s) will be irrevocable contracts under which the form and amount of your payments are fixed. You will receive the same form and amount of payments from the insurer(s) that you would receive under the Pension Plan. Your elections related to any survivor benefits (including the identity of your survivor) will also remain unchanged. (See also [question #4](#).)

11. *When the Pension Plan transitions its obligation to pay benefits, who will pay my benefit?*

At the completion of the transition, your benefit will be paid by an insurer(s) selected by the Pension Plan's fiduciaries. That insurer(s) will handle all payments and related administration. (See also [questions #4](#) and [#9](#).)



12. How will the insurer(s) be selected?

Avery Dennison's Administrative Committee (Retirement Planning Committee) hired an experienced independent fiduciary, State Street Global Advisors (SSGA), to select the insurer(s). SSGA will conduct an objective, thorough and analytical due diligence of potential insurers to determine which of them have sufficient capacity, creditworthiness and administrative claims-paying capabilities. Following this due diligence process, the selected insurer(s) will be chosen from those SSGA has identified as best positioned to provide the safest available group annuity contract on behalf of the Pension Plan and its participants.

13. When will the insurer(s) be identified? When will the insurer(s) start making my payments?

The due diligence process referenced in [question #12](#) and the process to transition the Pension Plan's payment obligations to the selected insurer(s) has many steps and is currently underway. The **Notice of Annuity Information** that was mailed to Pension Plan participants in August 2018 included a list of possible insurers that may be considered by the Pension Plan's fiduciaries. The selected insurer(s) is expected to be named in March 2019. Following a short transition period, the selected insurer(s) will accept the records for participants who have not yet commenced their benefit and begin making payments directly for those participants who have commenced their benefit. You will be notified once the insurer(s) for your benefit has been selected. Any benefits already in payment are expected to continue without interruption.

14. Will the selected insurer protect my pension benefits?

The Pension Plan has been managed in a professional manner to ensure there are adequate assets to pay pension benefits. Third-party investment managers have managed the Pension Plan's investments on a day-to-day basis while Avery Dennison focused on maintaining funding levels for the Pension Plan.

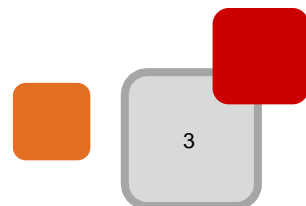
The yet-to-be selected insurer(s) are in the business of providing annuities to individuals and have been in this business for many years. As an independent fiduciary, SSGA is conducting thorough due diligence to ensure that the group annuity contract purchased by the Pension Plan will be backed by significant financial assets and that the selected insurer(s) possess the technical "know-how" and expertise to manage those assets over time to ensure that the commitment to make annuity payments to you and your survivors, if applicable, will be satisfied.

15. Is having my benefits paid from the group annuity contracts more risky than having my benefits paid from the Pension Plan?

According to a [National Organization of Life and Health Insurance Guaranty Associations \(NOLHGA\) 2016 study](#), receiving your pension benefits through a group annuity contract from an insurer is considered to be as safe as receiving your pension benefits from an employer-sponsored retirement plan. All insurers under consideration are highly rated, highly regulated, and required to maintain appropriate asset reserves to meet their financial obligations. These financial assets are managed over time based on the insurer's obligations to ensure funds are available when payments are scheduled to be made.

16. Will my benefit be guaranteed once the insurer(s) assumes payment obligations?

All states in the U.S., Puerto Rico and the District of Columbia have "guaranty associations" to protect annuity policyholders, up to specified limits, in the event an insurance company is financially unable to meet its obligations. The state guaranty association may be responsible for all, part or none of your annuity. Generally, where you live at the time the insurance company is unable to pay determines which guaranty association is responsible for your annuity benefit. In certain circumstances, other factors, such as where the insurance company is licensed to do business, determine which guaranty association may be responsible. For more details, please see the **Notice of Annuity Information** you received previously and that is posted online at <http://www.yourtotalrewards.com/averydennison>. This online version will be available until June 2019.



17. Will the group annuity contracts be guaranteed by the Pension Benefit Guaranty Corporation (PBGC)?

The PBGC insures benefits for participants in the Pension Plan. When you and your survivor, if applicable, become covered under the group annuity contract, you will no longer be considered a participant in the Pension Plan, and your payments under the group annuity contract will not be insured by the PBGC. Instead, your right to payments under the group annuity contract will become the obligation of the selected insurer(s) and the applicable state guaranty association. The insurer(s) under consideration are regulated at the state level to make sure they have sufficient funds to pay their obligations, including the obligation to make payments to you and your survivor under the group annuity contract. (See also [question #13](#).)

18. What is the difference between the protections provided by the PBGC and state guaranty associations?

Currently, your Pension Plan benefit is insured by the PBGC, an agency of the U.S. government, and guaranteed up to the PBGC limits.

After the Pension Plan assets are transferred to the selected insurer(s), your benefit will be insured (up to applicable limits) by the state guaranty association of the state in which you live. Every state in the U.S., the District of Columbia, and Puerto Rico has a life and health insurance guaranty association established to protect insurance policyholders, including annuitants under a group annuity contract. You will be covered by the guaranty association in the state where you reside unless the insurer is not licensed in that state. If the insurer is not licensed in the state where you reside, you will be covered by the guaranty association of the insurer's state of domicile. All insurers licensed to write life and health insurance or annuities in a state participate in that state's guaranty association. The specifics of any guarantee may depend on the laws of the state in which the selected insurer is domiciled. The Pension Plan fiduciaries will take these considerations into account during the due diligence process to select an appropriate insurer(s) to continue administration of the Pension Plan benefits.

For more details about the state guaranty associations, please see the **Notice of Annuity Information** you received previously and that is posted online at <http://www.yourttotalrewards.com/averydennison>. The list of guaranty associations is available on the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) website at www.nolhga.com.

19. Are there limits on the protection provided by a state guaranty association for my benefits under a group annuity contract?

In the highly unlikely event that the selected insurer(s) becomes unable to pay benefits under the group annuity contract, you can submit a claim to your state guaranty association up to the guarantee limit. Guarantee limits vary by state, as each state sets its own rules for claims. In most states, the limit is \$250,000 of the present value of your annuity benefits. For more information, consult the NOLHGA website at www.nolhga.com.

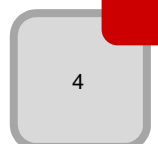
20. I do not live in the U.S. Will my Pension Plan benefit be insured?

If you are a U.S. citizen living outside the U.S., you may have coverage that protects your annuity. The specifics of any guarantee may depend on the laws of the state in which the selected insurer(s) is domiciled. The Pension Plan fiduciaries will take this consideration into account during the due diligence process to select an appropriate insurer(s) to continue administration of Pension Plan benefits.

Transition Process Questions

21. What am I required to do? Do I need to take any action to continue to receive my benefit payments?

No action is required by you at this time related to this Pension Plan transition, unless you plan to initiate benefit payments or make changes to a current Pension Plan payment before July 1, 2019. If you plan to initiate your benefit payments in the near term, please see [question #32](#). Once the insurer decision has been made, you will receive a final letter from the Pension Plan and a welcome kit from the insurer(s) shortly thereafter.



The welcome kit will include instructions regarding any actions you may need to take regarding your benefit and monthly payments. Typically, no action is required beyond verifying that the information on your personalized statement in your welcome kit is correct. In addition, if your address changes, you will need to contact the selected insurer's service center to provide updated information. Contact information for the selected insurer's service center will be included in your welcome kit.

Until you receive instructions to begin contacting the selected insurer's service center, you should continue to contact the Avery Dennison Retirement Center with any questions or information updates you have related to your benefit or monthly payments.

22. *When will payments under the group annuity contract begin?*

A Commitment Agreement governing the group annuity contract is expected to be issued before the end of March 2019, after which the selected insurer(s) will be financially responsible for the pension liabilities. The current Pension Plan administrator will provide transition services to the selected insurer(s) and will issue the monthly benefit payments during a short transition period. The transition period activity is expected to last a few months, with completion expected in summer 2019. Once the transition period is completed, the selected insurer(s) will handle all aspects of administration, including issuing monthly payments to you and your survivor, if applicable.

23. *Will I be contacted by the selected insurer(s) and, if so, when?*

The selected insurer(s) will mail a welcome kit a few weeks before the first monthly payments are made from the group annuity contract. The package will include a welcome letter with contact information, a personalized statement, and instructions regarding any actions you are asked to take, such as confirming that your contact information and the information reflected in your personalized statement are correct. You are encouraged to review the information for your account carefully upon receipt and advise promptly if any updates to the information on file for you are required.

24. *I have not started receiving my monthly payment. When can I start receiving monthly payments?*

You may commence your benefit once you are eligible under the Pension Plan rules, typically as early as age 55. (See also [question #6](#).) We encourage you to start the process **early** if you are considering commencement of your pension benefits around this time period.

25. *I have already started receiving my monthly payment. Can I take a lump sum of my benefit at this time or following the transition?*

No. A lump-sum payment option is no longer available under the Pension Plan or under the group annuity contract.

26. *My address is changing. How do I make sure my payments and communications are mailed to my new address?*

To update your personal information, log on to the Your Benefits Resources™ website through the Avery Dennison Total Rewards website at <http://www.yourtotalrewards.com/averydennison> or call the Avery Dennison Retirement Center at **1-888-236-3782, Option 3** toll-free between 9 a.m. and 5 p.m. Eastern time, Monday through Friday. After the transition, you should contact the selected insurer's service center to update your address information.

27. *Will my payments under the group annuity contract be deposited directly into my current bank account? Who should I contact if I need to change my direct deposit or tax withholding information?*

While Avery Dennison does not anticipate changes to the direct deposit arrangements participants currently have on file, the selected insurer's administrative processes may require updates in some instances. We anticipate the transition to be seamless for the participant in either case and expect instructions regarding participant direct deposit information to be included in the welcome kit you receive from the insurer(s), as appropriate.



In the meantime, please contact the Avery Dennison Retirement Center regarding any direct deposit or tax withholding updates until you receive further instruction. Once the transition is nearly complete, you will receive a final letter from the Pension Plan and a welcome kit from the selected insurer(s) that includes contact information for questions you have regarding your benefit payments.

28. Will monthly payments for retiree medical healthcare be deducted from my benefit payments under the group annuity contract?

If you are currently paying for your retiree medical benefit through an automatic deduction from your monthly pension benefit, your retiree medical payments will continue to be automatically deducted from your pension benefit once the selected insurer(s) begins administering your monthly payments.

You may contact the Avery Dennison Retirement Center with questions until the transition is complete, and thereafter contact the selected insurer(s) with questions about deductions to your monthly payments. You may also contact the Avery Dennison Benefits Connection line at **1-888-236-3782, Option 1** (Health/Medical) for questions related specifically to your retiree medical benefit.

29. How do I update my beneficiary information?

Prior to the transition to the selected insurer(s), you may call the Avery Dennison Retirement Center or log on to the Your Benefits Resources™ website through the Avery Dennison Total Rewards website at <http://www.yourtotalrewards.com/averydennison> to update your beneficiary information. After the transition, you should contact the selected insurer(s) to update any pre-retirement beneficiary information on file. (See also [question #30](#) for general pre-retirement death benefit rules.)

30. If I choose to wait to start my benefit, what happens if I die before I start taking my benefit?

If you are married at the time of your death, your spouse may be eligible for a pre-retirement death benefit. If you are single at the time of your death and have not commenced benefits, there are generally no benefits payable.

Participants in the National Blank Book Plan or with after-tax employee contributions have a pre-retirement death benefit payable regardless of marital status.

31. Whom should my representative contact following my death?

Prior to the completion of the transition, your representative should contact the Avery Dennison Retirement Center. Following the transition, your representative, in the event of your death, should contact the selected insurer's service center. Contact information for the selected insurer's service center will be included in the welcome kit you will receive from the selected insurer(s).

32. Whom should I contact when I'm ready to retire?

If you are considering retirement in the near term, we encourage you to contact the Avery Dennison Retirement Center **before Friday, April 12, 2019** to start the benefit commencement process if you would like to receive your first benefit payment **on or before July 1, 2019**. Otherwise, you may contact the selected insurer's service center once available and you are ready to commence your benefit following the transition period. The selected insurer will advise regarding the administrative processing time required before receiving your first benefit payment. You should allow ample time for completion of election authorization and confirmation paperwork once you have confirmed your benefit elections.

More Information

33. Where can I find more information, and whom should I contact if I have questions?

You may reference information available on the Your Benefits Resources™ website through Avery Dennison Total Rewards at <http://www.yourtotalrewards.com/averydennison>. You will also receive additional communications in the coming weeks from the Avery Dennison Pension Plan and the insurer(s), once selected.



Contact Information

You may contact representatives at the Avery Dennison Retirement Center for answers to your questions by calling **1-888-236-3782, Option 3** toll-free between 9 a.m. and 5 p.m. Eastern time, Monday through Friday. The representatives can assist with questions related to the amount and form of payment of your benefit payment.

For questions about the group annuity contract, including questions related to the timing of payments and how payments will be made, you may contact the selected insurer's service center once available. Contact information for the selected insurer's service center will be included in your welcome kit.

