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August 18, 2010

Ms. Mary L. Schapiro
Securities and Exchange Commission
100 F. St. NE
Washington, D.C. 20549

Re: Concerns about Federal Proxy Access

Dear Chairman Schapiro:

I am writing to express our Company's opposition to the proposed proxy access rule. We believe that the proposed rule, while well-intentioned, is not in the long-term interest of shareholders and is likely to encourage the same short-term focus widely considered to have contributed to the recent financial crisis. The frequent election contests that would be caused by the adoption of the proxy access rule would favor stock price as the primary board evaluation metric rather than maximization of long-term shareholder value.

Our objections are predicated on the unproductive costs that implementing the proposed proxy access regime would require, particularly at a time when companies are concerned about the possibility of a double-dip recession or severe deflation. The explosion of election contests that would result from the proposed rules would have a serious negative effect on American businesses in at least the following ways:

- Election contests can be profoundly disruptive, diverting management time, board attention and multiple corporate resources away from the underlying business as well as other governance matters, which ultimately would be detrimental to shareholders.
- As proposed, proxy access would make it too easy for a special-interest group with a singular agenda that runs counter to the collective shareholder interest to nominate director candidates in an effort to "stack the deck." If elected, special-interest nominees tend to disrupt deliberations and harm the board's mission to oversee the long-term interests of the company.
- The demands placed on corporate directors, and the attendant risks of liability, have grown exponentially over the last decade. Adding the prospect of frequent and spontaneous election contests, with the invective they often entail, would unnecessarily further deter many competent, responsible and highly-qualified candidates from serving on boards.

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We understand that our regulatory process demands the balancing of competing interests, and proxy access is no exception. If, as is commonly expected, the Commission moves forward with proxy access at its meeting next week, we request that you adopt a rule that minimizes the effects discussed above, safeguards the interest of mainstream investors and promotes the long-term health of America's corporations. In this regard, we urge the Commission to adopt meaningful eligibility criteria for nominating shareholders – at the very least including a minimum 5% ownership threshold for individuals and a minimum 10% ownership threshold for groups, in each case with a two-year holding period. These reasonable criteria would help ensure that only investors demonstrably interested in the company and its long-term success are able to nominate directors.

Avery Dennison fully supports a transparent, diverse and active board structure that is responsive to shareholder sentiment, and we are committed to best-practice corporate governance that generates stable economic growth and supports much-needed job creation. For the reasons described in this letter, we firmly believe that the proposed proxy access rule runs counter to these objectives. If such access is in fact to be adopted next week, we encourage restraint, particularly given these difficult times.

Regards

A handwritten signature in black ink, appearing to read "Dean A. Seuling". The signature is fluid and cursive, written in a professional style.

DAS/DBD:lg

cc: Larry Burton, Business Roundtable