

Corporate Governance Guidelines

Paxar Corporation, through its Board of Directors, management and employees, and on behalf of its shareholders, is committed to compliance with the letter and spirit of the best practices of corporate governance. We take pride in our existing Code of Business Ethics, the Charters of our Audit Committee, Executive Development and Compensation Committee and our Nominating and Corporate Governance Committee, as well as their 100% compliance with all applicable standards for the independence of the members of such committees. Our financial executives and general managers comply with our Financial Policies and Procedures Manual. We make full disclosure of our financial results and business developments through the timely dissemination of press releases and the filing of Forms 10-K, 10-Q and 8-K with the Securities and Exchange Commission. In addition, we conduct our business in accordance with the requirements of the Sarbanes-Oxley Act of 2002, the New York Stock Exchange Corporate Accountability and Listing Standards and all current laws, rules and regulations applicable to publicly owned corporations.

In support of the above commitment, at all times, 50% or more of the members of Paxar's Board of Directors will qualify as "independent" under all relevant definitions. Directors are expected to attend each meeting of the Board, each meeting of any Board Committee on which they sit, and the Annual Shareholders Meeting. The Board has previously adopted an annual evaluation program for its performance as a whole, for the performance of its committees, and for the performance of individual Board members. Nomination for re-election to the Board will be based on the results of those evaluations. Directors are normally proposed for election to two-year terms. Exceptions occur when a one-year term is necessary to achieve our objective of electing 50% of the Board each year. We have no limit on the number of years a Director may serve nor do

we have a mandatory retirement age. We believe our annual evaluation program is more appropriate for such purposes.

Directors are not permitted to accept compensation of any sort from Paxar except for the annual retainer, Lead Director and Committee Chair fees, meeting fees and the travel and business expense reimbursements related to such meetings. The Board is responsible for selecting the Chief Executive Officer and annually reviewing and approving the Chief Executive Officer's compensation plan. The Board also reviews and approves all acquisitions, dispositions and mergers as well as the purchase and sale of real estate, and capital expenditures in excess of \$5,000,000. The Board reviews and approves the Company's annual strategic plan and its annual operating plan, and the Annual Report on Form 10-K filed with the Securities and Exchange Commission.

The Board has delegated appropriate responsibility to its three Standing Committees: the Audit Committee, the Executive Development and Compensation Committee, and the Nominating and Corporate Governance Committee. Each Committee reports to the full Board on its activities at each Board Meeting.

The Board is responsible for selecting from its members "independent" members to serve on the Executive Development and Compensation Committee and the Nominating and Corporate Governance Committee, and to select "financially literate independent members with requisite financial experience and expertise" to serve on the Audit Committee. The responsibilities of these Committees are set out in their respective charters.

The independent members of the Board meet in Executive Session at the completion of each meeting of the Board of Directors. They have elected Thomas R. Loemker to serve as Lead Director. Shareholders wishing to communicate

with Mr. Loemker on any matter related to or involving the responsibilities of the Board may reach him through the offices of Paxar's Secretary, Robert S. Stone, by phone at 914-697-6804, by fax at 914-697-6860, by e-mail at bob.stone@paxar.com or by mail, in care of The Secretary, Paxar Corporation, 105 Corporate Park Drive, White Plains, NY 10604.

These Guidelines, the Paxar Code of Business Ethics, and the Charters of the Standing Committees of the Board of Directors shall be reviewed annually by the Board and updated as appropriate. They will be posted on Paxar's Web site www.paxar.com and are accessible by clicking on Investor Relations, Corporate Governance. They have also been printed in Paxar's 2003 Annual Proxy Statement and other Paxar publications in compliance with SEC requirements.

Adopted by the Board of Directors of Paxar Corporation, October 24, 2002.
As amended April 29, 2004.