

CLARCOR INC.

COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

OPERATING CHARTER

Purpose:

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of CLARCOR Inc. (the "Company") is to (i) discharge the Board's responsibilities relating to compensation of the Company's executive officers, (ii) review and recommend to the Board compensation plans, policies and programs, as well as approve individual executive officer compensation, intended to attract, retain and appropriately reward employees in order to motivate their performance in the achievement of the Company's business objectives and align their interests with the long-term interests of the Company's shareholders, and (iii) prepare the annual report on executive compensation required to be included in the Company's annual proxy statement.

Duties and Responsibilities:

The duties and responsibilities of the Committee are as follows:

1. 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, either as a Committee or together with the other directors who qualify as "independent" (as such term is defined in the Company's Corporate Governance Guidelines) determine and approve the CEO's compensation level, based on this evaluation. In determining the CEO's total compensation, the Committee shall consider, among other things, the Company's performance and shareholder returns relative to comparable companies, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years.
2. Review and monitor the Company's management compensation and benefit plans and policies and make recommendations to the full Board with respect to the compensation of the Company's other executive officers.
3. Review and make recommendations to the full Board regarding the Company's compensation plans, including with respect to incentive compensation plans and equity-based plans, policies and programs.
4. Approve grants and/or awards of restricted stock, stock options and other forms of equity-based compensation.
5. Review and approve, for the CEO and other executive officers of the Company, when and if appropriate, employment agreements, severance agreements and change in control provisions/agreements.

6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board.
7. Conduct an annual performance evaluation to, at a minimum, (i) compare the performance of the Committee to the requirements of this Charter and any other duties or responsibilities delegated to the Committee by the Board and (ii) recommend to the Board any improvements to this Charter that the Committee deems to be necessary or appropriate, and report to the Board the results of the evaluation, which may take the form of an oral presentation by a member of the Committee to the Board.
8. Report to the Board on the activities of the Committee.
9. Perform such other duties and responsibilities, consistent with this Charter, delegated to the Committee by the Board or required under the provisions of any compensation or benefit plan maintained by the Company.

External Advisors:

The Committee shall have sole authority to (a) retain and terminate any search firm or other consultant selected by the Committee to assist and advise in the performance of the duties of the Committee and (b) approve the fees payable to and other retention terms for such search firm or consultant.

Qualifications, Meetings & Procedures:

Reference is made to the Corporation's Corporate Governance Guidelines for Committee member qualifications; procedures for Committee member appointment and removal; and Committee structure and operations.

As adopted by the Board of Directors on December 15, 2003.