

**PROCEDURES REGARDING REPORTS OF MISCONDUCT  
OR  
ALLEGED MISCONDUCT**

CLARCOR Inc. (the "Company"), its Board of Directors and the Audit Committee thereof are committed to having the Company comply with all applicable securities and other laws and regulations, accounting standards and accounting controls. In that regard, the Audit Committee is establishing these procedures (the "Procedures") on behalf of the Company for the receipt, retention, and treatment of communications ("Complaints") received by the Company alleging (1) improprieties or deficiencies with respect to accounting, internal accounting controls or auditing matters, manipulation of financial results or other actions to mislead investors or the market (collectively, "Accounting/Financial Complaints"), (2) mistreatment of employees or violations of various employee related laws and regulations, such as the Americans with Disabilities Act, anti-discrimination prohibitions, sexual harassment, gender bias, racial prejudice and ethnic bias (collectively, "HR Complaints") or (3) any other matter not addressed in clause (1) or (2) above (collectively, "Other Complaints"). As used in these Procedures, references to the Company shall include its subsidiaries and affiliates.

The Audit Committee has (1) established a hotline through Pinkerton Compliance Services (the "Alertline") providing for the confidential, anonymous submission by employees of the Company of Complaints and (2) hereby affirms that any employee desiring to submit a Complaint shall be free to do so without fear of dismissal or retaliation.

It should be recognized that no procedures can cover all possible contingencies; the committee established pursuant to these Procedures will be required to use common sense and good faith judgment in dealing with situations not expressly covered by these Procedures.

In the light of the foregoing, the following Procedures are adopted:

1. Establishment of Review Committee

A committee (the "Review Committee"), which shall initially consist of the General Counsel, the Vice President & Chief Administrative Officer (the senior officer with responsibility for HR matters) and the Director of Internal Audit, is hereby created.

2. Receipt of Complaints

Each Complaint received by the Company (whether pursuant to the Alertline or otherwise) shall be promptly delivered to the Review Committee for handling in accordance with the procedures set forth herein.

3. Treatment of Complaints

The Review Committee shall have the duty to review each Complaint received by the Company. After such review, the Review Committee shall take the following actions:

a. Upon receipt of the Complaint, the Review Committee shall acknowledge, in writing to the party submitting the Complaint, receipt of the Complaint unless the Complaint has been submitted anonymously.

b. The Review Committee generally shall turn over each Complaint which is deemed by the Review Committee to be (1) an HR Complaint to the Company's Human Resources Department for investigation and resolution in accordance with established procedures or (2) an Other Complaint to such officer or other employee of the Company as the Review Committee deems appropriate for investigation and resolution. Such Complaints shall, however, be turned over to the Audit Committee in the event that the Review Committee determines that the allegations contained in the Complaint, if true, could have a material adverse effect on the consolidated financial statements of the Company. The Audit Committee shall take such action as it deems necessary and appropriate with regard to such Complaints, including, in appropriate cases, directing internal or external investigations and remedial actions.

c. With respect to each Complaint which is deemed by the Review Committee to be an Accounting/Financial Complaint, the Review Committee shall:

(1) in the event that the Complaint alleges any fraud or suspected fraud affecting the Company involving (A) management, (B) employees of the Company who have a significant role in its internal financial controls, or (C) others where such fraud could have a material effect on the Company's consolidated financial statements, the Complaint shall be promptly disclosed to the Audit Committee and to the Company's outside auditors. The Audit Committee shall undertake such investigation or investigations as it shall deem appropriate to determine (A) whether it is likely that the Complaint accurately discloses that an improper act has

occurred; (B) if so, whether such improper act has a material effect on the consolidated financial statements of the Company; and (C) whether any remedial acts or actions (to be identified by the Audit Committee) should be taken in regard to or as a result of such improper acts. The Audit Committee may elect to direct the Company's Internal Audit Department to conduct such investigation or may engage such outside experts as it deems necessary in the exercise of its good faith business judgment. The results of any such investigation shall be reported to the Audit Committee which shall take such additional actions as it may deem appropriate in the circumstances.

(2) in the event that the Complaint is not subject to Section 3.c(1) above, the Review Committee shall, subject to Section 3.d below, conduct an initial investigation (with the assistance of the Internal Audit Department or outside experts if the Review Committee deems such assistance appropriate) and reach a conclusion as to (A) whether there are any credible facts or circumstances which support the allegations which are the subject of the Complaint, (B) whether such allegations, if supported, comprise a violation of applicable law or of the Company's internal codes of conduct, and (C) if (A) or (B) are answered in the affirmative, whether the allegations have or could have a material effect on the consolidated financial statements of the Company. If the Review Committee reaches affirmative conclusions with respect to (A), (B) and (C) above, then the Complaint shall be turned over to the Audit Committee for such further action as it may deem appropriate and reported to the Company's outside auditors. In any event, the Review Committee shall make such recommendations to the management of the Company, the Audit Committee or the Board of Directors as it may deem appropriate for remedial action with respect to any Accounting/Financial Complaint.

d. With respect to each Accounting/Financial Complaint that the Review Committee determines shall be handled in accordance with Section 3.c(2) above, the Review Committee shall nonetheless promptly provide a copy of such Complaint to the Audit Committee. The Audit Committee may, at any time, elect to take over responsibility from the Review Committee for the handling of such Complaint or take such other action with respect to such Complaint as the Audit Committee may deem appropriate. In addition, the Review Committee shall provide a report to the Audit Committee, at each regularly scheduled meeting of the Audit Committee and at such other times as either the Review Committee or the Audit Committee may deem appropriate, regarding the status of the Review Committee's investigation of such Accounting/Financial Complaint.

e. At each regular meeting of the Audit Committee, the Review Committee shall provide the Audit Committee with a written summary of all Complaints not previously reported to the Audit Committee and the status thereof.

f. Any decision by the Audit Committee, the Review Committee, the Human Resources Department or any other officer or employee to review or investigate any Complaint will not in any way be, or be deemed to be, a determination by the Audit Committee, the Review Committee or the Company that any actions or inaction that are the subject of the Complaint have in fact occurred.

g. In fulfilling their respective duties and responsibilities under this Policy, the Review Committee and the Audit Committee shall be entitled to the full support and cooperation of the Company and its officers and employees and shall be entitled to engage, at the cost and expense of the Company, such outside expertise as may be reasonable and necessary.

#### 4. Retention of Complaints and Related Documents

Any person designated under these Procedures to receive a Complaint and who receives a Complaint (A) in written form, including email, shall take appropriate steps to ensure that a paper or electronic copy of the Complaint is preserved, as the case may be, (B) by voicemail, shall take appropriate steps to cause an accurate transcription to be made and to ensure that a paper copy of the transcription is preserved or (C) orally shall prepare a reasonable summary of the Complaint and take appropriate steps to ensure that a paper copy of the summary is preserved.

**Adopted by the Audit Committee on December 15, 2003.**