

CLARCOR INC
Form DEF 14A
February 13, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

CLARCOR Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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**Notice of
Annual Meeting of Shareholders**

The Annual Meeting of Shareholders of CLARCOR Inc. (the Company) will be held at the executive offices of the Company, 840 Crescent Centre Drive, Suite 600, Franklin, Tennessee 37067, on Monday, March 23, 2009 at 9:00 A.M., Central Time, for the following purposes:

1. To elect as Directors the three nominees named in the attached Proxy Statement for a term of three years each;
2. To approve the 2009 CLARCOR Incentive Plan;
3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm to audit the Company s financial statements for the fiscal year ending November 30, 2009; and
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

Only holders of CLARCOR Common Stock of record at the close of business on Friday, February 6, 2009 are entitled to receive notice of and to vote at the meeting or any adjournment thereof.

Whether or not you plan to attend the meeting, you are requested to sign and date the enclosed proxy and return it promptly in the envelope enclosed for that purpose.

Richard M. Wolfson
Secretary

**PLEASE SIGN AND DATE THE ACCOMPANYING PROXY
AND MAIL IT PROMPTLY.**

Franklin, Tennessee
February 13, 2009

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**CLARCOR Inc.
840 Crescent Centre Drive, Suite 600
Franklin, Tennessee 37067**

PROXY STATEMENT

Annual Meeting of Shareholders

This Proxy Statement and the accompanying proxy are being mailed to shareholders of CLARCOR Inc. (the Company) on February 13, 2009. They are being furnished in connection with the solicitation of proxies by the Company's Board of Directors for use at the Annual Meeting of Shareholders to be held at the executive offices of the Company, 840 Crescent Centre Drive, Suite 600, Franklin, Tennessee 37067, on Monday, March 23, 2009 at 9:00 A.M., Central Time, for the purposes set forth in the Notice of Annual Meeting. Directions to the Annual Meeting and information on how to vote in person can be obtained on-line at www.clarcorproxy.com or by contacting the Company's Secretary, Richard M. Wolfson, at 840 Crescent Centre Drive, Suite 600, Franklin, Tennessee 37067, telephone: (615)771-3100.

A shareholder who gives a proxy may revoke it at any time before it is voted by giving written notice of the termination thereof to the Secretary of the Company, by filing with him another proxy or by attending the Annual Meeting and voting his or her shares in person. All valid proxies delivered pursuant to this solicitation, if received in time and not revoked, will be voted. If no specifications are given by the shareholder executing the proxy card, valid proxies will be voted (a) to elect the three individuals nominated for election to the Board of Directors listed on the proxy card enclosed herewith, (b) to approve the adoption of the 2009 CLARCOR Incentive Plan (the 2009 Incentive Plan), (c) to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm to audit the books and accounts of the Company for the fiscal year ending November 30, 2009, and (d) in the discretion of the appointed proxies, upon such other matters as may properly come before the meeting.

As of January 30, 2009, the Company had outstanding 50,900,199 shares of Common Stock, constituting the only class of voting securities of the Company outstanding, and each outstanding share is entitled to one vote on all matters to be voted upon. Only holders of CLARCOR Common Stock of record at the close of business on February 6, 2009 are entitled to notice of and to vote at the meeting. A majority of the shares of Common Stock issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, will constitute a quorum for purposes of the Annual Meeting.

Important Notice Regarding the Availability Of Proxy Materials for the Shareholder Meeting to be held on March 23, 2009:

The following Proxy materials are available for you to review online at: www.clarcorproxy.com:

This Proxy Statement (including all attachments);

Form of Proxy card

The Company's Annual Report for the fiscal year ended November 29, 2008 (which is not deemed to be part of the official proxy soliciting materials); and

Any amendments to the foregoing materials that are required to be furnished to stockholders.

In accordance with Securities and Exchange Commission (SEC) rules, the foregoing website does not use cookies , track user moves or gather any personal information.

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

Nominees for Election to the Board of Directors

The Company's Certificate of Incorporation provides for a Board of Directors consisting of nine directors divided into three classes, each class consisting of three directors. One class of directors is elected at each Annual Meeting of Shareholders. The Board is currently comprised of eight directors, three of whom are up for re-election this year.

Accordingly, at the Annual Meeting three directors are to be elected. The nominees are Messrs. J. Marc Adam, James W. Bradford Jr. and James L. Packard. All of the nominees are current directors previously elected by the shareholders of the Company whose terms in office expire this year. All have been recommended by the Director Affairs/Corporate Governance Committee and by the entire Board of Directors for re-election to our Board of Directors and all of nominees have consented to serve if elected. In the event any of these nominees is unable to serve as a director, the shares represented by the proxy will be voted for the person, if any, who is designated by the Board of Directors to replace the nominee. The Board of Directors has no reason to believe that any of the nominees will be unable to serve.

Proxies will be voted for the election of each of Messrs. Adam, Bradford and Packard unless the shareholder signing such proxy withholds authority to vote for one or more of these nominees in the manner described on the proxy card. If a quorum is present at the meeting, the three candidates for director receiving the greatest number of votes will be elected. In such event, abstentions, withheld votes and broker non-votes will not affect the outcome of the election of directors.

If elected, Messrs. Adam, Bradford and Packard will hold office for a three-year period ending in 2012 or until their respective successors are duly elected and qualified. Notwithstanding the foregoing, if elected, Mr. Adam is expected to resign at the annual meeting to be held in 2011, which is when Mr. Adam will be 72 years old. Pursuant to current Company policy, directors should resign from office effective upon the date of the Company's annual meeting that soonest follows their having attained 72 years of age.

Table of Contents**Information Concerning Nominees and Directors**

The following are the current directors of the Company (including the nominees), their ages, the year in which each first became a director and their principal occupations or employment during at least the past five years:

Name	Age	Director Since	Year Term as Director Expires
*J. Marc Adam Mr. Adam is retired Vice President Marketing, 3M, St. Paul, Minnesota. He served as Vice President Marketing from 1995 to 1999 and from 1986 to 1995 as Group Vice President, 3M. 3M is a diversified manufacturer. Mr. Adam is a director of Schneider National Inc., a privately held trucking and logistics company.	70	March 23, 1991	2009
*James W. Bradford, Jr. Since June 2004 Mr. Bradford has been the Dean, Owen Graduate School of Management, Vanderbilt University, Nashville, Tennessee. From November 2002 until he became Dean he was the Associate Dean of Corporate Relations of that school. From 1999 to 2001 he was the President and Chief Executive Officer of United Glass Corporation, a national fabricator of flat glass. Mr. Bradford is a director of Genesco, Inc. and Granite Construction, Inc.	61	January 20, 2006	2009
Robert J. Burgstahler Mr. Burgstahler retired as Senior Vice President, Business Development and Corporate Services of 3M, St. Paul, Minnesota, effective in August 2003. He served as Vice President, Finance and Administrative Services of 3M from 2000 to 2002, President and General Manager of 3M Canada from 1998 to 2000 and Staff Vice President Taxes of 3M from 1995 to 1998. 3M is a diversified manufacturer.	64	December 18, 2000	2010
Paul Donovan Mr. Donovan was the Executive Vice President and Chief Financial Officer of Sundstrand Corporation from December 1988 to June 1999. Mr. Donovan was Senior/Executive Vice President and Chief Financial Officer of Wisconsin Energy Corporation from August 1999 until June 2003. Mr. Donovan retired as a special advisor to the Chairman of Wisconsin Energy Corporation in February 2004. Wisconsin Energy Corporation is a holding company with subsidiaries primarily in utility businesses. Mr. Donovan is a director of AMCORE Financial, Inc. and Woodward Governor Company.	61	March 24, 2003	2010
Robert H. Jenkins Mr. Jenkins is retired Chairman, Hamilton Sundstrand Corporation (formerly Sundstrand Corporation), Rockford, Illinois. He served as Chairman, President and Chief Executive Officer from 1997 to 1999 and as President and Chief Executive Officer, Sundstrand Corporation from 1995 to 1997. Hamilton Sundstrand Corporation is an aerospace and industrial company. Mr. Jenkins is a director of Acco Brands Corporation, AK Steel Holding Corporation, and Jason Incorporated.	65	March 23, 1999	2011
Norman E. Johnson Mr. Johnson has served as Chairman, President and Chief Executive Officer of CLARCOR Inc., Franklin, Tennessee, since March 2000. Mr. Johnson is a director of Schneider National Inc., a privately held trucking and logistics company.	60	June 26, 1996	2010
Philip R. Lochner, Jr. Mr. Lochner serves on corporate boards of public companies. Currently, Mr. Lochner is a director of CMS Energy and Crane Co.	65	June 17, 1999	2011
*James L. Packard Mr. Packard is the retired Chairman, President and Chief Executive Officer of REGAL-BELOIT Corporation, a manufacturer of mechanical and electrical products. He served as President and Chief Executive Officer from 1986	66	June 22, 1998	2009

until 2002, and as Chairman from 1986 until 2006. Mr. Packard is also a director of The First National Bank & Trust Company of Beloit and Manitowoc Company.

* Nominees for election to terms expiring in 2012

The Board of Directors recommends a vote FOR the election of Messrs. Adam, Bradford and Packard as directors of the Company.

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CORPORATE GOVERNANCE

Independence

The New York Stock Exchange (NYSE) corporate governance rules require that the Board of Directors of a listed company consist of a majority of independent directors. The Company s Board of Directors currently has, and previously has had, a majority of independent directors. Seven of the eight current members of the Board of Directors are independent; only Mr. Johnson is not.

Pursuant to the NYSE corporate governance rules, the Board of Directors has adopted categorical independence standards to provide assistance in the determination of director independence. The categorical standards are set forth below and provide that a director will not qualify as an independent director if:

- (i) The director is, or has been within the last three years, an employee of the Company, or an immediate family member of the director is, or has been within the last three years, an executive officer of the Company;
- (ii) The director has received, or has an immediate family member who has received, during any twelve month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- (iii) The director is a current partner or employee of the Company s external audit firm, or was within the past three years a partner or employee of such firm and personally worked on the Company s audit within that time;
- (iv) The director has an immediate family member who (a) is a current partner of a firm that is the Company s external auditor, (b) is a current employee of such firm and participates in the firm s audit, assurance or tax compliance (but not tax planning) practice or (c) was within the past three years a partner or employee of such firm and personally worked on the Company s audit within that time;
- (v) The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company s present executive officers at the same time serves or served on that company s compensation committee;
- (vi) The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of \$1 million or 2% of such other company s consolidated gross revenues; or
- (vii) The director or an immediate family member is a current officer, director or trustee of a charitable organization where the Company s annual discretionary charitable contributions to the charitable organization are more than the greater of (i) two percent (2%) of that organization s total annual charitable receipts, or (ii) \$1,000,000.

For purposes of the categorical standards, immediate family member includes a director s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the director s home.

The Board of Directors has affirmatively determined, assisted by the categorical independence standards set forth above, that none of the outside Directors has a material relationship with the Company (either directly or as a partner, shareholder, officer, employee or trustee of an organization that has a relationship with the Company). In making its determination, the Board of Directors considered relevant facts and circumstances, including commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, and considered the issue not merely from the standpoint of a director, but also from that of persons or organizations with which a director has an affiliation.

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Applying the categorical independence standards, the Board of Directors has determined that each of Messrs. Adam, Bradford, Burgstahler, Donovan, Jenkins, Lochner and Packard is independent as required by the NYSE corporate governance rules.

Meetings and Fees

The Board of Directors held six meetings during fiscal 2008. All of the Company's directors attended at least 75% of the aggregate number of meetings of each of (i) the Board of Directors and (ii) Committees of the Board of which they were members throughout fiscal 2008.

In fiscal 2008, directors who were not employees of the Company received (a) an annual retainer of \$35,000, payable in cash or shares of the Company's Common Stock, at the director's option; (b) a fee of \$1,500 payable for each Board meeting attended; (c) a fee of \$1,500 payable for each meeting of a Committee of the Board attended in person and a fee of \$1,000 for each Committee meeting attended by telephone; and (d) annual fees payable to Chairmen of Committees of the Board as follows: (i) Audit Committee Chairman, \$10,000; (ii) Director Affairs/Corporate Governance Committee Chairman, \$6,500; and (iii) Compensation Committee Chairman, \$6,500. Board members also receive reimbursement for travel expenses and the stock options referred to below.

In September 2008, the Board approved an increase in the annual retainer to \$40,000 effective on March 23, 2009. However, in light of the wage freeze imposed by the Company at the outset of fiscal year 2009, the Board subsequently unanimously resolved to forego such increase and to maintain the amount of the annual retainer at \$35,000 for fiscal year 2009.

Pursuant to the Company's Deferred Compensation Plan for Directors, a non-employee director may elect to defer receipt of the director's fees to which he is entitled and to be paid the amounts so deferred, plus interest thereon at the prime rate announced quarterly by JP Morgan Chase Bank, or its successor, either when the participant ceases being a director of the Company or at the time the participant reaches a specified age. None of the directors deferred any portion of the fees payable during fiscal 2008.

Under the Company's 2004 Incentive Plan, on the date a person first becomes a non-employee director, and annually thereafter on the date of each annual meeting of shareholders, such person has the option to receive a grant of shares of the Company's Common Stock with an aggregate fair market value equal to and in lieu of the amount of the annual retainer for non-employee directors. If approved at the Annual Meeting, the 2009 Incentive Plan provides for a similar option, and directors who elect shares in lieu of cash will be awarded those shares under the new plan.

Under the Company's 2004 Incentive Plan, each non-employee director is also automatically granted, on the date of each annual meeting of shareholders, options to purchase 7,500 shares of Common Stock at an option exercise price equal to the fair market value of a share of Common Stock on the date of grant. For persons who become a non-employee director on a date other than the date of an annual meeting of shareholders, the number of shares subject to such option are prorated based on the number of days between the date on which he or she becomes a director and the date of the next Annual Meeting of Shareholders. If approved at the Annual Meeting, the 2009 Incentive Plan provides that the Director Affairs/Corporate Governance Committee each year will determine the number and form of equity incentive grants payable to directors. The Director Affairs/Corporate Governance Committee has determined not to deviate from historical practice in 2009 and, consequently, on March 23, 2009 each director will receive options to purchase 7,500 shares of Common Stock at an option exercise price equal to the fair market value of a share of Common Stock on such date. These options will be granted pursuant to the 2004 Incentive Plan.

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All options granted to directors as described above vest immediately on the date of grant and have a ten year term. Shares acquired upon exercise of an option may not be sold or transferred during the six month period following the date of grant of such option. The following table sets forth the compensation paid to the Company's non-employee directors during fiscal year 2008:

DIRECTOR COMPENSATION FOR FISCAL YEAR 2008

Name	Fees Earned or Paid in Cash (1) (\$)	Stock Awards (2) (\$)	Option Awards (3) (\$)	Change in Pension Value & Non-Qualified		Total (\$)
				Deferred Earnings (\$)	All Other Compensation (\$)	
J. Marc Adam	26,500	35,016	63,150	0	0	124,666
James W. Bradford	27,500	35,016	68,100	0	0	130,616
Robert J. Burgstahler	33,000	35,016	68,100	0	0	136,116
Paul Donovan	29,500	35,016	68,100	0	0	132,616
Robert H. Jenkins	30,104	35,016	68,100	0	0	133,220
Philip R. Lochner, Jr.	61,000		68,100	0	0	129,100
James L. Packard	28,000	35,016	68,100	0	0	131,116

- (1) Represents the amount of cash compensation earned by each director in fiscal 2008 for Board and Committee service.
- (2) All stock awards reflected in this column represent the stock awarded to a director at his election in lieu of cash compensation for his annual retainer. The amounts shown in this column represent the expense recognized by the Company in accordance with FAS 123R for financial reporting purposes in fiscal 2008 for restricted stock grants made during fiscal 2008, disregarding for this purpose estimates of forfeitures related to service-based vesting conditions. See Footnote N of the Company's consolidated financial statements for the three years ended November 29, 2008, included in our Annual Report on Form 10-K for the year ended November 29, 2008 filed with the Securities and Exchange Commission on January 23, 2009 (the 2008 Annual Report), for the assumptions made in determining FAS 123R values. The grant date fair value of the restricted stock grants made to each non-employee director during fiscal 2008 was \$35,016. There were no unvested restricted stock units or unvested restricted stock held by any non-employee director as of the end of fiscal 2008. The number of shares of stock held by each non-employee director of the Company as of the end of fiscal 2008 are set forth in the column entitled "Shares Owned Outright" in the table entitled "Security Ownership Management" under the heading "BENEFICIAL OWNERSHIP OF THE COMPANY'S COMMON STOCK".
- (3) Represents the expense recognized by the Company in accordance with FAS 123R for financial reporting purposes in fiscal 2008 for stock option grants, disregarding for this purpose the estimates of forfeitures related to service-based vesting conditions. The assumptions used in the calculation of these amounts were as follows:

Risk-Free

	Grant Date	Volatility (%)	Expected Life (Years)	Interest Rate	Dividend Yield
Directors (other than Mr. Adam)	3/31/2008	20.5	7	2.88	.85
Mr. Adam	3/31/2008	20.6	6	2.88	.85

See also Footnote N of the Company's consolidated financial statements for the three years ended November 29, 2008, included in our 2008 Annual Report, for the other assumptions made in determining FAS 123R values. The grant date fair value of the stock options granted in fiscal 2008 to each director other than Mr. Adam (determined using a BlackScholes methodology employing the assumptions set forth in the table immediately above) was \$9.08 per option and \$408,600 for all directors other than Mr. Adam in the

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aggregate. The grant date fair value of the stock options granted in fiscal 2008 to Mr. Adam (determined using a BlackScholes methodology employing the assumptions set forth in the table immediately above) was \$8.42 per option and \$63,150 for Mr. Adam in the aggregate. The number of vested stock options held by each non-employee director of the Company as of the end of fiscal 2008 are set forth in the column entitled "Vested Stock Options" in the table entitled "Security Ownership Management" under the heading "BENEFICIAL OWNERSHIP OF THE COMPANY'S COMMON STOCK". No non-employee director had any unvested stock options at the end of fiscal 2008.

Stock Ownership Guidelines

The Company has established stock ownership guidelines for non-employee directors. Under these guidelines, all non-employee directors, after a five-year period, should own Company common stock with a value of five times the annual retainer (currently \$35,000). Shares subject to in-the-money options granted to a non-employee director count toward the fulfillment of these guidelines. These guidelines are not mandatory, but are intended to convey expectations regarding the expected levels of stock ownership by directors. The Company has no official policy that specifies the consequences for failing to meet the guidelines within a reasonable period of time. The determination of such consequences in any particular instance would be a matter for the Director Affairs/Corporate Governance Committee and Board of Directors to decide.

The Director Affairs/Corporate Governance Committee oversees these guidelines and reviews each director's standing in respect of the same once per year. In January of 2009, this Committee determined that all of the Company's directors currently comply with the guidelines based on their respective years as a director of the Company.

Committees of the Board of Directors

During fiscal 2008, the standing committees of the Board of Directors were the Director Affairs/Corporate Governance Committee, the Audit Committee and the Compensation Committee. Each of these Committees is discussed below.

Director Affairs/Corporate Governance Committee. The Director Affairs/Corporate Governance Committee currently consists of five directors: James L. Packard, Chairman, J. Marc Adam, James W. Bradford, Jr., Robert H. Jenkins, and Philip R. Lochner, Jr. Each of these directors is independent as such term is defined in the NYSE corporate governance rules.

The Board has adopted a Charter for the Committee. A current copy of that Charter is available on the Company's website: www.clarcor.com. The Charter provides, among other things, that the Committee will make recommendations to the full Board regarding changes to the size and composition of the Board or any committee thereof; identify individuals that the Committee believes are qualified to become Board members and recommend that the Board select such nominee or nominees to stand for election; and identify individuals for appointment to the Board to fill vacancies on the Board.

The Charter of the Committee requires the Committee to review and evaluate any stockholder nominees for director. The Committee has no specific policy with regard to the minimum qualifications of director candidates. The Company's By-laws (available on the Company's website) were last amended on December 18, 2007 and provide that notice of any proposed nomination by a shareholder for election of a person to the Board shall be delivered to or mailed and received at the principal executive offices of the Company no less than 120 days nor more than 150 days prior to the anniversary of the prior year's Annual Meeting of Shareholders. Section 2.12 of the By-Laws specifies the information to be included by a shareholder in such a notice.

Messrs. Adam, Bradford and Packard are the current nominees recommended by the Committee for election to the Board. All of these individuals are standing for reelection by the shareholders.

In the past the Committee has reviewed potential candidates for election to the Board recommended primarily by Board members or third party search firms. The process has included a review of the candidate's qualifications and interviews with the candidate. No different process would be applied with respect to nominees recommended by holders of the Company's Common Stock.

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The Director Affairs/Corporate Governance Committee met five times during fiscal 2008.

Audit Committee. The Audit Committee was established by the Board in accordance with applicable provisions of the Securities Exchange Act of 1934, as amended, and applicable NYSE requirements. The Audit Committee currently consists of five directors: Messrs. Robert J. Burgstahler, Chairman, J. Marc Adam, James W. Bradford, Jr., Paul Donovan and James L. Packard. Each of these directors is independent and financially literate as such terms are defined in the NYSE corporate governance rules. Further, Mr. Burgstahler and Mr. Donovan have previously served as the chief financial officers, and Mr. Bradford and Mr. Packard as the chief executive officers of publicly-held corporations. Based on these and other factors, the Company has determined that Mr. Bradford, Mr. Burgstahler, Mr. Donovan and Mr. Packard are each an audit committee financial expert as such term is defined in applicable rules of the Securities and Exchange Commission.

The Board has adopted a Charter for the Audit Committee. A current copy of that Charter is available on the Company's website: www.clarcor.com.

The purposes of the Committee include assisting Board oversight of the integrity of the Company's financial statements, its compliance with legal and regulatory and filing requirements, the selection of an independent auditor, determination of the independent auditor's qualifications and independence and the performance of the Company's internal audit function and independent auditors. The Committee discusses with management and the Company's independent auditors the Company's annual audited financial statements, quarterly financial statements, earnings press releases, and management's assessment of internal control over financial reporting.

The Audit Committee met eight times during fiscal 2008.

Compensation Committee. The Compensation Committee currently consists of four directors: Messrs. Robert H. Jenkins, Chairman, Robert J. Burgstahler, Paul Donovan, and Philip R. Lochner, Jr. Each of these directors is independent as such term is defined in the listing standards of the NYSE.

The Board has adopted a written Charter for the Committee. A current copy of that Charter is available on the Company's website: www.clarcor.com.

The purposes of the Committee include discharging the Board's responsibilities relating to compensation of the Company's executive officers and reviewing and making recommendations to the Board with respect to compensation plans, policies and programs. The Committee annually reviews and approves corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer and determines and approves the compensation level of the Chief Executive Officer and the Company's other executive officers and approves grants and awards of restricted stock and stock options under the Company's incentive plans. From time to time the Committee consults with outside compensation experts in exercising its responsibilities. All of the foregoing are described in greater detail in the Compensation Discussion and Analysis below.

The Compensation Committee met seven times during fiscal 2008.

Executive Sessions of the Board; Communications with the Board

The Company's Corporate Governance Guidelines (available on the Company's website) provide that at each meeting of the Board of Directors the independent directors shall meet separately from the management of the Company. Mr. Johnson, a director and the Chairman, President and Chief Executive Officer of the Company, does not attend these executive sessions. Under the Guidelines, these sessions are chaired on a rotating basis by the chairperson of one of the standing committees of the Board (currently the Audit Committee, the Compensation Committee and the

Director Affairs/Corporate Governance Committee).

The Board has adopted a process for holders of the Company's common stock and other interested parties to send written communications to the Board. Such communications should be sent to the Corporate Secretary at CLARCOR Inc., 840 Crescent Centre Drive, Suite 600, Franklin, Tennessee 37067. The Corporate Secretary will forward all such communications to the Chairman of the Director Affairs/Corporate Governance Committee of the Board. That Committee will determine whether any such communication will be distributed to the full Board or, if requested by the sender, only to the non-management directors.

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The Board has adopted a policy which recommends that all directors personally attend each annual and special meeting of the shareholders of the Company. At the last Annual Meeting of Shareholders, held on March 31, 2008, all of the directors were in attendance.

Code of Ethics

The Company has adopted a Code of Ethics for Senior Financial Officers applicable to the Company's Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Vice President - Internal Audit and any other person performing the duties of such officials. The Code of Ethics for Senior Financial Officers is available on the Company's website at www.clarcor.com.

Compensation Committee Interlocks and Insider Participation

During fiscal 2008, the Compensation Committee of the Board of Directors was composed of Robert J. Burgstahler, Paul Donovan, Robert H. Jenkins and Philip R. Lochner, Jr. None of these persons has at any time been an officer or employee of the Company or any of its subsidiaries. In addition, there are no relationships among our executive officers, members of the Compensation Committee or entities whose executives serve on the Board of Directors or the Compensation Committee that require disclosure under applicable regulations of the Securities and Exchange Commission.

Certain Transactions

We are not aware of any related party transactions between the Company and any of our directors, executive officers, 5% stockholders or their family members since the beginning of the last fiscal year which require disclosure under Item 404 of Regulation S-K under the Securities Exchange Act of 1934 (Item 404 Transactions).

Each year, the Company requires its directors and executive officers to complete a questionnaire, one of the purposes of which is to disclose any related-party transactions with the Company, including any potential Item 404 Transactions. No such transactions were disclosed during or in respect of fiscal 2008. The Company does not have a history of engaging in related-party transactions with its directors or executive officers or their respective related persons or affiliates and does not have a formal or other written policy regarding the analysis or approval of such transactions. That said, any material proposed related-party transaction, including any Item 404 Transaction irrespective of materiality, would be brought before the Board or a specially designated Committee thereof (with any interested director recusing him or herself from the proceedings) to be specifically considered and approved before the Company would knowingly engage in any such transaction.

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BENEFICIAL OWNERSHIP OF THE COMPANY S COMMON STOCK

Certain Beneficial Owners