

# **The Eastern Company**

## **Nominating and Corporate Governance Committee Charter**

The Board of Directors (the “Board”) of The Eastern Company (the “Company”) shall appoint from its members a Nominating and Corporate Governance Committee (the “Committee”). This Charter of the Nominating and Corporate Governance Committee defines the composition, purpose, duties and responsibility and authority of the Committee as follows:

### **Composition of the Committee**

The members of the Committee shall be appointed annually by the Board. The Committee will be composed of three or more nonemployee members of the Board. The Board shall affirmatively determine that each member is “independent” in accordance with applicable law, including the rules and regulations of the Securities and Exchange Commission and the rules of the NASDAQ Stock Market (taking into account such additional independence factors specific to membership on the Committee as may be required by the rules of the NASDAQ Stock Market).

Members of the Committee shall serve until their successors are duly elected and qualified or their earlier resignation or removal. The Board may replace any member of the Committee.

### **Purpose of the Committee**

The Committee’s primary purpose is to consider and report periodically to the Board on matters relating to the identification, selection and qualification of potential candidates for the Board, and to advise and make recommendations to the Board of Directors with respect to corporate governance matters.

### **Duties and Responsibilities**

The Committee:

- Shall screen and recommend potential nominees to the Board. Nominees must have the ability to apply good business judgment, must be able to exercise his or her duties of loyalty and care, must exhibit proven leadership capabilities and high integrity, must have exercised high level responsibilities within their chosen careers, and must have the ability to quickly grasp complex principles of business and finance. Candidates will receive preference to the extent they hold an established executive level position in business, finance, law, education, research, government or civic activities.
- Shall consider director nominees who are identified either by the directors, by the shareholders, or through other sources.
- May utilize the services of a third party search firm to assist the Committee in the identification or evaluation of director candidates, as the Committee deems necessary or appropriate.

- Shall consider qualified candidates for possible nomination to the Board when a shareholder submits to the Committee the information described in the Company's bylaws (in the care of the Company's Secretary). This information must include:
  - The name, age, business address and residence address of the candidate;
  - The principal occupation or employment of the candidate;
  - The number of shares of stock of the Company which are beneficially owned by the candidate;
  - Any other information relating to the candidate which is required to be disclosed in connection with the solicitation of proxies for the election of directors (including, without limitation, the candidate's written consent to being named in a proxy statement as a nominee and to serving as a director if elected");
  - The name and address of the shareholder submitting the candidate for nomination; and the number of shares of stock of the Company which are beneficially held by that shareholder.

This information must be submitted within the time period set forth in the Company's Bylaws (which is not more than 90 days nor less than 60 days prior to the first anniversary of the preceding year's annual meeting).

- Shall make a preliminary assessment of each proposed nominee based upon his or her resume and biographical information, the individual's willingness to serve as a director, and other background information. The Committee will evaluate this information against the criteria described above and the specific needs of the Company at the time.
- Shall monitor compliance with the Company's Code of Business Conduct and Ethics and the guidelines regarding any director's conflict of interest.
- Shall consider all matters of corporate governance, and recommend to the Board modifications to such policies as appropriate.
- Shall review the Committee's charter, structure, processes and membership requirements, and submit any recommended changes to the Board at least once a year.
- Shall perform such other functions as required by law, the Company's charter or bylaws, or that the Board requests.

### **Meetings, Quorum, Informal Actions, Minutes, Reporting**

The Committee shall meet as often as it deems appropriate to perform its duties. Special meetings may be called by the Chair of the Committee. A majority of the members of the Committee shall constitute a quorum. Concurrence of a majority of the quorum (or, in case a quorum at the time consists of two members of the Committee, both members present) shall be required to take formal action of the Committee. Written minutes shall be kept for all formal meetings of the Committee.

As permitted by Section 33-749 and Section 33-753(d) of the Connecticut General Statutes, the Committee may act by unanimous written consent, and may conduct meetings via conference telephone or similar communication equipment.

Members of the Committee may meet informally with officers or employees of the Company and its subsidiaries and may conduct informal inquiries and studies without the necessity of formal meetings. The Committee may delegate to its chair or to one or more of its members the responsibility for performing routine functions.

The Committee shall report regularly to the Board of Directors.

### **Authority and Resources**

The Committee may request any officer of the Company or the Company's outside counsel to attend a Committee meeting.

- The Committee has the right, in its sole discretion, at any time to retain or obtain advice, reports or opinions from internal and external counsel, consultants, and other advisors (each, a "Nominating and Corporate Governance Advisor") as it deems necessary or appropriate to assist it in the full performance of its functions.
- The Committee shall be directly responsible for the appointment and oversight of the work of any Nominating and Corporate Governance Advisor retained by the Committee.
- The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable fees to any Nominating and Corporate Governance Advisor retained by the Committee.