

CAPITAL ALLOCATION AND INVESTMENT COMMITTEE CHARTER

The Capital Allocation and Investment Committee of The Board of Directors of The Eastern Company shall be comprised of three or more members of the Board, a majority of whom shall be independent non-employee Directors.

Annually the Board shall appoint the members of the Committee and members shall serve at the pleasure of the Board. The Board shall designate one of the members to serve as Chairman.

Duties and Responsibilities:

- To review and recommend investment opportunities in undervalued public companies to the Board where the Committee believes value can be created thru active engagement with management and Boards, intending to drive change and implement initiatives designed to enhance long term value.
- To consider acquisitions and refer qualified opportunities to the Board.
- To provide oversight of strategic efforts of the Company including ongoing review of the Company's assets, Capital Allocation and potential transactions to enhance shareholder value.

Resources and Authority of the Committee:

- The Committee shall be given the resources and authority to appropriately discharge its responsibilities, including authority to retain counsel and other experts and consultants.

Operations:

- The Committee shall meet at such time or times as scheduled by the Chair.
- A majority of the non-employee Directors constitutes a quorum. No meeting shall take place without a quorum present.
- The Committee may meet and transact its business in person, electronically or by written consent as permitted by the Company's By-Laws.
- The Committee will report to the Board no later than the next regularly scheduled Board meeting.
- Minutes will be kept and will be available to each member of the Board.
- Any action of the Committee shall be subject to approval of the Board.

Compensation:

- Each non-employee member of the Committee shall be compensated for services as a member of the Committee, in an amount determined by the Board.

Amendments:

- The Investment and Capital Allocation Committee Charter may be amended with the approval of the Board.