
Code of Business Conduct and Ethics

Rev. March 2017

A. Complying with Law

The Eastern Company is committed to following high ethical standards and doing business lawfully around the World. The Code of Business Conduct and Ethics (“Code”) outlines how we comply with our commitment to those high ethical standards and act with integrity. Although the Code is not intended to address every situation and answer every question, it provides guiding principles, practical direction and helpful resources to assist each of us in consistently making ethical and lawful decisions.

All employees, officers and directors of the Company should respect and comply with all of the laws, rules and regulations of the U.S. and any states, counties, cities and other countries or jurisdictions in which the Company conducts its business or whose laws, rules and regulations are applicable to the Company. We expect the same from our business partners, suppliers and customers.

B. Conflicts of Interest

All employees, officers and directors of the Company must be scrupulous in avoiding any conflict of interest with regard to the Company’s interests. A “conflict of interest” exists whenever an individual’s private interests, interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively.

It is almost always a conflict of interest for a Company employee to work simultaneously for a competitor, customer, supplier or regulator. Employees are not allowed to work for a competitor as a consultant or board member. The best policy is to avoid any direct or indirect business connection with the Company's competitors, customers, suppliers or regulators, except on the Company's behalf.

Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company, whether received from the Company or a third party, such as a family member, relative or friend. Loans to, or guarantees of obligations of, employees, officers or directors or their respective family members may create conflicts of interest. Federal law prohibits loans to directors and executive officers.

Conflicts of interest are prohibited as a matter of Company policy, except when approved by the Board of Directors or a committee of the Board of Directors. Conflicts of interest may not always be clear-cut, so employees who have any questions should consult with higher levels of management or the Company's counsel. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or

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other appropriate personnel, or consult the procedures described in this Code.

C. Corporate Opportunity

Employees, officers and directors are prohibited from:

- 1) taking for themselves personally any opportunities that properly belong to the Company or are discovered through the use of corporate property, information or position;
- 2) using corporate property, information or position for personal gain or any gain that is not in the direct interest of the company.
- 3) competing with the Company.

Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

D. Confidentiality

Employees, officers and directors of the Company must maintain the confidentiality of confidential information entrusted to them by the Company or its suppliers or customers, except when disclosure is authorized by management or required by law, regulation or legal proceedings. Whenever feasible, employees, officers and directors should consult the Compliance Officer if they believe they have a legal obligation to disclose confidential information. Confidential information includes all non-public information that might be of use to competitors of the Company, or harmful to the Company or its customers if disclosed. If an employee loses Company equipment, a document or any other item containing confidential information such as a Company laptop, cell phone or thumb drive, he or she should report the loss immediately to his or her supervisor.

E. Avoiding Insider Trading (Also see Item 107 & 310)

In the course of our employment activities, we may become aware of important information about our Company or other companies before the information is shared with the general public. This information is known as material non-public information. This information comes in various forms. Normally, it is information that a reasonable investor would consider

important when buying or selling a stock. Examples include:

- 1) Unreleased earnings and earnings forecasts
- 2) News of mergers or acquisitions
- 3) Changes in senior management
- 4) Noteworthy new products
- 5) Other significant events that might affect the Company's stock price.

We may not disclose or use for our personal benefit any material, non-public information we possess, nor may we "tip" such information to another person, because such person may then use this information for his or her personal benefit.

F. Communications with the Media

The way we communicate with the public is very important and we must be accurate, honest and consistent. **Only the Chief Executive Officer, Chief Financial Officer or an employee authorized by the CEO may communicate with the media in any manner, telephonic, social media, and email, written or otherwise.**

G. Fair Dealing

Each employee, officer and director should endeavor to deal fairly with the Company's customers, suppliers, competitors, officers and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

H. Protection and Proper use of Company Assets

All employees, officers and directors should protect the Company's assets and ensure their efficient use and for only lawful purposes. We must not use Company computers, phones, or IT systems to send or view material or pictures that may be considered by others to be inappropriate, illegal, sexually explicit or otherwise offensive. [Theft, carelessness, and waste have a direct impact on the Company's profitability].

I. Public Company Reporting (Also see Item 105)

As a public company, the Company's filings with the Securities and Exchange Commission must be full, fair, accurate, timely and understandable. All of the

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Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Depending on his or her position with the Company, an employee, officer or director may be called upon to provide necessary information to assure that the Company's public reports are complete, fair and understandable. The Company expects employees, officers and directors to take this responsibility very seriously and to provide prompt, accurate answers to inquiries related to the Company's public disclosure requirements and to communicate candidly with the Company's external auditors.

J. Record Keeping

As a public company, we have a duty to maintain accurate records that present a true, complete and honest picture of our financial status. Records may be in paper or electronic form and include inventory data, employment documentation, email and other documents and correspondence. We have a responsibility to maintain appropriate supporting documentation and dispose of records according to the Company's Records Retention Policy, including legal holds, which is a directive

issued by the Company's legal counsel in connection with anticipated, threatened or initiated litigation.

K. Accounting Complaints

The Company's policy is to comply with all applicable financial reporting and accounting regulations applicable to the Company and to cooperate with external and internal audits and investigations. If any employee, officer or director of the Company has concerns or complaints regarding questionable accounting or auditing matters of the Company, then he or she is encouraged to submit those concerns or complaints (anonymously, confidentially or otherwise) to the chairman of the Audit Committee of the Board of Directors (which will, subject to its duties arising under applicable law, regulation or legal proceedings, treat such submissions confidentially). The Sarbanes-Oxley Act

of 2002 requires all public companies to establish an independent third party toll-free number for reporting questionable accounting or auditing matters. The Company has established this reporting number and has posted this number in conspicuous locations in all of our facilities so that employees may see it.

L. Reporting any Illegal or Unethical Behavior

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and, when in doubt, about the best course of action in a particular situation. Employees, officers and directors who are concerned that violations of this Code have occurred or may occur, or that other illegal or unethical conduct by employees, officers or directors of the Company has occurred or may occur, should contact their supervisors or superiors. If they do not believe it appropriate or are not comfortable approaching their supervisors or superiors about their concerns or complaints, then they may contact either the chairman of the Audit Committee or Chief Compliance Officer. If their concerns or complaints require confidentiality, including keeping their identity anonymous, then their confidentiality will be protected, subject to applicable law, regulation or legal proceedings.

M. Workplace Fairness and Respect

The Company is dedicated to providing a work environment that is free from all forms of unlawful discrimination. The Company follows all applicable employment laws in the countries where it does business, recognizing that laws vary country to country. In addition, the Company is an equal opportunity employer and makes all employment related decisions based on job-related qualifications and without regard to characteristics that may be protected by applicable law, such as:

- 1) Age
- 2) Color
- 3) Disability
- 4) Gender
- 5) National origin or geographic background
- 6) Race
- 7) Religion
- 8) Marital status
- 9) Sexual orientation
- 10) Veteran status
- 11) Citizenship

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The Company will not tolerate unlawful discrimination in any phase of employment, including recruiting, hiring, promotion, demotion, transfer, lay-off or termination, compensation, educational opportunities and selection for training.

N. Harassment and Bullying

All Company employees should be able to do their jobs in a safe and respectful environment without fear of harassment or bullying. The Company will not tolerate any form of harassment or bullying behavior in the workplace, including written, verbal, physical or visual harassment or bullying. Sexual and racial harassment in any form, including derogatory language and conduct, also are prohibited.

Examples of harassing or bullying behavior include:

- 1) Inappropriate or offensive jokes, actions or comments based on race, color or gender, sexual orientation, national origin, religion, disability, marital status, veteran status, or other personal characteristics.
- 2) Inappropriate physical contact, including unwanted touching
- 3) Threatening, intimidating or hostile actions
- 4) Abusive language or cursing those others may find objectionable
- 5) Name calling
- 6) Unwelcome sexual flirtations, advances or propositions
- 7) Use of sexually explicit, suggestive or degrading words
- 8) Public displays in the workplace of sexually suggestive objects, pictures to which others may object

Any violation of this policy may result in immediate termination of employment.

O. Workplace Violence

All Company employees have the right to perform their jobs in a safe environment without fear of threat of violence. The Company prohibits the possession of guns, explosives and other weapons inside Company facilities unless prohibited by local law. All threats or violent acts should be reported. In case of immediate danger employees should contact local law enforcement. The Company will not tolerate any violent or threatening behavior towards fellow

employees. Any threatening behavior or act of violence will be investigated and appropriate disciplinary action will be taken up to and including termination. Examples include:

- 1) Direct or indirect verbal threats of harm or injury
- 2) Words, gestures or shouting that create a reasonable fear of harm or injury
- 3) Stalking an individual
- 4) Intimidation

P. Drug and Alcohol Free Workplace

The Company prohibits the presence of illegal drugs or alcohol on its premises. The use, solicitation, sale or possession of illegal drugs or controlled substances without a medical prescription in Company facilities or on Company premises is prohibited. Violation of this policy may result in termination of employment.

Q. Business Gifts (see corporate policy 102)

R. Anti-bribery and Corruption Laws (see corporate policy 104)

S. Workplace safety

The Company is committed to maintaining a safe workplace and to compliance with all applicable environmental laws and regulations. [The goal is to prevent injuries and to protect the environment.] For more information, please review the Company's Health, Safety and Environmental Compliance Policy.

T. No Retaliation

The Company will not permit retaliation of any kind by or on behalf of the Company and its employees, officers and directors against good faith reports or complaints of violations of this Code or other illegal or unethical conduct.

U. Accountability for Adherence to the Code

All employees, officers and directors are responsible for abiding by this Code. This includes individuals who are responsible for a failure to exercise proper supervision and to detect and report a violation by their subordinates. Employees, officers and directors who violate this Code are subject to disciplinary action, up to and including dismissal.

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V. Amendment, Modification and Waiver

This Code may be amended, modified or waived by the Board of Directors. The Audit Committee of the Board of Directors is responsible for the administration of the Code and has the sole authority to grant waivers of its provisions affecting executive officers, subject to the disclosure and other provisions of the Securities Exchange Act of 1934, as amended and the applicable rules of the New York Stock Exchange.

W. Acknowledgement of Receipt (Directors, Officers, Business Leaders, Non-Union)

I have received the Eastern Company's Code of Business Conduct and Ethics ("Code"). I recognize that I have a responsibility to read our Code and to familiarize myself with the policies of the Company. I acknowledge that the Code is intended to present an overview of the Company's policies in effect at a particular time. I further acknowledge that neither the Code, nor any Company policies, constitutes an employment contract with the Company or its subsidiaries, and that the Company reserves the right to modify its policies and this Code at any time.

Signature

Name

Position

Date