

## code of conduct + ethics

code of conduct

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governance guidelines

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committees and charters

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officers and directors

Ethan Allen Interiors Inc.

and Ethan Allen Global, Inc.

(collectively the “Company”)

### **Codes of Business Conduct and Ethics**

This Code applies to all employees of the Company, its subsidiaries and affiliates as well as to the members of the Board of Directors. This Code is but one Company policy, we have many other policies. We expect compliance with all Company policies. We will not tolerate unethical behavior and we will not tolerate failure to report instances of possible or actual policy violations. Violations of the Code are serious matters and will result in disciplinary action up to and including termination

#### **1. Complying With Law**

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 other countries, and the states, counties, cities and other jurisdictions, in which the Company conducts its business or the laws, rules and regulations of which are applicable to the Company.

Such legal compliance should include, without limitation, laws and regulations concerning safe workplace, fair wages, hours and working conditions, product safety and compliance, anti-bribery, conflicts of interest, environmental responsibility and the treatment of all co-workers, vendors, contractors and/or consultants with dignity and respect, compliance with the “insider trading” prohibitions applicable to the Company and its employees, officers and directors. Generally, employees, officers and directors who have access to or knowledge of confidential or non-public information from or about the Company are not permitted to buy, sell or otherwise trade in the Company’s securities, whether or not they are using or relying upon that information. This restriction extends to sharing or tipping others about such information, especially since the individuals receiving such information might utilize such information to trade in the Company’s securities. The Company has implemented and established trading restrictions to reduce the risk, or appearance, of insider trading, as set forth in the Company’s Insider Trading Policy. Company employees, officers and directors are directed to the Company’s Insider Trading Policy or to the Company’s Law Department if they have questions regarding the applicability of such insider trading prohibitions.

This Code of Business Conduct and Ethics does not and is not intended to summarize all laws, rules and regulations applicable to the Company and its employees, officers and directors. All employees, officers and directors are directed to the Company’s Law Department and the various policies or guidelines which the Company has prepared on specific laws, rules and regulations.

#### **2. Conflicts Of Interest**

All employees, officers and directors of the Company should be scrupulous in avoiding a 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.

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. Loans to, or guarantees of obligations of, employees, officers and directors and their respective family members may create Conflicts of Interest. Federal law prohibits loans to directors and executive officers.

It is almost always a Conflict of Interest for a Company employee to work simultaneously for a competitor, customer or supplier. You 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 or personal connection or involvement with our customers, suppliers or competitors, except on behalf of the Company.

Conflicts of Interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Directors or committees of the Board. Conflicts of Interest may not always be clear-cut, so if you have a question, you should consult with senior management or the Company's Law Department. 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 other appropriate personnel or consult the procedures described in this Code.

### **3. Corporate Opportunity**

Employees, officers and directors are prohibited from (a) taking for themselves personally, opportunities that properly belong to the Company or are discovered through the use of corporate property, information or one's position; (b) using corporate property, information or position for personal gain; and (c) competing directly or indirectly with the Company. Employees, officers and directors owe a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises.

### **4. 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 the Law Department or required by laws, regulations or legal proceedings. Whenever feasible, employees, officers and directors should consult the Law Department 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 be harmful to the Company or its customers if disclosed.

### **5. 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.

### **6. Protection And Proper Use Of Company Assets**

All employees, officers and directors should protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. All Company assets should be used only for legitimate business purposes.

## **7. Intellectual Property**

Our trademarks, service marks and patents are valuable corporate assets and all employees are responsible for protecting them. As such, all trademarks should be used in a manner that reflects the brand and is consistent with the company's standards. Employees must also report any suspected or actual violations, such as unauthorized or improper use of the company's marks or labels. Any questions regarding intellectual property should be referred to the Legal Department.

## **8. Environmental Health and Safety Standards**

The company and its employees shall comply with all applicable environmental, health and safety laws and company policies. It is our intention to control waste and emissions and to handle any hazardous materials so that we preserve and protect our environment and provide a safe and healthy workplace for our employees.

## **9. Accounting Records and Complaints**

All of the 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.

The Company's policy is to comply with all applicable financial reporting and accounting regulations applicable to the Company. 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 Audit Committee of the Board of Directors (which will, subject to its duties arising under applicable law, regulations and legal proceedings, treat such submissions confidentially), Senior Management or the Company's Law Department. Such submissions may be directed to the attention of the Audit Committee, or any director who is a member of the Audit Committee, at the principal executive offices of the Company.

## **10. 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, to discuss the best course of action in a particular situation with the Company's Law Department. Employees, officers and directors, who are concerned that violations of this Code or that other illegal or unethical conduct by employees, officers or directors of the Company have occurred, or may occur, should contact either their supervisor or senior management. If they do not believe it appropriate or are not comfortable approaching their supervisors or senior management about their concerns or complaints, then they may contact either the Law Department of the Company or the Audit Committee or Nomination/Corporate Governance Committee of the Board of Directors of the Company. If their concerns or complaints require confidentiality, including keeping their identity anonymous, then this confidentiality will be protected to the extent practicable, subject to applicable law, regulation or legal proceedings.

## **11. Investigations**

Employees must fully cooperate with efforts to verify compliance with the code and with any inquiry concerning a possible violation of the code. Employees are also obligated to report violations or alleged violations. Employees must not make any false or misleading statements to the Company, its Board of Directors or the Company's representatives, independent auditors or counsel, or conceal or omit information relating to such an investigation. Employees must not withhold, conceal, alter or destroy any hard copy or electronic document, book or record that relate to such an investigation.

## **12. 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, Company policies or guidelines, or other illegal or unethical conduct.

## **13. Equal Employment Opportunity and Harassment**

The Company promotes a cooperative and productive work environment by supporting the cultural and ethnic diversity of its workforce and is committed to providing equal employment opportunity to all qualified employees and applicants. The company does not unlawfully discriminate on the basis of race, color, sex, sexual orientation, gender identity or expression, religion, national origin, marital status, age, disability, veteran's status or genetic information in any personal practice including recruitment, hiring, training, promotion, and discipline.

## **14. Public Company Reporting**

As a public Company, it is of critical importance that the Company's filings with the Securities and Exchange Commission be accurate and timely. Depending on their 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 timely, complete, fair and understandable. The Company expects employees, officers and directors to take this responsibility seriously and to provide prompt accurate answers to inquiries related to the Company's public disclosure requirements.

## **15. Business Entertainment and Gifts**

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should be offered, given, provided or accepted by any Company employee, family member of an employee or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor or the Company's Law Department any gifts or proposed gifts received or to be given which you are not certain are appropriate. All inappropriate gifts or entertainment should be declined and/or returned.

## **16. International Business**

The Company does business in many foreign countries that have different laws and customs. Employees who engage in international business are responsible for knowing and complying with both the laws and regulations of the countries in which they conduct business and the U.S. Laws and regulations that apply outside the U.S. borders. Employees are also prohibited from engaging in unauthorized transactions with 1) embargoed countries and individuals or entities listed on the U.S. Government debarred parties list; 2)

arms proliferation – related and users or parties named on the Department of Commerce’s entity lists; 3) any party known or believed to be acting in violation of U.S. or Foreign Laws or Regulations; or 4) parties known to support an unsanctioned foreign boycott.

#### **17. Bribes and Kickbacks**

Employees must not offer, request or receive any kickback, bribe, disguise commission or similar payment of benefit from any vendor, supplier, contractor, landlord, developer, customer, competitor, another associate of the company, or any other individual, from or Corporation or any public or Governmental official. Payments other than for a legitimate purchase of a product or the giving or receiving of a gift of other than a token or nominal value to or from suppliers or customers or their agents, employees or fiduciaries may constitute a “commercial bribe” which may also be a violation of the law. Commercial bribery is prohibited and no employee may engage in such bribery on behalf of the Company.

#### **18. Antitrust Laws**

The Company may not agree (orally or otherwise) to act together with any competitor with regard to prices, profit margins, terms or conditions of sale, number and types of product, production, distribution, territories, customers or suppliers. Employees must not exchange or discuss with a competitor prices, terms or conditions of sale or any other competitive information and must not engage in any other conduct which may unlawfully restrain competition or otherwise violate antitrust laws. The Company must not act together with its independent retailers in violation of antitrust laws including pricing, project margins and terms and conditions of sale. The consequences for failure to comply with these restrictions may involve criminal and civil liability for both the Company and the employee involved. If you are responsible for areas of business where these laws apply, you must be aware of them and their implications and in particular how they apply in any particular country. Many countries have antitrust or competition laws (though they vary significantly from one country to another). Employees must consult the Legal Department regarding conduct which may give rise to antitrust concerns.

#### **19. Anti Money Laundering**

The company and its employees must comply with all applicable laws and regulations to detect and deter money laundering activities and the support and financing of terrorism, and that require the reporting of cash or suspicious transactions.

#### **20. Business Records and Record Retention**

We expect honesty and transparency in all Company dealings and business records in order to maintain the trust of our stockholders. Therefore all business records ( including expense reports and time records) must be accurate and maintained in a manner that fairly and accurately reflects the true nature of the Company’s business transactions. No employee should created, maintain or distribute any document or Company record, whether for internal or external purposes that contains any false or misleading information or that conceals or omits information necessary to make the document accurate. Records should always be retained, handled or destroyed according to the Company’s record retention policy. In accordance with the policy, in the event of litigation or governmental investigation, please consult the Company’s Law Department.

#### **21. Amendment, Modification And Waiver**

This Code may be amended, modified or waived by the Board of Directors and waivers may also be granted the Nomination/Corporate Governance Committee, subject to the disclosure and other provisions of the Security Exchange Act of 1934, and the rules thereunder and the applicable rules of the New York Stock Exchange.

## **22. Misconduct**

Violations of the Code will result in disciplinary action up to and including termination. No employee may authorize a violation of the Code or disregard any provision in the Code. Nor is an employee's violation of the Code excused because the employee was directed by another individual to take such action. Nothing in this Code shall modify change or otherwise abridge the company's policy's of "at will" employment. This Code is not intended to and does not in any way constitute an employment contract or assurance of continued employment, and does not create any rights of any employee, client, supplier, competitor, shareholder or any other person or entity. The Code is endorsed by and has the full support of the Company's Board of Directors. Board of Directors and Management are responsible for overseeing compliance with an enforcement of the Code.

## **23. Reporting Violations**

It is everyone's duty and obligation to report violations or alleged violations of a questionable, fraudulent or illegal nature. You may send a letter or email to the attention of the Company's Corporate Secretary (pbanks@ethanalleninc.com). The Company also maintains the Corporate Governance hotline that can be used to report violations of the Code (877-873-4968). Reports to the Corporate Secretary and/or the hotline may be made anonymously. The Company will handle inquiries discretely and make every effort to maintain them in confidence when it is allowed by Law, including the confidentiality of anyone requesting guidance or reporting a possible violation.

If you have concerns about the Company's financial controls, accounting, financial reporting or auditing, you must advise the Company through the Corporate Governance hotline at (877) 873-4968.

Last reviewed January 24, 2012