

Ethan Allen Interiors, Inc.
Executive Policy and Standards
(2013)

The following policies and standards will be applicable to the Executive Officers of the Company (which will include the Chief Executive Officer, other “Named Executive Officers” of the Company for purposes of its public reporting and other executives of the Company expressly subject to the Company’s Statement of Policy Concerning Trading in the Company’s Securities) of the Company and have been duly authorized and approved by the Board of Directors of the Company:

1. Stock Ownership. An Executive is expected to acquire ownership of an amount of Company stock over five years in value equal to two times the annual cash base compensation of the Executive. Pledged shares will not be considered when determining compliance with this expectation.

2. Stock Retention. An Executive will hold any Company stock acquired upon the exercise of stock options or restricted stock issued to them for one year following their exercise or vesting, as applicable, except to the extent necessary to (a) pay income and other taxes assessed upon exercise of the options or vesting of that stock, or (b) to provide for funds for the exercise of the options (including any “cashless” exercise of the options).

3. Hedging; Pledging. An Executive will not short sell, hedge and/or pledge the Company’s stock. Any pledges in place by any Executive as of the 2013 Annual Meeting of stockholders will be disclosed to the Company and subject to this prohibition within three years thereafter.

4. Insider Trading Policies. An Executive will comply in all respects with the Company’s director and insider trading policies, including the Company’s Statement of Policy Concerning Trading in the Company’s Securities.

5. Recoupment. If any Executive is paid bonus or other incentive compensation that is paid to Executive on the basis of financial statements of the Company that are subsequently restated or corrected to rectify any fraud or other misconduct by or attributable to the Executive in connection with the initial preparation of these financial statements, then the Executive will return or repay any bonuses or other incentive compensation erroneously paid to him on the basis of these restated or corrected financial statements.

This Policy is effective as of the date of the Resolution adopting it _____, and updates, replaces and supercedes the Company’s prior Executive guidelines, policies and standards relating to the substance and contents of this Policy, and is subject to modification, amendment and waiver either by the Company’s Chief Executive Officer (other than modifications, amendments or waivers applicable to him) Nomination/Governance Committee or Board of Directors, with any such modifications, amendments or waivers provided to the General Counsel and Compliance Officer of the Company.