

INTERFACE INC  
Form DEF 14A  
April 07, 2011

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A  
(RULE 14a-101)  
SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

Interface, Inc.  
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:

- o Fee paid previously with preliminary materials.
  - o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing:
    - (1) Amount previously paid:
    - (2) Form, Schedule or Registration Statement No.:
    - (3) Filing party:
    - (4) Date Filed:
-

**Table of Contents**

**Interface, Inc.**  
**2859 Paces Ferry Road, Suite 2000**  
**Atlanta, Georgia 30339**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

The annual meeting of shareholders of Interface, Inc. (the Company) will be held on Thursday, May 23, 2011, at 3:00 p.m. Eastern Time, at the Vinings Club located at 2859 Paces Ferry Road, Atlanta, Georgia. The purposes of the meeting are:

<b>Item</b>	<b>Recommended Vote</b>
1. To elect ten members of the Board of Directors, four directors to be elected by the holders of the Company's Class A Common Stock and six directors to be elected by the holders of the Company's Class B Common Stock.	FOR
2. To hold an advisory vote on executive compensation, often referred to as a say on pay.	FOR
3. To hold an advisory vote on the frequency of future advisory votes on executive compensation, often referred to as a say when on pay.	EVERY THREE YEARS
4. To ratify the appointment of BDO USA, LLP (formerly BDO Seidman, LLP) as independent auditors for 2011.	FOR
5. Such other matters as may properly come before the meeting and at any adjournments of the meeting.	

The Board of Directors set March 30, 2011 as the record date for the meeting. This means that only shareholders of record at the close of business on March 30, 2011 will be entitled to receive notice of and to vote at the meeting or any adjournments of the meeting.

The Board of Directors is using the attached Proxy Statement to solicit Proxies from shareholders. Please promptly complete and return a Proxy Card or use telephone or Internet voting at your earliest convenience. Voting your Proxy in a timely manner will assure your representation at the annual meeting. You may, of course, change or withdraw your Proxy at any time prior to the voting at the meeting.

By order of the Board of Directors

Raymond S. Willoch  
*Secretary*

April 8, 2011

**PLEASE PROMPTLY COMPLETE AND RETURN A PROXY CARD**

**OR USE TELEPHONE OR INTERNET VOTING PRIOR TO THE MEETING SO THAT YOUR VOTE  
MAY BE RECORDED AT THE MEETING IF YOU DO NOT ATTEND PERSONALLY.**

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**TABLE OF CONTENTS**

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

GENERAL INFORMATION

NOMINATION AND ELECTION OF DIRECTORS (ITEM 1)

CLASS A NOMINEES

CLASS B NOMINEES

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

PRINCIPAL SHAREHOLDERS AND MANAGEMENT STOCK OWNERSHIP

COMPENSATION DISCUSSION AND ANALYSIS

COMPENSATION COMMITTEE REPORT

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

EXECUTIVE COMPENSATION AND RELATED ITEMS

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

DIRECTOR INDEPENDENCE

EQUITY COMPENSATION PLAN INFORMATION

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

ADVISORY VOTE ON EXECUTIVE COMPENSATION (ITEM 2)

ADVISORY VOTE ON THE FREQUENCY OF AN ADVISORY VOTE ON EXECUTIVE  
COMPENSATION (ITEM 3)

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS (ITEM 4)

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

AUDIT COMMITTEE REPORT

SHAREHOLDER PROPOSALS

COMMUNICATING WITH THE BOARD

HOUSEHOLDING OF PROXY MATERIALS

OTHER MATTERS THAT MAY COME BEFORE THE MEETING

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**Table of Contents**

**Interface, Inc.**  
**2859 Paces Ferry Road, Suite 2000**  
**Atlanta, Georgia 30339**

**PROXY STATEMENT**  
**FOR ANNUAL MEETING OF SHAREHOLDERS**

**GENERAL INFORMATION**

The Board of Directors of Interface, Inc. (the Company) is furnishing this Proxy Statement to solicit Proxies for Class A Common Stock and Class B Common Stock to be voted at the annual meeting of shareholders of the Company. The meeting will be held at 3:00 p.m. Eastern Time on May 23, 2011. The Proxies also may be voted at any adjournments of the meeting. It is anticipated that this Proxy Statement will first be made available to shareholders on April 8, 2011.

The record of shareholders entitled to vote at the annual meeting was taken as of the close of business on March 30, 2011. On that date, the Company had outstanding and entitled to vote 58,130,983 shares of Class A Common Stock and 7,109,832 shares of Class B Common Stock. Except for (i) the election and removal of directors, and (ii) class votes as required by law or the Company's Articles of Incorporation, holders of both classes of Common Stock vote as a single class. In all cases, holders of Common Stock (of either class) are entitled to cast one vote per share.

Each Proxy for Class A Common Stock (Class A Proxy) or Class B Common Stock (Class B Proxy) that is properly completed (whether executed in writing or submitted by telephone or Internet) by a shareholder will be voted as specified by the shareholder in the Proxy. If no specification is made, the Proxy will be voted (i) for the election of the nominees (Class A or Class B, as the case may be) listed in this Proxy Statement under the caption Nomination and Election of Directors, (ii) for the resolution approving executive compensation, (iii) to hold an advisory vote on executive compensation every three years, and (iv) for the ratification of the appointment of BDO USA, LLP (formerly known as BDO Seidman, LLP) as independent auditors for 2011. A Proxy given pursuant to this solicitation may be revoked by a shareholder who attends the meeting and gives notice of his or her election to vote in person, without compliance with any other formalities. In addition, a Proxy given pursuant to this solicitation may be revoked prior to the meeting by delivering to the Secretary of the Company either an instrument revoking it or a duly executed Proxy for the same shares bearing a later date.

An automated system administered by the Company's transfer agent tabulates the votes. Abstentions and broker non-votes are included in the determination of the number of shares present and entitled to vote for the purpose of establishing a quorum. A broker non-vote occurs when a broker or other nominee who holds shares for a customer does not have authority to vote on certain non-routine matters because its customer has not provided any voting instructions on the matter. Abstentions are the equivalent of a non-vote since (i) directors are elected by a plurality of the votes cast, (ii) the frequency of holding future advisory votes on executive compensation is approved, on an advisory basis, by a plurality of the votes cast, and (iii) other proposals are approved if the affirmative votes cast

exceed the negative votes cast. Broker non-votes are not counted for purposes of determining whether a proposal has been approved.

If your shares of Common Stock are held by a broker, bank or other nominee (e.g., in street name ), you should receive instructions from your nominee, which you must follow in order to have your shares voted the instructions may appear on a special proxy card provided to you by your nominee (also called a voting instruction form ). Your nominee may offer you different methods of voting, such as by telephone or Internet. If you do hold your shares in street name and plan on attending the annual meeting of shareholders, you should request a proxy from your broker or other nominee holding your shares in record name on your behalf in order to attend the annual meeting and vote at that time (your broker or other nominee may refer to it as a legal proxy).

The expense of this solicitation, including the cost of preparing and mailing this Proxy Statement, will be paid by the Company. Copies of solicitation material may be furnished to banks, brokerage houses and other custodians, nominees and fiduciaries for forwarding to the beneficial owners of shares of the Company s Common Stock, and normal handling charges may be paid for the forwarding service. In addition to solicitations by mail, directors and employees of the Company may solicit Proxies in person or by telephone, fax or e-mail. The Company also has retained Georgeson Inc., a proxy solicitation firm, to assist in soliciting Proxies from record and beneficial owners of shares of the Company s Common Stock. The fee paid by the Company for such assistance will be \$7,500 (plus expenses).

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**Table of Contents**

**NOMINATION AND ELECTION OF DIRECTORS  
(ITEM 1)**

The Bylaws of the Company provide that the Board of Directors shall consist of a maximum of 15 directors, the exact number of directors being established by action of the Board taken from time to time. The Board of Directors recently reduced the number of directors from 11 to 10. (Thomas R. Oliver (age 70), who has served on our Board since 1998, is retiring at the end of his term and not standing for re-election. The Board of Directors will consider adding, subsequent to the annual meeting of shareholders, a potential eleventh director.) The holders of Class B Common Stock are entitled to elect a majority (six) of the Board members. The holders of Class A Common Stock are entitled to elect the remaining (four) directors. The term of office for each director continues until the next annual meeting of shareholders and until his or her successor, if there is to be one, has been elected and has qualified.

In the event that any nominee for director withdraws or for any reason is not able to serve as a director, each Proxy that is properly executed and returned will be voted for such other person as may be designated as a substitute nominee by the Board of Directors, but in no event will any Class A Proxy be voted for more than four nominees or Class B Proxy be voted for more than six nominees. Each nominee is an incumbent director standing for re-election, and has consented to being named herein and to continue serving as a director if re-elected.

Certain information relating to each nominee proposed by the Board is set forth below. Directors are required to submit an offer of resignation upon experiencing a job change.

**CLASS A NOMINEES**

**Name (Age)**

**Information**

Dianne Dillon-Ridgley (59)

Ms. Dillon-Ridgley was elected to the Board in February 1997. Ms. Dillon-Ridgley has served as the U.N. Headquarters representative for the Center for International Environmental Law since 2005 and for the World YWCA from 1997 to 2004. She is the founding chair-emeritus of Plains Justice, a nonprofit organization that promotes sustainable economy through community partnerships across the Great Plains. She was appointed by President Clinton to the President's Council on Sustainable Development in 1994 and served as Co-Chair of the Council's International and Population/Consumption Task Forces until the Council's dissolution in June 1999. Ms. Dillon-Ridgley also serves on the boards of seven nonprofit organizations and on the Dean's Advisory Board for Auburn University's College of Human Sciences. Ms. Dillon-Ridgley brings leadership and diversity to the Board, particularly in the areas of sustainability and in relations with nongovernmental and nonprofit organizations as well as with minority-owned and women-owned business enterprises.

Dr. June M. Henton (71)

Dr. Henton was elected as a director in February 1995. Since 1985, Dr. Henton has served as Dean of the College of Human Sciences at Auburn University, which includes an Interior Design program. Dr. Henton also serves on the board of one nonprofit organization. Dr. Henton, who received her Ph.D. from the University of Minnesota, has provided leadership for a wide variety of professional, policy and civic

organizations and brings to the Board substantial academic experience in the field of interior environments. As a charter member of the Operating Board of the National Textile Center, Dr. Henton also has significant expertise in the integration of academic and research programs within our industry.

**Table of Contents**

Christopher G. Kennedy (47)

Mr. Kennedy was elected as a director in May 2000. He has been the President of MMPI (Merchandise Mart Properties, Inc., a subsidiary of Vornado Realty Trust based in Chicago, Illinois) since 2000. Since 1994, he has served on the Board of Trustees of Ariel Mutual Funds. Since 2009, Mr. Kennedy has served on the Board of Trustees of the University of Illinois (and currently is Chairman). Mr. Kennedy also serves on the boards of two nonprofit organizations and two charitable foundations. Mr. Kennedy brings to the Board substantial executive level experience that is particularly beneficial to our strategies and sales and marketing efforts in the corporate office and retail market segments. His insight into governmental and economic affairs and his civic involvement also are of great value to the Board.

K. David Kohler (44)

Mr. Kohler was elected as a director in October 2006. Since April 2009, he has served as the President and Chief Operating Officer for Kohler Co., a global leader in the manufacture of kitchen and bath products, interior furnishings, engines and power generation systems, and an owner and operator of golf and resort destinations. His previous positions at Kohler include Executive Vice President (2007 to 2009) and Group President of the Kitchen and Bath Group (1999 to 2007). Mr. Kohler was formerly a chairman of the National Kitchen and Bath Association's Board of Governors of Manufacturing. He has served as a member of the board of Kohler Co. since 1999, and also is a director of Internacional de Cerámica, S.A.B. de C.V., a public company traded on the Mexican Stock Market. Mr. Kohler brings to the Board extensive business experience from his service in executive positions at a manufacturing company with international operations and distribution into both commercial and consumer channels.

**Table of Contents**

**CLASS B NOMINEES**

**Name (Age)**

**Information**

Ray C. Anderson (76)

Mr. Anderson founded Interface in 1973 and served as Chairman and Chief Executive Officer until his retirement as Chief Executive Officer and transition from day-to-day management in July 2001, at which time he became Interface's non-executive Chairman of the Board. He chairs the Executive Committee of the Board and remains available for policy level consultation on substantially a full time basis. Mr. Anderson was appointed by President Clinton to the President's Council on Sustainable Development in 1996 and served as Co-Chair until the Council's dissolution. He currently serves on the boards of 11 nonprofit organizations. As founder and Chairman of Interface, Mr. Anderson brings to the Board unique and extensive knowledge and experience from virtually all aspects of the Company since its formation. He also is one of the world's leading experts in the field of sustainability, which is of increasing importance in our industry and to our customers. His tenure also provides consistent leadership to the Board.

Edward C. Callaway (56)

Mr. Callaway was elected as a director in October 2003. Since November 2003, Mr. Callaway has served as Chairman and Chief Executive Officer of the Ida Cason Callaway Foundation, a nonprofit organization that owns the Callaway Gardens Resort and has an environmental mission of conservation, education and land stewardship. Mr. Callaway has served in various capacities at Crested Butte Mountain Resort and successor companies, including the capacities of President and Chief Executive Officer (1987 to 2003) and Chairman (2003), and currently serves as a director. Previously, Mr. Callaway was a certified public accountant at a national accounting firm. Mr. Callaway serves on the boards of two other nonprofit organizations. Mr. Callaway's extensive executive experience in the hospitality industry provides the Board with valuable insight into matters ranging from sales and marketing to customer service. His background also provides substantial financial expertise as well as a focus on environmental sustainability.

Carl I. Gable (71)

Mr. Gable was elected as a director in March 1984. He practiced business, securities and international law for 26 years, most recently with the Atlanta-based law firm of Troutman Sanders LLP from 1996 until his retirement in 1998. Mr. Gable now is a private investor. His prior experience includes service as the Vice Chairman and Chief Financial Officer of Internet Corporation, which was a publicly traded company, and as President and Chief Financial Officer of Interface from March 1984 to June 1985. Mr. Gable served as a director of Fidelity Southern Corporation from July 2000 to November 2002, and currently serves on the boards of two nonprofit organizations. Mr. Gable also currently serves as the Lead Independent Director of the Board. Mr. Gable brings to the Board substantial expertise and executive level experience in matters such

as strategic planning, corporate finance and accounting, capital markets, risk management, corporate governance and international business. He has an extensive knowledge of the Company's business, and his tenure also provides consistent leadership to the Board.

**Table of Contents**

Daniel T. Hendrix (56)

Mr. Hendrix joined the Company in 1983 after having worked previously for a national accounting firm. He was promoted to Treasurer of the Company in 1984, Chief Financial Officer in 1985, Vice President-Finance in 1986, Senior Vice President-Finance in 1995, Executive Vice President in 2000, and President and Chief Executive Officer in July 2001. He was elected to the Board in October 1996. Mr. Hendrix served as a director of Global Imaging Systems, Inc. from 2003 to 2007, and has served as a director of American Woodmark Corp. since May 2005. With his 26 years of service at the Company, Mr. Hendrix brings to the Board a unique understanding of our strategies and operations. His experience extends to virtually all aspects of the Company's business, but with a particular emphasis on strategic planning and financial matters. His tenure provides consistent leadership to the Board, and facilitates the interrelationship between the Board and the Company's executive leadership team.

James B. Miller, Jr. (70)

Mr. Miller was elected as a director in May 2000. Since 1979, Mr. Miller has served as Chairman and Chief Executive Officer of Fidelity Southern Corporation, the holding company for Fidelity Bank. He also has served in various capacities at Fidelity Southern Corporation's affiliated companies, including as Chief Executive Officer of Fidelity Bank from 1977 to 1997 and from 2003 to the present, Chairman of Fidelity Bank from 1998 to the present, Chairman of Fidelity Bank National Capital Markets, Inc. from 1992 to 2005, and Chairman of LionMark Insurance Company since 2004. Prior to his banking experience, Mr. Miller practiced law. Mr. Miller has served on the board of American Software, Inc. since 2002, and currently serves on the boards of four private companies and six nonprofit organizations. Mr. Miller brings to the Board extensive executive level experience at a publicly traded company, particularly in the areas of banking, capital markets, corporate finance and accounting.

Harold M. Paisner (71)

Mr. Paisner was elected as a director in February 2007. Mr. Paisner is Senior Partner of the law firm Berwin Leighton Paisner, LLP based in London, England. He currently is a member of the boards of FIBI Bank (UK) plc and Think London (the official inward investment agency of London, England), and serves as a Governor of Ben Gurion University of the Negev and as the Chairman of the Institute for Jewish Policy Research. He also is on the board of Puma High Income VCT plc, which is a fund that is publicly traded on the London Stock Exchange. Formerly, Mr. Paisner has served as a director of LINPAC Group Limited and Estates & Agency Holdings plc. Mr. Paisner brings to the Board the experience of leading a major law firm based in the United Kingdom, where a substantial portion of our European business is located. He has served as an advisor on corporate finance matters and mergers and acquisitions for large multinational clients, particularly in the manufacturing, retail and insurance sectors.

## **Table of Contents**

### **Vote Required and Recommendation of Board**

Under the Company's Bylaws, election of each of the four Class A nominees requires a plurality of the votes cast by the Company's outstanding Class A Common Stock entitled to vote and represented (in person or by proxy) at the meeting. Election of each of the six Class B nominees requires a plurality of the votes cast by the Company's outstanding Class B Common Stock entitled to vote and represented (in person or by proxy) at the meeting. **THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE CLASS A NOMINEES AND CLASS B NOMINEES LISTED ABOVE, AND PROXIES EXECUTED AND RETURNED OR VOTED BY TELEPHONE OR INTERNET WILL BE VOTED FOR EACH OF THE NOMINEES (CLASS A OR CLASS B, AS APPLICABLE) UNLESS CONTRARY INSTRUCTIONS ARE INDICATED.**

### **MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS**

The Board of Directors held five meetings during 2010. All of the directors attended at least 75% of the total number of meetings of the Board and any committees of which he or she was a member.

### **Board Leadership Structure and Role in Risk Management**

We currently have a separate Chairman, Chief Executive Officer and Lead Independent Director. Mr. Anderson serves as Chairman, Mr. Hendrix serves as Chief Executive Officer, and Mr. Gable serves as Lead Independent Director. Although we do not have a formal policy on whether the same person should (or should not) serve as both the Chairman and Chief Executive Officer, we believe it is appropriate at the current time to have those positions separate in light Mr. Anderson's transition several years ago from day-to-day management of the Company while still remaining available for policy/board level consultation, and given Mr. Hendrix's day-to-day executive level management of the Company.

Because both our Chairman and Chief Executive Officers are employees of the Company and therefore not considered independent under applicable standards (see below), the Board has appointed Mr. Gable to serve as Lead Independent Director. The Board considers it to be useful and appropriate at the current time to have a non-management director serve in a lead capacity to coordinate the activities of the other non-management directors, and to perform such other duties and responsibilities as the Board may determine. The specific responsibilities of the Lead Independent Director are as follows:

*Preside at Executive Sessions.* Presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors.

*Call Meetings of Independent Directors.* Has the authority to call meetings of the independent directors.

*Function as Liaison with the Chairman.* Serves as the principal liaison on Board-wide issues between the independent directors and the Chairman.

*Participate in Flow of Information to the Board such as Board Meeting Agendas and Schedules.* Provides the Chairman and Chief Executive Officer with input as to meeting agenda items, advises the Chairman and Chief Executive Officer as to the quality, quantity and timeliness of information sent to the Board, and approves meeting schedules to assure there is sufficient time for discussion of all agenda items.

*Recommends Outside Advisors and Consultants.* Recommends the retention of outside advisors and consultants who report directly to the Board.

*Shareholder Communication.* Ensures that he is available, if requested by shareholders and when appropriate, for consultation and direct communication.

The Board of Directors has the following standing committees that assist the Board in carrying out its duties: the Executive Committee, the Audit Committee, the Compensation Committee, and the Nominating & Governance Committee. The following table lists the members of each committee:

<b>Executive Committee</b>	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nominating &amp; Governance Committee</b>
Ray C. Anderson (Chair) Carl I. Gable Daniel T. Hendrix James B. Miller, Jr.	Carl I. Gable (Chair) Edward C. Callaway James B. Miller, Jr.	Thomas R. Oliver (Chair) K. David Kohler Harold M. Paisner	June M. Henton (Chair) Dianne Dillon-Ridgley Christopher G. Kennedy Thomas R. Oliver



## **Table of Contents**

**Executive Committee.** The Executive Committee did not meet or act by unanimous written consent during 2010. With certain limited exceptions, the Executive Committee may exercise all the power and authority of the Board of Directors in the management of the business and affairs of the Company.

**Audit Committee.** The Audit Committee met four times and acted by unanimous written consent three times during 2010. The function of the Audit Committee is to (i) serve as an independent and objective party to review the Company's financial statements, financial reporting process and internal control system, (ii) review and evaluate the performance of the Company's independent auditors and internal financial management, and (iii) provide an open avenue of communication among the Company's independent auditors, management (including internal financial management) and the Board. The Board of Directors has determined that all three members of the Audit Committee are 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, and that each of the three members of the Audit Committee is an audit committee financial expert as defined by the rules and regulations of the Securities and Exchange Commission. The Audit Committee operates pursuant to an Audit Committee Charter which was adopted by the Board of Directors. The Audit Committee Charter may be viewed on the Company's website, [www.interfaceglobal.com/Investor-Relations/Corporate-Governance/Audit-Committee-Charter.aspx](http://www.interfaceglobal.com/Investor-Relations/Corporate-Governance/Audit-Committee-Charter.aspx).

**Compensation Committee.** The Compensation Committee met one time and acted by unanimous written consent four times during 2010. The function of the Compensation Committee is to (i) evaluate the performance of the Company's Chief Executive Officer and other senior executives, (ii) determine compensation arrangements for such executives, (iii) administer the Company's stock and other incentive plans for key employees, and (iv) review the administration of the Company's employee benefit plans. The Board of Directors has determined that each member of the Compensation Committee is independent in accordance with the rules and regulations of the Securities and Exchange Commission and the rules of the Nasdaq Stock Market. The Compensation Committee operates pursuant to a Compensation Committee Charter that was adopted by the Board of Directors. The Compensation Committee Charter may be viewed on the Company's website, [www.interfaceglobal.com/Investor-Relations/Corporate-Governance/Compensation-Committee-Charter.aspx](http://www.interfaceglobal.com/Investor-Relations/Corporate-Governance/Compensation-Committee-Charter.aspx). The Compensation Committee's policies and philosophy are described in more detail below in this Proxy Statement under the heading Compensation Discussion and Analysis.

**Nominating & Governance Committee.** The Nominating & Governance Committee met twice in 2010. The Nominating & Governance Committee assists the Board in reviewing and analyzing, and makes recommendations regarding, corporate governance matters. The Nominating & Governance Committee also assists the Board in establishing qualifications for Board membership and in identifying, evaluating and selecting qualified candidates to be nominated for election to the Board. In the event of a vacancy on the Board, the Nominating & Governance Committee develops a pool of potential director candidates for consideration. The Nominating & Governance Committee seeks candidates for election and appointment with excellent decision-making ability, valuable and varied business experience and knowledge, and impeccable personal integrity and reputations. The Committee does not have a specific diversity policy, but considers diversity of race, ethnicity, gender, age, cultural background and professional experience in evaluating candidates for Board membership, in an effort to obtain a variety of viewpoints in the Board's proceedings. The Nominating & Governance Committee considers whether candidates are free of constraints or conflicts which might interfere with the exercise of independent judgment regarding the types of matters likely to come before the Board, and have the time required for preparation, participation and attendance at Board and committee meetings. Other factors considered by the Nominating & Governance Committee in identifying and selecting candidates include the needs of the Company and the range of talent and experience already represented on the Board. The Nominating & Governance Committee solicits suggestions from other members of the Board regarding persons to be considered as possible nominees. Shareholders who wish the Nominating & Governance Committee to consider their recommendations for director candidates should submit their recommendations in writing to the Nominating & Governance Committee, in care of the office of the Chairman of the Board, Interface, Inc., 2859

Paces Ferry Road, Suite 2000, Atlanta, GA 30339. Recommendations should include the information which would be required for a Shareholder Proposal as set forth in Article II, Section 9 of the Company's Bylaws. Director candidates who are recommended by shareholders in accordance with these procedures will be evaluated by the Nominating & Governance Committee in the same manner as director candidates recommended by the Company's directors.

The Board of Directors has determined that each member of the Nominating & Governance Committee 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. The Nominating & Governance Committee operates pursuant to a Nominating & Governance Committee Charter that was adopted by the Board of Directors. The Nominating &

**Table of Contents**

Governance Committee Charter may be viewed on the Company's website,  
[www.interfaceglobal.com/Investor-Relations/Corporate-Governance/Nominating\\_Governance-Charter-\(1\).aspx](http://www.interfaceglobal.com/Investor-Relations/Corporate-Governance/Nominating_Governance-Charter-(1).aspx).

The Board receives quarterly reports on elements of risk that may potentially affect the Company, as identified and presented by management. The Board also assists in the Company's risk oversight through its various committees described below. For example, the Audit Committee assists in overseeing risk as it relates to the Company's financial statements, financial reporting process and internal control system. In that regard, the Company's Director of Internal Audit and outside auditors report directly to the Audit Committee. The Nominating & Governance Committee assists in overseeing risk related to the Company's corporate governance practices as well as the performance of individual Board members and committees, while the Compensation Committee assists in overseeing risk as it relates to the Company's executive compensation program and practices.

Table of Contents**PRINCIPAL SHAREHOLDERS AND MANAGEMENT STOCK OWNERSHIP**

The following table sets forth, as of February 1, 2011 (unless otherwise indicated), beneficial ownership of each class of the Company's Common Stock by: (i) each person, including any group as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, known by the Company to be the beneficial owner of more than 5% of any class of the Company's voting securities, (ii) each nominee for director, (iii) the Company's Principal Executive Officer, Principal Financial Officer, and next three most highly compensated executive officers (the Named Executive Officers), and (iv) all executive officers and directors of the Company as a group.

Beneficial Owner (and Business Address of 5% Owners)	Title of Class	Amount and		Percent of Class A if Converted(2)
		Nature of Beneficial Ownership(1)	Percent of Class(1)	
Ray C. Anderson 2859 Paces Ferry Road, Suite 2000 Atlanta, Georgia 30339	Class A	18,000(3)	*	5.9%
	Class B	3,544,803(3)	46.9%	
Ariel Investments, LLC 200 E. Randolph Drive, Suite 2900 Chicago, Illinois 60601	Class A	6,503,250(4)(5)	11.3%	
	Class A	4,128,173(4)(6)	7.2%	
BlackRock, Inc. 40 East 52nd Street New York, New York 10022	Class A	4,214,810(4)(7)	7.4%	
	Class A	3,674,558(4)(8)	6.4%	
Daruma Asset Management, Inc. and Mariko O. Gordon 80 West 40th Street, 9th Floor New York, New York 10018	Class A	3,290,798(4)(9)	5.7%	
	Class A	3,213,847(4)(10)	5.6%	
FMR LLC and Edward C. Johnson III 82 Devonshire Street Boston, Massachusetts 02109	Class A	0	*	*
	Class B	49,000(11)	*	
RidgeWorth Capital Management, Inc. 50 Hurt Plaza, Suite 1400 Atlanta, Georgia 30303	Class A	68,947	*	*
	Class B	239,480(12)	3.2%	
Select Equity Group, Inc., Select Offshore Advisors, LLC and George S. Loening 380 Lafayette Street, 6th Floor New York, New York 10003	Class A	203(13)	*	*
	Class B	29,000(13)	*	
Edward C. Callaway	Class A	1,640(14)	*	*
	Class B			
Robert A. Coombs	Class A			
Dianne Dillon-Ridgley	Class A			
Carl I. Gable	Class A			

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Daniel T. Hendrix	Class B	95,244(14)	1.3%	
	Class A	103,794	*	1.4%
June M. Henton	Class B	720,651(15)	9.5%	
	Class A	16,600	*	*
Christopher G. Kennedy	Class B	43,600(16)	*	
	Class A	50,223(17)	*	*
K. David Kohler	Class B	34,000(17)	*	
	Class A	7,000	*	*
Patrick C. Lynch	Class B	33,000(18)	*	
	Class A	72,863	*	*
	Class B	206,616(19)	2.7%	

**Table of Contents**

<b>Beneficial Owner (and Business Address of 5% Owners)</b>	<b>Title of Class</b>	<b>Amount and</b>	
		<b>Nature of Beneficial Ownership(1)</b>	<b>Percent of Class A if Converted(2)</b>
James B. Miller, Jr.	Class A	5,000	*
	Class B	34,000(20)	*
Thomas R. Oliver	Class A	197,100	*
	Class B	17,500(21)	*
Harold M. Paisner	Class A	12,000	*