

## INTERFACE, INC. Corporate Governance Guidelines

The Board of Directors (the “Board”) of Interface, Inc. (the “Company”) has adopted these Corporate Governance Guidelines (the “Guidelines”) to provide a general framework for the governance of the Company. The Guidelines are not intended to create any independent legal standard or duties for the Board or the Company (and its management), and should be interpreted in the context of, and are subject to, the Company’s Articles of Incorporation, Bylaws, and applicable laws and regulations. The Guidelines are subject to review and modification from time to time by the Board, and the Board or the Company may deviate from the Guidelines from time to time, in each case as the Board (or Committee of the Board) may deem appropriate and in the best interests of the Company and its shareholders, and as required by applicable laws and regulations. While these Guidelines have been adopted in order to assist the Board in the exercise of its responsibilities and to serve the best interests of the Company and its shareholders, nothing contained in the Guidelines shall be deemed to provide any rights to any third party with respect to the matters addressed herein.

### 1. Board Composition and Director Qualifications

A. Board Size. The Board believes that the number of Directors should not exceed a number that can function efficiently as a group. The exact number of Directors constituting the Board shall be fixed from time to time by the Board in accordance with the Bylaws of the Company.

B. Proportion and Determination of Independent Directors. The Board will have not less than a majority of Directors who will meet the criteria for independence required by the Nasdaq Stock Market, Inc., the Securities and Exchange Commission and any criteria established by the Nominating & Governance Committee and approved by the Board. At least once each year, the Board will review the Company’s existing relationships with each Director and his or her related interests for the purpose of determining whether the Director is independent.

C. Lead Director. The Board believes that designating a lead independent Director may or may not serve the best interests of the Company and its shareholders at any given time, depending upon circumstances at that time. The Board believes that it would not be necessary to appoint a lead independent Director at times when the Chairman of the Board is an independent Director. In the event that a lead independent Director is designated, his or her duties would include (but not necessarily be limited to): serving as the presiding Director to chair the Board’s executive sessions; coordinating the agenda for and moderating sessions of the Board’s independent Directors; providing the Chairman of the Board and Chief Executive Officer with input as to Board meeting agenda items; and acting as principal liaison between the independent Directors and the Chairman of the Board on sensitive issues.

D. Board Membership Criteria. The Nominating & Governance Committee has primary responsibility for establishing qualifications for Board membership and identifying and selecting qualified candidates to be nominated for election to the Board, and recommending to the Board the Director nominees for each committee of the Board. The Nominating & Governance Committee has adopted a process for filling vacancies on the Board. This process will include an analysis of Directors’ and potential nominees’ qualifications, independence, as well as consideration of diversity, age, knowledge & skills, and experience in the context of the needs of the Board or committee, as applicable. The Board may also from time to time appoint one or more former Directors to serve as Directors Emeriti.

E. Change of Responsibility of Director. Any Director who changes his or her employment or otherwise has a significant change in job responsibilities or other business relationships, or who accepts or intends to accept a management position with another company that he or she did not hold when such Director was most recently elected to the Board, shall give notice to the Board, specifying the details, as soon as feasible and shall submit to the Board for consideration an offer of resignation from the Board and from each Board committee on which such Director serves. If the Director indicates that

he or she is willing to continue as a Director, the Nominating & Governance Committee shall review the continued appropriateness of such Director's membership on the Board and each applicable Board committee taking into account all relevant factors and shall recommend to the Board the acceptance or rejection of the Director's offer of resignation. The Board shall act expeditiously with respect to each such offer of resignation and shall promptly notify the Director concerned of its decision.

F. Service on Other Boards. Directors should advise the Chairman of the Board and the Chairman of the Nominating & Governance Committee in advance of accepting an invitation to serve on another public company board. There should be an opportunity for the Board through the Nominating & Governance Committee to review the Director's availability to fulfill his or her responsibilities as a Director if he or she serves on one or more other public company boards.

G. Term Limits. The Board does not believe it should establish term limits. The Company and its shareholders both benefit from Board continuity and stability and by allowing Directors to focus on long-term business strategies and results.

H. Director Compensation. Directors' fees shall be in the form of cash, company stock (including stock options and restricted stock) or other in-kind consideration. The exact amount and form of Director compensation shall be determined and reviewed periodically by the Board or the Compensation Committee thereof.

## **2. Director Duties and Responsibilities**

A. Fiduciary Duties. Each Director owes fiduciary duties of loyalty and care to the Company. The duty of loyalty requires Directors to exercise their powers in the best interests of the Company and not in the Director's own interest or in the interest of another person (including a family member) or organization. The duty of care requires that Directors exercise the care that a person in a like position would exercise under the circumstances. In discharging that obligation, Directors may rely on the honesty and integrity of their fellow Directors and the Company's senior officers, outside advisors and auditors.

B. Meeting Attendance and Agenda. Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. The Chairman will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the Directors before the meeting, unless doing so would compromise the confidentiality of competitive information, and Directors should review these materials in advance of the meeting. In the event of a pressing need for the Board to meet on short notice, it is recognized that written materials may not be available in advance of the meeting. Directors are encouraged, but not required, to attend each annual meeting of the Company's shareholders.

C. Executive Sessions of Independent Directors. The independent Directors will meet in regularly scheduled executive sessions. Issues to be discussed in executive session may include the evaluation of the Chief Executive Officer, management succession planning and such other matters as the independent Directors may deem appropriate. The lead Director will preside at these meetings, or, in the absence of a lead Director, the particular Director who will preside at these meetings, or the method by which the presiding Director of each session is selected, will be determined by the independent Directors. The fact that a meeting of the independent Directors was held will be incorporated into the minutes of the Board meeting.

D. Management Succession Planning. The Board plans for the succession to the position of Chief Executive Officer. To assist the Board, the Chief Executive Officer annually provides the Board with

an assessment of senior officers and their potential to succeed him or her. He or she also provides the Board with an assessment of persons considered potential successors to certain senior officer positions, including a review of any development plans recommended for such individuals. The results of these reviews are reported to and discussed with the Board.

E. Board Interaction with Third Persons. The Board believes that the management speaks for the Company. Individual Directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, such as the press, investors and customers, subject to applicable legal restrictions and advice. But it is expected that Board members, absent unusual circumstances, will do this with the concurrence of the management.

F. Insurance and Indemnification. The Directors shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, and to rely on the benefits of indemnification to the fullest extent permitted by the Company's Articles of Incorporation, Bylaws and any applicable indemnification agreements, and to exculpation as provided by state law and the Company's Articles of Incorporation.

### **3. Board Committees**

A. Standing Committees. The Board will have at all times an Executive Committee, an Audit Committee, a Compensation Committee and a Nominating & Governance Committee. Each of the members of the Audit Committee, Compensation Committee and Nominating & Governance Committee will be independent Directors under the criteria referenced above, and meet any additional qualifications required by the applicable committee charter and by applicable laws, rules and regulations. The Board will have additional standing and temporary committees as it deems appropriate. In general, committee members will be appointed by the Board with consideration of the desires and qualifications of individual Directors. The Board does not have a policy mandating rotation of committee assignments, since special knowledge or experience may favor retention of a particular Director.

B. Committee Meetings. The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Each Board member may recommend agenda items for any committee meeting.

C. Access to Independent Advisors. The Board and each committee have the power to hire at the expense of the Company independent legal, financial or other advisors as they may deem necessary, without obtaining the prior approval of any officer of the Company.

### **4. Board Relationship to Management**

A. Access to Officers and Employees. Management should facilitate periodic meetings or contacts among the Board and the senior officers of the Company, and should promote broader exposure by the Directors to Company leaders below the senior-most level, in part to facilitate the Board's role in succession planning and encourage open lines of communication between the Board and business leaders throughout the organization. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company.

B. Attendance of Non-Directors at Board Meetings. The Board may invite to each Board meeting such officers and employees of the Company and such other individuals as shall be determined from time to time, subject to the Board's right in all instances to meet in executive session or with a more limited number of Company representatives. If the Chief Executive Officer wishes to have additional Company personnel attendees on a regular basis, this suggestion should be brought to the Board for consideration.

## 5. Board Education and Performance

A. Orientation Program. All new Directors will be provided with orientation information as soon as practical following the annual meeting at which new Directors are elected or otherwise join the Board. This orientation may include presentations to familiarize new Directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct & Ethics, its principal officers, and its internal and independent auditors.

B. Continuing Education. Directors will be provided opportunities for continuing education. The Nominating & Governance Committee shall assist in identifying such opportunities and notifying Board members of appropriate opportunities.

C. Self-Assessment. The Board will conduct a self-assessment on a periodic basis, preferably annually, to determine whether it and its committees are functioning effectively.

D. Evaluation of Chief Executive Officer. The independent Directors should perform an annual evaluation of the Chief Executive Officer. The evaluation should be principally based on objective criteria, including performance of the business, accomplishment of long-term strategic objectives, and development of management succession.

## 6. Ethics and Conflicts of Interest

The Board expects Directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company's Code of Business Conduct & Ethics. Directors must disclose to the other members of the Board any actual or potential conflict of interest they may have with respect to a matter under consideration and, if appropriate, refrain from voting on such matter.

## 7. Management and Director Stock Ownership and Retention

A. By Management. Executive officers are expected to accumulate a number of shares (unrestricted) of the Company's Common Stock having a value equaling three times base salary in the case of the Chief Executive Officer and two times base salary in the case of the other executive officers (based on salaries and the stock price at the time the stock ownership and retention guidelines were revised in 2016). To facilitate accomplishing the ownership targets, executive officers generally are expected to retain at least one-half of the net after-tax shares (i.e., the net shares remaining after first selling sufficient shares to cover the anticipated tax liability and, in the case of stock options, the exercise price) obtained upon the vesting of restricted stock and the exercise of stock options.

B. By Directors. Directors are required to hold at least 2,000 unrestricted shares. Any new Director is required to accumulate at least 2,000 unrestricted shares by the second anniversary of his or her election. As an additional guideline, non-employee Directors also are expected to retain during their tenure all of the net after-tax shares obtained upon the vesting of restricted stock and at least one-half of the net after-tax shares obtained upon the exercise of stock options.

## 8. General

A. Shareholder Communication with the Board. Shareholders wishing to communicate with the Board of Directors may send communications via U.S. mail to the following address:

Chairman of the Board  
Interface, Inc.  
1280 W Peachtree St NW  
Atlanta, GA 30309

B. Review of Corporate Governance Guidelines. The Board is responsible for periodically reviewing these Corporate Governance Guidelines.