

**INTERFACE, INC.**  
**Audit Committee Charter**  
(July 24, 2013)

**I. Purpose**

The Audit Committee is appointed by the Board to assist the Board in fulfilling its financial and other oversight responsibilities by:

- serving as an independent and objective party to oversee the accounting and financial reporting processes of the Company, the internal control system of the Company, and the audits of financial statements of the Company;
- reviewing and evaluating the performance of the Company's outside auditors and internal financial management;
- providing an open avenue of communication among the Company's outside auditors, management, including internal financial management, and the Board; and
- performing the duties assigned to the Audit Committee by law, the rules and regulations of the Securities and Exchange Commission (the "Commission") and the rules of The Nasdaq Stock Market, LLC ("Nasdaq").

The Audit Committee will further carry out its purpose by engaging in the activities enumerated in Section IV of this Charter.

**II. Committee Membership**

The Audit Committee shall consist of no fewer than three members, as determined by the Board. The members of the Audit Committee shall meet the independence and experience requirements of Nasdaq listing standards, the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Commission. All members of the Committee will be financially literate, and at least one member of the Committee shall be an audit committee financial expert as defined by the Commission. The members of the Audit Committee shall be appointed by, and may be replaced by, the Board. The Board will designate a chairman for the Committee.

**III. Meetings and Governance**

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. Such meetings may be held in or out of the presence of the Company's management, the internal auditors or the outside auditors, as deemed appropriate by the Committee. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or outside auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Other governance matters not addressed herein shall be governed by the Company's articles of incorporation and bylaws.

**IV. Duties, Responsibilities and Activities**

To fulfill its purpose, the Audit Committee has the following duties and responsibilities and shall engage in the following activities:

(A) *Appointment and Oversight of Outside Auditors; Related Duties and Powers*

1. The Audit Committee shall have the sole authority to appoint, evaluate and, where appropriate, replace the outside auditors. The Audit Committee shall be directly responsible

- for the compensation and oversight of the work of the outside auditors (including resolution of disagreements between management and the outside auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The outside auditors shall report directly to the Audit Committee.
2. The Audit Committee shall preapprove all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its outside auditors, subject to the *de minimus* exceptions for non-audit services described in Section 10(A)(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit.
  3. The Audit Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals shall be presented to the full Audit Committee at its next scheduled meeting.
  4. The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the outside auditors for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee, and for ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
  5. The Audit Committee is responsible for ensuring receipt from the outside auditors of a formal written statement, which at a minimum covers the matters required by the Public Company Accounting Oversight Board, delineating all relationships between the outside auditors and the Company. The Audit Committee is responsible for actively engaging in a dialogue with the outside auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the outside auditors, including considering whether the provision of permitted non-audit services is compatible with maintaining the auditors' independence. The Audit Committee is further responsible for taking appropriate action in response to the outside auditors' report to satisfy itself of the outside auditors' independence.
  6. The Audit Committee shall ensure the rotation as required by law of the lead audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit.
  7. The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

(B) *Review of Financial Statements and Reports.*

The Audit Committee shall review, in conjunction with the Company's internal financial management and outside auditors, as appropriate, the Company's annual financial statements and any certification, report, opinion or review rendered by the outside auditors. Such review shall include candid discussions of whether the outside auditors are satisfied with the disclosure and content of the financial statements. Such reviews shall occur prior to dissemination of the financial statements to a third party or the public. The Audit Committee shall have the authority, in its discretion, as circumstances dictate and as deemed necessary or advisable from time to time (including when requested by management, the internal auditors or the outside auditors), to review, and consult with management, the internal auditors or outside auditors regarding, any internal or external financial reports and other financial information, including the Company's quarterly or other interim financial statements.

The Audit Committee, to the extent it deems necessary or appropriate, shall:

1. Discuss with management, the internal auditors and the outside auditors significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
2. Review and discuss reports from the outside auditors on:
  - (a) all critical policies and practices to be used;
  - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the outside auditors; and
  - (c) other material written communications between the outside auditors and management, such as any management letter or schedule of unadjusted differences.
3. Discuss with the outside auditors the matters required to be discussed by applicable accounting and auditing standards, including those adopted by the Public Company Accounting Oversight Board, relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
4. Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

(C) *Relationship with Company and Internal Financial Management*

The Audit Committee's and the Board's relationship with the Company's management, including its internal financial management, shall be governed by the following principles:

1. The Audit Committee is responsible for reviewing with management, the internal auditors and the outside auditors the adequacy and effectiveness of the internal accounting and financial controls of the Company, including reviewing significant reports prepared by the internal auditors and the responses of management thereto.
2. The Audit Committee is responsible for reviewing with management, the internal auditors and the outside auditors the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
3. The Audit Committee is responsible for considering and approving, if appropriate, major changes to the Company's financial and accounting controls and auditing and accounting principles and practices, including the plan and scope of the audits to be conducted, respectively, by the outside auditors and the internal auditors.

(D) *Compliance Oversight Responsibilities.*

The Audit Committee shall:

1. As required by law, maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

2. Review and approve related-party transactions in accordance with the requirements of applicable law, the rules of Nasdaq or applicable Company policies and procedures.
3. Review and discuss with management, the internal auditors and the outside auditors the Company's material contingencies and policies with respect to risk assessment and risk management.

(E) *Audit Committee Report.*

The Audit Committee shall prepare an Audit Committee Report to be included in the Company's proxy statement for the annual meeting of shareholders. The Report shall address such matters as are required by the Commission and any other matters deemed appropriate by the Audit Committee.

(F) *Other Activities*

The Audit Committee may perform such other activities from time to time as the Board deems appropriate. Such activities may be assigned to the Audit Committee because of the independence of its members or for any other reason the Board deems appropriate.

**V. *Limitation of Audit Committee's Role***

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the outside auditors.