

# **Interface Code of Business Conduct & Ethics**

**October 26, 2011**

## **1. Introduction**

This Code of Business Conduct and Ethics (this “Code”) of Interface<sup>®</sup>, Inc. and its consolidated subsidiaries (collectively, “the Company” or “we”) covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out policies to guide all employees, officers and directors (sometimes collectively referred to in this Code as “Associates”) of the Company. All Associates must conduct themselves according to these policies and seek to avoid even the appearance of improper behavior. Under this Code, each Associate is expected to, among other things:

- Engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Comply with applicable governmental laws, rules and regulations;
- Be committed to the full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission and other regulators and in other public communications made by the Company; and
- Promptly report any possible violation of this Code to the appropriate person or persons.

Those persons who violate the policies in this Code will be subject to disciplinary action, up to and including termination of employment and, in some cases, civil liability and criminal prosecution. If you are in a situation that you believe may violate or lead to a violation of this Code, or if you become aware of violations or potential violations of this Code, you must follow the procedures described below in Section 10 of this Code. We will not tolerate retaliation for reports made in good faith.

If you have any questions about this Code, you should direct these questions to your supervisor, Human Resources representative, division/subsidiary President, or the Company’s Legal Department.

## **2. Compliance With Laws, Rules And Regulations**

Obedying the law, both in letter and in spirit, is one of the foundations on which our ethical policies are built. Therefore, all Associates must respect and obey all applicable governmental laws, rules and regulations. Although not all Associates are expected to know the details of these laws, rules and regulations, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. To the extent this Code conflicts with applicable laws, rules and regulations, Associates must comply with such laws, rules and regulations. Please consult with the Company’s Legal Department if you have any questions.

### 3. Conflicts of Interest

The Company respects the rights of Associates to manage their personal affairs and investments and does not wish to intrude upon their personal lives. At the same time, Associates must act in the best interests of the Company and avoid situations that present a potential or actual conflict between their interests and the interests of the Company.

A “conflict of interest” exists when a person’s personal interests conflicts or interferes in any way with the interests of the Company. A conflict situation can arise when an Associate takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest also arise when an Associate, or members of his or her family, receives improper personal benefits as a result of his or her position in or with the Company. In addition, making or receiving bribes or “kickbacks” (meaning payments or credits of any kind, whether of money, services or products, designed to influence the recipient), or even offering to make or receive a bribe or kickback, may be prohibited by laws such as the U.S. Foreign Corrupt Practices Act or the UK Bribery Act 2010. The sanctions for violating these laws can be severe, including significant individual and corporate fines, disbarment from participation in public contracts, and even imprisonment.

Conflicts of interest are generally prohibited as a matter of Company policy. Exceptions may only be made after review and approval by the appropriate division/subsidiary President or the Company’s General Counsel. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult your supervisor, Human Resources representative, division/subsidiary President, or the Company’s Legal Department. Any Associate who becomes aware of a conflict or potential conflict should bring it to the attention of his or her supervisor, division/subsidiary President, or the Company’s Legal Department, or follow the procedures described in Section 10 of this Code

Some of the most common situations to be avoided are the following:

- **Doing Business with Relatives** - An Associate shall not conduct any business transaction on behalf of Interface with a member of his or her family (anyone related by blood or marriage) or another entity of which a family member is an owner or principal, without prior disclosure and written clearance from the Associate's division/subsidiary President or the Company’s General Counsel.
- **Business Time** - Associates of Interface who are employed on a full-time basis shall devote their full business-related time and best efforts to accomplishing the duties of their assigned jobs. Associates shall not simultaneously engage in business activities for any other business enterprise. Any exception requires approval from the Associate’s division/subsidiary President or the Company’s General Counsel. A part-time Associate is subject to this provision during the time periods that he or she performs duties on behalf of the Company, and is required to comply with all other provisions of this Code as if a full-time Associate.

- **Competition with Interface** - Without serving to limit the foregoing, Associates shall not compete with Interface by independently engaging in any business which is then being conducted by the Company. No Associate shall work with a person or entity which competes directly or indirectly with the Company. No Associate shall serve as an officer or director of another enterprise which is a competitor of the Company.
- **Acceptance of Gifts** - No Associate (nor any member of his or her family) may solicit or accept money, gifts or services from any person or entity with whom the Company transacts business or from any person or entity whose interest could be benefited through the Associate's direct or indirect influence. Gifts of nominal value and normal amenities and entertainment which cannot reasonably be expected to result in influence of decision-making are not precluded by this policy. Excessive business entertainment, whether as an initiator or a recipient, should be avoided. Good sense and reasonable business justification are the best guidelines.
- **Illegal or Improper Payments** - Associates shall not offer or pay rebates, bribes or kickbacks, or solicit or receive rebates, bribes or kickbacks, whether direct or indirect, when conducting business on behalf of Interface. By way of illustration, Associates are prohibited from making payments to designers or other agents hired by an end-user, which payments are intended to influence the designer or other agent to attempt, in turn, to influence the actions of the end-user.
- **Corporate Opportunities** - An Associate may be interested in an investment or business opportunity that might also be of interest to the Company. If there is reason to believe that the Company may be interested, the Associate shall advise Interface (Human Resources representative or the Legal Department) of such opportunity before acting on it. Any financial transaction, service or other arrangement that places personal interests and those of the Company in opposition with each other should be avoided. An Associate should not purchase equity securities or interests of an enterprise if the Associate knows Interface is considering acquiring the securities or interests of that enterprise or might consider acquiring the securities or interests if it were aware of their availability.
- **Investment in Other Entities** - Associates shall not invest in the securities of a supplier, a competitor or other parties with whom Interface does business; provided, however, the foregoing shall not preclude an Associate from owning 1% or less of the stock of a publicly-traded company.
- **Use of Information** - Associates who are in possession of material, non-public information about the Company or any other company (including the Company's customers and suppliers) may not buy or sell securities of the Company or such other company (as applicable), or engage in any other action to take financial advantage of the information. (For further guidance, see the Company's Insider Trading Policy.)

It is impossible to identify all situations which might involve an actual or potential conflict of interest. The basic test for determining whether a conflict of interest exists is: while fulfilling his or her duties for Interface, is the associate acting in the best interest of the Company and to the

exclusion of any possible personal benefit or advantage to the associate or his or her family or acquaintances? Any related-party transaction that is approved in the manner required by Nasdaq rules shall not be considered a conflict of interest under this Code.

## **4. Company Property**

The use of Company funds or resources for personal benefit without proper authorization is prohibited. An Associate shall not use the property of Interface for any purpose other than the fulfillment of the Associate's duties, absent the prior written consent of his or her supervisor. Company-owned materials, equipment, supplies, etc. must not be sold, loaned, given away or otherwise disposed of without proper authorization. Associates are responsible for safeguarding all Company property under their control.

## **5. Confidential Information**

While carrying out their duties, Associates will become aware of and create confidential or proprietary information of Interface. This confidential information is developed from significant investment of resources and is very valuable to the Company. As this confidential information provides the Company with a competitive advantage, it must be safeguarded. Confidential information includes all trade secrets of the Company and any other information that is material to the Company and not generally available to the public, including information concerning the Company's methods and plans of operation, production processes, marketing and sales strategies, research and development, know-how, non-published product specifications, patent applications, product and raw material costs, pricing strategies, business plans, financial data, personnel records, suppliers, customers, and acquisition and investment plans and strategies. No Associate shall disclose any confidential information of Interface except to those persons who are authorized to receive such confidential information.

## **6. Competition and Fair Dealing**

The Company seeks to outperform our competitors fairly and honestly and seeks competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained from a person not authorized to disclose it, or inducing such disclosures is prohibited. Our Associates should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers and competitors, and the employees of such entities. No Associate should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair dealing practice.

## **7. Foreign Corrupt Practices Act**

The Foreign Corrupt Practices Act (the "FCPA") prohibits payments to government officials or employees in order to influence business decisions. Interface and its Associates shall not knowingly attempt to obtain or retain business for Interface by offering money, gifts, benefits or

anything of value to a public official or employee of any government.

Prohibited payments include bribes, kickbacks, offers, promises or gifts which are intended to cause the recipient to misuse his or her official position in order to wrongfully aid the business of Interface. Such activities are also illegal if knowingly conducted through an agent or intermediary who is acting as a conduit of payments or benefits to the public official or employee. Payments to expedite or secure the performance of routine governmental actions in accordance with the duties of the office (e.g., obtaining permits or licenses, or processing visas or work papers), and payments which are permitted under the written laws (not merely the oral or customary laws) of the country of the recipient, are not prohibited by the FCPA, but nevertheless may be prohibited by other anti-bribery legislation such as the UK Bribery Act 2010, where applicable.

The FCPA also contains significant internal accounting control and record-keeping requirements that apply to Interface's domestic operations. Each Associate of Interface (regardless of location) must record and report information accurately and honestly. This includes accurate reporting of time worked, business expenses incurred, research test results, revenues, costs and other business-related activities. All Interface records are subject to audit, without notice, and financial records should be maintained in accordance with generally accepted accounting principles. Associates must not establish, for any purpose, an unauthorized, undisclosed or unrecorded fund or account involving Interface's money or other assets.

## **8. Record-Keeping and Questionable Accounting or Auditing Matters**

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions and provide an accurate account of our performance. It is a violation of law and Company policy for any Associate to attempt to improperly influence or mislead any accountant engaged in preparing our audit. We are committed to full compliance with all requirements applicable to our public disclosures. We require that our financial and other reporting fairly present the financial condition, results of operations and cash flow of our Company and that it comply in all respects with applicable law, governmental rules and regulations, including generally accepted accounting principles and applicable rules of the U.S. Securities and Exchange Commission and other market regulators.

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 and accounting requirements and to the Company's system of internal controls. Unrecorded or undisclosed funds or assets should not be maintained under any circumstances. The accurate and timely reporting of our financial results and financial condition requires that all financial information be recorded promptly and accurately, and that our systems for recording and reporting that information function properly and be subject to regular and thorough evaluations. This policy also applies to all operating reports or records prepared for internal or external purposes, such as quality control reports, or sales reports.

All Associates are responsible to report to the Company any questionable accounting, internal accounting controls or auditing matters that may come to their attention by calling the Company's Ethics & Compliance Hotline at 1-800-729-9925 (in the U.S.) or through the website [www.ethicspoint.com](http://www.ethicspoint.com). Any Associate providing a report with respect to these matters may do so on a confidential, anonymous basis.

## **9. Waivers of the Code of Business Conduct and Ethics**

Any waiver of this Code for our executive officers or directors may be made only by the Company's Board of Directors and will be promptly disclosed as required by law or Nasdaq rules.

## **10. Reporting any Illegal or Unethical Behavior**

If you believe that actions have taken place, may be taking place or may be about to take place that violate or would violate this Code, you must bring the matter to the attention of the Company. You may report violations or potential violations of this Code to your supervisor, Human Resources representative, division/subsidiary President, or the Company's General Counsel, except that you should report any questionable accounting, internal accounting controls or auditing matters by calling the Company's Ethics & Compliance Hotline at 1-800-729-9925 (in the U.S.) or through the website [www.ethicspoint.com](http://www.ethicspoint.com). You also may discuss with one of those persons any questions you may have about the best course of action in a particular situation. Any supervisor or manager who receives a report of a violation or potential violation of this Code must report it immediately to the appropriate division/subsidiary President or the Company's General Counsel.

We would prefer you identify yourself to facilitate our investigation of any report. However, you may choose to remain anonymous. Those who receive the information will use reasonable efforts to protect the identity of any person who reports potential misconduct. We also will use reasonable efforts to protect the identity of the person about or against whom an allegation is brought, unless and until it is determined that a violation has occurred. Any person involved in any investigation in any capacity of a possible misconduct must not discuss or disclose any information to anyone outside of the investigation unless required by law or when seeking his or her own legal advice, and is expected to cooperate fully in any investigation.

Any use of these reporting procedures in bad faith or in a false or frivolous manner will be considered a violation of this Code.

Associates are expected to cooperate fully in the Company's investigation of complaints. No Associate will be subject to, and it is the Company's policy to strictly prohibit, any form of discipline or retaliation for reporting incidents or cooperating in an investigation, except in the

case of false or frivolous reporting. Any person who takes any action whatsoever in retaliation against any Associate who has in good faith raised any question or concern about compliance with this Code will be subject to serious sanctions, which may include termination.

The Company will investigate reports of violations or potential violations of this Code that raise, or may raise, a material concern to the Company or to the affected persons or entities, and that are sufficiently detailed and/or supported by facts or evidence to permit an investigation to be conducted. Where a report appears to raise such a material concern but is not sufficiently detailed and/or supported by facts or evidence to permit an investigation to be conducted, the Company will engage in a reasonable effort to obtain sufficient detail and/or factual support to permit an investigation to proceed. In connection with any investigation, the Company may retain and consult with independent advisors or legal counsel. Following the investigation of each report that raises such a material concern, the Company will review the results of the investigation and take any curative steps it deems necessary or appropriate. Those persons who violate the policies in this Code will be subject to disciplinary action, up to and including termination of employment and, in some cases, civil liability and criminal prosecution. Nothing contained in this Code shall be deemed to provide any rights, whether due process or otherwise, with respect to any investigation, and nothing contained in this Code shall be deemed to alter the “at will” nature of employment for Associates employed on an “at will” basis.