

INTERFACE INC
Form DEF 14A
April 07, 2009

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 x
Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o 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):

- x No fee required.
- o 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:

Edgar Filing: INTERFACE INC - Form DEF 14A

- 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:

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 21, 2009, 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 to consider and vote upon:

Item	Recommended Vote
1. The election of eleven members of the Board of Directors, five 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. A proposal to approve the Company's Executive Bonus Plan.	FOR
3. The ratification of the appointment of BDO Seidman, LLP as independent auditors for 2009.	FOR
4. Such other matters as may properly come before the meeting and at any adjournments of the meeting.	

The Board of Directors set March 13, 2009 as the record date for the meeting. This means that only shareholders of record at the close of business on March 13, 2009 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

/s/ RAYMOND S. WILLOCH
RAYMOND S. WILLOCH
Secretary

April 8, 2009

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.

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 21, 2009. 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, 2009.

The record of shareholders entitled to vote at the annual meeting was taken as of the close of business on March 13, 2009. On that date, the Company had outstanding and entitled to vote 56,465,832 shares of Class A Common Stock and 6,735,612 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 proposal to approve the Executive Bonus Plan, and (iii) for the ratification of the appointment of BDO Seidman, LLP as independent auditors for 2009. 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, and (ii) 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).

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 has currently set the number of directors at 11. 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 (five) 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 five 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

D i a n n e D i l l o n - R i d g l e y (57)	Ms. Dillon-Ridgley was elected to the Board in February 1997. Ms. Dillon-Ridgley has served as the U.N. Headquarters representative for the World YWCA since 1997 and for the Center for International Environmental Law since 2005. From 1995 to 1998, she served as senior policy analyst with the Women's Environment and Development Organization, and from 1998 to 1999 she served as Executive Director of that organization. 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 five nonprofit organizations and on the Dean's Advisory Board for Auburn University's College of Human Sciences.
---	--

D r . J u n e M . H e n t o n (69)	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, who received her Ph.D. from the University of Minnesota, has provided leadership for a wide variety of professional, policy and civic organizations. As a charter member of the Operating Board of the National Textile Center, Dr. Henton has significant expertise in the integration of academic and research programs within the textile industry. Dr. Henton also serves on the board of one nonprofit organization.
---------------------------------------	--

Christopher G. Kennedy (45) Mr. Kennedy was elected as a director in May 2000. He became an Executive Vice President of Merchandise Mart Properties, Inc. (a subsidiary of Vornado Realty Trust based in Chicago, Illinois) in 1994 and President in 2000. Since 1994, he has served on the Board of Trustees of Ariel Mutual Funds. From 1997 to 1999, Mr. Kennedy served as the Chairman of the Chicago Convention and Tourism Bureau. Mr. Kennedy also serves on the boards of three nonprofit organizations.

K . D a v i d K o h l e r (42) Mr. Kohler was elected as a director in October 2006. He serves as Executive Vice President 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. Mr. Kohler was previously a chairman of the National Kitchen and Bath Association’s Board of Governors of Manufacturing. He is currently a member of the board of Kohler Co., and has previously served on the board of a privately-held manufacturer. He is also a director of Internacional de Cerámica, S.A.B. de C.V., a public company traded on the Mexican Stock Market.

T h o m a s R . O l i v e r (68) Mr. Oliver was elected as a director in July 1998. He served as Chairman of Six Continents Hotels (formerly Bass Hotels and Resorts), the hotel business of Six Continents, PLC (formerly Bass PLC), from March 1997 until his retirement in March 2003, and served as Chief Executive Officer of Six Continents Hotels from March 1997 to October 2002. Mr. Oliver also currently serves as a director of UDR, Inc. (formerly United Dominion Realty Trust, Inc.).

CLASS B NOMINEES

Name (Age)

Information

R a y C . A n d e r s o n (74) 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 one private company and 10 nonprofit organizations.

E d w a r d C . C a l l a w a y (54) 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 (1987-2003) and Chairman (2003), and currently serves as a

director. Mr. Callaway serves on the boards of two other nonprofit organizations.

C a r l I . G a b l eMr. Gable was elected as a director in March 1984. He is a private investor and was an attorney with the Atlanta-based law firm of Troutman Sanders LLP, from March 1996 until April 1998. Mr. Gable also served as a director of Fidelity Southern Corporation from July 2000 to November 2002, and currently serves on the board of one nonprofit organization. Mr. Gable currently serves as the lead independent director of the Board.

D a n i e l T . H e n d r i xMr. 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.

J a m e s B . M i l l e r , J r . (68) 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, and as Chairman of LionMark Insurance Company since 2004. Mr. Miller currently serves on the boards of American Software, Inc., three private companies and six nonprofit organizations.

H a r o l d M . P a i s n e r (69) Mr. Paisner was elected as a director in February 2007. Mr. Paisner is Senior Partner of the law firm Berwin Leighton Paisner, LLP 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 a Trustee of the Institute of Jewish Policy Research. Formerly, Mr. Paisner has served as a director of LINPAC Group Limited and Estates & Agency Holdings plc.

Vote Required and Recommendation of Board

Under the Company's Bylaws, election of each of the five 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 2008. 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.

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:

Executive Committee	Audit Committee	Compensation Committee	Nominating & Governance Committee
Ray C. Anderson (Chair)	Carl I. Gable (Chair)	Thomas R. Oliver (Chair)	June M. Henton (Chair)

Edgar Filing: INTERFACE INC - Form DEF 14A

Carl I. Gable
Daniel T. Hendrix
James B. Miller, Jr.

Edward C. Callaway
James B. Miller, Jr.

K. David Kohler
Harold M. Paisner

Dianne Dillon-Ridgley
Christopher G. Kennedy
Thomas R. Oliver

Executive Committee. The Executive Committee met once during 2008. 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.

- 4 -

Audit Committee. The Audit Committee met five times and acted by unanimous written consent one time during 2008. 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.

Compensation Committee. The Compensation Committee met one time and acted by unanimous written consent five times during 2008. 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. 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 2008. 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, impeccable personal integrity and reputation, and diversity of background and experience. 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 & 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).

PRINCIPAL SHAREHOLDERS AND MANAGEMENT STOCK OWNERSHIP

The following table sets forth, as of February 1, 2009 (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.

Edgar Filing: INTERFACE INC - Form DEF 14A

Beneficial Owner (and Business Address of 5% Owners)	Title of Class	Amount and Nature of Beneficial Ownership(1)	Percent of Class(1)	Percent of Class A if Converted(2)
R a y C . Anderson 2859 Paces Ferry Road, Suite 2000 Atlanta, Georgia 30339	Class A Class B	15,000(3) 3,507,730(3)	* 51.7%	5.9%
Ariel Investments, LLC 200 E. Randolph Drive, Suite 2900 Chicago, Illinois 60601	Class A	8,993,800(4)(5)	15.9%	
Barclays Global Investors, N.A. 400 Howard Street San Francisco, CA 94105	Class A	3,463,137(4)(6)	6.1%	
RidgeWorth Capital Management, Inc. 50 Hurt Plaza, Suite 1400 Atlanta, Georgia 30303	Class A	3,558,943(4)(7)	6.3%	
S h e f f i e l d A s s e t M a n a g e m e n t , L.L.C. 900 North Michigan Ave., Suite 1100 Chicago, Illinois 60611	Class A	3,047,818(4)(8)	5.4%	
Witmer Asset Management, and Charles and Meryl Witmer One Dag Hammarskjold Plaza 885 2nd Ave., 31st Floor New York, New York 10017	Class A	3,211,733(4)(9)	5.7%	
E d w a r d C . Callaway	Class A Class B	10,000 38,000(10)	* *	*
D i a n n e Dillon-Ridgley	Class A Class B	203(11) 23,000(11)	* *	*
C a r l I . Gable	Class A Class B	2,640(12) 94,244(12)	* 1.4%	*
D a n i e l T . Hendrix	Class A Class B	72,260 549,894(13)	* 8.1%	1.1%

Edgar Filing: INTERFACE INC - Form DEF 14A

J u n e M . Henton	Class A	2,000	*	*
	Class B	42,600(14)	*	
C h r i s t o p h e r G . Kennedy	Class A	30,223(15)	*	*
	Class B	43,000(15)	*	
K . D a v i d Kohler	Class A	0	*	*
	Class B	29,000(16)	*	
P a t r i c k C . Lynch	Class A	65,833	*	*
	Class B	98,333(17)		