

NAFTA CERTIFICATE INDEMNIFICATION

TO: Mohawk Industries. Inc. ("Mohawk")

FROM: _____ (Supplier) ("Indemnifier")

WHEREAS Mohawk purchases fiber from indemnifier from time to time (or pursuant to an existing agreement] (the "Fiber");

AND WHEREAS the Indemnifier issues to Mohawk certificates of origin ("NAFTA Certificates") under the North American Free Trade Agreement ("NAFTA") representing to Mohawk that the Fiber originates in the United States, Mexico and/or Canada and is certified to be of NAFTA origin (the "NAFTA Representation");

AND WHEREAS Mohawk incorporates the Fiber into one or more products ("Product(s)") that Mohawk manufactures in the United States and sells to customers in Canada [and Mexico] ("Mohawk Customer(s)");

AND WHEREAS Mohawk relies on the NAFTA Certificates issued by Indemnifier in issuing NAFTA Certificates in respect of the Product(s) as required by the Canada Customs and Revenue Agency and/or by the Aduana Mexico] (the "Customs Authority") for purposes of establishing NAFTA origin under the NAFTA Rules of origin;

AND WHEREAS Mohawk from time to time represents to the Canada Customs and Revenue Agency that the product(s) being imported into Canada in the name of Mohawk to be of NAFTA origin and Mohawk (in its capacity as non-resident importer of record into Canada) claims a zero rate of duty in respect of the Product(s) on the basis of Mohawk's NAFTA certificate which, in turn, is based on the NAFTA Certificate issued by Indemnifier;

AND WHEREAS Mohawk Customer(s) from time to time represent(s) to a Customs Authority that Product(s) being imported by the Mohawk Customer(s) into Canada [or Mexico] to be of NAFTA A origin and the Customer(s) claim(s) a zero rate of duty in respect of the Product(s) on the basis of Mohawk's NAFTA Certificate which in turn, is based on NAFTA Certificates issued by Indemnifier;

AND WHEREAS Mohawk is unable to verify to Mohawk's own satisfaction the NAFTA Representations made by the Indemnifier and must therefore rely on the NAFTA Certificates issued by the Indemnifier and the Indemnifier wishes to assure Mohawk of the accuracy of the NAFTA Representations and the validity of the NAFTA Certificates Issued to Mohawk in respect of the Indemnifier's Fiber;

THIS INDEMNITY WITNESSETH THAT in consideration of the premises and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the Indemnifier hereby covenants and agrees with Mohawk as follows:

1. Indemnification: The Indemnifier shall indemnify and save harmless Mohawk at all times against and in respect of Mohawk having:

(a) liability for any and all customs duty imposed in respect of the import of Product(s) into Canada pursuant to the Customs ACT (Canada) and the Customs Tariff(Canada) [and into Mexico pursuant to the Ley Aduanera (Mexican Customs Act) as supplemented by the Ley de Comercio Exterior (Law of Foreign

Commerce), the Reglamentos de la Ley Aduanera (Regulations to Customs Law) and La Leya del Impuesto General de Importacion (Mexican Customs Tariff)] (collectively "Customs Duty");

(b) liability for an amount required to be paid to a Customs Authority in respect of the import of Product(s) for:

(i) the Canadian goods and services tax ("GST") as imposed by Part IX of the Excise Tax Act (Canada), to the extent that any such GST required to be paid is not otherwise recoverable;

(ii) any other value added tax, sales or consumption tax, or other ad valorem tax that may be imposed by the laws of Canada or the laws of a province or territory of Canada to the extent that any such GST required to be paid is not otherwise recoverable; and

(iii) the Mexican value added tax ("IVA") as imposed by La Leya del Impuesto al Valor Agregado (collectively, the "Taxes").

(c) liability required to be paid to a Customs Authority for penalties in respect of the import of Product(s) for:

(i) unpaid Customs Duty and Taxes;

(ii) a representation made by Mohawk to a Customs Authority that Product(s) imported by Mohawk to be of NAFTA origin; and

(iii) an inability of Mohawk to provide a valid NAFTA A Certificate to a Customs Authority in support of a representation by Mohawk in (ii) immediately above

(collectively "Penalties");

(d) liability for any interest required to be paid to a Customs Authority in respect of unpaid Customs Duty, Tax and Penalties arising from the import of Product(s);

(e) liability for all reasonable legal fees and disbursements that may be incurred by Mohawk as a result of (a), (b) and (c) immediately above;

(f) costs incurred by Mohawk in respect of any administrative efforts that may be required, with payment to be made to Mohawk in respect of this paragraph and (d) immediately above within [thirty (30) days] of presentation of a statement of accounts by Mohawk to Indemnifier; and

(g) liability for any of (a) to (e) in respect of a Mohawk Customer for an import of Product(s) by the Customer on the basis of a NAFTA Certificate issued by Mohawk to the Customer;

arising out of, resulting from or relating to in any manner whatsoever a determination by Mohawk that one or more NAFTA Certificates issued by the Indemnifier to Mohawk is not valid.

2. Continue Indemnity: This Indemnity shall be a continuing one, in addition to any other indemnity or security now or hereafter given to Mohawk, and shall remain in full force and effect notwithstanding any present or future fact, law or judgment or any legal or equitable defense that may otherwise be or become available howsoever to Indemnifier, save that Indemnifier may terminate further liability hereunder by written notice to Mohawk, but such notice shall not affect the continuing liability of Indemnifier in respect of any Product Sold to Mohawk on or before the date of actual receipt of such notice to Mohawk, even where claim for indemnity in respect thereof does not arise until after such notice is given.

3. Representations:

(a) The Indemnifier represents to Mohawk that its authorized representative has carefully read the entire Indemnity and that there are no other agreements or understandings that in any way lessen or modify the obligations set forth in this Indemnity.

(b) This Indemnity is for the benefit of and shall be enforceable by Mohawk, and shall be binding upon the Indemnifier and its successors and assigns.

4. Covenant to Identify Non-NAFTA Goods: Indemnifier covenants and agrees not to ship any Fiber to Mohawk that is not of NAFTA origin without the express written agreement of Salvatore Perillo, General Counsel and agrees to indemnify Mohawk in the same manner as in section 1 of this Indemnification in respect of any Fiber shipped to Mohawk that is not of NAFTA origin if such agreement is not obtained, even if Indemnifier has not issued a NAFTA Certificate.

5. Notice of Amendment: Indemnifier agrees to give to Mohawk [six (6) months] prior written notice of any proposed amendment to or replacement or termination of this Indemnity.

6. Amendment to Agreement: This Indemnity shall not be amended, altered, or qualified, replaced or terminated, except by memorandum in writing, signed by all of the parties hereto and any amendment, alteration, or qualification hereof shall be null and void and shall not be binding upon any party who has not given his written consent as aforesaid.

7. Set-off: No payment required to be made by the Indemnifier pursuant to this Indemnity shall be subject to any right of set-off, counterclaim defense, abatement, suspension or reduction.

8. Partial Invalidity: If any provision or provisions of this Indemnity are held to be void or unenforceable under the laws of the place governing construction or enforcement, this agreement shall not be void or unenforceable thereby but shall continue in effect and be enforced as though the void or unenforceable provision or provisions were omitted.

9. Notice in Writing: Any notice, direction or other instrument required or permitted to be given under this Indemnification shall be sufficiently given if delivered to the party to whom it is given if delivered by prepaid courier or confirmed facsimile transmission, addressed to that party:

(1) in the case of a notice to Mohawk, as follows:

Salvatore Perillo
General Counsel
Mohawk Industries Inc.
P.O. Box 12069
South Industrial Blvd.
Calhoun, Georgia 30703

Fax: 706-624-2483

(2) in the case of a notice to Indemnifier, as follows:

10. Time of Essence: Time shall be of the essence of this Indemnity and every part thereof.

11. Governing Law: This Indemnity shall be governed by the laws of the State of Georgia, as applicable therein, and may be enforced in the courts of the State of Georgia.

IN WITNESS WHEREOF the Indemnifier has executed and delivered this Indemnity as of this _____ day of _____, 20____.

[NAME OF INDEMNIFYING SUPPLIER]

Per: _____

Name: _____

Title: _____

Telephone: _____