



**STANDARDS of CONDUCT and ETHICS for EMPLOYEES, OFFICERS and DIRECTORS of MOHAWK INDUSTRIES, INC. and Flooring RoW (including all Australian and New Zealand subsidiaries of Mohawk Industries Inc)**

**PURPOSE**

Dear Company employees, officers and directors:

This document outlines the standards of ethical behavior; the Company expects of you. Throughout this document, we will abbreviate these standards as the “Code.”

You should keep in mind these important considerations when reading this Code:

- You should follow this Code in letter and in spirit.
- In the event and to the extent of a conflict between the general terms and conditions of this Code and the specific terms and conditions of any other Mohawk or Flooring RoW policies and procedures, then the Company policies and procedures shall prevail.
- You should follow this Code along with any applicable laws, regulations and other Mohawk or Flooring RoW policies and procedures, which may prevail.
- The Code applies to all of our employees, officers and directors regardless of location or position.
- For any issue concerning compliance with the Code, please see the Hotline Policy.

If you do not comply with the provisions of this Code and other Mohawk or Flooring RoW policies and procedures as possibly amended by any applicable laws, regulations and other Mohawk or Flooring RoW policies and procedures, this may be grounds for disciplinary action (which may include summary dismissal). You could also face criminal penalties and civil liabilities for violating the standards outlined in this Code.

Integrity and a high standard of ethics are fundamental to our beliefs. The Company is committed to doing what is right and deterring wrongdoing, and we expect you to uphold these beliefs as well. If you have questions concerning the proper course of action, please consult your immediate supervisor or the Flooring RoW Internal Audit Manager for direction.

**Senior Financial Officers**

This Code contains additional guidelines and standards for the company’s principal executive officer and senior financial officers. These can be found under “Supplemental Standards for Senior Financial Officers.”

**Amendments and Waivers**

Only Mohawk’s Board of Directors may amend this Code. Only the Board of Directors or an authorized committee of the Board may waive a part of the Code for any senior financial officer, executive officer or director. Mohawk will disclose publicly all material amendments and any waivers for senior financial officers, executive officers or directors, to the extent required by law.

## **PROCEDURES IN THE EVENT OF VIOLATIONS**

Any violation of this Code should be first dealt at local level, according to the applicable local procedures, e.g. by using the local escalation procedures.

Please note that specific Company policies and procedures, such as the Hotline Policy, may govern the making and handling of complaints regarding such violations. In such event, these specific policies and procedures shall prevail over the provisions of this Code.

## **FAIR AND HONEST DEALING**

You must deal fairly and honestly with the Company's employees, shareholders, customers, suppliers and competitors. You must behave in an ethical manner and not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair business practice.

You must respect the integrity of persons and firms with whom the Company deals. You must limit the fees and commissions paid to agents and other representatives to amounts that are consistent with proper business conduct. You cannot make a payment to any employee, agent or representative of a third party with or through whom the Company does business without full, documented disclosure to all parties.

## **COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

The Company strives to ensure all activity on its behalf is in compliance with applicable laws, rules and regulations. You must comply with all applicable laws, rules and regulations, whether or not specifically addressed in this Code. Please contact your supervisor/manager, the Flooring RoW legal department or the Flooring RoW Internal Audit Manager for additional guidance or if you have questions.

### **Antitrust Laws**

You must comply with applicable antitrust (competition) and similar laws that regulate competition in the countries in which we operate. These laws prohibit:

- Agreements to fix prices, bid rigging, market allocation and collusion (including price sharing) with competitors;
- Boycotts, certain exclusive dealing arrangements and price discrimination agreements; and
- Unfair trade practices, including bribery, misappropriation of trade secrets, deception, intimidation and similar unfair practices.

### **Environmental Laws**

The Company complies with all applicable environmental laws, rules, and regulations. You must strive to utilize resources appropriately and efficiently and dispose of all waste in accordance with applicable laws, rules and regulations.

### **Discrimination Laws**

The Company believes the fair and equitable treatment of employees, customers, suppliers and other persons is critical to fulfilling its vision and goals. The Company conduct its business without regard to race, color, religion, gender, ethnic origin, age, disability or any other classification prohibited by law. The Company will not tolerate any form of harassment or discrimination against anyone on the basis of any classification prohibited by law. The Company will investigate allegations of harassment or discrimination in accordance with applicable laws and human resources policies.

### **Insider Trading**

Federal and state securities laws and the Company's policies prohibit you from:

- Purchasing or selling Mohawk securities while you know material, non-public information about the Company; and
- Disclosing material, non-public information to others who then trade in Mohawk's securities.

Mohawk's Board of Directors has adopted an insider trading policy. You should review the insider trading policy carefully and follow the policies and procedures it describes. Because of the complexity of inside information and insider trading, and the severity of the punishments involved, which can include criminal prosecution, you should seek the advice of Mohawk's Compliance Officer and General Counsel at +1 706-624-2660 on any questions regarding this subject.

### **Anti-Bribery Laws/Foreign Corrupt Practices Act**

The USA Foreign Corrupt Practices Act, regulations of the Organization for Economic Cooperation and Development ("OECD"), and other anti-bribery laws prohibits bribery or unlawful payments to foreign government officials or employees for the purpose of influencing decisions or obtaining or retaining business. These laws prohibit directly (or indirectly through an agent) making such payments. These laws impose criminal penalties, including fines and prison sentences, on corporations and employees who violate the law.

It is also illegal to bribe government officials of your own country. Accordingly, you may not make any unlawful payments to or for the benefit of any government official or employee. Relations with government representatives, even where personal friendships may be involved, must be in good taste and such that full public disclosure would in no way damage Mohawk's reputation. You are required to comply with these laws and you should seek the advice of the Company's General Counsel should you have any questions on this topic.

### **Political Process**

You must comply with all laws, rules and regulations governing campaign finance and lobbying activities. You cannot use Mohawk's or Flooring RoW's funds and assets for political campaign purposes of any kind, except where the political contributions are consistent with state law and you obtain prior approval from the President of the Company.

You may participate in the political process by means of personal campaign contributions, expenditures or other activity. However, Mohawk or Flooring RoW will not reimburse or compensate you for your personal participation in political activities.

### **Integrity of Records and Compliance with Accounting Principles**

The Company and the law require the preparation and maintenance of accurate and reliable business records. You must prepare all reports, books, and records of the Company with care and honesty. The Company maintains a system of internal controls to ensure that transactions are carried out in accordance with management's authorization and properly recorded. This system includes policies, procedures, and examination by a professional staff of internal auditors. The Company expects you to adhere to these policies and procedures.

Please note that specific Company policies or procedures, such as the Hotline Policy, may govern the making and handling of complaints regarding accounting, internal accounting controls, or auditing matters, as well as suspected violations of laws governing the bribery of foreign public officials in internal business transactions. In such event, these specific policies and procedures shall prevail on the provisions of this Code.

## **CONFLICTS OF INTEREST**

The Company requires you to avoid any relationship, activity, or ownership that might create a conflict between your personal interest and Mohawk's or Flooring RoW's interest. A "conflict of interest" occurs when your private interest interferes in any way, or even appears to interfere, with the interests of Mohawk or Flooring RoW. A conflict of interest can arise when you take actions or have interests that may interfere with your ability to perform your job objectively and effectively. Conflicts of interest also arise when you, or a member of your family, receive improper personal benefits as a result of your position with Mohawk or Flooring RoW.

You owe a duty of undivided and unqualified loyalty to the Company. You may not use your position improperly to profit personally or to assist others in profiting at Mohawk's or Flooring RoW's expense. The Company expects you to avoid situations that might influence your actions or prejudice your judgment in handling Mohawk or Flooring RoW business. You must not become obligated, in any way, to representatives of firms with which you deal and must not show any preference to third- parties based on self or family interest. In addition, you must communicate to your supervisor/manager or the Flooring RoW Internal Audit Manager any material transaction or relationship that could create a conflict of interest.

### **Outside Financial Interests**

While not all inclusive, the following will serve as a guide to the types of activities that might cause conflicts of interest:

- Owning a substantial financial interest in any company that is a competitor of Mohawk or Flooring RoW or which does or seeks to do business with Mohawk or Flooring RoW. If you have any interest in such a company, you must inform the Flooring RoW Internal Audit Manager who will report periodically to the Chairman of the Nominating and Corporate Governance Committee.
- Conducting business, not on Mohawk's or Flooring RoW's behalf, with any Mohawk or Flooring RoW vendor, supplier, contractor, agency, or any of their employees, officers or directors.
- Representing Mohawk or Flooring RoW in any transaction in which you or a family member, have a substantial personal interest.
- Disclosing or using confidential, special or inside information of or about Mohawk or Flooring RoW for you or a family member's profit or advantage.
- Competing with Mohawk or Flooring RoW in the purchase, sale or ownership of property or services or business investment opportunities.
- Engaging in outside business activities or employment incompatible with Mohawk's or Flooring RoW's right to your full-time employment and efficient service.

**Gifts**

You may not solicit gifts, trips, cash or other incentives from vendors and suppliers. You may not accept gifts or incentives that could influence, or reasonably appear to influence your decision-making, and you can never accept cash or cash equivalents. If you receive and do not return such a vendor gift (due to special cultural or other circumstances), then you must report the gift in writing to the Flooring RoW Chief Financial Officer immediately. A Division President or equivalent must pre-approve any employee trip paid by a supplier. Only the Mohawk Chief Executive Officer may approve his or her own trips paid by a supplier. Division Presidents will submit monthly a list of all approved trips to the Flooring RoW Chief Financial Officer. You may not receive any commission, fee, or payment of any sort from a vendor in connection with your work for Mohawk or Flooring RoW. You may attend business lunches, dinners, and similar outings (sporting events, golf outings, theater, shows, etc.) that do not require overnight stay when conducted in the normal course of business.

**Loans**

You may not lend to or borrow from any customer, supplier, contractor or any person connected with the same.

**Services for Competitors/Vendors**

You may not perform work or render services for any competitor of Mohawk or Flooring RoW or for any organization which does business or seeks to do business with Mohawk or Flooring RoW, outside of the normal course of your employment with Mohawk or Flooring RoW, without the approval of the CEO (or the Board of Directors, if you are an executive officer, senior financial officer or director). You cannot serve as a director, officer, or consultant of that organization, or permit your name to be used in a way that would suggest a business connection with that organization, without the CEO's approval.

**Participation on Boards of Directors**

Employees, officers and directors may not serve as a director of any other for-profit company, other than on behalf of Mohawk or Flooring RoW, without the approval of the Mohawk Chief Executive Officer or the Mohawk Chief Financial Officer.

**CORPORATE OPPORTUNITIES**

You owe a duty to the Company to advance its legitimate interests. You cannot take any business opportunity you learn of as a result of your employment or use any Mohawk or Flooring RoW property for your personal benefit or for the benefit of a family member. For example, you should not acquire any interest in a company when you know that Mohawk or Flooring RoW may take or is taking steps to acquire an interest in that company. If you learn of a business opportunity that is within Mohawk's or Flooring RoW's existing or proposed lines of business, you should inform your supervisor/manager, the CEO or the Board of Directors. You may not personally pursue the business opportunity until Mohawk or Flooring RoW decide not to pursue it.

**PROTECTION AND PROPER USE OF COMPANY ASSETS**

You must strive to preserve and protect Mohawk's or Flooring RoW's assets and resources and to ensure their efficient use.

**Personal Use of Corporate Assets**

You should use Company property only for legitimate business purposes and conduct Mohawk's or Flooring RoW's business in a way that furthers Mohawk's or Flooring RoW's interests rather than your personal interest. You may not use or take Mohawk's or Flooring RoW's equipment, supplies, materials or services, except in the normal course of your employment, without approval of your supervisor/manager.

## **CONFIDENTIAL AND PROPRIETARY INFORMATION**

### **Confidentiality**

Confidential information includes all non-public information that might be of use to competitors or harmful to Mohawk or Flooring RoW or its customers, if disclosed. The Company owns all information, in any form (including electronic information), that is created or used in support of its activities. This information is a valuable asset and the Company expects you to protect it from unauthorized disclosure. This information includes the Company's customer, supplier, business partner and employee data. Applicable law may restrict the use of this information and may penalize you if you use or disclose it. You should protect information pertaining to Mohawk's or Flooring RoW's competitive position, business strategies and information relating to negotiations with employees or third parties and share it only with employees who need to know it in order to perform their job.

You must maintain the confidentiality of information entrusted to you by Mohawk or Flooring RoW, its customers, vendors or consultants, except when disclosure is authorized or legally required. You must take all reasonable efforts to safeguard confidential information that is in your possession against inadvertent disclosure and must comply with any non-disclosure obligations imposed on Mohawk or Flooring RoW.

### **Intellectual Property and Proprietary Information**

You must carefully maintain and manage the intellectual property rights of the Company, including patents, trademarks, copyrights, licenses and trade secrets, to preserve and protect their value. In addition, you must respect the intellectual property rights of others. If you violate other's intellectual property rights, you and Mohawk or Flooring RoW could face substantial liability, including criminal penalties. Intellectual property that you create during the course of your employment belongs to the Company. You must share any innovations or inventions you create with your supervisor/manager so that Mohawk or Flooring RoW can take steps to protect these valuable assets.

## **SUPPLEMENTAL STANDARDS FOR SENIOR FINANCIAL OFFICERS**

The Board of Directors of Mohawk has established certain additional ethical standards for its principal executive officer and senior financial officers. These officers include the President and Chief Executive Officer, the Chief Financial Officer and the Corporate Controller. The principal executive officer and all senior financial officers of Mohawk must comply with these standards in addition to all of the other standards contained in this Code.

### **Integrity and Accuracy of Public Disclosures**

Mohawk's principal executive officer and senior financial officers must take all reasonable steps to ensure that the disclosures in the reports and documents that Mohawk files with or submits to the Securities and Exchange Commission and in other public communications are full, fair, accurate, timely and understandable. In the event that the principal executive officer or a senior financial officer learns that any such report, document or communication does not meet this standard and the deviation is material, then such officer will review and investigate the deviation, advise the Board of Directors or the appropriate Board committee and, where necessary, revise the relevant report, document or communication.

### **Accounting Treatment**

Although a particular accounting treatment for one or more of Mohawk's operations may be permitted under applicable accounting standards, the principal executive officer and senior financial officers will not authorize or permit the use of such an accounting treatment if the effect is to distort or conceal Mohawk's true financial condition.