

Holzer & Holzer, LLC
ATTORNEYS AT LAW

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PRIVILEGED ATTORNEY-CLIENT COMMUNICATION

**Re: *Mohawk Industries, Inc. Shareholder Litigation*
CONTINGENT FEE RETAINER AGREEMENT**

This agreement ("Agreement") is made between _____ ("Client") and the law firm of Holzer & Holzer, LLC ("Attorneys").

In consideration of the mutual promises contained herein, Client and Attorneys agree as follows:

1. PURPOSE OF REPRESENTATION

1.1 The Attorneys' Legal Services. You agree that the Attorneys may serve as your legal counsel in regard to the possible claims arising from allegations against certain of the officers and directors of nominal defendant Mohawk Industries, Inc ("Mohawk" or the "Company") (and any affiliated entities) ("Defendants"). Such legal services may include the filing of a shareholder derivative action lawsuit, the serving of a shareholder or inspection demand on the Company's board of directors, a complaint in intervention, and/or objection to any proposed settlement of relevant claims. However, Attorneys are not obligated to file suit on your behalf individually. The decision to bring a lawsuit shall be a joint decision between Client and Attorneys. You also agree that you may be named as a representative in a shareholder derivative action lawsuit against Defendants and/or their agents or representatives, and in such an instance will make claims on behalf of Mohawk. In a shareholder derivative action, you sue the Defendants asserting claims on behalf of Mohawk to recover the damages or injury as a result of the Defendants' conduct.

1.2 Additional Parties. Client and Attorneys agree that during the course of any representation, it may become necessary or desirable to add additional client(s) and/or class representatives or defendant(s) to the lawsuit. Client agrees that Attorneys may add such additional clients, class representatives or Defendant(s) as Attorneys deem necessary or desirable.

2. THE DUTIES OF THE ATTORNEYS

2.1 Prosecution as a "Representative" Action. You and the Attorneys agree that, if Attorneys choose to file a shareholder derivative action lawsuit, the lawsuit will be prosecuted as a shareholder derivative action. The Attorneys will seek to litigate the Action as a shareholder derivative action brought to benefit Mohawk.

2.2 Duties as Shareholder Derivative Counsel. In a shareholder derivative action, the Attorneys represent not only you and the other shareholder representatives, but also Mohawk. As counsel to the Company, the Attorneys have a duty to protect the interests of Mohawk and to act in its best interest. While the Attorneys agree to attempt to be guided by and to accommodate your directions and requests in connection with the conduct of the lawsuit, the Attorneys have explained to you, and you have agreed, that to the extent your directions or requests conflict with the Attorneys' duties under the law to Mohawk, the Attorneys will act in accordance with their duties to Mohawk.

2.3 Other Lawyers and Law Firms. Other Attorneys will represent you in connection with the above claims. The Attorneys may also decide to work with other attorneys or law firms in connection with your claims, including referring claims to other attorneys or law firms and sharing fees with such other attorneys.

3. YOUR DUTIES

3.1 Your Duties as a Client. You agree to cooperate fully with reasonable requests made to you by Attorneys.

3.2 Your Duties as a Shareholder Representative. As a shareholder representative, it is your duty to conduct the case in the best interests of Mohawk. That is, as a shareholder representative, you owe a fiduciary duty to Mohawk. You agree to act in this fashion. *See* Exhibit "A" for a general description of your duties and responsibilities as a shareholder representative.

3.3 No Special Benefits. You understand and acknowledge that you will not receive any special benefits or recovery not afforded to other shareholders of Mohawk by reason of your possible service as shareholder representative, with the possible exception set forth in Paragraph 3.4 below.

3.4 Incentive Awards. If a recovery is obtained for Mohawk, you may be eligible for a modest payment to compensate you for your efforts and expenses, if any, incurred in acting as a shareholder representative. This is commonly known as an incentive award and would be payable to you only upon order of the Court. You acknowledge that an "incentive award" would be discretionary on the part of the Court if Court-ordered and has not been promised to you, does not form the basis for your decision to act as a possible shareholder representative, and that no other benefits or payments have been promised to you.

3.5 Cooperation in Conduct of the Litigation. You agree that you will cooperate with the Attorneys in the pursuit of the claims, including discovery and other pretrial proceedings, trial and appeals, if any.

3.6 Notification of Change of Address. You shall keep the Attorneys advised of your permanent whereabouts at all times, and shall provide the Attorneys with any changes of address, phone number or business affiliation during the time period in which the Attorneys' services are required.

3.7 Notification of Change of Ownership Status in Mohawk. You shall keep the Attorneys advised of any change in your ownership of Mohawk stock.

4. CONDUCT OF LITIGATION

4.1 Power of Attorney. The Attorneys are hereby granted a power of attorney so that they have full authority to prepare, sign and file all legal instruments, pleadings, drafts, authorizations and papers as shall be reasonably necessary to commence, conduct and conclude this representation. The Attorneys are authorized and empowered to act as your negotiator in any and all settlement negotiations.

4.2 Attorneys Have Not Warranted or Guaranteed the Outcome of the Demands, Claims and/or Lawsuit(s). It is understood and agreed that: (a) the Attorneys cannot warrant or guarantee the outcome of the demand(s), claims(s) and/or case; (b) the Attorneys have not represented to you that you will recover all or any of the funds or compensation desired; and (c) obtaining a judgment does not guarantee that the opposing party will be able or willing to satisfy the judgment.

4.3 Settlement. If a shareholder derivative action is filed, the Attorneys and the Court would have certain duties to Mohawk. Therefore, if such a shareholder derivative action lawsuit is settled, the Attorneys must present the settlement to the Court for approval and possibly give notice of the settlement and an opportunity to object to Mohawk shareholders of record. The Court would then conduct a hearing to determine whether the proposed settlement is fair, reasonable and adequate to Mohawk.

5. ATTORNEYS' FEES AND EXPENSES

5.1 Attorneys' Fees to Be Contingent. You and the Attorneys have agreed that the payment of Attorneys' fees will be contingent upon the outcome of the demand, claim, action, proceeding or lawsuit. This means that the Attorneys agree that they will receive a fee for their services only if they are successful assisting in obtaining a recovery for the Company.

5.2 Amount of Attorneys' Fees. You agree that Attorneys are entitled to receive thirty-five percent (35%) of any and all net recovery by Mohawk, whether by settlement or resolution of demands, claims and/or litigation. In any settlement (*see* paragraph 4.3), the Court must approve Attorneys' fees. Therefore, the Attorneys would ask the Court to award Attorneys' fees of up to thirty-five percent (35%) (after any court ordered notice to the shareholders of record and a hearing), and you agree to support this request. The Court would award Attorneys' fees in an amount that it deems appropriate to compensate the Attorneys for their efforts on behalf of you, derivatively on behalf of Mohawk. Attorneys' fees would be payable from one or both of two sources: (a) out of or based upon the net recovery obtained for Mohawk by judgment or settlement; or (b) by Defendants per their agreement or under applicable law.

5.3 Meaning of "Recovery." The term "Recovery" is meant to include all value of property, services, money, grant(s) or other benefits, including, but not limited to, forgiveness of debt, received or to be received by Mohawk or Client, and without limitation, settlement for the same, common law damages, statutory damages (including any award of double or treble damages) injunctive relief, changes in practice, equitable relief, restitution, exemplary or punitive damages, additional damages, fees, interest, notice and claims administration costs and expenses and court costs.

5.4 Meaning of "Net Recovery." The term "Net Recovery" means the "Recovery" (*see* paragraph 5.3) received or to be received by Mohawk, or Client, minus the costs and expenses of the lawsuit as provided in paragraph 5.5.

5.5 Costs and Expenses. In addition to legal fees, the Attorneys shall be entitled to reimbursement for costs and expenses in connection with the investigation, institution and prosecution of the claim. These costs and expenses may include, for example, court filing fees, service fees, expert and consultant fees, accountant fees, expert witness fees, expenses for other testimony including depositions, fees for court reporting and transcripts, expenses for other evidence including witness fees, document depository rental expense, depository personnel costs/salaries, costs of mediation, arbitration or other form of alternative dispute resolution, discovery or other special masters, exhibit preparation fees, photographs, photocopy and document reproduction costs, computerized research, investigators' fees, costs of briefs and transcripts on appeal, if any, and long-distance telephone, facsimile, postage, courier services, travel and lodging expenses and other incidental expenses. To the extent the law allows, the Attorneys agree to assume all fiscal responsibility for any of your costs reasonably associated with the prosecution of this litigation.

6. MISCELLANEOUS

6.1 Georgia Law to Apply. This Agreement and any dispute between Client and Attorneys shall be construed under and in accordance with the laws of the State of Georgia.

6.2 Right of Attorneys to Withdraw. The Attorneys may, at their option, without cause, withdraw from any representation provided for under this agreement, or may dismiss the case.

6.3 Parties Bound. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administration, legal representatives, successors and assigns where permitted by this Agreement.

6.4 Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions thereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.5 Execution. This document may be executed in counterpart and via facsimile.

6.6 Prior Agreement Superseded. This Agreement constitutes the sole and only Agreement of the parties hereto and supersedes any possible prior understanding, warranties, representations, negotiations, promises, or written or oral agreements, direct or indirect, between the parties respecting the within subject matter.

I certify and acknowledge that I have had the opportunity to read this Agreement, that I have voluntarily entered into this Agreement fully aware of its terms and conditions, including the attached Exhibit A, and that I have received a copy of this Agreement, including the attached Exhibit A.

Dated: _____

Signed: _____

Name: _____

Address: _____

Phone: _____

Email: _____

No. Shares Held: _____

Held Shares Since: _____

Accepted By:

HOLZER & HOLZER, LLC

EXHIBIT A

Duties of a Shareholder Representative

1. A shareholder representative represents the interests of the Company.
2. As a shareholder representative, you have no interests that are antagonistic to the Company.
3. A shareholder representative always considers the interests of the Company just as he/she would consider his/her own interests.
4. A shareholder representative participates actively in the lawsuit, such as by testifying at deposition and trial, answering written interrogatories, and by keeping generally aware of the status and progress of the lawsuit.
5. A shareholder representative recognizes and accepts that any resolution of a shareholder derivative action lawsuit, such as by settlement or dismissal, is subject to court approval, and must be designed in the best interests of the Company.
6. A shareholder representative is not required to be particularly sophisticated or knowledgeable with respect to the legal framework of the lawsuit. However, he/she should be interested, on a continuous basis, in the progress of the lawsuit, and must make every effort to provide his/her lawyers and the court with all relevant facts of which he/she is aware.
7. A shareholder representative volunteers to represent the Company because he/she believes that the shareholder derivative action is an important tool to assure compliance with the law and to ensure that the officers and directors are held accountable to the Company.