

Shaw Industries Group, Inc.
STANDARD TERMS AND CONDITIONS OF PURCHASE

SHAW INDUSTRIES GROUP, INC. ("BUYER") OFFERS TO PURCHASE FROM VENDOR THE PRODUCTS AND/OR SERVICES SET FORTH ON A PURCHASE ORDER PAGE ("ORDER PAGE") ISSUED BY BUYER AND DELIVERED TO VENDOR ELECTRONICALLY, BY FACSIMILE, OR BY MAIL ONLY UPON THE TERMS AND CONDITIONS SET FORTH BELOW (COLLECTIVELY A "PURCHASE AGREEMENT"). BY CLICKING THE "I ACCEPT" ICON BELOW, SIGNING THE ORDER PAGE OR PERFORMING THE TASKS REQUIRED BY THE ORDER PAGE, VENDOR AGREES TO THE TERMS AND CONDITIONS OF THE PURCHASE AGREEMENTS MADE BETWEEN IT AND BUYER FROM AND AFTER THE DATE OF ITS ACCEPTANCE SO DESIGNATED AND ACKNOWLEDGES THAT THE PERSON EXECUTING HAS THE NECESSARY AUTHORITY TO ENTER INTO THE AGREEMENT ON VENDOR'S BEHALF. IF VENDOR DOES NOT AGREE WITH THESE TERMS AND CONDITIONS, IT SHOULD NOT EXECUTE THE ORDER PAGE, NOR CLICK THE "ACCEPT" ICON, NOR PERFORM ANY PART OF THE PROPOSED TRANSACTION.

1. **Definitions.** "Vendor" means Vendor and its representatives. "Product" means any and all items, goods or materials provided by or for Vendor pursuant to a Purchase Agreement. "Services" means any and all services performed by or on behalf of Vendor for Buyer pursuant to a Purchase Agreement. "Specifications" mean the specifications set forth on the Order Page, (b) Vendor's specifications and documentation that Buyer expressly agrees forms part of the Product specifications, and (c) any specifications provided by Buyer to Vendor.
2. **Relationship of Parties.** Vendor and Buyer are independent contractors. Vendor acknowledges that it has no authority to bind or contract in the name or for the account of Buyer, to create any liability against Buyer, or to exert any direction or control over Buyer's personnel. Vendor is solely responsible for all taxes and insurance with respect to its personnel.
3. **Products.** Vendor shall deliver all Products stated on the Order Page to Buyer at the site and by the date and time specified by Buyer and in conformance with (Specifications, which are hereby made a part of the Purchase Agreement. Vendor shall contract with a carrier for shipment of the Product, and obtain and promptly deliver to Buyer any documents necessary to obtain possession of the Product. Products may be shipped to Buyer in whole or in part and will be shipped F.O.B. Buyer's designated facility ("Delivery Point"). Vendor shall bear all risk of loss, damage, theft and other risks until Buyer's acceptance of the Product. Except as otherwise expressly set forth on the Order Page, Vendor shall bear all expenses for delivery of the Product, including (without limitation) shipping, loading, unloading, storage, freight, and insurance. In the event that Buyer is paying some or all delivery expense, Product shipped shall be shipped via bonded carriers and properly prepared for shipment so as to secure the lowest transportation rates and to meet carriers' requirements and all applicable laws and ordinance.

Vendor shall (a) not ship Product or begin performing Services in advance of the time necessary to meet Buyer's delivery schedule, except as expressly consented to in writing by Buyer; and (b) promptly notify Buyer of any delay or anticipated delay in delivery of Product or performance of Services. Should Vendor, for any reason, not comply with Buyer's delivery or performance schedule, Buyer may either approve a revised delivery schedule or terminate the Purchase Agreement without liability. The failure by Vendor to meet specified delivery or performance dates shall constitute a material breach entitling Buyer to pursue all remedies available to it at law or in equity. Product received by Buyer in excess of the quantities specified on the Order Page may be returned by Buyer at Vendor's expense.

4. **Services.** Vendor shall maintain Commercial General Liability Insurance, including Product Liability, Completed Operations, and Commercial Automobile Liability (arising out of the use of vehicles) insurance having limits of no less than \$500,000 per occurrence with Buyer named as an additional insured, and Worker's Compensation Insurance providing statutory coverage and employer's liability covering Vendor's employees and having a limit of at least \$500,000. Upon Buyer's request, Vendor shall provide Buyer with a certificate of insurance evidencing such coverages.
5. **Acceptance; Disruption.** Buyer shall have (a) in the case of all P.O.B. deliveries, 90 days from the date of physical receipt of a Product to inspect it prior to Buyer's acceptance, or to the extent a Product is comprised of equipment, from the date such equipment is placed into operation, and (b) in the case of Services, 90 days from the later of completion of all work associated with performing the Service and delivering the results, or if non-tangible results were produced, notifying Buyer of such completion. With respect to any defective or rejected items of Product or results from Services, or part thereof, Buyer, at its option and without waiver, may (a) return such Product to Vendor, at Vendor's expense and risk, for refund, (b) remedy the defect with Vendor paying Buyer promptly for expenses incurred in pursuing such remedy, or (c) return the Product and have Vendor, at Vendor's expense, expeditiously replace such defective or rejected item of Product. No replacement or substitution of Product or Service shall be made unless authorized by Buyer. **The acceptance by Buyer of the Product or results from Services furnished hereunder shall not constitute acceptance of Vendor's terms and conditions.** Fire, strikes, labor disputes, acts of God, floods, accidents, governmental regulations and other causes beyond Buyer's reasonable control shall relieve Buyer from accepting Product or Services hereunder until such time as operations can be restored.
6. **Confidential Information.** Vendor agrees to receive and hold Confidential Information of Buyer in trust and in strictest confidence and shall not use, reproduce, distribute, disclose or otherwise disseminate any Confidential Information except as necessary to perform its obligations hereunder. Disclosures of the Confidential Information may be made only to Vendor's employees and agents who have a specific need to know and are subject to confidentiality restrictions at least as restrictive as those contained herein. "Confidential Information" means confidential information relating to the business, products and services of Buyer which is or has been disclosed to Vendor, and which has value to Buyer and is not generally known to Buyer's competitors, including (without limitation), information regarding the Specifications and Buyer's product plans, designs, costs, prices, finances, marketing plans, business opportunities, personnel, R&D activities and know-how.
7. **Prices & Payment.** Each Purchase Agreement must be filled at prices no higher than those appearing on the Order Page, or, if no prices appear, then at prices no higher than those last agreed to by Buyer. Any general price decrease announced by Vendor in a classification of Product or Services purchased by Buyer shall apply to any Product received by or Services performed for Buyer on or after the effective date of such decrease. Vendor represents that the prices specified in the Purchase Agreement do not exceed the lowest current selling price for the same or substantially similar Products or Services whether to the Government or to any other buyer. Invoices shall be due and payable within 60 days of receipt of a valid invoice, unless otherwise expressly set forth on the Order Page. Conflicting terms and conditions contained in Vendor's invoices or like documents are void.

8. **Taxes.** Vendor assumes exclusive liability for any and all taxes, fees, duties, withholdings or like charges, whether domestic or foreign now imposed or hereafter becoming effective (the "Taxes"), including, without limitation, federal, provincial, state and local taxes, value-added taxes, goods and services taxes, stamp, documentary, excise or property taxes, duties and other governmental charges. Any taxes to be paid by Buyer shall be agreed to by Buyer and separately stated on Vendor's invoice.
9. **Title.** Title to the Product and risk of loss shall pass to Buyer after Buyer receives and accepts the Product; except that if Buyer rightfully rejects the Product, receives a nonconforming tender, or revokes its acceptance, the risk of loss and title shall be deemed to have remained with Vendor. All intellectual property rights in any Buyer owned information, material, or item that is incorporated into or with a Product or result of Services shall be the sole and exclusive property of Buyer, and to the extent a Product or Service is originally created, invented, or conceived by Vendor for Buyer, such shall, to the extent permitted by law, be considered "works made for hire" or otherwise shall be fully assigned to Buyer.
- Buyer shall at all times have title to the Specifications developed by Buyer or developed by Vendor for Buyer, and Vendor shall use such Specifications only in connection with this Purchase Agreement. Vendor shall, upon Buyer's request or upon completion of this Purchase Agreement, promptly return all such Specifications and any copies thereof to Buyer.
10. **Representations & Warranties.** Vendor represents and warrants to Buyer that: (a) it has the authority to perform its obligations hereunder, (b) it has good and marketable title to the Product, and that the Product shall be sold and delivered to Buyer free from any and all security interests, liens and encumbrances, (c) it is in compliance with all applicable laws, regulations and orders, (d) on the date of delivery to Buyer and for a period of at least one (1) year thereafter, the Product, all materials, parts and equipment shall be of merchantable quality, will be free from defects in materials or workmanship, will be suitable for the purpose for which sold to Buyer, and will perform in accordance with applicable Specifications, (e) all Services will be performed in a professional and workmanlike manner; and (f) the Product and the results from Services will not infringe or invade any third party's intellectual property, privacy or other property right ("Third Party Right(s)").
11. **Indemnity; Liability Limitation.** Vendor agrees to indemnify, defend and hold harmless Buyer, its officers, directors, employees and agents from and against any and all liability, claims, suits, actions, losses, costs or expenses, including reasonable attorneys' fees, relating to or arising out of any claim or demand (a) for any Taxes, penalties and interest paid by Buyer, and any actions related thereto taken by Buyer (b) relating to or arising out of any alleged Third Party Right with respect to any Product or Services; (c) relating to or arising out of Vendor's breach of any representations or warranties; (d) of an environmental nature arising or relating to Vendor's provision, or failure to provide, Products or Services, whether brought by a regulatory authority or third party; and (e) which Buyer's customers or any other person, whether or not in privity to Vendor, may make against Buyer based upon or arising from the purchase, sale, or use of Product or from any patent or hidden defects in the quality of Product or the dangerous condition thereof, regardless of the legal theory asserted or if brought pursuant to a class action statute. **Buyer's aggregate liability arising from or relating to this Purchase Agreement or the Products or Services is limited to the amount paid by Buyer for the applicable Product or Services. To the maximum extent allowable under applicable law, Buyer shall not be liable for any special, incidental, consequential, indirect or punitive damages, including without limitation lost revenues, loss of use of the Products, loss of data, or the cost of any substitute Products or related equipment, even if Buyer has been advised of the possibility of such damages.**
12. **Compliance with Law.** Vendor at all times will comply with all laws applicable in the United States of America and any other country, jurisdiction or place where the Product is located during its manufacture or delivery to Buyer or where Services are performed.
13. **Entire Agreement; Modifications.** Each Purchase Agreement constitutes the entire agreement between Buyer and Vendor with respect to the subject matter thereof, and supersedes all prior oral or written agreements. Each Purchase Agreement shall govern Buyer's purchase of the Products and/or Services, as well as any subsequent purchase of products or services from Vendor, unless otherwise expressly agreed to by the parties. Each Purchase Agreement may not be amended or modified, except by a further written agreement signed by the parties hereto. Buyer reserves the right to make reasonable changes to a Purchase Agreement, including changes as to packaging, testing, Specifications, designs and delivery schedules.
14. **Term; Cancellation.** The Term of each Purchase Agreement is one year after which the Agreement will renew for successive one-year terms unless terminated as set forth below. Buyer may cancel or terminate a Purchase Agreement in whole or in part at any time by giving oral or written notice of such to Vendor. If oral notice is given, it shall be followed by written confirmation if requested by Vendor. Cancellation or termination by Buyer shall not constitute a waiver or release of any other rights and remedies of Buyer in contract or provided by law or at equity. In the event of any proceedings brought by or against Vendor, whether or not voluntary, in bankruptcy or insolvency, or in the event of an appointment of a receiver or of an assignee for the benefit of creditors, Buyer shall be entitled to cancel any unfilled portion of a Purchase Agreement.
15. **Governing Law.** Each Purchase Agreement shall be governed by, and construed in accordance with, the laws of the State of Georgia, without reference to any conflicts of law principles. The parties hereby submit themselves to the exclusive jurisdiction of the federal and state courts located in Whitfield County, Georgia for any disputes arising hereunder. The Uniform Computer Information Transactions Act and the U.N. Convention on Contracts for the International Sale of Goods shall not apply to this Purchase Agreement. If any term, provision or condition of a Purchase Agreement is held invalid or unenforceable, the same shall not invalidate or otherwise affect any other provision thereof. Any reproduction of a Purchase Agreement by any reliable means shall be deemed an original. Notices provided from Vendor to Buyer shall be in writing; notices provided from Buyer to Vendor may be given verbally or in writing.
16. **Equal Opportunity.** The Equal Opportunity and Affirmative Action clauses of 41 CFR 60-1.4 (a), 60-250.4, and 60-741.4 are hereby incorporated by reference. By acceptance of this Purchase Agreement, Vendor certifies that it is in compliance with all applicable provision of Executive Order 11246 and regulations promulgated pursuant thereto.
17. **Time is of the Essence; Set-Off.** The parties agree that time is of the essence in the delivery of Product and performance of Services hereunder. All claims for monies due or to become due from Buyer shall be subject to deduction by Buyer for any setoff or counterclaim arising out of any of Buyer's agreements with Vendor.

18. **Assignability & Waiver**. Without Buyer's written consent, Vendor shall not assign a Purchase Agreement, or any rights or obligations therein and any attempt to assign, or assignment of, a Purchase Agreement, in whole or in part, by operation of law or otherwise, without such consent shall be null and void. No waiver of any right by Buyer shall be deemed a waiver of such right on other occasions.