

MOHAWK INDUSTRIES INC  
Form DEF 14A  
April 05, 2019

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**MOHAWK INDUSTRIES, 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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

- (1) Title of each class of securities to which transaction applies:
  
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- (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:
  
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Fee paid previously with preliminary materials.

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:



To the Stockholders of Mohawk Industries, Inc.:

You are cordially invited to attend the annual meeting of stockholders to be held on Thursday, May 23, 2019, at 10:00 a.m. local time, at the Company's offices at 160 South Industrial Boulevard, Calhoun, Georgia 30701.

The business of the meeting will be (i) to elect a class of directors to serve a three-year term beginning in 2019, (ii) to vote upon a non-binding resolution to ratify the selection of KPMG LLP as the Company's independent registered public accounting firm, and (iii) to vote upon a non-binding, advisory resolution to approve executive compensation. There will not otherwise be a business review at the meeting.

We are pleased to take advantage of the Securities and Exchange Commission rules that allow the Company to furnish proxy materials to stockholders on the internet. These rules allow us to provide our stockholders with the information they need, while reducing the environmental impact of our Annual Meeting and lowering costs. Unless you previously requested a paper copy of our proxy materials, you will receive a Notice Regarding the Availability of Proxy Materials, which tells you how to access the materials on the internet. If you have requested paper copies and wish no longer to receive them, contact our registrar and transfer agent, American Stock Transfer & Trust Company (AST), to request that only the Notice Regarding the Availability of Proxy Materials be mailed in the future. Contact AST by phone at 800-937-5449 or by mail at 6201 15th Avenue, Brooklyn, NY 11219.

Whether or not you plan to attend the annual meeting, please vote by internet at your earliest convenience or complete and return your proxy card if you requested a paper copy of our materials. You may choose to attend the meeting and personally cast your votes even if you fill out and return a proxy card. To receive a map and driving directions to the annual meeting, please call Deby Barnes-Forbus at (706) 624-2246.

Sincerely yours,

JEFFREY S. LORBERBAUM

*Chairman and Chief Executive Officer*

Calhoun, Georgia

April 5, 2019

## MOHAWK INDUSTRIES, INC.

160 South Industrial Boulevard

Calhoun, Georgia 30701

### NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 23, 2019

The annual meeting of stockholders of Mohawk Industries, Inc. (the Company) will be held on Thursday, May 23, 2019, at 10:00 a.m. local time, at the Company's offices at 160 South Industrial Boulevard, Calhoun, Georgia 30701.

The meeting is called for the following purposes:

1. To elect three persons who will serve as the Company's Class III directors for a three-year term beginning in 2019;
2. To ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for the year ending December 31, 2019;
3. To hold a non-binding, advisory vote to approve the compensation of the Company's named executive officers, as disclosed and discussed in the compensation discussion and analysis, compensation tables and any related material disclosed in this proxy statement; and
4. To consider and act upon such other business as may properly come before the meeting or any adjournments or postponements thereof.

The Board of Directors has set March 28, 2019 as the record date for the determination of stockholders entitled to notice of and to vote at the meeting.

**Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be held on May 23, 2019:**

The Proxy Statement and the 2018 Annual Report to Stockholders are available at the Company's website [ir.mohawkind.com/proxy-materials](http://ir.mohawkind.com/proxy-materials).

**PLEASE USE INTERNET VOTING OR COMPLETE AND RETURN A PROXY CARD SO THAT YOUR SHARES WILL BE REPRESENTED. IF YOU CHOOSE TO ATTEND THE MEETING, YOU MAY REVOKE YOUR PROXY AND PERSONALLY CAST YOUR VOTES.**

By Order of the Board of Directors,

R. DAVID PATTON

*Vice President-Business Strategy, General Counsel*

*and Secretary*

Calhoun, Georgia

April 5, 2019

## MOHAWK INDUSTRIES, INC.

160 South Industrial Boulevard

Calhoun, Georgia 30701

### PROXY STATEMENT

This Proxy Statement is furnished by and on behalf of the Board of Directors of Mohawk Industries, Inc. ( Mohawk or the Company ) in connection with the solicitation of proxies for use at the annual meeting of stockholders of the Company to be held on Thursday, May 23, 2019, and at any and all adjournments or postponements thereof (the Annual Meeting ).

We have elected to provide access to our proxy materials on the internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the Notice ) to our stockholders of record ( Stockholders ) and beneficial owners. All Stockholders and beneficial owners may access the proxy materials at the Company s website [ir.mohawkind.com/proxy-materials](http://ir.mohawkind.com/proxy-materials). If you would like to receive a paper copy of our proxy materials, please follow the instructions included in the Notice.

The Notice will be made available to Stockholders on or about April 5, 2019. You must be a Stockholder as of March 28, 2019 (the Record Date ) to be entitled to vote at the Annual Meeting.

Stockholders may vote by internet or written proxy. Proxies will be voted as specified by the Stockholders. Unless contrary instructions are specified, if a proxy card is executed and returned (and not revoked) before the Annual Meeting, the shares of the common stock of the Company (the Common Stock ) represented thereby will be voted FOR election of the nominees listed in this Proxy Statement as directors of the Company, FOR ratification of KPMG LLP as the Company s independent registered public accounting firm, and FOR the proposal regarding the advisory vote on the approval of the Company s executive compensation. A Stockholder s submission of a signed proxy will not affect the right to attend and to later vote in person at the Annual Meeting. Stockholders who execute a proxy may revoke the proxy at any time before it is voted by (i) filing a written revocation with the Secretary of the Company, (ii) executing a proxy bearing a later date or (iii) attending and voting in person at the Annual Meeting.

The presence of a majority of the outstanding shares of Common Stock entitled to vote at the Annual Meeting, either in person or by proxy, will constitute a quorum. Shares of Common Stock represented by proxies at the meeting, including broker nonvotes and abstentions will be counted as shares present for purposes of establishing a quorum. A broker nonvote occurs when a broker or nominee holding shares for a beneficial owner votes on one proposal, but does not vote on another proposal because the broker or nominee does not have discretionary voting power and has not received instructions from the beneficial owner. Once a quorum is established, (i) the election of directors will require the affirmative vote of a majority of the votes cast on the respective nominees at the Annual Meeting and (ii) the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2019 and the approval of the advisory vote on executive compensation will require the affirmative vote of the holders of a majority of the votes represented and entitled to vote thereon at the Annual Meeting. For purposes of electing directors, a majority of votes cast means that the number of votes cast for a director s election exceeds the number of votes cast against that director s election.

As to Proposal 1 Election of Directors, shares represented by proxies that are marked **ABSTAIN** and broker non-votes will not have an effect on the outcome of the proposal. As to Proposal 2 Ratification of Accounting Firm and Proposal 3 Say on Pay, shares represented by proxies that are marked **ABSTAIN** will have the effect of a vote against the proposal, while a broker nonvote will not have an effect on the outcome of the proposal.

Stockholders are entitled to one vote for each share of Common Stock held. March 28, 2019, has been set as the Record Date for determination of Stockholders entitled to notice of and to vote at the Annual Meeting, and, accordingly, only holders of Common Stock of record at the close of business on that day are entitled to notice of and to vote at the Annual Meeting. On the Record Date, there were 72,421,823 shares of Common Stock issued and outstanding held by approximately 225 Stockholders.

**THE BOARD OF DIRECTORS URGES YOU TO VOTE YOUR SHARES. YOU MAY HOLD SHARES OF COMMON STOCK OF RECORD, THROUGH A BANK OR BROKER OR THROUGH A COMPANY RETIREMENT PLAN. VOTING INSTRUCTIONS FOR EACH GROUP OF STOCKHOLDERS ARE SET FORTH BELOW.**

**Voting Instructions**

*By Internet.* Stockholders of record may vote by internet on the website identified on the Notice. Where requested, enter the 12 digit control number located on your Notice and follow the simple instructions for voting. For Stockholders that requested written proxy materials, control numbers and instructions for voting on the internet will be printed on the proxy card that will be included in the written materials. Internet voting is available 24 hours a day, 7 days a week until 11:59 p.m. New York time on May 22, 2019.

*By Written Proxy.* Stockholders of record may vote by written proxy card. Stockholders that do not want to vote by internet may request a written proxy card by following the instructions on the Notice. Mark your selections on the proxy card, date and sign your name exactly as it appears on your proxy card, and mail the proxy card as directed.

*Voting Shares held by a Bank or Broker.* If your shares are held in the name of a bank, broker or other record holder, you may request a written proxy card or a vote instruction form from your bank, broker or other nominee. You may also vote by the method made available by your bank, broker or other nominee, in which case the bank, broker or other nominee will provide instructions.

*Voting Shares held in Retirement Plans.* If your shares are held through the Mohawk Industries Retirement Plan 1 and/or the Mohawk Industries Retirement Plan 2, you have the right to vote the shares credited to your individual account(s) under the plans. Participants that hold shares in one of the plans may provide direction to our transfer agent, American Stock Transfer and Trust Company ( AST ), by the method made available by AST. Unless otherwise required by law, AST will follow participant vote instructions received by 11:59 p.m. New York time on May 20, 2019. If voting instructions have not been received by that time and date, the shares credited to your account(s) will not be voted.

The voting procedures are designed to authenticate identities, to allow Stockholders, beneficial owners and plan participants to vote their shares, and to confirm that instructions have been recorded properly.

## PROPOSAL 1 ELECTION OF DIRECTORS

The Company's Restated Certificate of Incorporation, as amended (the Certificate of Incorporation), provides that the Board of Directors of the Company shall consist of three classes of directors serving staggered terms of office. Upon the expiration of the term of office for a class of directors, the nominees for that class will be elected for a term of three years to serve until the election and qualification of their successors.

The Company's Certificate of Incorporation requires the Company to have at least two and no more than eleven directors, with the Board of Directors to determine the exact number. Upon the retirement of Mr. Frans De Cock on May 24, 2018, the Board of Directors has set the size of the board at 8 directors. The Board of Directors has nominated Joseph A. Onorato, William H. Runge III and W. Christopher Wellborn for election as Class III directors at the Annual Meeting. The Class II and Class I directors have two years and one year, respectively, remaining on their terms of office and will not be voted upon at the Annual Meeting.

It is the intention of the persons named as proxies to vote the proxies for the election of each of Mr. Onorato, Mr. Runge and Mr. Wellborn as a Class III director of the Company, unless the Stockholders direct otherwise in their proxies. Each of Mr. Onorato, Mr. Runge and Mr. Wellborn has consented to serve as a director of the Company if elected. In the unanticipated event that any of Mr. Onorato, Mr. Runge or Mr. Wellborn refuses or is unable to serve as a director, the persons named as proxies reserve full discretion to vote for such other person or persons as may be nominated. The Board of Directors has no reason to believe that any of Mr. Onorato, Mr. Runge or Mr. Wellborn will be unable or will decline to serve as a director.

The affirmative vote of a majority of the votes cast in the election at the Annual Meeting at which a quorum is present is required for the election of the nominees.

## THE BOARD OF DIRECTORS RECOMMENDS

### A VOTE FOR THE ELECTION OF THE NOMINEES LISTED BELOW

#### Director, Director Nominee and Executive Officer Information

Based on information supplied by them, set forth below is certain information concerning the nominees for election as Class III directors and the directors in Classes I and II whose terms of office will continue after the Annual Meeting, including the name and age of each, current principal occupation (during the last five years unless otherwise indicated), the name and principal business of the organization in which such occupation is carried on, the year each was elected to the Board of Directors of the Company, all positions and offices held during 2018 with the Company, and directorships, including any other directorships held during the past five years, in other publicly-held companies.

#### Nominees for Director

##### *Class III Directors (If Elected, Terms Expire 2022)*

*Joseph A. Onorato* Mr. Onorato (age 70) has been a director of the Company since February 2008. From July 1998 until his retirement in September 2000, Mr. Onorato served as Senior Vice President and Chief Financial Officer for the Automotive Aftermarket Group of Dana Corporation, a global leader in the engineering, manufacturing and distribution of components and systems for worldwide vehicular and industrial manufacturers. In July 1998, Dana Corporation merged with Echlin, Inc. ( Echlin ), a worldwide manufacturer of motor vehicle parts. At the time of the merger, Mr. Onorato was Senior Vice President and Chief Financial Officer for Echlin. He is a certified public accountant and previously worked with PricewaterhouseCoopers. Mr. Onorato also served on the board of directors for Affinia Group Intermediate Holdings, Inc., where he was chairman of the Audit Committee, and BPI Holdings International, Inc., both motor vehicle components manufacturers. In addition, Mr. Onorato serves as a member of the Dean's Advisory Council at the Quinnipiac University School of Business.



*William H. Runge III* Mr. Runge (age 67) has been a director of the Company since July 2014. Mr. Runge has been a Managing Director with Alvarez & Marsal since June 2002, a premier business advisory firm for companies seeking to transform operations, catapult growth and accelerate results. In that capacity, Mr. Runge has served in Chief Financial Officer, Chief Operating Officer, Chief Executive Officer and Controller roles in the manufacturing, distribution and service industries. Prior to his work with Alvarez & Marsal, Mr. Runge spent more than 10 years with the corporate restructuring group of Arthur Andersen in Atlanta, where he served as Partner-in-Charge for the Southeast Region.

*W. Christopher Wellborn* Mr. Wellborn (age 63) has been a director of the Company since our acquisition of Dal-Tile International Inc. ( Dal-Tile ) in March 2002. He has served as the Company's Chief Operating Officer since November 2005 and as its President and Chief Operating Officer since November 2009. Mr. Wellborn was Executive Vice President, Chief Financial Officer and Assistant Secretary of Dal-Tile from August 1997 through March 2002. From March 2002 to November 2005, he served as President Dal-Tile. From June 1993 to August 1997, Mr. Wellborn was Senior Vice President and Chief Financial Officer of Lenox, Inc.

#### **Continuing Directors**

##### ***Class I Directors Continuing in Office (Terms Expire 2020)***

*Karen A. Smith Bogart* Dr. Smith Bogart (age 61) has been a director of the Company since May 2011. She is President of Smith Bogart Consulting, an advisement firm focused on business growth, turn-around and capability. She has led start-up firms in consumer products and printing services. Prior to 2007, she was a Senior Vice President of Eastman Kodak Company. She was Chairman and President of Greater Asia, responsible for Kodak's businesses and operations across Asia, and she also managed many of Kodak's largest global businesses in the consumer, professional and health sectors. She currently is a director for Michelman Inc., a privately held specialty chemicals company. She formerly was a director for Monolithic Power Systems, Inc., a public semiconductor company (NASDAQ), and Silver Maple Ventures, an on-line equity crowd funding firm.

*Richard C. III* Mr. III (age 75) has been a director of the Company since May 2011. Mr. III served as a director of Triumph Group, Inc. ( Triumph Group ), a public international aviation services company, from 1999 to 2017, where he also served as Chairman from 2009 to 2015 and President and Chief Executive Officer from 1993 to 2013 and again from April 2015 to January 2016. Previously, Mr. III held a variety of senior executive positions with Alco Standard Corporation until he founded what is now the Triumph Group. Mr. III has over 45 years of public company experience both in management, manufacturing and operations. In addition, Mr. III has 15 years of experience as a director of public companies, currently serving as a director of P.H. Glatfelter Company, a global supplier and leading manufacturer of paper and fiber products, and formerly as a director of Airgas, Inc., a distributor of industrial, medical, and specialty gases and related equipment, safety supplies and MRO products and services.

*Jeffrey S. Lorberbaum* Mr. Lorberbaum (age 64) has been a director of the Company since our acquisition of Aladdin Mills Inc. ( Aladdin ) in March 1994. He has served as Chairman of the Board since May 2004 and as the Company's Chief Executive Officer since January 2001. From January 1995 until January 2001, Mr. Lorberbaum served as President and Chief Operating Officer of the Company. Mr. Lorberbaum joined Aladdin in 1976 and served as Vice President Operations from 1986 until February 1994 when he became President and Chief Executive Officer.

##### ***Class II Directors Continuing in Office (Terms Expire 2021)***

*Filip Balcaen* Mr. Balcaen (age 59) has been a director of the Company since February 2016. He is currently the President of Baltisse, a private investment firm, a position he has held since December 21, 2006. Mr. Balcaen has extensive experience growing and leading businesses in the flooring industry, serving as the

CEO of the IVC Group ( IVC ), a global sheet vinyl and LVT manufacturing company, from 2004 – 2010 after which he served as chairman of the company until the Company acquired IVC in 2015. Mr. Balcaen began his career in flooring in 1984 working in various positions at the Balta Group, one of the largest producers of textile floor coverings in Europe, where he served as board member from 1990 to 2015 and CEO and Chairman from 1990 to 2004. Mr. Balcaen also serves on the board of Pentahold, a private equity partnership active in Belgium, Stevia One Holding, a private company active in the production of the natural high intensity sweetener Stevia, and Origis Energy NV, a private company active in the global development and management of solar energy plants.

*Bruce C. Bruckmann* Mr. Bruckmann (age 65) has been a director of the Company since October 1992. Mr. Bruckmann has been a Managing Director of Bruckmann, Rosser, Sherrill & Co., Inc., a private equity investment firm, since January 1995. From March 1994 to January 1995, Mr. Bruckmann served as Managing Director of Citicorp Venture Capital, Ltd. ( CVC, Ltd. ) and as an executive officer of 399 Venture Partners, Inc. (formerly Citicorp Investments, Inc.). From 1983 until March 1994, Mr. Bruckmann served as Vice President of CVC, Ltd. Mr. Bruckmann is also a director of H&E Equipment Services L.L.C., a renter and distributor of industrial and construction equipment, and Heritage – Crystal Clean Inc., a provider of parts cleaning services. Mr. Bruckmann is a former director and Chairman of the Board of Directors of MWI Veterinary Supply Co., a distributor of animal health products to veterinarians, and he is a former director of Town Sports International, Inc., a fitness club operator. Mr. Bruckmann also serves as a director for Downtown Locker Room, Eos Fitness, and Magpul Industries Corporation, which are private companies.

### **Contractual Obligations with respect to the Election of Directors**

In connection with the merger of Aladdin with a wholly-owned subsidiary of the Company in February 1994 (the Aladdin Merger ), the Company agreed to nominate up to two persons designated by the former stockholders of Aladdin for election or re-election, as the case may be, to the Board of Directors of the Company and to use its best efforts to cause such nominees to be elected to the Board of Directors. Beginning in 1999, Messrs. Jeffrey S. Lorberbaum and Sylvester H. Sharpe were such designees. Effective May 17, 2006, Mr. Sharpe retired from the Board of Directors. At this time, the Aladdin stockholders have decided not to designate anyone to fill the vacancy created by Mr. Sharpe 's retirement. At such time as the former stockholders of Aladdin have disposed of 50% or more of the Common Stock issued to them in the Aladdin Merger, the Company will be required to nominate only one such person to the Board of Directors, and at such time as the former stockholders of Aladdin have disposed of 75% or more of the Common Stock issued to them in the Aladdin Merger, the Company will no longer be required to nominate any of such persons to the Board of Directors.

### **Executive Officers**

The executive officers of the Company serve at the discretion of the Board of Directors and are currently comprised of Messrs. Jeffrey S. Lorberbaum and W. Christopher Wellborn (who are identified above), James F. Brunk, Paul F. De Cock, Glenn R. Landau, R. David Patton and Bernard P. Thiers.

*James F. Brunk* Mr. Brunk (age 53) has been Corporate Controller, Chief Accounting Officer of the Company since May 2009. Mr. Brunk joined the Company in October 2006 as Chief Financial Officer for the Mohawk Home division. Before joining the Company, Mr. Brunk was Vice President, Finance-Transportation-Americas for Exide Technologies, a worldwide leader in production and recycling of lead acid batteries from January 2005 to October 2006.

*Paul F. De Cock* Mr. De Cock (age 45) was promoted to President – Flooring North America in November 2018. Mr. De Cock joined Unilin in 1997 and has served in multiple roles in manufacturing, sales, marketing and general management. From 2006 to 2008, he served as President of Unilin North America, helping to integrate Unilin into the Company after its acquisition of Unilin in 2005. From 2008 until his 2018 promotion, he served as President – Unilin Flooring.

*Glenn R. Landau* Mr. Landau (age 50) was named Executive Vice President and Chief Financial Officer of the Company on April 1, 2019. Prior to joining the Company, Mr. Landau was the Senior Vice President and Chief Financial Officer of International Paper Company ( IP ), a position he held since February 2017. Prior to becoming CFO, he was President of International Paper Latin America from 2013 to 2017, with overall responsibility for IP 's paper and packaging businesses in Brazil as well as the strategic direction for South America. He was appointed Senior Vice President in November 2014. Prior to that role, he served as Vice President of Investor Relations from 2011 through 2013. Previously, he held positions of increasing responsibility in IP 's U.S. container and European container businesses.

*R. David Patton* Mr. Patton (age 48) was named Vice President Business Strategy, General Counsel and Secretary of the Company in July 2013. From 2014-2017, he also served as the Company 's Chief Sustainability Officer. Before joining the Company, Mr. Patton was a partner of Alston & Bird LLP in its Corporate Transactions and Securities Practice Group, where he focused his practice on corporate transactions, securities regulation and corporate governance, developing an extensive background in mergers and acquisitions, securities, corporate and business transactions, finance and private equity.

*Bernard P. Thiers* Mr. Thiers (age 63) was promoted to President Unilin (which became a significant operating subsidiary in the Company 's Flooring Rest of World segment) in January 2009. Mr. Thiers joined Unilin in 1984 as a plant manager and has served in roles of increasing management significance since that time. From 1996 to 2006, he served as Managing Director of Unilin Flooring and, from 2006 until his 2009 promotion, he served as President Unilin Flooring.

## **Meetings and Committees of the Board of Directors**

### ***General***

During 2018, the Board of Directors held five meetings. All members of the Board of Directors attended over 75% of the total number of Board of Directors and Committee meetings that they were eligible to attend. All members of the Board of Directors at the time of the 2018 Annual Meeting of Stockholders were present at such meeting.

### ***Independence***

The Board of Directors has affirmatively determined, considering generally all relevant facts and circumstances regarding each non-management director, that none of Mr. Balcaen, Mr. Bruckmann, Mr. Ill, Mr. Onorato, Mr. Runge or Dr. Bogart have a material relationship that would interfere with such director 's exercise of independent judgment in carrying out the responsibilities of a director, and therefore they are independent within the meaning of the standards for independence set forth in the Company 's corporate governance guidelines, which are consistent with applicable Securities and Exchange Commission ( SEC ) rules and New York Stock Exchange ( NYSE ) corporate governance standards. Definitions of independence for directors and committee members can be found in the Company 's Corporate Governance Guidelines, which can be found on the Company 's website at [ir.mohawkind.com](http://ir.mohawkind.com) under the heading Investors and the subheading Corporate Governance.

### ***Committees***

The Company has a standing Audit Committee (the Audit Committee ) of the Board of Directors established in accordance with the Securities Exchange Act of 1934, as amended (the Exchange Act ). The Audit Committee is comprised of four directors: Mr. Onorato (Chair), Mr. Bruckmann, Mr. Ill and Mr. Runge. The Audit Committee met seven times during 2018. The Board of Directors has determined that each committee member is qualified as an audit committee financial expert within the meaning of applicable SEC regulations and

has all the requisite accounting and financial expertise within the meaning of the listing standards of the NYSE. The Audit Committee oversees management's conduct of the financial reporting process, the system of internal, financial and administrative controls and the annual independent audit of the Company's consolidated financial statements. In addition, the Audit Committee engages the independent registered public accounting firm, reviews the independence of such independent registered public accounting firm, approves the scope of the annual activities of the independent registered public accounting firm and internal auditors and reviews audit results. The Board of Directors has adopted a written charter for the Audit Committee, which is available on the Company's website at [ir.mohawkind.com](http://ir.mohawkind.com) under the heading "Investors" and the subheading "Corporate Governance." See also *Audit Committee Report of the Audit Committee of the Board of Directors of Mohawk Industries, Inc.*

The Company has a standing Compensation Committee (the "Compensation Committee"), which consists of Dr. Bogart (Chair), Mr. Onorato and Mr. Runge. The Compensation Committee met two times during 2018. The Compensation Committee is responsible for deciding, recommending and reviewing the compensation, including benefits, of the executive officers and directors of the Company, for reviewing risks associated with the Company's compensation policies and practices and for administering the Company's executive and senior management incentive compensation plans. The Compensation Committee may delegate any of its authority and responsibilities to a subcommittee of members of the committee designated by the Chairman of the Committee. To the extent permitted by Delaware law, the Compensation Committee may delegate to one or more officers of the Company the power to designate the officers and employees of the company or any of its subsidiaries who will receive grants of equity incentive awards and the number of such awards. The Board of Directors has adopted a written charter for the Compensation Committee, which is available on the Company's website at [ir.mohawkind.com](http://ir.mohawkind.com) under the heading "Investors" and the subheading "Corporate Governance." See also *Executive Compensation Compensation Committee Report*. For more information regarding the Compensation Committee's processes and procedures for the consideration and determination of executive compensation, see *Compensation Discussion and Analysis* below.

The Company has a standing Nominating and Corporate Governance Committee (the "Governance Committee"), which consists of Mr. Bruckmann (Chair), Mr. Ill and Dr. Bogart. The Governance Committee met two times during 2018. The Governance Committee is responsible for assisting the Board of Directors in fulfilling its oversight responsibilities under the NYSE listing standards and Delaware law, identifying qualified candidates for nomination to the Board of Directors and developing and evaluating the Company's corporate governance policies. The Governance Committee also considers nominees to the Board of Directors recommended by stockholders in accordance with the requirements of the Company's Bylaws. Finally, the Governance Committee is responsible for overseeing the Company's sustainability programs. As such, the Committee assists the Bo