



KIMBERLY-CLARK CORPORATION

A company incorporated and registered under the laws of the State of Delaware, USA

PROSPECTUS FOR THE EMPLOYEES OF CERTAIN EUROPEAN ECONOMIC AREA SUBSIDIARIES OF KIMBERLY-CLARK CORPORATION IN RELATION TO THE KIMBERLY-CLARK SHAREPLUS PLAN AND THE KIMBERLY-CLARK SHARE INCENTIVE PLAN

WARNING: participation in the Plan is subject to the same risks as inherent to any investment in shares (such as movements in the stock exchange price of the shares). Share prices may go down, and the value of shares cannot be guaranteed.

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- EXHIBIT I ANNUAL REPORT OF THE ISSUER ON FORM 10-K FOR THE FISCAL YEAR ENDED 31 DECEMBER 2009, FILED WITH THE SEC ON 24 FEBRUARY 2010
- EXHIBIT II DEFINITIVE PROXY STATEMENT OF THE ISSUER ON SCHEDULE 14A, FILED WITH THE SEC ON 12 MARCH 2010
- EXHIBIT III QUARTERLY REPORT OF THE ISSUER ON FORM 10-Q FOR THE FIRST QUARTERLY PERIOD OF 2010 ENDED 31 MARCH 2010, FILED WITH THE SEC ON 7 MAY 2010, TOGETHER WITH THE AMENDED QUARTERLY REPORT, FILED WITH THE SEC ON 14 MAY 2010
- EXHIBIT IV QUARTERLY REPORT OF THE ISSUER ON FORM 10-Q FOR THE SECOND QUARTERLY PERIOD OF 2010 ENDED 30 JUNE 2010, FILED WITH THE SEC ON 9 AUGUST 2010
- EXHIBIT V KIMBERLY-CLARK SHAREPLUS PLAN, FILED WITH THE SEC ON 18 SEPTEMBER 2009 AS EXHIBIT 4.3.1 OF FORM S-8
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- EXHIBIT IX TAX CONSEQUENCES OF PARTICIPATION IN THE PLAN

SUMMARY

This summary should be read as an introduction to the prospectus. It contains selected information about the Company and the offer. This summary should be read together with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this prospectus and in the exhibits. It should also be read together with the matters set forth under "Risk Factors". Any decision to invest in the Shares should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the person bringing the claim may, under the applicable legislation of the jurisdiction in which the court is located, have to bear the costs of translating the prospectus before the legal proceedings are initiated. No civil liability will attach to anyone in respect of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus.

Kimberly-Clark Corporation (the "**Company**") is offering eligible employees (the "**Eligible Employees**") of its participating subsidiaries in Europe (the "**Participating Companies**") the opportunity to acquire shares of the Company's common stock (the "**Shares**") pursuant to a share purchase plan called Shareplus ("**Shareplus**" or the "**Plan**"). The Company and its subsidiaries are together referred to as "**Kimberly-Clark**".

The risk factors to be taken into consideration when participating in the Plan consist of risks related to the Company's business and risks related to participation in the Plan. The risks related to the Company's business may be, without limitation, economic, tax, legal, operational, political or geographical in nature (or a combination of two or more of any such factors), as detailed in Chapter A (Risk Factors). The risks related to participation in the Plan include, without limitation, the risks inherent to any investment in shares, exchange risks, tax and/or social security consequences of participation in the Plan and the fact that the Shares are not listed on a regulated market of the EEA.

1. **Key terms of the offer**

As from 1 October 2010, the Plan will be offered to employees in the following countries: Belgium, Czech Republic, Germany, Italy, Netherlands, Spain, Switzerland and the United Kingdom.

Shareplus is designed as an "umbrella" plan to allow for differences by country to take account of local legal and tax requirements and to achieve tax benefits wherever possible. There are two main formats within the Plan:

- **Shareplus-Europe:** the main format used in most countries.
- **Shareplus-UK:** for employees in the UK, a UK Inland Revenue-approved share incentive plan (the "**SIP**") has been set up. The SIP confers favourable tax treatment for both Kimberly-Clark and participants, but contributions are subject to Inland Revenue limits. Employees in the UK will still be able to participate in Shareplus-Europe, but only by contributing any excess contributions that exceed the limits of the SIP. This is referred to as the Shareplus-UK top-up plan.

Note that the descriptions of certain provisions of the Plan in this summary and in the prospectus are executive summaries, that reading these summaries should not be taken as a substitute for reading the respective plan documents in their entirety, that the Company may determine that a subsidiary shall cease to be a Participating Company and that the rules of the Plan may be amended (within certain limits) by the European HR Policy Council.

The key terms of the Plan are as follows:

Eligible Employees	All full-time and part-time employees being actively paid by the payroll of a Participating Company. There is no qualifying period of employment. Expatriates participate through their home country (they cannot participate if their home country is not participating even if they are located in a participating country).
Contributions	Eligible Employees will make a monetary contribution each month, via payroll, in their local currency. The minimum contribution is the local currency equivalent of approximately USD 15 per month. The maximum contribution an Eligible Employee can make is 4% of salary (contributions under the SIP are in any event limited to GBP 125 per month). If the minimum investment is actually more than 4% of the employee's pay, the minimum amount can still be invested.
Investment Currency	Whilst the employees make contributions in local currency, the Shares are denominated in US Dollars. Therefore the employees' contributions will be converted into US Dollars prior to Shares being purchased. Shares allocated within Shareplus will be in fractional form. Therefore, the total contribution made by each employee will be invested in the Company's stock.
Administrator	The Plan is administered by an external trustee and administrator, Computershare Plan Managers.
Partnership Shares	Each employee's investment will be transferred each month to the Administrator. The Administrator will use the funds to purchase Shares on a set date per month and will then hold these Shares in the employee's name in an account established within Shareplus. The Shares purchased by the employee are known as Partnership Shares.
Matching Shares	If the employee retains the Partnership Shares in Shareplus for the required period (1 year to 18 months), then Kimberly-Clark will award Matching Shares on a 1-for-2 basis.
Sale restrictions	The Partnership Shares can in principle be sold immediately (although those under Shareplus-UK have to be held for 3 years to benefit from partial tax relief and for 5 years for full tax relief). The Matching Shares can in principle be sold once the Eligible Employee owns them, but in Belgium, Italy, Spain and the UK, the Matching Shares must not be sold for a certain period of time (between 2 to 5 years) to benefit from tax relief.
Rights related to the Shares	All Shares issued under the Plan shall as to voting, dividend, transfer and other rights rank equally in all respects with all other Shares then in issue. Any dividends declared by the Company will be used to purchase additional shares in Shareplus. These Dividend Shares do not qualify for additional Matching Shares.
Costs	Kimberly-Clark will meet the cost of purchasing Shares and any associated administration charges whilst they remain held within Shareplus. Employees will be required to meet the cost of selling Shares. These costs are broken down between the Administrator's administration fee (USD 28.00 for Shareplus-Europe and GBP 12.00 for Shareplus-UK (SIP)) plus brokerage charges of 0.50% of the sales proceeds. Both these charges will be deducted from the employees' sale proceeds.

2. **Information about the Company**

The Company was incorporated in Delaware in 1928. The Company is a global health and hygiene company focused on product innovation and building its personal care, consumer tissue, K-C Professional brand and health care brands. The Company is principally engaged in the manufacturing and marketing of a wide range of health and hygiene products around the world. Most of these products are made from natural or synthetic fibres using advanced technologies in fibres, nonwovens and absorbency. For further information regarding the Company's business, see **Exhibit I** hereto, notably pages 1 to 8.

The Company's board of directors is comprised of the following 13 directors (as at 6 September 2010): John R. Alm, Dennis R. Beresford, John F. Bergstrom, Abelardo E. Bru, Robert W. Decherd, Thomas J. Falk, Mae C. Jemison, M.D., James M. Jenness, Ian C. Read, Linda Johnson Rice, Marc J. Shapiro, G. Craig Sullivan and Nancy J. Karch. Thomas J. Falk is Chairman of the Board and Chief Executive Officer of the Company.

The Company's executive officers are (as at 6 September 2010) Robert E. Abernathy, Joanne B. Bauer, Robert W. Black, Christian A. Brickman, Mark A. Buthman, Thomas J. Falk, Lizanne C. Gottung, Thomas J. Mielke, Anthony J. Palmer, Jan B. Spencer and Elane B. Stock.

The independent auditor of the Company is Deloitte & Touche LLP.

3. **Selected financial information**

The tables below show selected financial information of the Company prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

The following selected financial data were derived from:

- the consolidated financial statements of the Company as of 31 March 2010 and 31 March 2009. These financial statements have not been audited and are set out in the Company's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2010 (attached hereto as **Exhibit III**);
- the consolidated financial statements of the Company as of 30 June 2010 and 30 June 2009. These financial statements have not been audited and are set out in the Company's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2010 (attached hereto as **Exhibit IV**); and
- the full consolidated financial statements of the Company as of 31 December 2005, 31 December 2006, 31 December 2007, 31 December 2008 and 31 December 2009, which were audited by Deloitte & Touche LLP in accordance with the standards of the Public Company Accounting Oversight Board (United States). These financial statements are set out in the Company's Annual Report on Form 10-K for the fiscal year ended 31 December 2009 (attached hereto as **Exhibit I**).

	Year Ended December 31				
	2009	2008 (a)	2007	2006	2005 (c)
	(Millions of dollars, except per share amounts)				
Net Sales	\$ 19,115	\$ 19,415	\$ 18,266	\$ 16,747	\$ 15,903
Gross Profit	6,420	5,858	5,704	5,082	5,075
Operating Profit	2,825	2,547	2,616	2,102	2,311
Share of net income of equity companies	164	166	170	219 ^(b)	137
Income before extraordinary loss and cumulative effect of accounting change	1,994	1,837	1,951	1,595	1,668
Extraordinary loss	—	(8)	—	—	—
Cumulative effect of accounting change	—	—	—	—	(13)
Net income ^(d)	1,994	1,829	1,951	1,595	1,655
Net income attributable to noncontrolling interests ^(d)	(110)	(139)	(128)	(95)	(87)
Net income attributable to Kimberly-Clark Corporation ^(d)	1,884	1,690	1,823	1,500	1,568
Per share basis:					
Basic ^(e)					
Income before extraordinary loss and cumulative effect of accounting change	4.53	4.06	4.11	3.26	3.33
Cumulative effect of accounting change	—	—	—	—	(.03)
Extraordinary loss	—	(.02)	—	—	—
Net income	4.53	4.04	4.11	3.26	3.30
Diluted ^(e)					
Income before extraordinary loss and cumulative effect of accounting change	4.52	4.05	4.08	3.24	3.31
Cumulative effect of accounting change	—	—	—	—	(.03)
Extraordinary loss	—	(.02)	—	—	—
Net income	4.52	4.03	4.08	3.24	3.28
Cash Dividends Per Share					
Declared	2.40	2.32	2.12	1.96	1.80
Paid	2.38	2.27	2.08	1.92	1.75
Total Assets	\$ 19,209	\$ 18,089	\$ 18,440	\$ 17,067	\$ 16,303
Long-Term Debt	4,792	4,882	4,394	2,276	2,595
Total Stockholders' Equity ^(d)	5,690	4,261	5,687	6,502	5,936

(a) to (e) See notes (a) to (e) to the table under "Item 6. Selected Financial Data" on page 14 of the Company's Annual Report on Form 10-K for the fiscal year ended 31 December 2009, attached hereto as **Exhibit I**.

	Three Months Ended June 30		Three Months Ended March 31	
	2010	2009	2010	2009
	(Millions of dollars, except per share amounts)			
Net Sales	\$ 4,857	\$ 4,727	\$ 4,835	\$ 4,493
Gross Profit	1,644	1,573	1,647	1,454
Operating Profit	711	609	665	628
Share of Net Income of Equity Companies	47	44	43	32
Net income Attributable to the Company	498	403	384	407
Per share basis:				
Basic	1.20	0.97	0.92	0.98
Diluted	1.20	0.97	0.92	0.98
	June 30, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Total Assets	\$ 18,713	\$ 19,209	\$ 18,997	\$ 19,209
Long-Term Debt	4,442	4,792	4,387	4,792
Stockholders' Equity	5,287	5,690	5,678	5,690

Future quarterly results and annual reports will be published respectively in the Company's Quarterly Reports on Form 10-Q and the Company's Annual Reports on Form 10-K, which will be made available on the Company's website (<http://www.kimberly-clark.com/investors>, under "SEC Filings").

4. **Information on display**

The Company's internet address is www.kimberly-clark.com. More detailed information about the Company, including information about its charter documents, its businesses and the Company's SEC reports, can be accessed free of charge through the Investor Relations section of the Company's website (<http://www.kimberly-clark.com/investors>).

CHAPTER A RISK FACTORS

Any investment in the Shares involves substantial risks. Before deciding to purchase Shares, prospective investors should carefully review and consider the following risk factors and the other information contained in this prospectus. The occurrence of one or more of the risks described below may have a material adverse effect on the Company's cash flows, results of operations and financial condition and endanger the Company's ability to continue as a going concern. Moreover, the Company's share price could fall significantly if any of these risks were to materialize, in which case investors could lose all or part of their investment.

Investors should note that the risks discussed below are not the only risks to which Kimberly-Clark is exposed. Additional risks and uncertainties, which are not currently known to the Company, which the Company currently believes are immaterial or which are inherent in any company, could likewise impair its business operations or have an adverse effect on the Company's cash flows, results of operations, financial condition, the Company's ability to continue as a going concern and the price of its shares. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the Company's cash flows, results of operations and financial condition, the Company's ability to continue as a going concern or the price of the Company's shares. This prospectus (including its exhibits) also contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this prospectus. Investors should consider carefully whether an investment in the Shares is suitable for them in light of the information contained in this prospectus and their own personal circumstances.

The risk factors to be taken into consideration when participating in Shareplus and the SIP consist of risks related to the Company's business and risks related to participation in the Plan.

1. RISKS RELATED TO THE COMPANY'S BUSINESS

The risks related to the Company's business, which may affect its future results, are described in detail in the Company's Annual Report on Form 10-K for the fiscal year ended 31 December 2009 (attached hereto as **Exhibit I**) on pages 4-9 (*Item 1A. Risk Factors*) and 34-35 (*Item 7A. Quantitative and Qualitative Disclosures about Market Risks*) and can be summarized as set forth below. This summary should be read together with, and is qualified in its entirety by, the risk factors in the Form 10-K (as attached as **Exhibit I**), which investors should read in their entirety.

- Increased pricing pressure, intense competition for sales of the Company's products and the inability to innovate effectively could have an adverse effect on the Company's financial results.
- Changes in the policies of Kimberly-Clark's retail trade customers and increasing dependence on key retailers in developed markets may adversely affect Kimberly-Clark's business.
- Significant increases in prices for raw materials, energy, transportation and other necessary supplies and services could adversely affect Kimberly-Clark's financial results.
- Global economic conditions, including recessions or slow economic growth, and continuing credit market disruptions in the United States and certain foreign countries, could continue to adversely affect the Company's business and financial results.
- Kimberly Clark's international operations are subject to foreign market risks, including foreign exchange risk and currency restrictions, which may adversely affect Kimberly Clark's financial results.
- There is no guarantee that Kimberly-Clark's efforts to reduce costs will be successful.
- Kimberly-Clark's sales may not occur as estimated.

- Kimberly-Clark may acquire new product lines or businesses and may have difficulties integrating future acquisitions or may not realize the anticipated benefits of acquisitions.
- There is no assurance that Kimberly-Clark will be able to hire, develop or retain key employees or a skilled and diverse workforce, which could have an adverse effect on our business.
- Pending litigation, administrative actions and new legal requirements could have an adverse effect on Kimberly-Clark.
- Kimberly-Clark obtains certain manufactured products and administrative services from third parties. If the third-party providers fail to perform satisfactorily, Kimberly-Clark's operations could be adversely impacted.

2. **RISKS RELATED TO PARTICIPATION IN THE PLAN**

The risks related to participation in the Plan can be summarized as follows:

- Participation in the Plan is subject to the same risks as inherent to any investment in shares (such as movements in the stock exchange price of the shares). Share prices may go down, and the value of shares cannot be guaranteed.
- Participation in the Plan is subject to a currency risk (e.g. USD/EUR, USD/CZK or USD/GBP) that could adversely affect the amount invested in the Plan and anticipated profit resulting from participation in the Plan.
- The possible tax and/or social security consequences of participation in the Plan could adversely affect the anticipated profit resulting from participation in the Plan.
- The Company may determine that a subsidiary shall cease to be a Participating Company.
- The rules of the Plan may be amended (within certain limits) by the European HR Policy Council.
- There may be a delay between the date of the contributions made by participants and the actual investment of these contributions by the Administrator in the purchase of the Company's stock on the New York Stock Exchange.
- The Shares of the Company are listed on the New York Stock Exchange only and not on a regulated market of the European Economic Area.

CHAPTER B GENERAL INFORMATION

1. INFORMATION CONCERNING RESPONSIBILITY FOR THE PROSPECTUS

Kimberly-Clark Europe Limited, a company incorporated and existing under the laws of England, having its registered office at 40 London Road, Reigate, Surrey RH2 9QP, United Kingdom, represented by its board of directors, assumes responsibility for the prospectus.

Kimberly-Clark Europe Limited declares that, having taken all reasonable care to ensure that such is the case, the information contained in this prospectus is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

2. APPROVAL OF THE PROSPECTUS

On 14 September 2010, the Belgian Banking, Finance and Insurance Commission (the "CBFA") approved this prospectus in accordance with article 23 of the Law of 16 June 2006 relating to public offers of securities and to the admission to trading of securities on regulated markets. The CBFA's approval does not imply any judgment on the merits or the quality of the offer or the offered Shares, nor of the status of the Company.

This prospectus is for use solely in connection with offerings under the Plan to certain employees of Kimberly-Clark in certain jurisdictions within the European Economic Area. This prospectus is not to be distributed in any other jurisdiction and is not to be used in connection with any offer of, or any invitation or solicitation by or on behalf of the Company or any of its affiliates to subscribe for or purchase securities in any other jurisdiction.

This prospectus has not been submitted to the review or registration procedures of the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, or to any other regulatory authority outside of the European Economic Area.

The distribution of this prospectus and the offer of the Shares under the Plan may be restricted by law in certain jurisdictions. Kimberly-Clark requires persons into whose possession this prospectus comes to inform Kimberly-Clark about and to observe any such restrictions. This prospectus does not constitute an offer to sell, or an invitation to purchase, the Shares in connection with Kimberly-Clark's employee share plans in any jurisdiction in which such offer or invitation would be unlawful.

3. AVAILABILITY OF THE PROSPECTUS

This prospectus will be made available to employees of the European Economic Area subsidiaries of the Company based in countries in which offerings under the Plan are considered public offerings, subject to the laws applicable in each country, at the respective head offices of their employers. In addition, this prospectus along with summary translations (as applicable) will be posted on the intranet of Kimberly-Clark, and free copies will be available to the employees upon request by contacting the human resources departments of their employers.

4. FURTHER INFORMATION

Further information about Shareplus-Europe and Shareplus-UK is set forth in the Kimberly-Clark Shareplus Plan (**Exhibit V**), the Trust Deed and Rules of Kimberly-Clark Shareplus UK (**Exhibit VI**), the Trust Deed of the Kimberly-Clark Employee Share Trust (Jersey) (**Exhibit VII**) and the Trust Deed of the Kimberly-Clark Employee Share Trust (UK) (**Exhibit VIII**).

More detailed information about the Company, including information about its charter documents, its businesses and the Company's SEC reports, can be accessed free of charge through the Investor Relations section of the Company's website (<http://www.kimberly-clark.com/investors/>).

CHAPTER C INFORMATION CONCERNING THE OFFER

1. OUTLINE OF SHAREPLUS

1.1 Background and purpose

Shareplus was authorized and agreed by the Chief Executive Officer and Chief Operating Officer of the Company on 6 September 2001, in accordance with the authority granted to them by the Board of Directors of the Company. The Plan will continue to operate until 9 May 2012, unless terminated earlier by resolution of the Board of Directors of the Company.

The Plan was adopted to provide an opportunity for the Eligible Employees of the Participating Companies to purchase Shares through payroll deductions and to receive free shares, the Matching Shares, in proportion to the purchased shares after having held them for a certain period of time. The employees thereby have an additional incentive to contribute to the Company's success.

In 2002, the Company filed a registration statement on Form S-8 with the SEC registering 500,000 Shares under the Plan and on 18 September 2009, the Company filed a subsequent registration statement registering additional 500,000 Shares. The aggregate number of Shares offered for purchase under the Plan is 474,451 Shares, subject to the provisions in relation to adjustments to such number in the event of certain fundamental changes in the amount (or kind) of Shares. The Shares have been created under the laws of the State of Delaware, USA. Each Share has a par value of USD 1.25.

1.2 Eligible Employees

All full-time and part-time employees being actively paid by the payroll of a Participating Company are eligible to participate in the Plan. There is no qualifying period of employment. Expatriates participate through their home country (they cannot participate if their home country is not participating even if they are located in a participating country). Temporary workers (employed by a third party), contractors and suppliers cannot participate in the Plan.

1.3 Invitation to participate

Eligible Employees may be invited by Kimberly-Clark to participate in the Plan at any time and at Kimberly-Clark's sole discretion. The invitations to participation are normally issued on a continuing basis, but there exists no obligation for Kimberly-Clark to do so. An Eligible Employee who starts employment with a Participating Company is typically given an invitation as soon as administratively possible after the date of commencement of his employment.

These invitations (the "**Letter of Offer**") shall enclose, among other items, the draft agreement that will set out the terms of participation in the Plan (the "**Partnership Share Agreement**"). Eligible Employees who have received a Letter of Offer and who wish to participate in the Plan should return the Partnership Share Agreement, duly signed, within the date specified in the Letter of Offer. Upon receipt of the Partnership Share Agreement by the Company, they become "**Participating Employees**". The Partnership Share Agreement, duly signed, is collected by (or on behalf of) the Participating Company and sent to the Company.

1.4 Administrator

The Plan is set up under a trust and Kimberly-Clark has appointed an independent company, Computershare Plan Managers ("**Computershare**"), PO Box 2948, 1E High Street, Purley, Surrey CR8 2UQ, United Kingdom, to be the external trustee and administrator of the Plan. It is their responsibility to administer the Plan in line with its rules.

1.5 Acquisition and award of shares

(a) *Monthly contributions by Participating Employees*

The Partnership Share Agreement shall include an agreement by the Participating Employee to make regular monthly contributions, via payroll, under the Plan.

The Participating Employee shall state the monthly contributions that he/she wishes to make. The minimum investment per employee will be the local currency equivalent of approximately USD 15 per month. For the minimum contribution on a country-by-country basis, please refer to Chapter C section 3 (*Regional Variations*). The maximum investment per employee will be 4 per cent. of the employee's gross salary (excluding bonuses, overtime payments, and benefits in kind). If the minimum investment is actually more than 4 per cent. of the employee's pay, he/she can still invest the minimum amount (but will not be allowed to invest more than that).

This monthly contribution shall be paid to the Administrator by the employer of the Participating Employee in accordance with the instructions of the Participating Employee. The Administrator shall keep this money on behalf of the Participating Employee and shall use it for the acquisition of Partnership Shares.

The Partnership Share Agreement shall include a provision allowing the Participating Employee to stop the monthly contributions at any time. The employee may, however, do so only after having notified the Participating Company.

After having given such a notice, the employee may re-start the monthly contributions in the same calendar year, although the payments that have been missed in the interim period may not be made up.

The Participating Employee is also entitled under the Partnership Share Agreement to vary his monthly contributions. Having said that, subject to a Participating Employee's right to stop purchasing Shares at any time, only two events of starting, stopping or varying are permitted in each calendar year. The Company has the discretion to allow further events in particular circumstances.

(b) *Acquisition of Partnership Shares*

The Partnership Shares will be bought and kept by the Administrator on behalf of the Participating Employees. On a monthly basis, the Administrator shall use the money transferred to it by the Participating Employees to purchase and allocate the Partnership Shares on behalf of the Participating Employees.

Whilst the employees make contributions in local currency, the Shares are denominated in US Dollars. Therefore, the employees' contributions will be converted into US Dollars prior to Shares being purchased. The Administrator collects the employees' contributions in a central USD account prior to the share purchase on the 5th calendar day of each month. The employer of the Participating Employees transfers the employees' contributions in bulk to the Administrator in local currency at least 2 working days before the purchase date. The exchange rate to US Dollars is then applied at the point the funds arrive in the account by the Administrator's bank. Because the payments of the Participating Companies arrive at separate times in the run up to the monthly purchase, a different exchange rate will be applied to each.

On or as soon as possible after the 5th calendar day of the month, the Administrator will instruct the Plan stockbroker to invest all Plan contributions in the purchase of Shares on the New York Stock Exchange. In practice, and to be consistent each month, the Partnership Shares shall be purchased as close as possible to the opening of the New York Stock Exchange on the acquisition date (5th calendar day) each month. The Partnership Shares will be purchased in the market and there will therefore be no dilution of existing shareholders.

The number of Partnership Shares to be acquired shall be determined in accordance with the market value of Shares at that time. Whole Shares and fractional Shares (to five

decimal places) will be allocated to the Participating Employees' accounts, ensuring that the total contribution for each Participant is fully invested, to the nearest cent. In the event that any sum of money from the contribution remains unused for the acquisition of Partnership Shares, it may be retained by the Administrator to the Participating Employee's account and added to his next contribution.

Any interest earned from the Participating Employees' contributions does not belong to the Participating Employees but is instead used to meet the expenses of the trust.

(c) *Award of Matching Shares*

After holding the Partnership Shares for a certain period of time (the "**Holding Period**"), the Participating Employee shall be granted free shares, the Matching Shares, in proportion to the Partnership Shares acquired by him.

The Matching Shares are awarded on the basis of one share for every two Shares that the Participating Employee has bought (i.e. for every two Partnership Shares).

The number of Matching Shares that each Participating Employee is entitled to receive is calculated twice per year, on 1 January and 1 July (the "**Calculation Date**"). However, the Matching Shares are only effectively awarded one year after the Calculation Date (i.e. the "**Vesting Date**"). Participating Employees must hold the Participating Shares that entitle them to receive the Matching Shares until the Matching Shares are vested. In other words, a Participating Employee loses the right to the Matching Shares if he/she sells or transfers the Partnership Shares to which they relate before or within a year of the Calculation Date. Similarly, if a Participating Employee leaves the Kimberly-Clark group, he/she will lose any Matching Shares that have not been awarded.

As the Matching Shares are calculated at six monthly intervals and only vest one year later, the Holding Period for Partnership Shares is between 1 year and 18 months to receive the Matching Shares. In some circumstances, the Holding Period does not apply.

Note that a different Holding Period applies in Shareplus-UK. This is set out in more detail in Chapter C section 2 (*Specific provisions for Shareplus-UK*).

1.6 Direct reinvestment of dividends: Dividend Shares

All dividends payable in respect of Shares acquired or received under the Plan will be directly reinvested by the Administrator in additional Shares of the Company on behalf of Participating Employees. These further Shares are known as Dividend Shares. The Dividend Shares are purchased on the 5th calendar day of the following month.

Dividends are only due on Shares that the Participating Employee fully owns. Dividends are therefore not due on Matching Shares before they have vested.

Dividend Shares do not qualify for additional Matching Shares.

1.7 Rights of the Shares under the Plan

All shares issued under the Plan shall as to voting, dividend, transfer and other rights rank equally in all respects with all other Shares then in issue.

The Participating Employee will receive all rights as to voting, dividend transfer and other rights in respect of Partnership Shares from the acquisition date and in respect of Matching Shares and Dividend Shares from the respective award date.

There exist no restrictions on their transfer, other than the sale restrictions imposed under the Plan.

1.8 Sale restrictions

The Partnership Shares can in principle be sold immediately (although the Partnership Shares under Shareplus-UK have to be held for 3 years to benefit from partial tax relief and for 5 years for full tax relief; see Chapter C section 2 (*Specific provisions for Shareplus-UK*) for more information).

The Matching Shares can in principle be sold as of the Vesting Date. However, in Belgium, Italy, Spain and the UK, the Matching Shares must not be sold for a certain period of time (between 2 to 5 years) to benefit from tax relief. For further details, please refer to Chapter C section 3 (*Regional Variations*) below.

1.9 Cessation of participation in the Plan

(a) *General*

A Participating Employee may stop his monthly contribution and acquisition of Partnership Shares at any time after having given notice to the relevant Participating Company (*i.e.* his employer).

After having given such a notice, the employee may restart his participation in the Plan, although the payments that have been missed in the interim period may not be made up.

A Participating Employee may withdraw any or all of his Partnership Shares from the Plan at any time.

Subject to the sale restrictions mentioned above, a Participating Employee may direct the Administrator to transfer to him the legal ownership of the Partnership Shares, the Matching Shares (after the Vesting Date) and the Dividend Shares, as well as any money held on his behalf, at any time. He may also ask the Administrator to sell his Shares and send him the cash proceeds after deduction of the expenses of the sale.

The relevant Participating Company, *i.e.* the employer of a Participating Employee, will be entitled to withhold, and the Participating Employee will be obliged to pay, the amount of tax or any social security contributions or other regulatory payments which may be payable by or on behalf of such Participating Employee in connection with the award of Shares. For more details on the tax consequences, please refer to **Exhibit IX** of this prospectus.

Any direction given by a Participating Employee must be in the form set out by the rules of the Plan (see **Exhibits V and VI**).

(b) *Termination of employment*

In the event of a Participating Employee ceasing to be employed by the Participating Company in any circumstances, his Shares (as described below) and money held on his behalf by the Administrator will be transferred to him as soon as practicable after such cessation.

A Participating Employee who ceases employment may also ask the Administrator to sell his Shares and send him the cash proceeds, after deduction of the expenses of sale.

Unless the employment ceases for one of the reasons laid down in the next paragraph, a Participating Employee who ceases employment during the Holding Period will lose any entitlement to receive any corresponding Matching Shares.

However, if the cessation of employment occurs by reason of:

- injury, disability (in each case as defined in the country in which the Participating Employee is employed); or
- redundancy or its equivalent in accordance with the laws and practices of the country in which the Participating Employee is employed, and as determined by the Company; or

- a change of control or other circumstances resulting in the Participating Company ceasing to be a member of the Kimberly-Clark group; or
- the sale of a business or part of a business of a Participating Company in such circumstances that employees retain their existing employment rights in accordance with the legislation in their country of residence; or
- retirement in accordance with the laws and practices of the country in which the Participating Employee is employed; or
- death,

the Holding Period will come to an end on the date of cessation and the Participating Employee or his estate will receive the corresponding Matching Shares on that date.

If a Participating Employee ceases to be employed by a Participating Company in one country and commences employment with a Participating Company in another country, the Holding Period will come to an end on the date of cessation and the Participating Employee will receive the corresponding Matching Shares on that date in accordance with the Plan rules.

1.10 Takeovers

If any person obtains control of the Company as a result of making a general offer to acquire the whole of the issued share capital of the Company, the European HR Policy Council will, as soon as practicable, give notice to all Participating Employees of the choices available to them.

1.11 Administration and Alterations

The Company shall have at any time power to make and vary such regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan as it thinks fit.

The Company shall have at any time power to decide that any subsidiary over which it has control shall become a Participating Company for the purposes of the Plan. Any such subsidiary shall cease to be a Participating Company as from such date as the Company may so determine and shall be deemed not to be a Participating Company as from the date on which the Company ceases to have control of the subsidiary.

The Plan rules may be altered by the European HR Policy Council **provided that**:

- no alteration which would adversely affect the rights of any Participating Employee in respect of Shares already acquired or awarded under the Plan shall be effective; and
- no alteration may be made which would alter the fundamental purpose of the Plan (subject to the rights of the Company to terminate the Plan).

The Company, the relevant Participating Company, and, where appropriate, the Administrator, may do all such acts and things as they may agree to rectify any error or omission, including any error or omission or as a result of which any Eligible Employee is not included in an award of Matching Shares, notwithstanding that such action may fall outside the time limits or otherwise conflict with the provisions of the Plan rules, **provided always that** the limits of subscribed Shares set out in the Plan rules would not thereby be exceeded.

The costs of the preparation and administration of the Plan are born by Kimberly-Clark Europe Limited and will not be recharged to the Participating Companies. However, the costs of purchasing the Matching Shares will be recharged to the Participating Companies. Employees will be required to meet the cost of selling Shares. These costs are broken down between the Administrator's administration fee (USD 28.00 for Shareplus-Europe and GBP 12.00 for Shareplus-UK (SIP)) plus brokerage charges of 0.50 per cent. of the sales proceeds. Both these charges will be deducted from the employee's sale proceeds.

1.12 Miscellaneous

The total expenses of the offer are estimated at EUR 100,000.

The operation of the Plan is at the absolute discretion of the European HR Policy Council and its operation in any particular year or years shall not create any obligation to operate it in any other year or years.

In no circumstances shall any person who has ceased to be an employee of any Participating Company by reason of dismissal or otherwise howsoever or who is under notice of termination of his employment be entitled to claim against Kimberly-Clark or the Administrator any compensation for or in respect of any consequential loss he may suffer by reason of the operation of the terms of the Plan.

In case of disputes, the decision of the European HR Policy Council in any dispute or question affecting any Eligible Employee or Participating Employee under the Plan shall be final and conclusive.

Any notice or communication to be given by the Company or the Administrator to any Eligible Employee or Participating Employee, or vice versa, has to be given as set out in the Plan rules (see **Exhibit V**, section 20 (*Notices*)).

The Plan is governed by and shall be construed in accordance with the laws of England.

2. **SPECIFIC PROVISIONS FOR SHAREPLUS-UK**

For employees in the UK a separate format of the Plan is used, Shareplus-UK. Shareplus-UK is based on the same principles as Shareplus. The general rules are therefore the same as those applicable to Shareplus in general. The difference is that Shareplus-UK is a UK Inland Revenue-approved share incentive plan (SIP) and offers tax advantages, including:

- companies receive corporation tax relief for the costs incurred in providing Matching Shares for employees;
- employees who keep their Shares in the SIP for five years pay no income tax or national insurance contributions on those Shares;
- employees who sell their Shares will be liable to capital gains tax only on any increase in the value of their Shares after they come out of the SIP.

Because these advantages are significant, there is a limit on the amount that can be invested. Under Shareplus-UK, the maximum investment per employee will be GBP 125 per month. However, the purpose of the SIP and Shareplus is that each employee globally should be able to contribute up to a maximum of 4 per cent. of salary. Therefore if a UK Eligible Employee is earning a salary of more than GBP 37,500 per annum he/she could top-up his/her maximum contribution of GBP 125/month under the SIP with an additional contribution under the general Shareplus plan, up to the overall 4 per cent. of his/her pay. This is called the Shareplus-UK top-up plan.

Shareplus-UK also utilises Partnership, Matching and Dividend Shares, but there are a number of different holding periods for the Shares in Shareplus-UK.

The number of Matching Shares that each Participating Employee is entitled to receive (on a 1-for-2 basis) is not calculated twice per year, but every month on the same day as the acquisition date of the Partnership Shares, and the Matching Shares are immediately awarded. In other words, there is no vesting period. However, the Partnership Shares have to be held for 1 year in order for a Participating Employee to keep the Matching Shares that were received when buying the Partnership Shares. Partnership Shares under Shareplus-UK have to be held for longer to benefit from tax relief: for 3 years to benefit from partial tax relief and for 5 years for full tax relief. See **Exhibit IX**, section 7 (*United Kingdom*) for further details.

Matching Shares have to be held in Shareplus-UK for three years, and for longer to benefit from full income tax and national insurance relief. See **Exhibit IX**, section 7 (*United Kingdom*) for further details.

Dividend Shares have to be held in Shareplus-UK for three years in order to benefit from tax relief.

These holding periods do not apply in case of termination of employment for the reasons set out in Chapter C section 1.9(b) above.

The Administrator administers Shareplus-UK as well as Shareplus.

3. REGIONAL VARIATIONS

The regional variations that are in place on a country-by-country basis within the Plan are summarized in the table below.

	UK (SIP)	Belgium	Netherlands	Germany	Czech Republic	Italy	Spain
Minimum investment	10 GBP	15 EUR	15 EUR	15 EUR	500 CZK	15 EUR	15 EUR
Calculation Matching Shares	Every month on the same day as the acquisition date	Every 6 months at fixed dates	Every 6 months at fixed dates	Every 6 months at fixed dates	Every 6 months at fixed dates	Every 6 months at fixed dates	Every 6 months at fixed dates
Award Matching Shares	Immediately, every month	1 year after calculation date	1 year after calculation date	1 year after calculation date	1 year after calculation date	1 year after calculation date	1 year after calculation date
Forfeiture period Matching Shares	1 year	None (need vesting)	None (need vesting)	None (need vesting)	None (need vesting)	None (need vesting)	None (need vesting)
Sale restrictions	Partnership and Matching Shares must not be sold for 3 years to benefit from partial tax relief; 5 years for full tax relief	Matching Shares must not be sold for 2 years to benefit from tax relief	None	None	None	Matching Shares must not be sold for 3 years to benefit from tax relief (holding on a voluntary basis)	Matching Shares must not be sold for 3 years to benefit from tax relief (holding on a voluntary basis)

4. TAX CONSEQUENCES

The tax consequences of participation in the Plan are set out in **Exhibit IX**.

CHAPTER D GENERAL INFORMATION OF THE COMPANY

1. NAME OF THE COMPANY

The name of the issuer is Kimberly-Clark Corporation.

2. WORKING CAPITAL STATEMENT

The Company's management believes that the Company's ability to generate cash from operations and its capacity to issue short-term and long-term debt are adequate to fund working capital, capital spending, payment of dividends and other needs in the foreseeable future.

3. STATEMENT OF CAPITALISATION AND INDEBTEDNESS AS OF 31 DECEMBER 2009

(a) Capitalisation and Indebtedness (in millions of USD)

Total Current debt	610
(a) Guaranteed	
(b) Secured	
(c) Unguaranteed/Unsecured	610
Total Non - Current debt (excluding current portion of long-term debt)^(*)	5,844
(a) Guaranteed	
(b) Secured	
(c) Unguaranteed/Unsecured	5,844
Shareholder's Equity	5,406
(a) Share Capital	997
(b) Legal Reserve	
(c) Other Reserves	4,409
Total	11,860

^(*) Includes Redeemable Preferred Securities of Subsidiary

(b) Net Indebtedness (in millions of USD)

A Cash	}	798
B Cash and equivalent ⁽¹⁾		
C Trading securities		
D Liquidity		798
E Current Financial Receivables⁽²⁾		189
F Current Bank debt		
G Current portion of non current debt		503
H Other current financial debt		107
I Current Financial debt		610
J Net Current Financial Indebtedness		-377
K Non Current Bank Loans		29

L	Bonds Issued	280
M	Other non current Loans	5,535
N	Non current Indebtedness	5,844
O	Net Financial Indebtedness	5,467

⁽¹⁾ Cash equivalent are short-term investments with an original maturity date of three months or less

⁽²⁾ Includes time deposit more then three months

There has been no material change in the information in the statement of capitalisation and indebtedness since 31 December 2009.

4. **TRENDS**

Information concerning the Company's trends is set forth in the Company's Annual Report on Form 10-K for the financial year ended 31 December 2009 (attached hereto as **Exhibit I**), on pages 15-16 (*Overview of Business and Overview of 2009 Results*) and page 33 (*Business Outlook*), as well as in the Company's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2010 (attached hereto as **Exhibit IV**), on page 38 (*Business Outlook*).

5. **FURTHER INFORMATION ABOUT THE COMPANY'S FINANCIAL CONDITION**

Further information about the Company's financial condition is available on the Company's website (<http://www.kimberly-clark.com/investors>, under the headings "*Investors*" - "*Financial Info*" and "*Newsroom*" - "*News Releases*").

6. **BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT**

6.1 Board of directors

The Company's board of directors comprises the following 13 directors (as at 6 September 2010):

Name	Function
John R. Alm	Audit Committee
Dennis R. Beresford	Audit Committee Chairman Executive Committee
John F. Bergstrom	Audit Committee
Abelardo E. Bru	Management Development and Compensation Committee Nominating and Corporate Governance Committee
Robert W. Decherd	Audit Committee
Thomas J. Falk	Chairman of the Board and Chief Executive Officer Executive Committee
Mae C. Jemison, M.D.	Management Development and Compensation Committee Nominating and Corporate Governance Committee
James M. Jenness	Management Development and Compensation Committee Chairman Executive Committee
Ian C. Read	Management Development and Compensation Committee Nominating and Corporate Governance Committee
Linda Johnson Rice	Audit Committee
Marc J. Shapiro	Lead Director Executive Committee Chairman
G. Craig Sullivan	Nominating and Corporate Governance Committee Chairman

Name	Function
	Executive Committee
Nancy J. Karch	Audit Committee

6.2 Executive management

The Company's executive officers are as follows (as at 6 September 2010):

Name	Function
Robert E. Abernathy	Group President – North Atlantic Consumer Products
Joanne B. Bauer	President – K-C Health Care
Robert W. Black	Group President – K-C International
Elane B. Stock	Senior Vice President and Chief Strategy Officer
Mark A. Buthman	Senior Vice President and Chief Financial Officer
Thomas J. Falk	Chairman of the Board and Chief Executive Officer
Lizanne C. Gottung	Senior Vice President and Chief Human Resources Officer
Thomas J. Mielke	Senior Vice President – Law and Government Affairs and Chief Compliance Officer
Anthony J. Palmer	Senior Vice President and Chief Marketing Officer
Christian A. Brickman	President – Global K-C Professional
Jan B. Spencer	Senior Vice President – Continuous Improvement, Sourcing and Sustainability

6.3 Certain additional information regarding the Company's directors and executive officers

For at least the last five years, none of the directors or executive officers of the Company named in Chapter D sections 6.1 (*Board of Directors*) and 6.2 (*Executive Management*) above has:

- (c) been convicted in relation to fraudulent offences;
- (d) been associated with any bankruptcies, receiverships or liquidations when acting in their capacity of directors or executive officers; or
- (e) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

There are no family relationships between any of the directors and executive officers named in Chapter D sections 6.1 (*Board of Directors*) and 6.2 (*Executive Management*) above.

More detailed information about the Company's directors and executive officers as of 31 December 2009, including information about their previous functions, conflicts of interest and the shareholdings and stock options with respect to these persons, are set forth in the Company's Annual Report on Form 10-K for the financial year ended 31 December 2009 (attached hereto as **Exhibit I**), on pages 10-12 (*Executive Officers of the Registrant*), as well as in the Company's Definitive Proxy Statement on Schedule 14A, filed with the SEC on 12 March 2010 (attached hereto as **Exhibit II**) on pages 8 (*Director Independence*), 13-20 (*Certain Information Regarding Nominees for Directors and Compensation of Directors*) 24-26 (*Security Ownership of Management and Certain Beneficial Owners*), 52-54 (*Outstanding Equity Awards*) and 69-70 (*Transactions with Related Persons*).

7. DIVIDEND POLICY

The amount of dividend per share from 2005 to 2009 as included in the Company's Annual Report on Form 10-K for the financial year ended 31 December 2009 (attached hereto as **Exhibit I**) is set forth below.

	Year Ended 31 December				
	2009	2008	2007	2006	2005
	(in USD)				
Cash Dividends Per Share					
Declared	2.40	2.32	2.12	1.96	1.80
Paid	2.38	2.27	2.08	1.92	1.75

Dividend payout has increased from USD 0.60 per quarter for 2009 to USD 0.66 per quarter for 2010. This represents an increase of 10 per cent.

8. LEGAL AND ARBITRATION PROCEEDINGS

Information on any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the Company or any of its subsidiaries is a party or of which any of their property is subject, as at 31 December 2009 is set forth in the Company's Annual Report on Form 10-K for the financial year ended 31 December 2009 (attached hereto as **Exhibit I**) on pages 9-10 (*Legal Proceedings*) and 74-75 (*Contingencies and Legal Matters*). No other legal proceeding pending on that date were expected to have a material adverse effect.

9. CHANGE IN THE ISSUER'S FINANCIAL OR TRADING POSITION

There have been no changes in the Company's financial or trading position since the end of the second quarterly period of 2010 ended on 30 June 2010.

EXHIBIT I ANNUAL REPORT OF THE ISSUER ON FORM 10-K FOR THE FISCAL YEAR
ENDED 31 DECEMBER 2009, FILED WITH THE SEC ON 24 FEBRUARY 2010

KIMBERLY CLARK CORP

FORM 10-K (Annual Report)

Filed 02/24/10 for the Period Ending 12/31/09

Address	351 PHELPS DRIVE IRVING, TX 75038
Telephone	9722811200
CIK	0000055785
Symbol	KMB
SIC Code	2670 - Converted Paper And Paperboard Products, Except
Industry	Paper & Paper Products
Sector	Basic Materials
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 1-225

KIMBERLY-CLARK CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

P. O. Box 619100, Dallas, Texas
(Address of principal executive offices)

39-0394230
(I.R.S. Employer
Identification No.)

75261-9100
(Zip Code)

Registrant's telephone number, including area code: (972) 281-1200

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock—\$1.25 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ . No ☐ .

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ . No ☒ .

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ . No ☐ .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ . No ☐ .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ . No ☒ .

The aggregate market value of the registrant's common stock held by non-affiliates on June 30, 2009 (based on the closing stock price on the New York Stock Exchange) on such date was approximately \$21.7 billion.

As of February 12, 2010, there were 416,305,736 shares of the Corporation's common stock outstanding.

Documents Incorporated By Reference

Certain information contained in the definitive Proxy Statement for the Corporation's Annual Meeting of Stockholders to be held on April 29, 2010 is incorporated by reference into Part III hereof.

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PART I

ITEM 1. BUSINESS

Kimberly-Clark Corporation was incorporated in Delaware in 1928. The Corporation is a global company focused on leading the world in essentials for a better life through product innovation and building its personal care, consumer tissue, K-C Professional & Other and health care brands. The Corporation is principally engaged in the manufacturing and marketing of a wide range of essential products to improve people's lives around the world. Most of these products are made from natural or synthetic fibers using advanced technologies in fibers, nonwovens and absorbency. As used in Items 1, 1A, 2, 3, 6, 7, 7A, 8 and 9A of this Form 10-K, the term "Corporation" refers to Kimberly-Clark Corporation and its consolidated subsidiaries. In the remainder of this Form 10-K, the terms "Kimberly-Clark" or "Corporation" refer only to Kimberly-Clark Corporation. For financial information by business segment and geographic area, and information about principal products and markets of the Corporation, reference is made to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and to Item 8, Note 20 to the Consolidated Financial Statements.

Recent Developments

During the first quarter of 2009, the Corporation acquired the remaining approximate 31 percent interest in its Andean region subsidiary, Colombiana Kimberly Colpapel S.A. ("CKC"), for \$289 million. During the second quarter of 2009, the Corporation acquired Jackson Products, Inc. ("Jackson"), a privately-held safety products company, for approximately \$155 million, net of cash acquired. The acquisition of Jackson is consistent with the Corporation's global business plan strategy to accelerate growth of high-margin workplace products sold by its Kimberly-Clark Professional business. During the fourth quarter of 2009, the Corporation acquired Baylis Medical Company's pain management business ("Baylis"). The Corporation's Health Care business has been the exclusive distributor of these pain management products in the U.S. since 2001. Also during the fourth quarter of 2009, the Corporation acquired I-Flow Corporation ("I-Flow"), a healthcare company that develops and markets drug delivery systems and products for post-surgical pain relief and surgical site care, for \$262 million, net of cash acquired. The Baylis and I-Flow acquisitions are consistent with the Corporation's global business plan strategy to invest in the higher-growth, higher-margin medical device market. See Item 8, Note 6 to the Consolidated Financial Statements for a discussion of the acquisitions.

In June 2009, the Corporation announced actions to reduce its worldwide salaried workforce by approximately 1,600 positions by the end of 2009. These actions resulted in cumulative pretax charges of approximately \$128 million in 2009. See Item 8, Note 4 to the Consolidated Financial Statements for a discussion of the organization optimization initiative.

Description of the Corporation

The Corporation is organized into operating segments based on product groupings. These operating segments have been aggregated into four reportable global business segments: Personal Care; Consumer Tissue; K-C Professional & Other; and Health Care. The reportable segments were determined in accordance with how the Corporation's executive managers develop and execute the Corporation's global strategies to drive growth and profitability of the Corporation's worldwide Personal Care, Consumer Tissue, K-C Professional & Other and Health Care operations. These strategies include global plans for branding and product positioning, technology, research and development programs, cost reductions including supply chain management, and capacity and capital investments for each of these businesses.

The principal sources of revenue in each of our global business segments are described below. Revenue, profit and total assets of each reportable segment are shown in Item 8, Note 20 to the Consolidated Financial Statements.

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PART I

(Continued)

The Personal Care segment manufactures and markets disposable diapers, training and youth pants, and swimpants; baby wipes; feminine and incontinence care products; and related products. Products in this segment are primarily for household use and are sold under a variety of brand names, including Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.

The Consumer Tissue segment manufactures and markets facial and bathroom tissue, paper towels, napkins and related products for household use. Products in this segment are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Hakle, Page and other brand names.

The K-C Professional & Other segment manufactures and markets facial and bathroom tissue, paper towels, napkins, wipers and a range of safety products for the away-from-home marketplace. Products in this segment are sold under the Kimberly-Clark, Kleenex, Scott, WypAll, Kimtech, KleenGuard, Kimcare and Jackson brand names.

The Health Care segment manufactures and markets disposable health care products such as surgical drapes and gowns, infection control products, face masks, exam gloves, respiratory products, pain management products and other disposable medical products. Products in this segment are sold under the Kimberly-Clark, Ballard, ON-Q and other brand names.

Products for household use are sold directly, and through wholesalers, to supermarkets, mass merchandisers, drugstores, warehouse clubs, variety and department stores and other retail outlets. Products for away-from-home use are sold through distributors and directly to manufacturing, lodging, office building, food service, health care establishments and high volume public facilities. In addition, certain products are sold to converters.

Net sales to Wal-Mart Stores, Inc. were approximately 13 percent in 2009, and 14 percent in 2008 and 2007.

Patents and Trademarks

The Corporation owns various patents and trademarks registered domestically and in many foreign countries. The Corporation considers the patents and trademarks which it owns and the trademarks under which it sells certain of its products to be material to its business. Consequently, the Corporation seeks patent and trademark protection by all available means, including registration.

Raw Materials

Cellulose fiber, in the form of kraft pulp or fiber recycled from recovered waste paper, is the primary raw material for the Corporation's tissue products and is a component in disposable diapers, training pants, feminine pads and incontinence care products.

Superabsorbent materials are important components in disposable diapers, training and youth pants and incontinence care products. Polypropylene and other synthetics and chemicals are the primary raw materials for manufacturing nonwoven fabrics, which are used in disposable diapers, training and youth pants, wet wipes, feminine pads, incontinence and health care products, and away-from-home wipers.

Most recovered paper, synthetics, pulp and recycled fiber are purchased from third parties. The Corporation considers the supply of these raw materials to be adequate to meet the needs of its businesses. See Item 1A, "Risk Factors."

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Competition

The Corporation has several major competitors in most of its markets, some of which are larger and more diversified than the Corporation. The principal methods and elements of competition include brand recognition and loyalty, product innovation, quality and performance, price, and marketing and distribution capabilities. For additional discussion of the competitive environment in which the Corporation conducts its business, see Item 1A, “Risk Factors.”

Research and Development

Research and development expenditures are directed toward new or improved personal care, tissue, wiping, safety, and health care products and nonwoven materials. Consolidated research and development expense was \$301 million in 2009, \$297 million in 2008 and \$277 million in 2007.

Foreign Market Risks

The Corporation operates and markets its products globally, and its business strategy includes targeted growth in Asia, Latin America, the Middle East and Eastern Europe. See Item 1A, “Risk Factors” for a discussion of foreign market risks that may affect the Corporation’s financial results.

Environmental Matters

Total worldwide capital expenditures for voluntary environmental controls or controls necessary to comply with legal requirements relating to the protection of the environment at the Corporation’s facilities are expected to be as follows:

	2010 (Millions of dollars)	2011 (Millions of dollars)
Facilities in U.S.	\$ 16	\$ 7
Facilities outside U.S.	16	12
Total	<u>\$ 32</u>	<u>\$ 19</u>

Total worldwide operating expenses for environmental compliance, including pollution control equipment operation and maintenance costs, governmental payments, and research and engineering costs are expected to be as follows:

	2010 (Millions of dollars)	2011 (Millions of dollars)
Facilities in U.S.	\$ 74	\$ 74
Facilities outside U.S.	94	96
Total	<u>\$ 168</u>	<u>\$ 170</u>

Total environmental capital expenditures and operating expenses are not expected to have a material effect on the Corporation’s total capital and operating expenditures, consolidated earnings or competitive position. However, current environmental spending estimates could be modified as a result of changes in the Corporation’s plans, changes in legal requirements, including any requirements related to global climate change, or other factors.

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Employees

In its worldwide consolidated operations, the Corporation had approximately 56,000 employees as of December 31, 2009.

Available Information

The Corporation makes available financial information, news releases and other information on the Corporation's website at www.kimberly-clark.com. The Corporation's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge on this website as soon as reasonably practicable after the Corporation files these reports and amendments with, or furnishes them to, the Securities and Exchange Commission. Stockholders may also contact Stockholder Services, P.O. Box 612606, Dallas, Texas 75261-2606 or call 972-281-1522 to obtain a hard copy of these reports without charge.

ITEM 1A. RISK FACTORS

The following factors, as well as factors described elsewhere in this Form 10-K, or in other filings by the Corporation with the Securities and Exchange Commission, could adversely affect the Corporation's consolidated financial position, results of operations or cash flows. Other factors not presently known to us or that we presently believe are not material could also affect our business operations and financial results.

Increased pricing pressure, intense competition for sales of the Corporation's products and the inability to innovate effectively could have an adverse effect on the Corporation's financial results.

The Corporation competes in intensely competitive markets against well-known, branded products and private label products both domestically and internationally. Inherent risks in the Corporation's competitive strategy include uncertainties concerning trade and consumer acceptance, the effects of consolidation within retailer and distribution channels, and competitive reaction. Some of the Corporation's major competitors have undergone consolidation, which could result in increased competition and alter the dynamics of the industry. This consolidation may give competitors greater financial resources and greater market penetration and enable competitors to offer a wider variety of products and services at more competitive prices, which could adversely affect the Corporation's financial results. It may be necessary for the Corporation to lower prices on its products and increase spending on advertising and promotions, each of which could adversely affect the Corporation's financial results.

In addition, the Corporation incurs substantial development and marketing costs in introducing new and improved products and technologies. The introduction of a new consumer product (whether improved or newly developed) usually requires substantial expenditures for advertising and marketing to gain recognition in the marketplace. If a product gains consumer acceptance, it normally requires continued advertising and promotional support to maintain its relative market position. Some of the Corporation's competitors are larger and have greater financial resources than the Corporation. These competitors may be able to spend more aggressively on advertising and promotional activities, introduce competing products more quickly and respond more effectively to changing business and economic conditions than the Corporation. The Corporation's ability to develop new products is affected by whether it can successfully anticipate consumer needs and preferences, develop and fund technological innovations, and receive and maintain necessary patent and trademark protection.

There is no guarantee that the Corporation will be successful in developing new and improved products and technologies necessary to compete successfully in the industry or that the Corporation will be successful in advertising, marketing, timely launching and selling its products.

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Changes in the policies of our retail trade customers and increasing dependence on key retailers in developed markets may adversely affect our business.

The Corporation's products are sold in a highly competitive global marketplace, which is experiencing increased concentration and the growing presence of large-format retailers and discounters. With the consolidation of retail trade, especially in developed markets such as the U.S., Europe and Australia, the Corporation is increasingly dependent on key retailers, and some of these retailers, including large-format retailers, may have greater bargaining power than does the Corporation. They may use this leverage to demand higher trade discounts or allowances which could lead to reduced profitability. The Corporation may also be negatively affected by changes in the policies of its retail trade customers, such as inventory de-stocking, limitations on access to shelf space, delisting of our products; additional requirements related to safety, environmental, social and other sustainability issues; and other conditions. If the Corporation loses a significant customer or if sales of its products to a significant customer materially decrease, the Corporation's business, financial condition and results of operations may be materially adversely affected.

Significant increases in prices for raw materials, energy, transportation and other necessary supplies and services could adversely affect the Corporation's financial results.

Increases in the cost of and availability of raw materials, including pulp and petroleum-based materials, the cost of energy, transportation and other necessary services, supplier constraints, an inability to maintain favorable supplier arrangements and relations or an inability to avoid disruptions in production output caused by events such as natural disasters, power outages, labor strikes, governmental regulatory requirements or nongovernmental voluntary actions in response to global climate change concerns, and the like could have an adverse effect on the Corporation's financial results.

Cellulose fiber, in the form of kraft pulp or recycled fiber from recovered waste paper, is used extensively in the Corporation's tissue products and is subject to significant price fluctuations due to the cyclical nature of these fiber markets. Recycled fiber accounts for approximately 32 percent of the Corporation and its equity companies' overall fiber requirements.

Increases in pulp prices could adversely affect the Corporation's earnings if selling prices for its finished products are not adjusted or if these adjustments significantly trail the increases in pulp prices. Derivative instruments have not been used to manage these risks. On a worldwide basis, the Corporation supplies approximately 8 percent of its virgin fiber needs from internal pulp manufacturing operations.

A number of the Corporation's products, such as diapers, training and youth pants, incontinence care products, disposable wipes and various health care products, contain certain materials that are principally derived from petroleum. These materials are subject to price fluctuations based on changes in petroleum prices, availability and other factors. The Corporation purchases these materials from a number of suppliers. Significant increases in prices for these materials could adversely affect the Corporation's earnings if selling prices for its finished products are not adjusted or if adjustments significantly trail the increases in prices for these materials. Derivative instruments have not been used to manage these risks.

Although the Corporation believes that the supplies of raw materials needed to manufacture its products are adequate, global economic conditions, supplier capacity constraints and other factors (including actions taken to address climate change and related market responses) could affect the availability of, or prices for, those raw materials.

The Corporation's manufacturing operations utilize electricity, natural gas and petroleum-based fuels. To ensure that it uses all forms of energy cost-effectively, the Corporation maintains ongoing energy efficiency

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improvement programs at all of its manufacturing sites. The Corporation's contracts with energy suppliers vary as to price, payment terms, quantities and duration. The Corporation's energy costs are also affected by various market factors including the availability of supplies of particular forms of energy, energy prices and local and national regulatory decisions (including actions taken to address climate change and related market responses). There can be no assurance that the Corporation will be fully protected against substantial changes in the price or availability of energy sources. Derivative instruments are used to manage a portion of natural gas price risk in accordance with the Corporation's risk management policy.

Global economic conditions, including recessions or slow economic growth, and continuing credit market disruptions in the United States and certain foreign countries, could continue to adversely affect the Corporation's business and financial results.

Unfavorable economic conditions, including the impact of recessions, slow economic growth and credit market disruptions in the United States and certain foreign countries, may continue to negatively affect the Corporation's business and financial results. These economic conditions could negatively impact:

- consumer demand for our products, including shifting consumer purchasing patterns to lower-cost options such as private-label products,
- demand by businesses for our products, including effects of increased unemployment and cost savings efforts of those customers,
- the mix of our products' sales,
- our ability to collect accounts receivable on a timely basis from certain customers, and
- the ability of certain suppliers to fill our orders for raw materials or other goods and services.

Ongoing volatility in global commodity, currency and financial markets resulted in uncertainty in the business environment in 2009, which is expected to continue into 2010. The Corporation relies on access to the credit markets, specifically the commercial paper and public bond markets, to provide supplemental funding for its operations. Although the Corporation has not experienced a disruption in its ability to access the credit markets, it is possible that the Corporation may have difficulty accessing the credit markets in the future, which may disrupt its businesses or further increase the Corporation's cost of funding its operations.

Prolonged recessions, slow economic growth or credit market disruptions could result in decreased revenue, margins and earnings.

The Corporation's international operations are subject to foreign market risks, including foreign exchange risk and currency restrictions, which may adversely affect the Corporation's financial results.

Because the Corporation and its equity companies have manufacturing facilities in 38 countries and their products are sold in more than 150 countries, the Corporation's results may be substantially affected by foreign market risks. The Corporation is subject to the impact of economic and political instability in developing countries.

The Corporation faces increased risks in its international operations, including fluctuations in currency exchange rates, currency restrictions, adverse political and economic conditions, legal and regulatory constraints, tariffs and other trade barriers, risks of expropriation, difficulties in enforcing contractual and intellectual property rights, and potentially adverse tax consequences. Each of these factors could adversely affect the Corporation's financial results. See Item 7, "Management's Discussion and Analysis of Financial Condition and

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Results of Operations” and Item 8, Note 19 to the Consolidated Financial Statements, for information about the effects of currency restrictions, currency devaluation and inflation in Venezuela on the Corporation’s financial results in 2009 and 2010.

In addition, intense competition in European personal care and tissue markets, and the challenging economic, political and competitive environments in Latin America, Eastern Europe and Asia may slow the Corporation’s sales growth and earnings potential. See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The Corporation’s success internationally also depends on its ability to acquire or form successful business alliances, and there is no guarantee that the Corporation will be able to acquire or form these alliances. In addition, there can be no assurance that the Corporation’s products will be accepted in any particular market.

The Corporation is subject to the movement of various currencies against each other and versus the U.S. dollar. A portion of the exposures, arising from transactions and commitments denominated in non-local currencies, is systematically managed through foreign currency forward and swap contracts.

Translation exposure for the Corporation with respect to foreign operations generally is not hedged. Weaker foreign currency exchange rates increase the potential impact of forecasted increases in dollar-based input costs for operations outside the U.S. There can be no assurance that the Corporation will be protected against substantial foreign currency fluctuations.

There is no guarantee that the Corporation’s ongoing efforts to reduce costs will be successful.

The Corporation continues to implement plans to improve its competitive position by achieving cost reductions in its operations. In addition, the Corporation expects ongoing cost savings from its organization optimization initiative and ongoing continuous improvement activities. The Corporation anticipates these continuing cost savings will result from previous reductions of its worldwide salaried workforce, reducing material costs and manufacturing waste and realizing productivity gains and distribution efficiencies in each of its business segments. See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” If the Corporation cannot successfully implement its cost savings plans, the Corporation may not realize all anticipated benefits. Any negative impact these plans have on the Corporation’s relationships with employees or customers or any failure to generate the anticipated efficiencies and savings could adversely affect the Corporation’s financial results.

The Corporation’s sales may not occur as estimated.

There is no guarantee that the Corporation will be able to anticipate consumer preferences, estimate sales of new products, estimate changes in population characteristics and the acceptance of the Corporation’s products in new markets or anticipate changes in technology and competitive responses. As a result, the Corporation may not be able to achieve anticipated sales.

The Corporation may acquire new product lines or businesses and may have difficulties integrating future acquisitions or may not realize anticipated benefits of acquisitions.

The Corporation may pursue acquisitions of new product lines or businesses. Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies, services and products of the acquired product lines or businesses, personnel turnover and the diversion of management’s attention from other business concerns. We may be unable to identify suitable additional acquisition candidates or may be unable to successfully integrate and manage product lines or businesses that we have acquired or may acquire in the future. In addition, we may be unable to achieve anticipated benefits or cost savings from acquisitions in the timeframe we anticipate, or at all.

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The inability to integrate and manage acquired product lines or businesses in a timely and efficient manner, the inability to achieve anticipated cost savings or other anticipated benefits from these acquisitions in the timeframe we anticipate or the unanticipated required increases in trade, promotional or capital spending from these acquisitions could adversely affect our business, consolidated financial condition, results of operations or liquidity.

Moreover, future acquisitions could result in substantial additional indebtedness, exposure to contingent liabilities or the impairment of goodwill or other intangible assets, all of which could adversely affect our financial condition, results of operations and liquidity.

If we are unable to hire, develop or retain key employees or a skilled and diverse workforce, it could have an adverse effect on our business.

Our strategy includes a focus on hiring, developing and retaining our management team and a skilled and diverse international workforce. We compete to hire new employees and then seek to train them to develop their skills. Unplanned turnover or failure to develop an effective succession plan for our leadership positions, or to hire and retain a diverse, skilled workforce, could increase our operating costs and adversely affect our results of operations. There can be no assurance that we will be able to successfully recruit, develop and retain the key personnel that we need.

Pending litigation, administrative actions and new legal requirements could have an adverse effect on the Corporation.

There is no guarantee that the Corporation will be successful in defending itself in legal and administrative actions or in asserting its rights under various laws, including intellectual property laws. In addition, the Corporation could incur substantial costs in defending itself or in asserting its rights in these actions.

The Corporation's sales and results of operations also may be adversely affected by new legal requirements, including proposed health care reform legislation and climate change and other environmental legislation and regulations. The costs and other effects of pending litigation and administrative actions against the Corporation and new legal requirements cannot be determined with certainty. For example, new legislation or regulations may result in increased costs to the Corporation, directly for its compliance or indirectly to the extent suppliers increase prices of goods and services because of increased compliance costs or reduced availability of raw materials.

Although management believes that none of these proceedings or requirements will have a material adverse effect on the Corporation, there can be no assurance that the outcome of these proceedings or effects of new legal requirements will be as expected. See Item 3, "Legal Proceedings".

The Corporation obtains certain manufactured products and administrative services from third parties. If the third-party providers fail to satisfactorily perform, our operations could be adversely impacted.

Third parties manufacture some of the Corporation's products and provide certain administrative services. Disruptions or delays at the third-party manufacturers or service providers due to regional economic, business, environmental, or political events, or information technology system failures or military actions, or the failure of these manufacturers or service providers to otherwise satisfactorily perform, could adversely impact the Corporation's operations, sales, payments to the Corporation's vendors, employees, and others, and the Corporation's ability to report financial and management information on a timely and accurate basis. Administrative functions transferred to third-party service providers include certain information technology;

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finance and accounting; sourcing and supply management; and human resources services. Although moving these administrative functions to third-party service providers has improved certain capabilities and lowered the Corporation's cost of operations, the Corporation could experience disruptions in the quality and timeliness of the services.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Corporation owns or leases:

- its principal executive offices, located in the Dallas, Texas metropolitan area;
- five operating segment and geographic headquarters at two U.S. and three international locations; and
- five administrative centers at three U.S. and two international locations.

The locations of the Corporation's and its equity affiliates' principal production facilities by major geographic areas of the world are as follows:

	Number of
Geographic Area:	Facilities
United States (in 20 states)	27
Canada	1
Europe	20
Asia, Latin America and Other	64
Worldwide Total (in 38 countries)	112

Many of these facilities produce multiple products. The types of products produced by these facilities are as follows:

	Number of
Products Produced:	Facilities
Tissue, including consumer tissue and K-C Professional & Other products	66
Personal Care	50
Health Care	11

Management believes that the Corporation's and its equity affiliates' facilities are suitable for their purpose, adequate to support their businesses and well maintained. The extent of utilization of individual facilities varies, but they generally operate at or near capacity, except in certain instances such as when a new product or technology is being introduced.

ITEM 3. LEGAL PROCEEDINGS

The Corporation is subject to federal, state and local environmental protection laws and regulations with respect to its business operations and is operating in compliance with, or taking action aimed at ensuring compliance with, these laws and regulations. The Corporation has been named a potentially responsible party under the provisions of the federal Comprehensive Environmental Response, Compensation and Liability Act, or

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analogous state statutes, at a number of waste disposal sites. In management's opinion, none of the Corporation's compliance obligations with environmental protection laws and regulations, individually or in the aggregate, is expected to have a material adverse effect on the Corporation's business, financial condition, results of operations or liquidity.

In May 2007, a wholly-owned subsidiary of the Corporation was served a summons in Pennsylvania state court by the Delaware County Regional Water Quality Authority ("Delcora"). Also in May 2007, Delcora initiated an administrative action against the Corporation. Delcora is a public agency that operates a sewerage system and a wastewater treatment facility serving industrial and municipal customers, including Kimberly-Clark's Chester Mill. Delcora also regulates the discharge of wastewater from the Chester Mill. Delcora has alleged in the summons and the administrative action that the Corporation underreported the quantity of effluent discharged to Delcora from the Chester Mill for several years due to an inaccurate effluent metering device and owes additional amounts. The Corporation's action for declaratory judgment in the Federal District Court for the Eastern District of Pennsylvania was dismissed in December 2007 on grounds of abstention. The Corporation appealed this dismissal to the Third Circuit Court of Appeals. The Third Circuit directed the parties to mediation, which during the third quarter of 2008 resulted in a procedural agreement to appoint a neutral and qualified hearing officer. As a result of this arrangement with Delcora, the Corporation has dismissed its appeal to the Third Circuit. The Corporation continues to believe that Delcora's allegations lack merit and is vigorously defending against Delcora's actions. In management's opinion, this matter is not expected to have a material adverse effect on the Corporation's business, financial condition, results of operations or liquidity.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 2009.

EXECUTIVE OFFICERS OF THE REGISTRANT

The names and ages of the executive officers of the Corporation as of February 24, 2010, together with certain biographical information, are as follows:

Robert E. Abernathy, 55, was elected Group President—North Atlantic Consumer Products in 2008. He is responsible for the Corporation's consumer business in North America and Europe and the related customer development and supply chain organizations. Mr. Abernathy joined the Corporation in 1982. His past responsibilities in the Corporation have included overseeing its businesses in Asia, Latin America, Eastern Europe, the Middle East and Africa, as well as operations and major project management in North America. He was appointed Vice President—North American Diaper Operations in 1992; Managing Director of Kimberly-Clark Australia Pty. Limited in 1994; Group President of the Corporation's Business-to-Business segment in 1998 and Group President—Developing and Emerging Markets in 2004. He is a director of The Lubrizol Corporation.

Joanne B. Bauer, 54, was elected President—Global Health Care in 2006. She is responsible for the Corporation's global health care business, which includes a variety of medical supplies and devices. Ms. Bauer joined the Corporation in 1981. Her past responsibilities have included various marketing and management positions in the Adult Care and Health Care businesses. She was appointed Vice President of KimFibers, Ltd. in 1996; Vice President of Global Marketing for Health Care in 1998; and President of Health Care in 2001.

Robert W. Black, 50, was elected Group President—K-C International in 2008. He is responsible for the Corporation's businesses in Asia, Latin America, Eastern Europe, the Middle East and Africa. His past responsibilities have included overseeing the Corporation's strategy, mergers and acquisitions, global

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competitiveness and innovation efforts. Prior to joining the Corporation in 2006 as Senior Vice President and Chief Strategy Officer, Mr. Black served as Chief Operating Officer of Sammons Enterprises, a multi-faceted conglomerate, from 2004 to 2005. From 1994 to 2004, Mr. Black held various senior leadership positions in marketing, strategy, corporate development and international management with Steelcase, Inc., a leading office furniture products and related services company. As President of Steelcase International from 2000 to 2004, he led operations in more than 130 countries.

Christian A. Brickman, 45, was elected Senior Vice President and Chief Strategy Officer in 2008. He is responsible for leading the development and monitoring of the Corporation's strategic plans and processes to enhance the Corporation's enterprise growth initiatives. Prior to joining the Corporation in 2008, Mr. Brickman served as a Principal of McKinsey & Company, Inc., a management consulting firm, from 2003 to 2008, and as an Associate Principal from 2001 to 2003.

Mark A. Buthman, 49, was elected Senior Vice President and Chief Financial Officer in 2003. Mr. Buthman joined the Corporation in 1982. He has held various positions of increasing responsibility in the operations, finance and strategic planning areas of the Corporation. Mr. Buthman was appointed Vice President of Strategic Planning and Analysis in 1997 and Vice President of Finance in 2002.

Thomas J. Falk, 51, was elected Chairman of the Board and Chief Executive Officer in 2003 and President and Chief Executive Officer in 2002. Prior to that, he served as President and Chief Operating Officer since 1999. Mr. Falk previously had been elected Group President—Global Tissue, Pulp and Paper in 1998, where he was responsible for the Corporation's global tissue businesses. Earlier in his career, Mr. Falk had responsibility for the Corporation's North American Infant Care, Child Care and Wet Wipes businesses. Mr. Falk joined the Corporation in 1983 and has held other senior management positions in the Corporation. He has been a director of the Corporation since 1999. He also serves on the board of directors of Catalyst Inc. and the University of Wisconsin Foundation, and serves as a governor of the Boys & Girls Clubs of America.

Lizanne C. Gottung, 53, was elected Senior Vice President and Chief Human Resources Officer in 2002. She is responsible for leading the design and implementation of all human capital strategies for the Corporation, including global compensation and benefits, talent management, diversity and inclusion, organizational effectiveness and corporate health services. Ms. Gottung joined the Corporation in 1981. She has held a variety of human resources, manufacturing and operational roles of increasing responsibility with the Corporation, including Vice President of Human Resources from 2001 to 2002. She is a director of Louisiana Pacific Corporation.

Thomas J. Mielke, 51, was elected Senior Vice President—Law and Government Affairs and Chief Compliance Officer in 2007. His responsibilities include the Corporation's legal affairs, internal audit and government relations activities. Mr. Mielke joined the Corporation in 1988. He held various positions within the legal function and was appointed Vice President and Chief Patent Counsel in 2000, and Vice President and Chief Counsel – North Atlantic Consumer Products in 2004.

Anthony J. Palmer, 50, was elected Senior Vice President and Chief Marketing Officer in 2006. He also assumed leadership of the Corporation's innovation organization in March 2008. He is responsible for leading the growth of enterprise-wide strategic marketing capabilities and the development of high-return marketing programs to support the Corporation's business initiatives. Prior to joining the Corporation in 2006, he served in a number of senior marketing and general management roles at the Kellogg Company, a producer of cereal and convenience foods, from 2002 to 2006, including as managing director of Kellogg's U.K. business.

Jan B. Spencer, 54, was elected President—Global K-C Professional in 2006. He is responsible for the Corporation's global professional business, which includes commercial tissue and wipers, and skin care, safety

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and Do-It-Yourself products. Mr. Spencer joined the Corporation in 1979. His past responsibilities have included various sales and management positions in Europe and the U.S. He was appointed Vice President Research, Development & Engineering in the Away From Home sector in 1996; Vice President, Wiper Business in 1998; Vice President, European Operations, Engineering, Supply Chain in the K-C Professional sector in 2000; President, KCP Europe in 2002; President, KCP North America in 2003; and President—K-C Professional North Atlantic in 2004.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The dividend and market price data included in Item 8, Note 22 to the Consolidated Financial Statements are incorporated in this Item 5 by reference.

Quarterly dividends have been paid continually since 1935. Dividends have been paid on or about the second business day of January, April, July and October. The dividend reinvestment service of Computershare Investor Services is available to Kimberly-Clark stockholders of record. This service makes it possible for Kimberly-Clark stockholders of record to have their dividends automatically reinvested in common stock and to make additional cash investments.

Kimberly-Clark common stock is listed on the New York Stock Exchange. The ticker symbol is KMB.

As of February 12, 2010, the Corporation had 28,633 holders of record of its common stock.

For information relating to securities authorized for issuance under equity compensation plans, see Part III, Item 12 of this Form 10-K.

The Corporation repurchases shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. The Corporation's Board of Directors authorized a share repurchase program on July 23, 2007 that allows for the repurchase of 50 million shares in an amount not to exceed \$5 billion. No shares were repurchased under this program during the fourth quarter of 2009. At December 31, 2009, there were 32 million shares remaining under this share authorization.

During October, November and December 2009, the Corporation purchased the following shares from current or former employees in connection with the exercise of employee stock options and other awards.

<u>Month</u>	<u>Shares</u>	<u>Amount</u>
October	2,387	\$ 145,989
November	2,706	172,291
December	—	—

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ITEM 6. SELECTED FINANCIAL DATA

	Year Ended December 31				
	2009	2008 ^(a)	2007	2006	2005 ^(c)
	(Millions of dollars, except per share amounts)				
Net Sales	\$19,115	\$19,415	\$18,266	\$16,747	\$15,903
Gross Profit	6,420	5,858	5,704	5,082	5,075
Operating Profit	2,825	2,547	2,616	2,102	2,311
Share of net income of equity companies	164	166	170	219 ^(b)	137
Income before extraordinary loss and cumulative effect of accounting change	1,994	1,837	1,951	1,595	1,668
Extraordinary loss	—	(8)	—	—	—
Cumulative effect of accounting change	—	—	—	—	(13)
Net income ^(d)	1,994	1,829	1,951	1,595	1,655
Net income attributable to noncontrolling interests ^(d)	(110)	(139)	(128)	(95)	(87)
Net income attributable to Kimberly-Clark Corporation ^(d)	1,884	1,690	1,823	1,500	1,568
Per share basis:					
Basic ^(e)					
Income before extraordinary loss and cumulative effect of accounting change	4.53	4.06	4.11	3.26	3.33
Cumulative effect of accounting change	—	—	—	—	(.03)
Extraordinary loss	—	(.02)	—	—	—
Net income	4.53	4.04	4.11	3.26	3.30
Diluted ^(e)					
Income before extraordinary loss and cumulative effect of accounting change	4.52	4.05	4.08	3.24	3.31
Cumulative effect of accounting change	—	—	—	—	(.03)
Extraordinary loss	—	(.02)	—	—	—
Net income	4.52	4.03	4.08	3.24	3.28
Cash Dividends Per Share					
Declared	2.40	2.32	2.12	1.96	1.80
Paid	2.38	2.27	2.08	1.92	1.75
Total Assets	\$19,209	\$18,089	\$18,440	\$17,067	\$16,303
Long-Term Debt	4,792	4,882	4,394	2,276	2,595
Total Stockholders' Equity ^(d)	5,690	4,261	5,687	6,502	5,936

(a) The Corporation recorded an extraordinary charge of \$12 million (\$8 million after tax) related to the consolidation of its monetization financing entities. See Item 8, Note 2 to the Consolidated Financial Statements.

(b) The Corporation's share of net income includes a gain of approximately \$46 million from the sale by Kimberly-Clark de Mexico, S.A.B. de C.V. of its pulp and paper business.

(c) The Corporation recorded a pretax asset retirement obligation of \$24 million at December 31, 2005. The cumulative effect of accounting change on income, net of related income tax effects, of recording the asset retirement obligation was \$13 million, or \$.03 per share.

(d) Effective January 1, 2009, the Corporation adopted new accounting requirements with respect to the classification of noncontrolling interests. Prior year results have been recast to conform to the current year presentation.

(e) The Corporation's basic and diluted earnings per share amounts for 2005 to 2008 have been recast to include certain share-based payment awards as participating securities under the two-class method, as required by accounting requirements.

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ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**Introduction**

This management’s discussion and analysis of financial condition and results of operations (“MD&A”) is intended to provide investors with an understanding of the Corporation’s past performance, its financial condition and its prospects. The following will be discussed and analyzed:

- Overview of Business
- Overview of 2009 Results
- Results of Operations and Related Information
- Liquidity and Capital Resources
- Variable Interest Entities
- Critical Accounting Policies and Use of Estimates
- Legal Matters
- New Accounting Standards
- Business Outlook
- Forward-Looking Statements

Overview of Business

The Corporation is a global company focused on leading the world in essentials for a better life, with manufacturing facilities in 35 countries and products sold in more than 150 countries. The Corporation’s products are sold under such well-known brands as Kleenex, Scott, Huggies, Pull-Ups, Kotex and Depend. The Corporation has four reportable global business segments: Personal Care; Consumer Tissue; K-C Professional & Other; and Health Care. These global business segments are described in greater detail in Item 8, Note 20 to the Consolidated Financial Statements.

In managing its global business, the Corporation’s management believes that developing new and improved products, responding effectively to competitive challenges, obtaining and maintaining leading market shares, controlling costs, managing currency and commodity risks, and responding effectively to current and developing global economic environments are important to the long-term success of the Corporation. The discussion and analysis of results of operations and other related information will refer to these factors.

- Product innovation—Past results and future prospects depend in large part on product innovation. The Corporation relies on its ability to develop and introduce new or improved products to drive sales and volume growth and to achieve and/or maintain category leadership. In order to introduce new or improved products, the technology to support those products must be acquired or developed. Research and development expenditures are directed towards new or improved personal care, tissue, industrial wipers, safety and health care products and nonwoven materials.
- Competitive environment—Past results and future prospects are significantly affected by the competitive environment in which we operate. We experience intense competition for sales of our principal products in our major markets, both domestically and internationally. Our products compete with widely-advertised, well-known, branded products, as well as private label products, which are typically sold at lower prices. We have several major competitors in most of our markets, some of which

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are larger and more diversified. The principal methods and elements of competition include brand recognition and loyalty, product innovation, quality and performance, price, and marketing and distribution capabilities.

The Corporation increased promotional and strategic marketing spending in 2008 and 2009 to support new product introductions, further build brand equity and enable competitive pricing in order to protect the position of the Corporation's products in the market. We expect competition to continue to be intense in 2010.

- **Market shares**—Achieving leading market shares in our principal products has been an important part of our past performance. We hold number 1 or 2 share positions in more than 80 countries. Achieving and maintaining leading market shares is important because of ongoing consolidation of retailers and the trend of leading merchandisers seeking to stock only the top competitive brands.
- **Cost controls**—To maintain or improve our competitive position, we must control our manufacturing, distribution and other costs. We have achieved cost savings from reducing material costs and manufacturing waste, and realizing productivity gains and distribution efficiencies in our business segments. Our ability to control costs can be affected by changes in the price of pulp, oil and other commodities we consume in our manufacturing processes.
- **Foreign currency and commodity risks**—As a multinational enterprise, we are exposed to changes in foreign currency exchange rates, and we are also exposed to changes in commodity prices. Our ability to effectively manage these risks can have a material impact on our results of operations.
- **Global economic environment**—The Corporation's business and financial results continue to be adversely affected by economic uncertainty in the United States and throughout the world and volatility in the global markets. Although it has become more challenging to predict our results in the near-term, we will continue to focus on executing our Global Business Plan strategies for the long-term health of our businesses.

Overview of 2009 Results

- Net sales decreased 1.5 percent because of unfavorable currency effects and a decline in sales volumes, partially offset by higher net selling prices.
- Operating profit increased 10.9 percent, and net income attributable to Kimberly-Clark and diluted earnings per share increased 11.5 percent and 12.2 percent, respectively. The benefits of higher net selling prices, cost savings and deflation in key cost components, were partially offset by unfavorable currency effects, organization optimization severance and related charges, increased pension expense, higher operating costs and increased strategic marketing spending.
- Cash flow from operations was \$3.5 billion, an increase of 38 percent.

Results of Operations and Related Information

This section contains a discussion and analysis of net sales, operating profit and other information relevant to an understanding of 2009 results of operations. This discussion and analysis compares 2009 results to 2008, and 2008 results to 2007.

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Analysis of Consolidated Net Sales

By Business Segment

	Year Ended December 31		
	2009	2008	2007
	(Millions of dollars)		
Personal Care	\$ 8,365	\$ 8,272	\$ 7,563
Consumer Tissue	6,409	6,748	6,475
K-C Professional & Other	3,007	3,174	3,039
Health Care	1,371	1,224	1,207
Corporate & Other	53	79	41
Intersegment sales	(90)	(82)	(59)
Consolidated	<u>\$19,115</u>	<u>\$19,415</u>	<u>\$18,266</u>

By Geographic Area

	Year Ended December 31		
	2009	2008	2007
	(Millions of dollars)		
United States	\$10,146	\$10,143	\$ 9,876
Canada	596	574	569
Intergeographic sales	(322)	(256)	(253)
Total North America	10,420	10,461	10,192
Europe	3,220	3,679	3,469
Asia, Latin America and other	6,124	5,942	5,252
Intergeographic sales	(649)	(667)	(647)
Consolidated	<u>\$19,115</u>	<u>\$19,415</u>	<u>\$18,266</u>

Commentary:

2009 versus 2008

	Percent Change in Net Sales Versus Prior Year				
	Total Change	Changes Due To			Mix/ Other
		Volume	Net Price	Currency	
Consolidated	(1.5)	(1)	4	(5)	—
Personal Care	1.1	2	5	(6)	—
Consumer Tissue	(5.0)	(3)	3	(5)	—
K-C Professional & Other	(5.3)	(6)	4	(4)	1
Health Care	12.0	14	—	(2)	—

- Personal care net sales in North America decreased about 1 percent due to a decline in sales volumes of 1 percent and unfavorable currency effects of 1 percent, partially offset by higher net selling prices of more than 1 percent. The higher net selling prices resulted from price increases implemented during 2008, net of 2009 increased promotional activity primarily for Huggies diapers to match competitive actions. The sales volume declines resulted from lower sales of training pants, due to category

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weakness, and modestly lower volumes for Huggies diapers. These declines were partially offset by higher volumes for K-C's adult incontinence brands, including benefits from innovation of Depend products.

In Europe, personal care net sales decreased about 10 percent as unfavorable currency effects of 12 percent and decreased net selling prices of 2 percent were partially offset by increased sales volumes of 4 percent. The volume increase was driven by growth of Huggies diapers in Central Europe and in the Corporation's four core markets—the U.K., France, Italy and Spain.

In K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, net sales increased about 5 percent driven by a more than 11 percent increase in net selling prices and 4 percent increase in sales volumes, partially offset by a 10 percent unfavorable currency effect. The growth in net selling prices was broad-based, with particular strength throughout Latin America and in South Korea, Russia, and South Africa. Unfavorable currency effects were primarily in South Korea, Russia, Australia and Latin America.

- Consumer tissue net sales in North America decreased 2 percent as an increase in net selling prices of 2 percent was offset by a sales volume decline of about 4 percent. The higher net selling prices were primarily attributable to price increases in all categories implemented during 2008, net of increased promotional activity to match competitive actions. Sales volumes were down low single-digits in facial tissue and double-digits in paper towels, primarily as a result of focusing on improving revenue realization and some consumer trade-down to lower-priced product offerings.

In Europe, consumer tissue net sales decreased almost 14 percent due to unfavorable currency effects of 11 percent, a decrease in sales volumes of 2 percent and a decrease of net selling prices of 1 percent. The lower sales volumes were primarily because of reduced sales of bathroom tissue due to some consumer trade-down to lower-priced product offerings.

In K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, consumer tissue net sales decreased 3 percent, as an increase in net selling prices of 7 percent and improvements in product mix of 1 percent were more than offset by unfavorable currency effects of 8 percent and lower sales volumes of 3 percent. The increase in net selling prices resulted from price increases implemented in most markets in 2008, net of current year increased promotional activity. Unfavorable currency effects were primarily attributable to South Korea, Russia, Australia and Latin America.

- Economic weakness and high unemployment levels in North America and Europe continued to affect K-C Professional's categories in 2009. In North America, sales decreased 4 percent, due to a decrease in sales volumes of 6 percent (which is net of an approximate 4 percent benefit from the acquisition of Jackson in April 2009), partially offset by higher net selling prices of about 3 percent. In Europe, sales of K-C Professional products decreased 16 percent, due to a decrease in sales volumes of 9 percent (which is net of an approximate 1 percent benefit from the Jackson acquisition) and unfavorable currency effects of 9 percent, partially offset by higher net selling prices of 3 percent.
- The increased sales volumes for health care products were primarily due to broad-based growth across several categories including exam gloves and apparel and a 2 percent benefit from the acquisition of I-Flow in late November 2009. In addition, approximately 35 percent of the total gain in health care volume for the year was attributable to increased global demand for face masks, a result of the H1N1 influenza virus.

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Commentary:

2008 versus 2007

	Percent Change in Net Sales Versus Prior Year				
	Total Change	Changes Due To			
		Volume	Net Price	Currency	Mix/ Other
Consolidated	6.3	1	4	1	—
Personal Care	9.4	5	3	1	—
Consumer Tissue	4.2	(4)	6	1	1
K-C Professional & Other	4.4	(1)	4	1	—
Health Care	1.4	4	(1)	1	(3)

- Personal care net sales in North America increased about 5 percent due to more than 3 percent higher net selling prices and more than 1 percent higher sales volumes. The higher net selling prices resulted from increases implemented throughout 2008, net of increased promotional activity primarily for Huggies diapers to match competitive actions. Sales volume growth was dampened by the effects of the economic downturn in the fourth quarter of 2008 as customers adjusted inventory levels, child care category sales slowed and some consumers traded down to lower-priced product offerings.

In Europe, personal care net sales were even with the prior year as favorable currency effects offset lower sales volumes and net selling prices. Sales volumes of Huggies diapers in the Corporation's four core markets—the U.K., France, Italy and Spain—declined about 4 percent from the prior year.

In K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, net sales increased almost 17 percent driven by a more than 10 percent increase in sales volumes. The growth in sales volumes was broad-based, with particular strength throughout Latin America and in South Korea, Russia, Turkey and China. Increased net selling prices and favorable product mix added about 4 percent and 2 percent, respectively, to the net sales increase. Unfavorable currency effects in South Korea were offset by favorable effects in other countries, primarily in Brazil and Israel.

- Consumer tissue net sales in North America were even with the prior year as increased net selling prices of more than 6 percent and improved product mix of nearly 1 percent were offset by a sales volume decline of about 7 percent. The higher net selling prices were primarily attributable to price increases for bathroom tissue and paper towels implemented during the first and third quarters in the U.S. List prices for facial tissue were raised late in the third quarter. Sales volumes were down mid-single digits in bathroom tissue and facial tissue and double-digits in paper towels, primarily as a result of focusing on improving revenue realization. A portion of the overall volume decline is also due to the Corporation's decision in late 2007 to shed certain low-margin private label business.

In Europe, consumer tissue net sales increased almost 4 percent on nearly 3 percent higher net selling prices, a 1 percent improvement in product mix and more than 2 percent favorable currency effects, tempered by a decline in sales volumes of about 2 percent. The lower sales volumes were primarily due to reduced sales of Andrex and Scottex bathroom tissue and Kleenex facial tissue in response to higher net selling prices and a slowdown in category sales, particularly in the U.K.

Consumer tissue net sales in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa increased nearly 13 percent. During 2008, the Corporation raised prices in most markets to recover higher raw materials costs and drove improvements in mix with more differentiated, value-added products, strategies that resulted in higher net selling prices of about 10 percent and better product mix of more than 2 percent. Sales volumes were even with last year. For the year, currency effects were neutral as favorable effects earlier in the year were offset by the dramatic changes in currency rates in the fourth quarter of 2008.

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- Economic weakness and rising unemployment levels in North America and Europe began to affect K-C Professional's categories in the fourth quarter of 2008. For the year, net sales in North America increased nearly 3 percent as increased net selling prices of about 4 percent and improved product mix of over 1 percent were tempered by lower sales volumes. In Europe, net sales of K-C Professional products advanced about 9 percent as increased net selling prices and higher sales volumes contributed nearly 3 percent and 2 percent, respectively, to the improvement. Currency effects were about 4 percent favorable versus the prior year.
- The increased sales volumes for health care products were primarily due to mid-single digit growth outside North America and a similar advance for medical devices in North America. The price decline was mainly attributable to competitive conditions affecting surgical supplies in North America and Europe.

Analysis of Consolidated Operating Profit

By Business Segment

	Year Ended December 31		
	2009	2008	2007
	(Millions of dollars)		
Personal Care	\$1,739	\$1,649	\$1,562
Consumer Tissue	736	601	702
K-C Professional & Other	464	428	478
Health Care	244	143	195
Other income and (expense), net	(97)	(20)	18
Corporate & Other	(261)	(254)	(339)
Consolidated	<u>\$2,825</u>	<u>\$2,547</u>	<u>\$2,616</u>

By Geographic Area

	Year Ended December 31		
	2009	2008	2007
	(Millions of dollars)		
United States	\$2,059	\$1,730	\$1,853
Canada	113	144	157
Europe	171	210	258
Asia, Latin America and other	840	737	669
Other income and (expense), net	(97)	(20)	18
Corporate & Other	(261)	(254)	(339)
Consolidated	<u>\$2,825</u>	<u>\$2,547</u>	<u>\$2,616</u>

Note: Corporate & Other and Other income and (expense), net, include the following amounts of pre-tax charges for the strategic cost reductions. In 2007, Corporate & Other also includes the related implementation costs.

	2008	2007
	(Millions of dollars)	
Corporate & Other	\$ (72)	\$ (148)
Other income and (expense), net	12	14

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Commentary:

2009 versus 2008

	Percentage Change in Operating Profit Versus Prior Year						
	Change Due To						
	Production (Curtailment)/						
	Total Change	Volume	Net Price	Input Costs ^(a)	Efficiencies	Currency	Other ^(b)
Consolidated	10.9	(2)	29	26	(5)	(14)	(23) ^(c)
Personal Care	5.5	2	25	10	(2)	(13)	(17)
Consumer Tissue	22.5	(12)	31	54	(12)	(7)	(32)
K-C Professional & Other	8.4	(14)	33	32	(11)	(4)	(28)
Health Care	70.6	45	(3)	36	19	(4)	(22)

(a) Includes raw materials deflation and energy and distribution variations.

(b) Includes organization optimization severance and related charges and cost savings.

(c) Strategic cost reduction charges of \$60 million were included in 2008.

Consolidated operating profit increased \$278 million or 10.9 percent from the prior year. The benefits of higher net selling prices, cost savings of about \$240 million and deflation in key cost components totaling approximately \$675 million, were partially offset by lower sales volumes, negative currency effects of about \$355 million, severance and related costs of \$128 million, increased pension expense of about \$155 million, higher operating costs and increased strategic marketing spending. Operating profit as a percent of net sales increased to 14.8 percent from 13.1 percent last year. Charges in 2008 of \$60 million for the strategic cost reductions, discussed later in this MD&A, are not included in the results of the business segments.

- Operating profit for the personal care segment increased 5.5 percent as higher net selling prices, materials and other cost deflation, and cost savings, were partially offset by organization optimization severance charges, unfavorable currency effects, higher operating costs and increased marketing expense. In North America, operating profit increased due to higher net selling prices, materials and other cost deflation, and cost savings, tempered by organization optimization severance charges and increased marketing expenses. In Europe, operating profit declined as increased sales volumes were more than offset by lower net selling prices and organization optimization severance charges. Operating profit in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa increased as higher net selling prices and the benefits of volume growth were only partially offset by unfavorable currency effects.
- Consumer tissue segment operating profit increased 22.5 percent. Materials and other cost deflation, higher net selling prices and cost savings were partially offset by lower sales volumes, increased selling and marketing spending, organization optimization severance charges and negative impacts of production down-time which occurred earlier in the year, in part to drive inventory reductions. Operating profit in North America increased due to the same factors that affected the overall segment. In Europe, operating profit increased as materials and other cost deflation were only partially offset by unfavorable currency effects, lower net selling prices, and lower sales volumes. Operating profit in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa increased as higher net selling prices and materials and other cost deflation were partially offset by increased marketing expenses, unfavorable currency effects and lower sales volumes.
- Operating profit for K-C Professional & Other products increased 8.4 percent as higher net selling prices and materials and other cost deflation were partially offset by organization optimization

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severance charges, lower sales volumes, negative impacts of production down-time, in part to drive reductions in inventory, increased general expense, partially as a result of the Jackson acquisition, and unfavorable currency effects.

- Operating profit for the health care segment increased 70.6 percent. The benefit of higher sales volumes, materials cost deflation, manufacturing production efficiencies and cost savings were partially offset by higher selling expenses, as a result of the I-Flow acquisition, and lower net selling prices.

Organization Optimization Initiative

In June 2009, the Corporation announced actions to reduce its worldwide salaried workforce by approximately 1,600 positions by the end of 2009. These actions resulted in cumulative pretax charges of approximately \$128 million in 2009. Related savings from this initiative were approximately \$55 million in 2009. See Item 8, Note 4 to the Consolidated Financial Statements for detail on costs incurred for the initiative.

Other income and (expense), net

Other income and (expense), net for 2009 includes currency transaction losses of \$110 million, an increase of \$92 million over 2008, partially offset by additional favorable settlements of value-added tax matters in Latin America. Approximately \$73 million of the currency transaction losses in 2009 related to operations in Venezuela.

Commentary:

2008 versus 2007

	Percentage Change in Operating Profit Versus Prior Year						
	Change Due To						
	Total Change	Volume	Net Price	Raw Materials	Energy and Distribution	Currency	Other ^(a)
				Cost	Expense		
Consolidated	(2.6)	3	29	(20)	(8)	—	(7) ^(b)
Personal Care	5.6	9	15	(14)	(3)	—	(1)
Consumer Tissue	(14.4)	(9)	60	(27)	(18)	(1)	(19)
K-C Professional & Other	(10.5)	(2)	23	(18)	(9)	2	(6)
Health Care	(26.7)	8	(8)	(10)	—	2	(19)

(a) Includes higher marketing and general expenses net of the benefit of cost savings achieved.

(b) Charges for strategic cost reductions were \$47 million lower in 2008 than in 2007.

Consolidated operating profit decreased \$69 million or 2.6 percent from the prior year. Charges for the strategic cost reductions of \$60 million for 2008 were \$47 million lower than in the prior year. Charges for the strategic cost reductions are not included in the results of the business segments. The effect of higher net sales, primarily due to increased net selling prices, plus approximately \$171 million in cost savings, were more than offset by significant inflation in key manufacturing cost inputs of more than \$725 million, higher manufacturing costs, primarily related to production downtime, of nearly \$100 million, increased strategic marketing spending of about \$95 million and higher levels of selling and administrative expenses, mainly to support growth in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa. Operating profit as a percent of net sales decreased to 13.1 percent from 14.3 percent last year.

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- Operating profit for the personal care segment increased 5.6 percent as higher net sales and cost savings more than offset raw materials and other cost inflation. In North America, operating profit increased due to the higher net selling prices and cost savings, tempered by materials and other cost inflation, and increased marketing expenses. In Europe, operating profit declined as cost savings were more than offset by the lower net selling prices and materials inflation. Operating profit in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, increased because the higher net selling prices and sales volumes more than offset increased marketing and general expenses.
- Consumer tissue segment operating profit decreased 14.4 percent. Increased net selling prices and cost savings were more than offset by cost inflation, the lower sales volumes and higher manufacturing costs, including the effect of planned production downtime. Operating profit in North America decreased due to the same factors that affected the overall segment. In Europe, operating profit declined as higher net selling prices and cost savings were more than offset by cost inflation. Operating profit in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, was even with the prior year as higher net selling prices were offset by cost inflation, and increased marketing and general expenses to support growth in these regions.
- Operating profit for K-C Professional & Other products decreased 10.5 percent because higher net selling prices were more than offset by cost inflation for both wastepaper and virgin fiber and other materials and increased manufacturing costs, including higher maintenance spending.
- Operating profit for the health care segment decreased 26.7 percent. The benefit of higher sales volumes was more than offset by the lower net selling prices and higher manufacturing cost. In addition to cost inflation, the segment absorbed manufacturing-related costs as part of a plan to reduce inventory and also experienced higher costs related to changes in its manufacturing footprint.

Strategic Cost Reduction Plan

In July 2005, the Corporation authorized a multi-year plan to further improve its competitive position by accelerating investments in targeted growth opportunities and strategic cost reductions aimed at streamlining manufacturing and administrative operations, primarily in North America and Europe. The strategic cost reductions commenced in the third quarter of 2005 and were completed by December 31, 2008. The strategic cost reductions resulted in cumulative charges of \$880 million before tax or \$610 million after tax. Cumulative savings under the plan were \$395 million, including \$60 million in 2009 and \$110 million in 2008.

Other income and (expense), net

Other income and (expense), net for 2008 includes costs for a legal judgment and the refinancing of dealer remarketable securities partially offset by favorable settlement of a value-added tax matter in Latin America. A gain of \$16 million for the settlement of litigation related to prior years' operations in Latin America is included in 2007. In addition, currency transaction losses included in this line item were about \$5 million higher in 2008 than in 2007.

*Additional Income Statement Commentary*2009 versus 2008

- Interest expense decreased due to lower average interest rates and a lower average level of debt. See Item 8, Note 7 to the Consolidated Financial Statements for detail on debt activity.
- The Corporation's effective income tax rate was 29.0 percent for 2009 compared with 27.0 percent for 2008. The increase was primarily due to favorable audit activity in 2008 relating to prior years and currency impacts in Latin America and Asia-Pacific.

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- The Corporation's share of net income of equity companies declined by \$2 million primarily due to unfavorable currency effects affecting the Corporation's investment in Kimberly-Clark de Mexico, S.A.B. de C.V. ("KCM"). Despite higher selling prices and sales volumes, KCM's U.S. dollar results were negatively affected as the Mexican peso results for 2009 were translated into U.S. dollars using currency exchange rates that were 18 percent weaker versus the U.S. dollar in 2009 than in 2008. Also affecting the year-over-year comparisons were currency transaction losses in 2008 on its more than \$300 million of U.S. dollar denominated liabilities that were refinanced into Mexican peso liabilities in 2009. The currency transaction losses reduced the Corporation's share of KCM's net income by approximately \$23 million in 2008.
 - Net income attributable to noncontrolling interests decreased \$29 million primarily due to the acquisition of the remaining interest in the Corporation's Andean affiliate in January 2009. See Item 8, Note 6 to the Consolidated Financial Statements for additional detail.
 - The average number of common shares outstanding declined in 2009 as compared to 2008, primarily due to share repurchases throughout 2008 under the Corporation's share repurchase program. No shares were repurchased under the program during 2009.

2008 versus 2007

- Interest expense increased due to a higher average level of debt partially offset by lower average interest rates. See Item 8, Note 7 to the Consolidated Financial Statements for detail on debt activity.
- The Corporation's effective income tax rate was 27.0 percent for 2008 compared with 23.2 percent for 2007. The increase was primarily due to: (a) the benefits from the synthetic fuel credits utilized in 2007 that were not available in 2008; (b) favorable settlements in 2007 of tax issues related to prior years; and (c) the reversal of valuation allowances in 2007 on deferred tax assets at certain majority-owned subsidiaries in Latin America based on a sustained improvement in the subsidiaries' operating results, partially offset by higher foreign tax credit benefits in 2008.
- The Corporation's share of net income of equity companies declined by \$4 million primarily due to lower net income at KCM. While KCM had higher net sales, its operating profit and net income were affected by currency transaction losses in the fourth quarter of 2008 on its more than \$300 million of U.S. dollar-denominated liabilities as the Mexican peso weakened versus the U.S. dollar. The currency transaction losses reduced the Corporation's share of KCM's net income by approximately \$23 million for 2008.
- Net income attributable to noncontrolling interests increased \$11 million versus the prior year. The increase was primarily due to higher returns payable on the redeemable preferred securities issued by the Corporation's consolidated financing subsidiary.
- As a result of the Corporation's ongoing share repurchase program, including an accelerated share repurchase program, the average number of common shares outstanding declined, which benefited 2008 net income by about \$.25 per share. This benefit was partially offset by the higher interest expense associated with the July 2007 debt issuances that funded the program.
- As described in Item 8, Note 16 to the Consolidated Financial Statements, the Corporation had minority interests in two synthetic fuel partnerships. Pretax losses from participation in these partnerships were reported as nonoperating expense in the Consolidated Income Statement. The partnerships were dissolved in 2008 at no cost to the Corporation. The Corporation's income tax provision was reduced by \$81 million in 2007, resulting from the income tax credits and tax benefits of these investments. Diluted earnings per share benefited by \$.03 in 2007 compared with no benefit in 2008.

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Liquidity and Capital Resources

	Year Ended December 31	
	2009	2008
	(Millions of dollars)	
Cash provided by operations	\$ 3,481	\$ 2,516
Capital spending	848	906
Acquisitions of businesses, net of cash acquired	458	98
Ratio of total debt and redeemable securities to capital ^(a)	53.1%	62.2%
Pretax interest coverage—times	8.8	7.3

(a) Capital is total debt and redeemable securities of subsidiaries plus stockholders' equity.

Cash Flow Commentary:

Cash provided by operations increased \$965 million primarily due to higher cash earnings and reduced working capital, including reductions in inventories and benefits from payables, partially offset by increased pension plan contributions.

Contractual Obligations:

The following table presents the Corporation's total contractual obligations for which cash flows are fixed or determinable.

	Total	2010	2011	2012	2013	2014	2015+
	(Millions of dollars)						
Contractual Obligations							
Long-term debt	\$ 5,295	\$ 503	\$ 434	\$ 411	\$506	\$104	\$3,337
Interest payment on long-term debt	2,741	254	244	226	215	194	1,608
Returns on redeemable preferred securities	192	54	54	28	28	28	—
Operating leases	789	169	137	115	95	86	187
Unconditional purchase obligations	1,808	693	524	326	66	65	134
Open purchase orders	1,665	1,610	9	8	7	8	23
Total contractual obligations	<u>\$12,490</u>	<u>\$3,283</u>	<u>\$1,402</u>	<u>\$1,114</u>	<u>\$917</u>	<u>\$485</u>	<u>\$5,289</u>

Obligations Commentary:

- Projected interest payments for variable-rate debt were calculated based on the outstanding principal amounts and prevailing market rates as of December 31, 2009.
- Returns on redeemable preferred securities reflect required return payments through the next redemption election date by instrument class. See Item 8, Note 8 to the Consolidated Financial Statements.
- The unconditional purchase obligations are for the purchase of raw materials, primarily pulp, and utilities. Although the Corporation is primarily liable for payments on the above operating leases and unconditional purchase obligations, based on historic operating performance and forecasted future cash flows, management believes exposure to losses, if any, under these arrangements is not material.
- The open purchase orders displayed in the table represent amounts for goods and services the Corporation has negotiated for delivery.

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The Corporation will fund its defined benefit pension plans to meet or exceed statutory requirements and currently expects to contribute about \$240 million to these plans in 2010. This amount is not included in the table.

The table does not include future payments that the Corporation will make for other postretirement benefit obligations. Those amounts are estimated using actuarial assumptions, including expected future service, to project the future obligations. Based upon those projections, the Corporation anticipates making annual payments for these obligations within a range from approximately \$80 million in 2010 to more than \$95 million by 2019.

Accrued income tax liabilities for uncertain tax positions have not been presented in the table due to uncertainty as to amounts and timing regarding future payments.

Deferred taxes, noncontrolling interests and payments for pension plan benefits are also not included in the table.

A consolidated financing subsidiary has issued two classes of redeemable preferred securities. The holder of the securities can elect to have the subsidiary redeem the first class in December 2011 and the second class in December 2014 and each seven-year anniversary thereafter. In the event that the holder of the securities does elect to have its preferred securities redeemed at the next respective redemption dates, the Corporation would be required to repay approximately \$500 million in 2011 and approximately \$500 million in 2014. These amounts have not been included in the table. See Item 8, Note 8 to the Consolidated Financial Statements for additional information regarding these securities.

Investing Commentary:

- During 2009, the Corporation's capital spending was \$848 million.
- During the first quarter of 2009, the Corporation acquired the remaining approximately 31 percent interest in its Andean region subsidiary, Colombiana Kimberly Colpapel S.A., for \$289 million.
- During the second quarter of 2009, the Corporation acquired Jackson, a privately-held safety products company, for approximately \$155 million, net of cash acquired. The acquisition is consistent with the Corporation's global business plan strategy to accelerate growth of high-margin workplace products sold by its K-C Professional business. During the fourth quarter of 2009, the Corporation acquired Baylis' pain management business. The Corporation's Health Care business has been the exclusive distributor of these pain management products in the U.S. since 2001. Also during the fourth quarter of 2009, the Corporation acquired I-Flow, a healthcare company that develops and markets drug delivery systems and products for post-surgical pain relief and surgical site care, for \$262 million, net of cash acquired. The Baylis and I-Flow acquisitions are consistent with the Corporation's global business plan strategy to invest in the higher-growth, higher-margin medical device market. See Item 8, Note 6 to the Consolidated Financial Statements for a discussion of these acquisitions.

Financing Commentary:

- At December 31, 2009, total debt and redeemable securities was \$6.5 billion compared with \$7.0 billion last year end. The decrease was mostly due to debt repayments of \$590 million in 2009.
- During the fourth quarter of 2009, both Standard & Poor's (S&P) and Moody's Investor Services (Moody's) reaffirmed the Corporation's long- and short-term ratings of A and A1 at S&P and A2 and P1 at Moody's, respectively, with an outlook of stable.

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- In 2006, the Corporation issued \$200 million of dealer remarketable securities that have a final maturity in 2016. In 2009, the dealer exercised its option to remarket the securities for another year and in agreement with the Corporation, sold the securities to a wholly-owned subsidiary of the Corporation, which intends to hold them until the next remarketing date in December 2010. The investment in these securities by the subsidiary and the Corporation's debt obligation for these securities are eliminated in consolidation. See Item 8, Note 7 to the Consolidated Financial Statements for additional detail on these securities.
 - At December 31, 2009, the Corporation had a \$1.33 billion revolving credit facility that is scheduled to expire in September 2012. Under the arrangement, the revolving credit facility may be increased to \$1.77 billion. The Corporation maintains the revolving credit facility to manage liquidity needs in the event its access to the commercial paper markets is constrained for any reason. The Corporation did not borrow any amounts under the revolving credit facility in 2009.
 - In 2003, the Venezuelan government enacted currency restrictions, which have affected the ability of the Corporation's Venezuelan subsidiary ("K-C Venezuela") to obtain foreign currency at the official rate of exchange to pay for imported finished goods. These exchange restrictions have negatively impacted K-C Venezuela because it has had to meet its foreign currency needs from non-government sources at the parallel exchange rates, which are substantially unfavorable to the official rate. During 2009, the Corporation recorded its share of pretax losses of more than \$195 million or about \$.47 per share due to currency transactions at parallel exchange rates. In 2009, K-C Venezuela represented approximately 3 percent of consolidated net sales and 1 percent of consolidated operating profit.

Because the cumulative inflation in Venezuela for the preceding three years was more than 100 percent, effective January 1, 2010, the Corporation determined that results for this operation would be accounted for as highly inflationary. On January 8, 2010, the Venezuelan government devalued its currency and established a multiple exchange rate structure. As a result of the devaluation, the Corporation anticipates recording a one-time after tax charge to remeasure the subsidiary's local currency net monetary asset position into U.S. dollars. The Corporation is currently evaluating the rate at which the devaluation will be measured and 2010 results will be translated into U.S. dollars. The Corporation estimates the range of the one-time after-tax impact of the devaluation to be \$60 million to \$90 million, based on a rate of 4.3 to 6.0 bolivars per U.S. dollar. This charge will be recorded in the first quarter of 2010. At the stated range of rates, the Corporation estimates that the ongoing effect of the devaluation will not be material to the Corporation's 2010 net income.

Management believes that the Corporation's ability to generate cash from operations and its capacity to issue short-term and long-term debt are adequate to fund working capital, capital spending, payment of dividends, pension plan contributions and other needs in the foreseeable future.

Variable Interest Entities

The Corporation has interests in the financing and real estate entities discussed in Item 8, Notes 2, 8 and 13 to the Consolidated Financial Statements. The entities described in Item 8, Notes 2 and 8 are consolidated, as are certain of the real estate entities described in Note 13. The nonconsolidated real estate entities do not engage in any off-balance sheet arrangements.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the

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reporting period. The critical accounting policies used by management in the preparation of the Consolidated Financial Statements are those that are important both to the presentation of the Corporation's financial condition and results of operations and require significant judgments by management with regard to estimates used. The critical judgments by management relate to consumer and trade promotion and rebate accruals, pension and other postretirement benefits, retained insurable risks, useful lives for depreciation and amortization, future cash flows associated with impairment testing for goodwill and long-lived assets, the qualitative and quantitative analyses of variability used to determine the primary beneficiary of variable interest entities, deferred income taxes and potential income tax assessments, and loss contingencies. These critical accounting policies have been reviewed with the Audit Committee of the Board of Directors.

Promotion and Rebate Accruals

Among those factors affecting the accruals for promotions are estimates of the number of consumer coupons that will be redeemed and the type and number of activities within promotional programs between the Corporation and its trade customers. Rebate accruals are based on estimates of the quantity of products distributors have sold to specific customers. Generally, the estimates for consumer coupon costs are based on historical patterns of coupon redemption, influenced by judgments about current market conditions such as competitive activity in specific product categories. Estimates of trade promotion liabilities for promotional program costs incurred, but unpaid, are generally based on estimates of the quantity of customer sales, timing of promotional activities and forecasted costs for activities within the promotional programs. Settlement of these liabilities sometimes occurs in periods subsequent to the date of the promotion activity. Trade promotion programs include introductory marketing funds such as slotting fees, cooperative marketing programs, temporary price reductions, favorable end-of-aisle or in-store product displays and other activities conducted by the Corporation's customers to promote the Corporation's products. Promotion accruals as of December 31, 2009 and 2008 were \$364 million and \$321 million, respectively. Rebate accruals as of December 31, 2009 and 2008 were \$365 million and \$261 million, respectively.

*Pension and Other Postretirement Benefits*Pension Benefits

The Corporation and its subsidiaries in North America and the United Kingdom have defined benefit pension plans (the "Principal Plans") and/or defined contribution retirement plans covering substantially all regular employees. Certain other subsidiaries have defined benefit pension plans or, in certain countries, termination pay plans covering substantially all regular employees. The funding policy for the qualified defined benefit plans in North America and the defined benefit plans in the United Kingdom is to contribute assets at least equal to regulatory minimum requirements. Funding for the remaining defined benefit plans outside the U.S. is based on legal requirements, tax considerations, investment opportunities, and customary business practices in these countries. Nonqualified U.S. plans providing pension benefits in excess of limitations imposed by the U.S. income tax code are not funded.

Consolidated pension expense for defined benefit pension plans was \$251 million in 2009 compared with \$97 million for 2008. Pension expense included curtailment charges of about \$21 million in 2009 related to the freeze of the Corporation's U.S. defined benefit pension plans, and special pension benefits related to the strategic cost reductions of about \$5 million in 2008. Pension expense is calculated based upon a number of actuarial assumptions applied to each of the defined benefit plans. The weighted-average expected long-term rate of return on pension fund assets used to calculate pension expense was 8.17 percent in 2009 compared with 8.23 percent in 2008 and will be 7.96 percent in 2010. The expected long-term rate of return is evaluated on an annual basis. In setting this assumption, the Corporation considers a number of factors including projected future

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returns by asset class, current asset allocation and historical long-term market performance. As part of the factors related to historical market performance, the Corporation considered the range of compounded annual returns for 15 rolling 15-year and 20-year periods through 2009 relative to each plan's current asset allocation.

The weighted-average expected long-term rate of return on pension fund assets used to calculate pension expense for the Principal Plans was 8.47 percent in 2009 compared with 8.48 percent in 2008 and will be 8.19 percent in 2010. The expected long-term rate of return on the assets in the Principal Plans is based on an asset allocation assumption of about 65 percent with equity managers, with expected long-term rates of return ranging from 9 to 10 percent, and about 35 percent with fixed income managers, with an expected long-term rate of return ranging from 6 to 7 percent. Actual asset allocation is regularly reviewed and it is periodically rebalanced to the targeted allocation when considered appropriate. Long-term rate of return assumptions continue to be evaluated at least annually and are adjusted as necessary.

Pension expense is determined using the fair value of assets rather than a calculated value that averages gains and losses ("Calculated Value") over a period of years. Investment gains or losses represent the difference between the expected return calculated using the fair value of assets and the actual return based on the fair value of assets. The variance between actual and expected gains and losses on pension assets is recognized in pension expense more rapidly than it would be if a Calculated Value was used for plan assets. As of December 31, 2009, the Principal Plans had cumulative unrecognized investment losses and other actuarial losses of approximately \$2.2 billion. These unrecognized net losses may increase future pension expense if not offset by (i) actual investment returns that exceed the assumed investment returns, or (ii) other factors, including reduced pension liabilities arising from higher discount rates used to calculate pension obligations, or (iii) other actuarial gains, including whether such accumulated actuarial losses at each measurement date exceed the "corridor" as required.

The discount (or settlement) rates used to determine the present values of the Corporation's future U.S. and Canadian pension obligations at December 31, 2009 were based on yield curves constructed from a portfolio of high quality corporate debt securities with maturities ranging from 1 year to 30 years. Each year's expected future benefit payments were discounted to their present value at the appropriate yield curve rate thereby generating the overall discount rates for the U.S. and Canadian pension obligations. For the U.K. plans, discount rates were established using the yield on a U.K. bond index comprised of high quality corporate debt securities, with the yield adjusted for duration differences between the index and the pension obligations and for securities in the index recently downgraded below high quality. The weighted-average discount rate for the Principal Plans decreased to 5.88 percent at December 31, 2009 from 6.47 percent at December 31, 2008.

Consolidated pension expense for defined benefit pension plans is estimated to approximate \$160 million in 2010. The decrease in estimated pension expense for 2010 from \$251 million incurred in 2009 reflects substantially higher plan assets at December 31, 2009. The 2010 estimate is based on an expected weighted-average long-term rate of return on assets in the Principal Plans of 8.19 percent, a weighted-average discount rate for the Principal Plans of 5.88 percent and various other assumptions. Pension expense beyond 2010 will depend on future investment performance, the Corporation's contributions to the pension trusts, changes in discount rates and various other factors related to the covered employees in the plans.

If the expected long-term rates of return on assets for the Principal Plans were lowered by 0.25 percent, our annual pension expense would increase by approximately \$10 million in 2010. If the discount rate assumptions for these same plans were reduced by 0.25 percent, annual pension expense would increase by approximately \$7 million and the December 31, 2009 pension liability would increase by about \$157 million.

The fair value of the assets in the Corporation's defined benefit plans was \$4.2 billion and \$3.1 billion at December 31, 2009 and December 31, 2008, respectively. The projected benefit obligations of the defined

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benefit plans exceeded the fair value of plan assets by approximately \$1.2 billion and \$1.9 billion at December 31, 2009 and December 31, 2008, respectively. On a consolidated basis, the Corporation contributed about \$845 million to its pension plans in 2009 compared with \$129 million in 2008. In addition, the Corporation made direct benefit payments of \$25 million in 2009 compared to \$14 million in 2008. The Corporation currently anticipates contributing about \$240 million to its pension plans in 2010.

The methodology for determining the discount rate used for each country's pension obligation is the same as the methodology used to determine the discount rate used for that country's other postretirement obligation. The discount rates displayed for the two types of obligations for the Corporation's consolidated operations may appear different due to the weighting used in the calculation of the two weighted-average discount rates.

Other Postretirement Benefits

Substantially all U.S. retirees and employees are covered by unfunded health care and life insurance benefit plans. Certain benefits are based on years of service and/or age at retirement. The plans are principally noncontributory for employees who were eligible to retire before 1993, contributory for most employees who retire after 1992, and the Corporation provides no subsidized benefits to most employees hired after 2003.

The Corporation made benefit payments of \$71 million in 2009 compared with \$73 million in 2008. The determination of the discount rates used to calculate the benefit obligations of the plans is discussed in the pension benefit section above. If the discount rate assumptions for these plans were reduced by 0.25 percent, 2010 other postretirement benefit expense would increase by less than \$1 million and the December 31, 2009 benefit liability would increase by about \$17 million.

The health care cost trend rate is based on a combination of inputs including the Corporation's recent claims history and insights from external advisers regarding recent developments in the health care marketplace, as well as projections of future trends in the marketplace. The annual increase in the consolidated weighted-average health care cost trend rate is expected to be 7.1 percent in 2010, 7.1 percent in 2011 and to gradually decline to 5.0 percent in 2015 and thereafter. See Item 8, Note 10 to the Consolidated Financial Statements for disclosure of the effect of a one percentage point change in the health care cost trend rate.

Retained Insurable Risks

Selected insurable risks are retained, primarily those related to property damage, workers' compensation, and product, automobile and premises liability based upon historical loss patterns and management's judgment of cost effective risk retention. Accrued liabilities for incurred but not reported events, principally related to workers' compensation and automobile liability, are based upon undiscounted loss development factors.

Property and Depreciation

Estimating the useful lives of property, plant and equipment requires the exercise of management judgment, and actual lives may differ from these estimates. Changes to these initial useful life estimates are made when appropriate. Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts of these long-lived assets may not be recoverable from future net pretax cash flows. Impairment testing requires significant management judgment including estimating the future success of product lines, future sales volumes, growth rates for selling prices and costs, alternative uses for the assets and estimated proceeds from disposal of the assets. Impairment testing is conducted at the lowest level where cash flows can be measured and are independent of cash flows of other assets. An asset impairment would be indicated if the sum of the expected future net pretax cash flows from the use of the asset (undiscounted and

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without interest charges) is less than the carrying amount of the asset. An impairment loss would be measured based on the difference between the fair value of the asset and its carrying amount. The determination of fair value is based on an expected present value technique in which multiple probability-weighted cash flow scenarios that reflect a range of possible outcomes and a risk-free rate of interest are used to estimate fair value.

The estimates and assumptions used in the impairment analysis are consistent with the business plans and estimates used to manage business operations and to make acquisition and divestiture decisions. The use of different assumptions would increase or decrease the estimated fair value of the asset and the impairment charge. Actual outcomes may differ from the estimates. For example, if the Corporation's products fail to achieve volume and pricing estimates or if market conditions change or other significant estimates are not realized, then revenue and cost forecasts may not be achieved, and additional impairment charges may be recognized.

Goodwill and Other Intangible Assets

The carrying amount of goodwill is tested annually as of the beginning of the fourth quarter and whenever events or circumstances indicate that impairment may have occurred. Impairment testing is conducted at the operating segment level of the Corporation's businesses and is based on a discounted cash flow approach to determine the fair value of each operating segment. The determination of fair value requires significant management judgment including estimating future sales volumes, selling prices and costs, changes in working capital, investments in property and equipment and the selection of an appropriate discount rate. Sensitivities of these fair value estimates to changes in assumptions for sales volumes, selling prices and costs are also tested. If the carrying amount of an operating segment that contains goodwill exceeds fair value, a possible impairment would be indicated.

If a possible impairment is indicated, the implied fair value of goodwill would be estimated by comparing the fair value of the net assets of the unit excluding goodwill to the total fair value of the unit. If the carrying amount of goodwill exceeds its implied fair value, an impairment charge would be recorded. Judgment is used in assessing whether goodwill should be tested more frequently for impairment than annually. Factors such as unexpected adverse economic conditions, competition, product changes and other external events may require more frequent assessments. The annual goodwill impairment testing has been completed and, as the fair value of each reporting unit was significantly in excess of the respective reporting unit's carrying value, it has been determined that the Corporation's \$3.3 billion of goodwill is not impaired.

The Corporation has no significant intangible assets with indefinite useful lives. At December 31, 2009, the Corporation has other intangible assets with finite useful lives with a gross carrying amount of approximately \$505 million and a net carrying amount of about \$297 million. These intangibles are being amortized over their estimated useful lives and are tested for impairment whenever events or circumstances indicate that impairment may have occurred. If the carrying amount of an intangible asset is not recoverable based on estimated future undiscounted cash flows, an impairment loss would be indicated. The amount of the impairment loss to be recorded would be based on the excess of the carrying amount of the intangible asset over its fair value (based on discounted future cash flows). Judgment is used in assessing whether the carrying amount of intangible assets is not expected to be recoverable over their estimated remaining useful lives. The factors considered are similar to those outlined in the goodwill impairment discussion above.

Primary Beneficiary Determination of Variable Interest Entities ("VIE")

The primary beneficiary of variable interest entities is required to be determined using a qualitative analysis to identify the risks in the VIE that cause variability and then to determine the variability that the VIE is designed to create and pass along to its participants. The participant that absorbs the majority of the variability is the

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primary beneficiary and is required to consolidate the VIE. If the qualitative analysis is inconclusive, a quantitative analysis is required to estimate the probable future cash flows of the VIE using a computer simulation model and determining the variability of such cash flows and their present values; the participant that is allocated the majority of the present value of the variability is the primary beneficiary. Both the qualitative analysis and the quantitative analysis require the exercise of significant management judgment.

Deferred Income Taxes and Potential Assessments

As of December 31, 2009, the Corporation had recorded deferred tax assets related to income tax loss carryforwards, income tax credit carryforwards and capital loss carryforwards totaling \$816 million and had established valuation allowances against these deferred tax assets of \$225 million, thereby resulting in a net deferred tax asset of \$591 million. As of December 31, 2008, the net deferred tax asset was \$420 million. These carryforwards are primarily in non-U.S. taxing jurisdictions and in certain states in the U.S. Foreign tax credits earned in the U.S. in current and prior years, which cannot be used currently, also give rise to net deferred tax assets. In determining the valuation allowances to establish against these deferred tax assets, many factors are considered, including the specific taxing jurisdiction, the carryforward period, income tax strategies and forecasted earnings for the entities in each jurisdiction. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized.

As of December 31, 2009, U.S. income taxes and foreign withholding taxes have not been provided on approximately \$5.8 billion of unremitted earnings of subsidiaries operating outside the U.S. These earnings are considered by management to be invested indefinitely. However, they would be subject to income tax if they were remitted as dividends, were lent to the Corporation or a U.S. affiliate, or if the Corporation were to sell its stock in the subsidiaries. It is not practicable to determine the amount of unrecognized deferred U.S. income tax liability on these unremitted earnings. We periodically determine whether our non-U.S. subsidiaries will invest their undistributed earnings indefinitely and reassess this determination, as appropriate.

The Corporation accrues net liabilities for current income taxes for potential assessments, which at December 31, 2009 and December 31, 2008 were \$391 million and \$332 million, respectively. The accruals relate to uncertain tax positions in a variety of taxing jurisdictions and are based on what management believes will be the resolution of these positions. These liabilities may be affected by changing interpretations of laws, rulings by tax authorities, or the expiration of the statute of limitations. The Corporation's U.S. federal income tax returns have been audited through 2005. IRS assessments of additional taxes have been paid through 2001. Refund actions are pending with the IRS for the years 1999 through 2005. Management currently believes that the ultimate resolution of these matters, individually or in the aggregate, will not have a material effect on the Corporation's business, financial condition, results of operations or liquidity.

Loss Contingencies

The outcome of loss contingencies and legal proceedings and claims brought against the Corporation is subject to uncertainty. An estimated loss contingency is accrued by a charge to earnings if it is probable that an asset has been impaired or a liability has been incurred and the amount can be reasonably estimated. Disclosure of the contingency is required if there is at least a reasonable possibility that a loss has been incurred. Determination of whether to accrue a loss requires evaluation of the probability of an unfavorable outcome and the ability to make a reasonable estimate. Changes in these estimates could affect the timing and amount of accrual of loss contingencies.

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Legal Matters

The Corporation has been named a potentially responsible party under the provisions of the federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statutes, at a number of waste disposal sites, none of which, individually or in the aggregate, in management's opinion, is likely to have a material adverse effect on the Corporation's business, financial condition, results of operations or liquidity.

New Accounting Standards

See Item 8, Note 1 to the Consolidated Financial Statements for a description of new accounting standards and their anticipated effects on the Corporation's consolidated financial statements.

Business Outlook

The Corporation is planning for a slow and modest economic recovery in 2010. The Corporation believes that expected benefits from sales growth, cost savings and benefits from stronger currency exchange rates will more than offset inflation in key cost inputs and planned increases in marketing spending. In 2010, the Corporation intends to continue to focus on its targeted growth initiatives, innovation programs and research and customer development capabilities, while reducing costs and maximizing cash flow. The Corporation has resumed share repurchases in 2010 and increased the amount of its regular quarterly dividend.

Forward-Looking Statements

Certain matters discussed in this Form 10-K or related documents, a portion of which are incorporated herein by reference, concerning, among other things, the business outlook, including economic conditions, sales levels, anticipated currency rates and exchange risk, anticipated impact of acquisitions, cost savings, changes in finished product selling prices, anticipated raw material and energy costs, anticipated benefits related to the organization optimization initiative, cash flow levels, dividend amounts, anticipated financial and operating results, strategies, contingencies and anticipated transactions of the Corporation, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are based upon management's expectations and beliefs concerning future events impacting the Corporation. There can be no assurance that these events will occur or that the Corporation's results will be as estimated.

The assumptions used as a basis for the forward-looking statements include many estimates that, among other things, depend on the achievement of future cost savings and projected volume increases. In addition, many factors outside the control of the Corporation, including the prices and availability of the Corporation's raw materials, potential competitive pressures on selling prices or advertising and promotion expenses for the Corporation's products, energy costs, and fluctuations in foreign currency exchange rates, as well as general economic conditions in the markets in which the Corporation does business, could impact the realization of such estimates.

The factors described under Item 1A, Risk Factors in this Form 10-K, or in our other Securities and Exchange Commission filings, among others, could cause the Corporation's future results to differ from those expressed in any forward-looking statements made by, or on behalf of, the Corporation. Other factors not presently known to us or that we presently consider immaterial could also affect our business operations and financial results.

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ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a multinational enterprise, the Corporation is exposed to risks such as changes in foreign currency exchange rates, interest rates and commodity prices. A variety of practices are employed to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. Derivative instruments are used only for risk management purposes and not for speculation. All foreign currency derivative instruments are entered into with major financial institutions. The Corporation's credit exposure under these arrangements is limited to agreements with a positive fair value at the reporting date. Credit risk with respect to the counterparties is actively monitored but is not considered significant since these transactions are executed with a diversified group of financial institutions.

Presented below is a description of the Corporation's risks (foreign currency risk and interest rate risk) together with a sensitivity analysis, performed annually, of each of these risks based on selected changes in market rates and prices. These analyses reflect management's view of changes which are reasonably possible to occur over a one-year period. Also included is a description of the Corporation's commodity price risk.

Foreign Currency Risk

Foreign currency risk is managed by the systematic use of foreign currency forward and swap contracts for a portion of the Corporation's exposure. The use of these instruments allows the management of transactional exposures to exchange rate fluctuations because the gains or losses incurred on the derivative instruments will offset, in whole or in part, losses or gains on the underlying foreign currency exposure.

Foreign currency contracts and transactional exposures are sensitive to changes in foreign currency exchange rates. An annual test is performed to quantify the effects that possible changes in foreign currency exchange rates would have on annual operating profit based on the foreign currency contracts and transactional exposures of the Corporation and its foreign affiliates at the current year-end. The balance sheet effect is calculated by multiplying each affiliate's net monetary asset or liability position by a 10 percent change in the foreign currency exchange rate versus the U.S. dollar. The results of these sensitivity tests are presented in the following paragraphs.

As of December 31, 2009, a 10 percent unfavorable change in the exchange rate of the U.S. dollar against the prevailing market rates of foreign currencies involving balance sheet transactional exposures would have resulted in a net pretax loss of approximately \$29 million. These hypothetical losses on transactional exposures are based on the difference between the December 31, 2009 rates and the assumed rates. In the view of management, the above hypothetical losses resulting from these assumed changes in foreign currency exchange rates are not material to the Corporation's consolidated financial position, results of operations or cash flows. This analysis does not include the impacts of the changes in January 2010 of the Venezuelan bolivar described previously in Item 7.

The translation of the balance sheets of non-U.S. operations from local currencies into U.S. dollars is also sensitive to changes in foreign currency exchange rates. Consequently, an annual test is performed to determine if changes in currency exchange rates would have a significant effect on the translation of the balance sheets of non-U.S. operations into U.S. dollars. These translation gains or losses are recorded as unrealized translation adjustments ("UTA") within stockholders' equity. The hypothetical change in UTA is calculated by multiplying the net assets of these non-U.S. operations by a 10 percent change in the currency exchange rates. The results of this sensitivity test are presented in the following paragraph.

As of December 31, 2009, a 10 percent unfavorable change in the exchange rate of the U.S. dollar against the prevailing market rates of the Corporation's foreign currency translation exposures would have reduced

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stockholders' equity by approximately \$622 million. These hypothetical adjustments in UTA are based on the difference between the December 31, 2009 exchange rates and the assumed rates. In the view of management, the above UTA adjustments resulting from these assumed changes in foreign currency exchange rates are not material to the Corporation's consolidated financial position because they would not affect the Corporation's cash flow.

Interest Rate Risk

Interest rate risk is managed through the maintenance of a portfolio of variable- and fixed-rate debt composed of short- and long-term instruments. The objective is to maintain a cost-effective mix that management deems appropriate. At December 31, 2009, the debt portfolio was composed of approximately 23 percent variable-rate debt and 77 percent fixed-rate debt.

Two separate tests are performed to determine whether changes in interest rates would have a significant effect on the Corporation's financial position or future results of operations. Both tests are based on consolidated debt levels at the time of the test. The first test estimates the effect of interest rate changes on fixed-rate debt. Interest rate changes would result in gains or losses in the market value of fixed-rate debt due to differences between the current market interest rates and the rates governing these instruments. With respect to fixed-rate debt outstanding at December 31, 2009, a 10 percent decrease in interest rates would have increased the fair value of fixed-rate debt by about \$190 million. The second test estimates the potential effect on future pretax income that would result from increased interest rates applied to the Corporation's current level of variable-rate debt. With respect to variable-rate debt, a 10 percent increase in interest rates would not have a material effect on the future results of operations or cash flows.

Commodity Price Risk

The Corporation is subject to commodity price risk, the most significant of which relates to the price of pulp. Selling prices of tissue products are influenced, in part, by the market price for pulp, which is determined by industry supply and demand. On a worldwide basis, the Corporation supplies approximately 8 percent of its virgin fiber needs from internal pulp manufacturing operations. As previously discussed under Item 1A, "Risk Factors," increases in pulp prices could adversely affect earnings if selling prices are not adjusted or if such adjustments significantly trail the increases in pulp prices. Derivative instruments have not been used to manage these risks.

The Corporation's energy, manufacturing and transportation costs are affected by various market factors including the availability of supplies of particular forms of energy, energy prices and local and national regulatory decisions. As previously discussed under Item 1A, "Risk Factors," there can be no assurance that the Corporation will be fully protected against substantial changes in the price or availability of energy sources. In addition, the Corporation is subject to price risk for utilities, primarily natural gas, which are used in its manufacturing operations. Derivative instruments are used to hedge a portion of natural gas price risk in accordance with the Corporation's risk management policy.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT

	Year Ended December 31		
	2009	2008	2007
	(Millions of dollars, except per share amounts)		
Net Sales	\$19,115	\$19,415	\$18,266
Cost of products sold	12,695	13,557	12,562
Gross Profit	6,420	5,858	5,704
Marketing, research and general expenses	3,498	3,291	3,106
Other (income) and expense, net	97	20	(18)
Operating Profit	2,825	2,547	2,616
Nonoperating expense	—	—	(67)
Interest income	26	46	34
Interest expense	(275)	(304)	(265)
Income Before Income Taxes, Equity Interests and Extraordinary Loss	2,576	2,289	2,318
Provision for income taxes	(746)	(618)	(537)
Income Before Equity Interests and Extraordinary Loss	1,830	1,671	1,781
Share of net income of equity companies	164	166	170
Income Before Extraordinary Loss	1,994	1,837	1,951
Extraordinary loss, net of income taxes, attributable to Kimberly-Clark Corporation	—	(8)	—
Net Income	1,994	1,829	1,951
Net income attributable to noncontrolling interests	(110)	(139)	(128)
Net Income Attributable to Kimberly-Clark Corporation	\$ 1,884	\$ 1,690	\$ 1,823
Per Share Basis			
Basic			
Before extraordinary loss	\$ 4.53	\$ 4.06	\$ 4.11
Extraordinary loss	—	(.02)	—
Net Income Attributable to Kimberly-Clark Corporation	\$ 4.53	\$ 4.04	\$ 4.11
Diluted			
Before extraordinary loss	\$ 4.52	\$ 4.05	\$ 4.08
Extraordinary loss	—	(.02)	—
Net Income Attributable to Kimberly-Clark Corporation	\$ 4.52	\$ 4.03	\$ 4.08

See Notes to Consolidated Financial Statements.

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KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

	December 31	
	2009	2008
	(Millions of dollars)	
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 798	\$ 364
Accounts receivable, net	2,566	2,492
Inventories	2,033	2,493
Deferred income taxes	136	131
Time deposits	189	141
Other current assets	142	192
Total Current Assets	5,864	5,813
Property, Plant and Equipment, net	8,033	7,667
Investments in Equity Companies	355	324
Goodwill	3,275	2,743
Long-Term Notes Receivable	607	603
Other Assets	1,075	939
	<u>\$19,209</u>	<u>\$18,089</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Debt payable within one year	\$ 610	\$ 1,083
Trade accounts payable	1,920	1,603
Accrued expenses	2,064	1,723
Accrued income taxes	79	103
Dividends payable	250	240
Total Current Liabilities	4,923	4,752
Long-Term Debt	4,792	4,882
Noncurrent Employee Benefits	1,989	2,593
Long-Term Income Taxes Payable	168	189
Deferred Income Taxes	377	193
Other Liabilities	218	187
Redeemable Preferred and Common Securities of Subsidiaries	1,052	1,032
Stockholders' Equity		
Kimberly-Clark Corporation Stockholders' Equity:		
Preferred stock—no par value—authorized 20.0 million shares, none issued	—	—
Common stock—\$1.25 par value—authorized 1.2 billion shares; issued 478.6 million shares at December 31, 2009 and 2008	598	598
Additional paid-in capital	399	486
Common stock held in treasury, at cost—61.6 million and 65.0 million shares at December 31, 2009 and 2008	(4,087)	(4,285)
Accumulated other comprehensive income (loss)	(1,833)	(2,386)
Retained earnings	10,329	9,465
Total Kimberly-Clark Corporation Stockholders' Equity	5,406	3,878
Noncontrolling interests	284	383
Total Stockholders' Equity	5,690	4,261
	<u>\$19,209</u>	<u>\$18,089</u>

See Notes to Consolidated Financial Statements.

PART II
(Continued)

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock Issued		Additional	Treasury Stock		Retained	Accumulated Other Comprehensive	Noncontrolling
	Shares	Amount	Paid-in Capital	Shares	Amount	Earnings	Income (Loss)	Interests
	(Dollars in millions, shares in thousands)							
Balance at December 31, 2006	478,597	\$ 598	\$ 428	22,978	\$ (1,392)	\$ 7,896	\$ (1,432)	\$ 404
Net income in stockholders' equity	—	—	—	—	—	1,823	—	85
Other comprehensive income:								
Unrealized translation	—	—	—	—	—	—	365	12
Employee postretirement benefits, net of tax	—	—	—	—	—	—	266	—
Other	—	—	—	—	—	—	10	—
Stock-based awards exercised or vested	—	—	(40)	(6,646)	389	(4)	—	—
Income tax benefits on stock-based compensation	—	—	32	—	—	—	—	—
Shares repurchased	—	—	—	41,344	(2,811)	—	—	—
Recognition of stock-based compensation	—	—	63	—	—	—	—	—
Dividends declared	—	—	—	—	—	(933)	—	(30)
Additional investment in subsidiary and other	—	—	—	—	—	—	—	(8)
Adoption of uncertain tax positions accounting standard	—	—	—	—	—	(34)	—	—
Balance at December 31, 2007	478,597	598	483	57,676	(3,814)	8,748	(791)	463
Net income in stockholders' equity	—	—	—	—	—	1,690	—	82
Other comprehensive income:								
Unrealized translation	—	—	—	—	—	—	(900)	(81)
Employee postretirement benefits, net of tax	—	—	—	—	—	—	(687)	(2)
Other	—	—	—	—	—	—	(8)	—
Stock-based awards exercised or vested	—	—	(59)	(2,870)	170	(7)	—	—
Income tax benefits on stock-based compensation	—	—	10	—	—	—	—	—
Shares repurchased	—	—	5	10,232	(641)	—	—	—
Recognition of stock-based compensation	—	—	47	—	—	—	—	—
Dividends declared	—	—	—	—	—	(966)	—	(51)
Additional investment in subsidiary and other	—	—	—	—	—	—	—	(28)
Balance at December 31, 2008	478,597	598	486	65,038	(4,285)	9,465	(2,386)	383
Net income in stockholders' equity	—	—	—	—	—	1,884	—	54
Other comprehensive income:								
Unrealized translation	—	—	—	—	—	—	619	6
Employee postretirement benefits, net of tax	—	—	—	—	—	—	(32)	(2)
Other	—	—	—	—	—	—	3	—
Stock-based awards exercised or vested	—	—	(47)	(3,519)	204	(7)	—	—
Income tax benefits on stock-based compensation	—	—	7	—	—	—	—	—
Shares repurchased	—	—	—	130	(7)	—	—	—
Recognition of stock-based compensation	—	—	86	—	—	—	—	—
Dividends declared	—	—	—	—	—	(996)	—	(45)
Additional investment in subsidiary and other	—	—	(133)	—	1	(17)	(37)	(112)
Balance at December 31, 2009	478,597	\$ 598	\$ 399	61,649	\$ (4,087)	\$ 10,329	\$ (1,833)	\$ 284

See Notes to Consolidated Financial Statements.

PART II
(Continued)

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year Ended December 31		
	2009	2008	2007
	(Millions of dollars)		
Net Income	\$1,994	\$ 1,829	\$1,951
Other Comprehensive Income, Net of Tax:			
Unrealized currency translation adjustments	625	(982)	377
Employee postretirement benefits	(34)	(689)	266
Other	3	(8)	10
Total Other Comprehensive Income, Net of Tax	594	(1,679)	653
Comprehensive Income	2,588	150	2,604
Comprehensive income attributable to noncontrolling interests	(114)	(55)	(140)
Comprehensive Income Attributable to Kimberly-Clark Corporation	\$2,474	\$ 95	\$2,464

See Notes to Consolidated Financial Statements.

PART II
(Continued)

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT

	Year Ended December 31		
	2009	2008	2007
	(Millions of dollars)		
Operating Activities			
Net Income	\$ 1,994	\$ 1,829	\$ 1,951
Extraordinary loss, net of income taxes, attributable to Kimberly-Clark Corporation	—	8	—
Depreciation and amortization	783	775	807
Stock-based compensation	86	47	63
Deferred income taxes	141	151	(103)
Net losses on asset dispositions	36	51	30
Equity companies' earnings in excess of dividends paid	(53)	(34)	(40)
Decrease (increase) in operating working capital	1,105	(335)	(330)
Postretirement benefits	(609)	(38)	14
Other	(2)	62	37
Cash Provided by Operations	3,481	2,516	2,429
Investing Activities			
Capital spending	(848)	(906)	(989)
Acquisitions of businesses, net of cash acquired	(458)	(98)	(16)
Investments in marketable securities	—	(9)	(13)
Proceeds from sales of investments	40	48	59
Net (increase) decrease in time deposits	(47)	76	(10)
Proceeds from dispositions of property	25	28	97
Other	—	14	(26)
Cash Used for Investing	(1,288)	(847)	(898)
Financing Activities			
Cash dividends paid	(986)	(950)	(933)
Net (decrease) increase in short-term debt	(312)	(436)	43
Proceeds from issuance of long-term debt	2	551	2,128
Repayments of long-term debt	(278)	(274)	(339)
Cash paid on redeemable preferred securities of subsidiary	(53)	(47)	—
Proceeds from preferred securities of subsidiary	—	—	172
Proceeds from exercise of stock options	165	113	349
Acquisitions of common stock for the treasury	(7)	(653)	(2,813)
Shares purchased from noncontrolling interests	(293)	—	—
Other	(26)	(51)	(34)
Cash Used for Financing	(1,788)	(1,747)	(1,427)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	29	(31)	8
Increase (Decrease) in Cash and Cash Equivalents	434	(109)	112
Cash and Cash Equivalents, beginning of year	364	473	361
Cash and Cash Equivalents, end of year	\$ 798	\$ 364	\$ 473

See Notes to Consolidated Financial Statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Accounting Policies

Basis of Presentation

The Consolidated Financial Statements present the accounts of Kimberly-Clark Corporation and all subsidiaries in which it has a controlling financial interest (the “Corporation”) as if they were a single economic entity in conformity with accounting principles generally accepted in the United States of America (“GAAP”). All significant intercompany transactions and accounts are eliminated in consolidation.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting periods. Actual results could differ from these estimates, and changes in these estimates are recorded when known. Estimates are used in accounting for, among other things, consumer and trade promotion and rebate accruals, pension and other post-employment benefits, useful lives for depreciation and amortization, future cash flows associated with impairment testing for goodwill and long-lived assets and for determination of the primary beneficiary of variable interest entities, deferred tax assets and potential income tax assessments, and loss contingencies.

Cash Equivalents

Cash equivalents are short-term investments with an original maturity date of three months or less.

Inventories and Distribution Costs

For financial reporting purposes, most U.S. inventories are valued at the lower of cost, using the Last-In, First-Out (LIFO) method, or market. The balance of the U.S. inventories and inventories of consolidated operations outside the U.S. are valued at the lower of cost, using either the First-In, First-Out (FIFO) or weighted-average cost methods, or market. Distribution costs are classified as cost of products sold.

Available-for-Sale Securities

Available-for-sale securities are exchange-traded equity funds and are carried at market value. At December 31, 2009 and 2008, securities of \$13 million and \$11 million, respectively, that are not expected to be liquidated in the next 12 months were classified as other assets. In addition, at December 31, 2009, securities of \$6 million expected to be sold within one year were included in other current assets. Unrealized holding gains or losses on these securities are recorded in other comprehensive income until realized. No significant gains or losses were recognized in income for any of the three years ended December 31, 2009.

Property and Depreciation

For financial reporting purposes, property, plant and equipment are stated at cost and are depreciated principally on the straight-line method. Buildings are depreciated over their estimated useful lives, primarily 40 years. Machinery and equipment are depreciated over their estimated useful lives, primarily ranging from 16 to 20 years. For income tax purposes, accelerated methods of depreciation are used. Purchases of computer software are capitalized. External costs and certain internal costs (including payroll and payroll-related costs of employees) directly associated with developing significant computer software applications for internal use are capitalized. Training and data conversion costs are expensed as incurred. Computer software costs are amortized on the straight-line method over the estimated useful life of the software, which generally does not exceed five years.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Estimated useful lives are periodically reviewed and, when warranted, changes are made to them. Long-lived assets, including computer software, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss would be indicated when estimated undiscounted future cash flows from the use and eventual disposition of an asset group, which are identifiable and largely independent of the cash flows of other asset groups, are less than the carrying amount of the asset group. Measurement of an impairment loss would be based on the excess of the carrying amount of the asset over its fair value. Fair value is measured using discounted cash flows or independent appraisals, as appropriate. When property is sold or retired, the cost of the property and the related accumulated depreciation are removed from the Consolidated Balance Sheet and any gain or loss on the transaction is included in income.

The cost of major maintenance performed on manufacturing facilities, composed of labor, materials and other incremental costs, is charged to operations as incurred. Start-up costs for new or expanded facilities are expensed as incurred.

Goodwill and Other Intangible Assets

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Goodwill is not amortized, but rather is tested for impairment annually and whenever events and circumstances indicate that an impairment may have occurred. Impairment testing compares the carrying amount of the goodwill with its fair value. Fair value is estimated based on discounted cash flows. If the carrying amount of goodwill exceeds its fair value, an impairment charge would be recorded. The Corporation has completed the required annual testing of goodwill for impairment and has determined that its goodwill is not impaired.

At December 31, 2009, the Corporation had intangible assets with indefinite useful lives of approximately \$13 million, related to acquired in-process research and development (“IPR&D”). Acquired IPR&D is tested for impairment annually or more frequently if events or changes in circumstances indicate that the acquired IPR&D might be impaired, such as abandonment of the research and development efforts. If development of a marketable product results from the acquired IPR&D, the acquired IPR&D is amortized to income over the estimated life of the product.

Intangible assets with finite lives are amortized over their estimated useful lives and are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Estimated useful lives range from 2-20 years for trademarks, 5-17 years for patents and developed technologies, and 5-16 years for other intangible assets. An impairment loss would be indicated when estimated undiscounted future cash flows from the use of the asset are less than its carrying amount. An impairment loss would be measured as the difference between the fair value (based on discounted future cash flows) and the carrying amount of the asset.

Investments in Equity Companies

Investments in companies over which the Corporation has the ability to exercise significant influence and that, in general, are at least 20 percent-owned, are stated at cost plus equity in undistributed net income. These investments are evaluated for impairment when warranted. An impairment loss would be recorded whenever a decline in value of an equity investment below its carrying amount is determined to be other than temporary. In judging “other than temporary,” the Corporation would consider the length of time and extent to which the fair value of the equity company investment has been less than the carrying amount, the near-term and longer-term operating and financial prospects of the equity company, and its longer-term intent of retaining the investment in the equity company.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Revenue Recognition

Sales revenue for the Corporation and its reportable business segments is recognized at the time of product shipment or delivery, depending on when title passes, to unaffiliated customers, and when all of the following have occurred: a firm sales agreement is in place, pricing is fixed or determinable, and collection is reasonably assured. Sales are reported net of returns, consumer and trade promotions, rebates and freight allowed. Taxes imposed by governmental authorities on the Corporation's revenue-producing activities with customers, such as sales taxes and value-added taxes, are excluded from net sales.

Sales Incentives and Trade Promotion Allowances

The cost of promotion activities provided to customers is classified as a reduction in sales revenue. In addition, the estimated redemption value of consumer coupons is recorded at the time the coupons are issued and classified as a reduction in sales revenue. Estimates of trade promotion liabilities for promotional program costs incurred, but unpaid, are generally based on estimates of the quantity of customer sales, timing of promotional activities and forecasted costs for activities within the promotional programs. Settlement of these liabilities sometimes occurs in periods subsequent to the date of the promotion activity.

Advertising Expense

Advertising costs are expensed in the year the related advertisement is first presented by the media. For interim reporting purposes, advertising expenses are charged to operations as a percentage of sales based on estimated sales and related advertising costs for the full year.

Research Expense

Research and development costs are charged to expense as incurred.

Environmental Expenditures

Environmental expenditures related to current operations that qualify as property, plant and equipment or which substantially increase the economic value or extend the useful life of an asset are capitalized, and all other environmental expenditures are expensed as incurred. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with completion of a feasibility study or a commitment to a formal plan of action. At environmental sites in which more than one potentially responsible party has been identified, a liability is recorded for the estimated allocable share of costs related to the Corporation's involvement with the site as well as an estimated allocable share of costs related to the involvement of insolvent or unidentified parties. At environmental sites in which the Corporation is the only responsible party, a liability for the total estimated costs of remediation is recorded. Liabilities for future expenditures for environmental remediation obligations are not discounted and do not reflect any anticipated recoveries from insurers.

Foreign Currency Translation

The income statements of foreign operations, other than those in highly inflationary economies, are translated into U.S. dollars at rates of exchange in effect each month. The balance sheets of these operations are translated at period-end exchange rates, and the differences from historical exchange rates are reflected in stockholders' equity as unrealized translation adjustments.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The income statements and balance sheets of operations in highly inflationary economies are translated into U.S. dollars using both current and historical rates of exchange. The effect of changes in exchange rates on monetary assets and liabilities is reflected in income. At December 31, 2009, the Corporation had no operations in highly inflationary economies. See Note 19 for information related to Venezuela subsequent to December 31, 2009.

Derivative Instruments and Hedging

All derivative instruments are recorded as assets or liabilities on the balance sheet at fair value. Changes in the fair value of derivatives are either recorded in the income statement or other comprehensive income, as appropriate. The gain or loss on derivatives designated as fair value hedges and the offsetting loss or gain on the hedged item attributable to the hedged risk are included in income in the period that changes in fair value occur. The effective portion of the gain or loss on derivatives designated as cash flow hedges is included in other comprehensive income in the period that changes in fair value occur and is reclassified to income in the same period that the hedged item affects income. The remaining gain or loss in excess of the cumulative change in the present value of the cash flows of the hedged item, if any, is recognized in income. The gain or loss on derivatives designated as hedges of investments in foreign subsidiaries is recognized in other comprehensive income to offset the change in value of the net investments being hedged. Any ineffective portion of net investment hedges is immediately recognized in income. Certain foreign-currency derivative instruments not designated as hedging instruments have been entered into to manage a portion of the Corporation's foreign currency transactional exposures. The gain or loss on these derivatives is included in income in the period that changes in their fair values occur. See Note 12 for disclosures about derivative instruments and hedging activities.

New Accounting Standards

Effective January 1, 2009, the Corporation adopted new accounting requirements issued by the Financial Accounting Standards Board ("FASB") for business combinations. Under these requirements, the acquirer in a business combination must:

- recognize 100 percent of the fair values of acquired assets, including goodwill, and assumed liabilities, with only limited exceptions, even if the acquirer has not acquired 100 percent of the target entity,
- expense transaction costs as incurred rather than include them as part of the fair value of an acquirer's interest,
- fair value contingent consideration arrangements at the acquisition date,
- limit accrual of the costs for a restructuring plan to pre-acquisition date restructuring obligations, and
- capitalize the value of acquired IPR&D as an indefinite-lived intangible asset, subject to impairment accounting, rather than expense these values at the acquisition date.

Adoption of these requirements did not have a material effect on the Corporation's consolidated financial statements.

Also, effective January 1, 2009, as required:

- The Corporation adopted new FASB guidance with respect to the classification of noncontrolling interests (formerly minority interests) in its consolidated financial statements. See Note 11 for additional detail.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

- The Corporation expanded disclosures about derivative instruments and hedging activities . See Note 12.
- Certain share-based payment awards entitled to nonforfeitable dividends or dividend equivalents were determined to be participating securities, which are included in the computation of basic and diluted earnings per share under the two-class method. Under the two-class method, earnings per share are computed by allocating net income between shares of common stock and participating securities.

The Corporation's basic and diluted earnings per share amounts have been recast from amounts previously reported as follows:

	As Previously Reported		As Recast	
	Basic	Diluted	Basic	Diluted
2008:				
First Quarter	\$1.05	\$ 1.04	\$1.05	\$ 1.04
Second Quarter	1.00	0.99	0.99	0.99
Third Quarter	1.00	0.99	0.99	0.99
Fourth Quarter	1.01	1.01	1.01	1.01
Full Year	4.06	4.04	4.04	4.03
2007	4.13	4.09	4.11	4.08
2006	3.27	3.25	3.26	3.24
2005	3.30	3.28	3.30	3.28

Effective June 30, 2009, as required, the Corporation:

- Expanded disclosures about the fair value of financial instruments in its quarterly and annual financial statements.
- Adopted new FASB guidance for determining other-than-temporary impairment of debt securities and improving the presentation and disclosure of other-than-temporary impairments of debt and equity securities in the consolidated financial statements. Adoption of this guidance did not have a material effect on the Corporation's consolidated financial statements.
- Adopted new FASB guidance for estimating fair values of financial assets and liabilities in circumstances when there is no active market or where the price inputs being used represent distressed sales and identifying circumstances that indicate a transaction is not orderly. Adoption of this guidance did not have a material effect on the Corporation's consolidated financial statements. See Note 3 for these fair value disclosures.

Effective December 31, 2009, the Corporation adopted new FASB disclosure guidance about the fair values of plan assets held in an employer's defined benefit pension or other postretirement plan, as required. See Note 10. This guidance includes disclosure of:

- how investment allocation decisions are made,
- the major categories of plan assets,
- the inputs and valuation techniques used to measure the fair value of plan assets,
- the effect of fair value measurements using significant unobservable inputs on year-to-year changes in plan assets, and
- significant concentrations of risk within plan assets.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In June 2009, the FASB revised the requirements for when a company must consolidate a variable interest entity (“VIE”) in which that company has an interest. Under the new requirement, a company must perform a qualitative analysis and consolidate a VIE if the company has an interest in a VIE that:

- provides it with the power to direct the activities of the VIE that most significantly affect the VIE’s economic performance, and
- obligates it to absorb losses or the right to receive benefits of the VIE that potentially could be significant to the VIE.

A company will be required to perform ongoing reassessments which should be qualitative, to determine if it must consolidate a VIE. This differs from current guidance, which prescribes a quantitative analysis of the primary beneficiary and requires a company to reassess whether to consolidate a VIE only when specific events occur. The new requirement is effective for fiscal years, and interim periods within fiscal years, beginning after December 15, 2009, and early adoption is prohibited. Adoption of this requirement is not expected to have a material effect on the Corporation’s consolidated financial statements.

In June 2009, the FASB adopted a codification of accounting standards and the hierarchy of GAAP. The codification became effective for financial statements issued for interim or annual periods ending after September 15, 2009 and is the source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. All nongrandfathered non-SEC accounting literature not included in the codification is superseded and deemed non-authoritative. Adoption of the codification did not have a financial effect on the Corporation’s consolidated financial statements.

In June 2009, the Corporation adopted new FASB requirements to evaluate events or transactions that occur after the balance sheet date but before financial statements are issued. Subsequent events that provide additional evidence about conditions that existed at the balance sheet date, including estimates inherent in the process of preparing financial statements, must be recognized in the financial statements. Subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after the balance sheet date but before financial statements are issued are not permitted to be recognized, but may require disclosure.

Management has evaluated events occurring subsequent to December 31, 2009 through February 24, 2010, the date of filing the 2009 Annual Report on Form 10-K with the SEC, to determine if any such events should either be recognized or disclosed in the Consolidated Financial Statements. See Note 19 for additional disclosure.

Note 2. Monetization Financing Entities

Prior to November 2009, the Corporation had minority voting interests in two financing entities (“Entity 1” and “Entity 2”, collectively the “Financing Entities”) used to monetize long-term notes (the “Notes”) received from the sale of certain nonstrategic timberlands and related assets to nonaffiliated buyers. The Notes have an aggregate face value of \$617 million and are backed by irrevocable standby letters of credit issued by money center banks. The Notes and certain other assets were transferred to the Financing Entities in 1999 and 2000. A nonaffiliated financial institution (the “Third Party”) made substantive capital investments in each of the Financing Entities and had majority voting control over each of them. The Third Party also made monetization loans aggregating \$617 million to the Corporation, which were assumed by the Financing Entities at the time they acquired the Notes. These monetization loans are secured by the Notes. The Corporation also contributed to the Financing Entities intercompany notes receivable aggregating \$662 million and intercompany preferred stock of \$50 million, which serve as secondary collateral for the monetization loans.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In 2003, the Third Party was determined to be the primary beneficiary of the Financing Entities as a result of the interest rate variability allocated to it. On June 30, 2008, the maturity dates of the lending arrangements with the Third Party were extended. In connection with the extensions, the primary beneficiary determination was reconsidered and, after excluding the interest rate variability as required by an accounting standard change, the Corporation became the primary beneficiary and began consolidating the Financing Entities. The assets and liabilities of the Financing Entities were recorded at fair value as of June 30, 2008. Because the fair value of the monetization loans exceeded the fair value of the Notes, the Corporation recorded an after-tax extraordinary charge of \$8 million on its Consolidated Income Statement for the period ended June 30, 2008. Prior period financial statements have not been adjusted to reflect the consolidation of the Financing Entities. The maturity dates of the two loans were extended in June 2009. These extensions had no effect on the primary beneficiary determination.

In November 2009, the Corporation acquired the Third Party's equity voting interest in Entity 2 and acquired the Third Party's Entity 2 monetization loan rights for approximately \$235 million. As a result, Entity 2 became a wholly-owned subsidiary of the Corporation. In addition, the maturity date of the Entity 1 monetization loan was extended. This extension had no effect on the primary beneficiary determination.

The following summarizes the terms of the Notes and the Entity 1 loan as of December 31, 2009 (millions of dollars):

<u>Description</u>	<u>Carrying</u>				
	<u>Face Value</u>	<u>Amount</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Interest Rate ⁽¹⁾⁽²⁾</u>
Note 1	\$ 397	\$ 392	\$ 375	09/30/2014	LIBOR minus 15 bps
Loan	397	397	398	01/31/2011	LIBOR plus 127 bps
Note 2	220	215	216	07/07/2011	LIBOR minus 12.5 bps

(1) Payable quarterly

(2) 3-month LIBOR

The Notes and the loan are not traded in active markets. Accordingly, their fair values were calculated using a floating rate pricing model that compared the stated spread to the fair value spread to determine the price at which each of the financial instruments should trade. The model used the following inputs to calculate fair values: face value, current LIBOR rate, fair value credit spread, stated spread, maturity date and interest payment dates.

The difference between the carrying amount of the Notes and their fair value represents an unrealized loss position for which an other-than-temporary impairment has not been recognized in earnings because the Corporation does not have the intent to sell, and has both the intent and ability to hold, the Notes for a period of time sufficient to allow for an anticipated recovery of fair value to the carrying amount of the Notes.

Interest income on the Notes of \$8 million and \$14 million and interest expense on the monetization loans of \$14 million and \$15 million have been reported on the Corporation's 2009 and 2008 Consolidated Income Statement, respectively.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Note 3. Fair Value Information

Fair Value Measurements

The following fair value information is based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels in the hierarchy used to measure fair value are:

Level 1—Unadjusted quoted prices in active markets accessible at the reporting date for identical assets and liabilities.

Level 2—Quoted prices for similar assets or liabilities in active markets. Quoted prices for identical or similar assets and liabilities in markets that are not considered active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3—Prices or valuations that require inputs that are significant to the valuation and are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Set forth below are the financial assets and liabilities measured at fair value as of December 31, 2009, together with the inputs used to develop those fair value measurements.

	<u>December 31</u>	<u>Fair Value Measurements</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
		<u>(Millions of dollars)</u>		
Assets				
Company-owned life insurance ("COLI")	\$ 43	\$ —	\$ 43	\$ —
Available-for-sale securities	19	13	—	6
Derivatives	58	—	58	—
Total	<u>\$ 120</u>	<u>\$ 13</u>	<u>\$ 101</u>	<u>\$ 6</u>
Liabilities				
Derivatives	<u>\$ 87</u>	<u>\$ —</u>	<u>\$ 87</u>	<u>\$ —</u>

The COLI policies are a source of funding primarily for the Corporation's nonqualified employee benefits and are included in other assets. Available-for-sale securities are included in other current assets and other assets, as appropriate. The derivative assets and liabilities are included in other current assets, other assets, and accrued expenses, as appropriate.

Level 1 Fair Values—The fair values of certain available-for-sale securities are based on quoted market prices in active markets for identical assets. Unrealized losses on these securities aggregating \$4 million have been recorded in other comprehensive income until realized. The unrealized losses have not been recognized in earnings because the Corporation has both the intent and ability to hold the securities for a period of time sufficient to allow for an anticipated recovery of fair value to the cost of such securities.

Level 2 Fair Values—The fair value of the COLI policies is derived from investments in a mix of money market, fixed income and equity funds managed by unrelated fund managers. The fair values of derivatives used to manage interest rate risk and commodity price risk are based on LIBOR rates and interest rate swap curves and NYMEX price quotations, respectively. The fair value of hedging instruments used to manage foreign currency risk is based on published quotations of spot currency rates and forward points, which are converted into implied forward currency rates. Additional information on the Corporation's use of derivative instruments is contained in Note 12.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Level 3 Fair Values—The fair value of certain available-for-sale securities acquired in the fourth quarter of 2009 is based on quoted market prices for the exchange-traded securities, adjusted to reflect the restrictions placed on the sale of these securities. There was no significant change in the fair value from the date of acquisition through December 31, 2009.

Fair Value Disclosures

As of December 31, 2009, the consolidated balance sheet contains the following financial instruments, for which disclosure of fair value is required.

	Carrying Amount	Estimated Fair Value (Millions of dollars)	For Further Information See:
Assets			
Cash and cash equivalents ^(a)	\$ 798	\$ 798	—
Time deposits ^(b)	189	189	—
Long-term notes receivable	607	591	Note 2
Other notes receivable (included in other assets)	22	22	—
Liabilities and redeemable preferred and common securities of subsidiaries			
Short-term debt ^(c)	107	107	Note 7
Monetization loan	397	398	Notes 2 and 7
Long-term debt ^(d)	4,898	5,357	Note 7
Redeemable preferred and common securities of subsidiaries	1,052	1,128	Note 8

(a) Cash equivalents are comprised of certificates of deposit, time deposits and other interest-bearing investments with original maturity dates of 90 days or less, all of which are recorded at cost, which approximates fair value.

(b) Time deposits are comprised of deposits with original maturities of more than 90 days but less than one year, all of which are recorded at cost, which approximates fair value.

(c) Short-term debt issued by non-U.S. subsidiaries is recorded at cost, which approximates fair value.

(d) Long-term debt excludes the monetization loan and includes the current portion (\$503 million) of these debt instruments.

Note 4. Organization Optimization Initiative

In June 2009, the Corporation announced actions to reduce its worldwide salaried workforce by approximately 1,600 positions by the end of 2009. These actions resulted in pretax charges of \$128 million in 2009, of which \$102 million has been paid and the majority of the balance recorded in accrued expenses is expected to be paid in the first quarter of 2010.

Costs of these actions are recorded at the business segment and corporate levels as follows:

	Year Ended December 31, 2009 (Millions of dollars)
Personal Care	\$ 47
Consumer Tissue	50
K-C Professional & Other	16
Health Care	6
Corporate & Other	9
Total	<u>\$ 128</u>

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

On a geographic area basis, \$84 million of the charges were recorded in North America, \$35 million in Europe, and \$9 million in the Corporation's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa.

The net charges are included in the following income statement captions:

	Year Ended December 31, 2009 (Millions of dollars)
Cost of products sold	\$ 44
Marketing, research and general expenses	84
Total Charges	128
Provision for income taxes	(37)
Net Charges	\$ 91

Note 5. Strategic Cost Reduction Plan

In July 2005, the Corporation authorized a multi-year plan to further improve its competitive position by accelerating investments in targeted growth opportunities and strategic cost reductions aimed at streamlining manufacturing and administrative operations, primarily in North America and Europe. The strategic cost reductions commenced in the third quarter of 2005 and were completed by December 31, 2008 resulting in cumulative charges of \$880 million before tax or \$610 million after tax.

Total pretax charges for the strategic cost reduction plan were \$60 million and \$107 million in the years ended December 31, 2008 and 2007, respectively.

Note 6. Acquisitions and Intangible Assets

Acquisitions

During the first quarter of 2009, the Corporation acquired the remaining approximate 31 percent interest in its Andean region subsidiary, Colombiana Kimberly Colpapel S.A. ("CKC"), for \$289 million. The acquisition was recorded as an equity transaction that reduced noncontrolling interests, accumulated other comprehensive income ("AOCI") and additional paid-in capital by approximately \$278 million and increased investments in equity companies by approximately \$11 million.

During the second quarter of 2009, the Corporation acquired Jackson Products, Inc. ("Jackson"), a privately-held safety products company, for approximately \$155 million, net of cash acquired. The acquisition is consistent with the Corporation's global business plan strategy to accelerate growth of high-margin workplace products sold by its K-C Professional business. The excess of the purchase price over the fair values of assets and liabilities acquired resulted in recognition of goodwill of \$95 million, none of which is deductible for income tax purposes. Jackson's net sales since the acquisition date recognized by the Corporation were 3 percent of the K-C Professional and Other business segment net sales in 2009.

During the fourth quarter of 2009, the Corporation acquired Baylis Medical Company's pain management business ("Baylis"). The Corporation's Health Care business has been the exclusive distributor of these pain management products in the U.S. since 2001. The excess of the purchase price over the fair values of assets and liabilities acquired resulted in recognition of goodwill of \$19 million, the majority of which is deductible for income tax purposes.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

During the fourth quarter of 2009, the Corporation acquired I-Flow Corporation (“I-Flow”), a healthcare company that develops and markets drug delivery systems and products for post-surgical pain relief and surgical site care, for \$262 million, net of cash acquired. The excess of the purchase price over the fair values of assets and liabilities acquired resulted in recognition of goodwill of \$153 million, none of which is deductible for income tax purposes. I-Flow’s net sales since the acquisition date recognized by the Corporation were 1 percent of the Health Care business segment net sales in 2009.

The acquisition accounting for Jackson has been completed, and substantially completed for Baylis and I-Flow, with finalization expected in the first quarter of 2010.

The Baylis and I-Flow acquisitions are consistent with the Corporation’s global business plan strategy to invest in the higher-growth, higher-margin medical device market.

During the first quarter of 2008, the Corporation acquired a personal care business in Trinidad and Tobago. During the second quarter of 2008, the Corporation acquired the remaining 50 percent interest in its South African subsidiary, Kimberly-Clark of South Africa (Pty.) Limited. During third quarter 2008, the Corporation acquired the remaining 40 percent interest in its Chilean subsidiary, Kimberly-Clark Chile, S.A. The cost of these acquisitions totaled approximately \$98 million. The allocation of the purchase price to the fair values of assets and liabilities acquired resulted in recognition of goodwill of \$44 million, none of which is deductible for income tax purposes.

The CKC and 2008 acquisitions are consistent with the Corporation’s strategy of investing for growth in rapidly growing countries, and are expected to better position the Corporation to leverage its scale and capabilities in customer development and product supply to drive growth and profitability across its businesses.

Goodwill

The changes in the carrying amount of goodwill by business segment are as follows:

	Personal Care	Consumer Tissue	K-C Professional & Other (Millions of dollars)	Health Care	Total
Balance at December 31, 2007	\$ 709	\$ 650	\$ 330	\$1,253	\$2,942
Acquisitions	35	8	4	—	47
Currency and other	(131)	(81)	(27)	(7)	(246)
Balance at December 31, 2008	613	577	307	1,246	2,743
Acquisitions	—	—	95	172	267
Currency and other	132	92	33	8	265
Balance at December 31, 2009	<u>\$ 745</u>	<u>\$ 669</u>	<u>\$ 435</u>	<u>\$1,426</u>	<u>\$3,275</u>

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Other Intangible Assets

Intangible assets subject to amortization are included in other assets and consist of the following at December 31:

	2009		2008	
	Gross Carrying	Accumulated	Gross Carrying	Accumulated
	Amount	Amortization (Millions of dollars)	Amount	Amortization
Trademarks	\$ 266	\$ 139	\$ 219	\$ 126
Patents and developed technologies	153	44	52	41
Other	86	25	36	19
Total	<u>\$ 505</u>	<u>\$ 208</u>	<u>\$ 307</u>	<u>\$ 186</u>

Amortization expense for intangible assets was approximately \$18 million in 2009, \$12 million in 2008 and \$14 million in 2007. Amortization expense is estimated to be approximately \$23 million in 2010, \$22 million in 2011, \$27 million in 2012, \$36 million in 2013 and \$37 million in 2014.

Note 7. Debt

Long-term debt is comprised of the following:

	Weighted-Average Interest Rate	Maturities (Millions of dollars)	December 31	
			2009	2008
Notes and debentures	5.56%	2010 – 2038	<u>\$4,483</u>	\$4,514
Industrial development revenue bonds	0.35%	2015 – 2037	<u>280</u>	280
Bank loans and other financings in various currencies	2.73%	2010 – 2031	<u>532</u>	765
Total long-term debt			<u>5,295</u>	5,559
Less current portion			<u>503</u>	677
Long-term portion			<u>\$4,792</u>	<u>\$4,882</u>

Fair value of total long-term debt at December 31, 2009 and 2008 was approximately \$5.8 billion and \$5.9 billion, respectively. Fair values were estimated based on quoted prices for financial instruments for which all significant inputs were observable, either directly or indirectly.

Scheduled maturities of long-term debt for the next five years are \$503 million in 2010, \$434 million in 2011, \$411 million in 2012, \$506 million in 2013 and \$104 million in 2014.

During the fourth quarter of 2008, the Corporation issued \$500 million 7.5% Notes due November 1, 2018. The Corporation used the net proceeds to reduce borrowings under its commercial paper program.

During the third quarter of 2007, the Corporation issued \$450 million Floating Rate Notes due July 30, 2010; \$950 million 6.125% Notes due August 1, 2017; and \$700 million 6.625% Notes due August 1, 2037. The Corporation used the net proceeds from the issuance of these notes primarily to fund an accelerated share repurchase agreement and to repay a portion of long-term debt.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

During the fourth quarter of 2006, the Corporation issued \$200 million of dealer remarketable securities that have a final maturity in 2016. The remarketing provisions of these debt instruments require that each year the securities either be remarketed by the dealer or repaid by the Corporation. In the fourth quarter of 2009, the dealer exercised its option to remarket the securities for another year. Similar to the remarketing in 2008, the dealer remarketed the securities to a wholly-owned subsidiary of the Corporation, which intends to hold them until the next remarketing date in the fourth quarter of 2010. The investment in these securities by the subsidiary and the Corporation's debt obligation for these securities are eliminated in consolidation.

At December 31, 2009, the fair value of the dealer's option to remarket the securities each year through 2016 is estimated to be \$12 million. The Corporation would be obligated to pay the dealer the fair value of its option in the event the securities are not remarketed for any reason other than the dealer's election not to remarket or the failure of the dealer to successfully remarket the securities if the conditions to a remarketing are satisfied. Management does not expect this contingency to materialize.

At December 31, 2009, the Corporation had a \$1.33 billion revolving credit facility that is scheduled to expire in September 2012. Under this arrangement, the revolving credit facility may be increased to \$1.77 billion. The Corporation maintains the revolving credit facility to manage liquidity needs in the event its access to the commercial paper markets is constrained for any reason. The Corporation did not borrow any amounts under the revolving credit facility in 2009.

Debt payable within one year is as follows:

	December 31	
	2009	2008
	(Millions of dollars)	
Commercial paper	\$ —	\$ 218
Other short-term debt	107	188
Total short-term debt	107	406
Current portion of long-term debt—monetization loans	—	614
Current portion of other long-term debt	503	63
Total	<u>\$ 610</u>	<u>\$ 1,083</u>

At December 31, 2008, the weighted-average interest rate for commercial paper was 0.5 percent.

Note 8. Redeemable Preferred and Common Securities of Subsidiaries

In February 2001, the Corporation and a non-affiliated third party entity (the "Third Party") formed a Luxembourg-based financing subsidiary. The Corporation is the primary beneficiary of the subsidiary and, accordingly, consolidates the subsidiary in the accompanying Consolidated Financial Statements.

In December 2007, the contractual arrangements among the Corporation, the Third Party and the subsidiary were restructured. In conjunction with the restructuring, the Third Party invested an additional \$172 million in the subsidiary. Following the restructuring, the Third Party has investments in two classes of voting-preferred securities issued by the subsidiary (the "Preferred Securities"). The two classes of Preferred Securities, Class A-1 and Class A-2, have a par value of \$500 million each for an aggregate of \$1 billion. The Preferred Securities represent 98 percent of the voting power of the subsidiary. The Class A-1 and Class A-2 Preferred Securities accrue a fixed annual rate of return of 5.074 percent and 5.417 percent, respectively, which is paid on a quarterly basis. Prior to the restructuring, the annual rate of return on preferred securities of the subsidiary held by the

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Third Party accrued but was not currently payable. The Class A-1 Preferred Securities are redeemable by the subsidiary in December 2011 and on each 7-year anniversary thereafter, at par value plus any accrued but unpaid return. The Class A-2 Preferred Securities are redeemable in December 2014 and on each 7-year anniversary thereafter, at par value plus any accrued but unpaid return.

The subsidiary also has issued voting-preferred and common securities to the Corporation for total cash proceeds of \$500 million. These securities are entitled to a combined two percent vote, and the common securities are entitled to all of the residual equity after satisfaction of the preferred interests.

Approximately 98 percent of the total cash contributed to the subsidiary has been loaned to the Corporation. These long-term loans bear fixed annual interest rates. The funds remaining in the financing subsidiary are invested in equity-based exchange-traded funds. The preferred and common securities of the subsidiary held by the Corporation and the intercompany loans have been eliminated in the Consolidated Financial Statements. The return on the Preferred Securities is included in net income attributable to noncontrolling interests in the Consolidated Income Statement. The Preferred Securities, which have an estimated fair value of \$1.087 billion at December 31, 2009, are included in Redeemable Preferred and Common Securities of Subsidiaries on the Consolidated Balance Sheet.

The Preferred Securities are not traded in active markets. Accordingly, their fair values were calculated using a floating rate pricing model that compares the stated spread to the fair value spread to determine the price at which each of the financial instruments should trade. The model uses the following inputs to calculate fair values: face value, current LIBOR rate, fair value spread, stated spread, maturity date and interest payment dates.

Neither the Third Party nor creditors of the subsidiary have recourse to the general credit of the Corporation. If the Corporation's credit ratings of A at S&P or A2 at Moody's are downgraded below BBB- at S&P or Baa3 at Moody's, or if the Third Party elects to have its preferred securities redeemed on the specified redemption dates, then the loans to the Corporation would become payable to the financing subsidiary to the extent necessary to enable the financing subsidiary to pay the redemption value.

In addition, the Corporation's subsidiary in Central America has outstanding redeemable common securities that are held by a noncontrolling interest. The fair value of the redeemable common securities of \$41 million at December 31, 2009 was based on an independent appraisal, adjusted for current market conditions.

Note 9. Stock-Based Compensation

The Corporation has a stock-based Equity Participation Plan and an Outside Directors' Compensation Plan (the "Plans"), under which it can grant stock options, restricted shares and restricted share units to employees and outside directors. As of December 31, 2009, the number of shares of stock available for grants under the Plans aggregated 14.9 million shares.

Stock options are granted at an exercise price equal to the market value of the Corporation's common stock on the date of grant, and they have a term of 10 years. Stock options granted to employees in the U.S. are subject to graded vesting whereby options vest 30 percent at the end of each of the first two 12-month periods following the grant and 40 percent at the end of the third 12-month period. Options granted to certain non-U.S. employees cliff vest at the end of three or four years.

Restricted shares, time-vested restricted share units and performance-based restricted share units granted to employees are valued at the closing market price of the Corporation's common stock on the grant date and generally vest over three years. The number of performance-based restricted share units that ultimately vest

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

ranges from zero to 200 percent of the number granted, based on performance tied to return on invested capital (“ROIC”) and net sales during the three-year performance period. ROIC and net sales targets are set at the beginning of the performance period. Restricted share units granted to outside directors are valued at the closing market price of the Corporation’s common stock on the grant date and vest when they are granted. The restricted period begins on the date of grant and expires on the date the outside director retires from or otherwise terminates service on the Corporation’s Board.

At the time stock options are exercised or restricted shares and restricted share units become payable, common stock is issued from the Corporation’s accumulated treasury shares. Cash dividends are paid on restricted shares, and cash dividends or dividend equivalents are paid or credited in share equivalents on restricted share units, on the same date and at the same rate as dividends are paid on the Corporation’s common stock. These cash dividends and dividend equivalents, net of estimated forfeitures, are charged to retained earnings.

Stock-based compensation costs of \$86 million, \$47 million and \$63 million and related deferred income tax benefits of approximately \$28 million, \$15 million and \$20 million were recognized for 2009, 2008 and 2007, respectively.

The fair value of stock option awards was determined using a Black-Scholes-Merton option-pricing model utilizing a range of assumptions related to dividend yield, volatility, risk-free interest rate, and employee exercise behavior. Dividend yield is based on historical experience and expected future dividend actions. Expected volatility is based on a blend of historical volatility and implied volatility from traded options on the Corporation’s common stock. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. Estimated forfeitures are based on historical data.

The weighted-average fair value of the options granted in 2009, 2008 and 2007 was estimated at \$4.32, \$6.22 and \$11.21, respectively, per option on the date of grant based on the following assumptions:

	2009	2008	2007
Dividend yield	5.60%	4.10%	3.20%
Volatility	19.81%	14.90%	15.19%
Risk-free interest rate	2.39%	3.19%	4.62%
Expected life—years	6.6	6.4	6.4

As of December 31, 2009, the total remaining unrecognized compensation costs and amortization period are as follows:

	Millions of dollars	Weighted- Average Service Years
Nonvested stock options	\$ 16	0.8
Restricted shares and time-vested restricted share units	\$ 18	0.9
Nonvested performance-based restricted share units	\$ 38	1.0

Excess tax benefits, resulting from tax deductions in excess of the compensation cost recognized, aggregating \$9 million, \$8 million and \$22 million were classified as Other cash inflows under Financing Activities for the years ended December 31, 2009, 2008, and 2007, respectively.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

A summary of stock-based compensation under the Plans as of December 31, 2009 and the activity during the year then ended is presented below:

Stock Options	Shares (000's)	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term	Aggregate Intrinsic Value (Millions of dollars)
Outstanding at January 1, 2009	26,914	\$ 61.49		
Granted	3,091	49.63		
Exercised	(3,047)	51.44		
Forfeited or expired	(2,046)	61.30		
Outstanding at December 31, 2009	<u>24,912</u>	61.26	5.2	\$ 104
Exercisable at December 31, 2009	<u>18,731</u>	62.07	4.1	\$ 63

The following summarizes the effect of the exercises of stock options for each year presented:

	2009	2008	2007
	(Millions of dollars)		
Cash received	\$165	\$113	\$349
Income tax benefit received	8	11	30
Intrinsic value	30	18	86

	Restricted Shares		Time-Based Restricted Share Units		Performance-Based Restricted Share Units	
Other Stock-Based Awards	Shares (000's)	Weighted- Average Grant-Date Fair Value	Shares (000's)	Weighted- Average Grant-Date Fair Value	Shares (000's)	Weighted- Average Grant-Date Fair Value
Nonvested at January 1, 2009	90	\$ 64.21	1,017	\$ 63.90	1,183	\$ 64.37
Granted	—	—	255	54.31	833	48.84
Vested	(89)	64.21	(321)	63.23	(109)	62.76
Forfeited	(1)	64.21	(26)	60.80	(236)	58.09
Nonvested at December 31, 2009	<u>—</u>	—	<u>925</u>	61.56	<u>1,671</u>	57.64

The total fair value of restricted shares and restricted share units that became vested during 2009, 2008 and 2007 was \$25 million, \$56 million and \$30 million, respectively.

Note 10. Employee Postretirement Benefits

Pension Plans

Substantially all regular employees in North America and the U.K. are covered by defined benefit pension plans (the "Principal Plans") and/or defined contribution retirement plans. Certain other subsidiaries have defined benefit pension plans or, in certain countries, termination pay plans covering substantially all regular employees. The funding policy for the qualified defined benefit plans in North America and the defined benefit plans in the U.K. is to contribute assets at least equal in amount to regulatory minimum requirements. Nonqualified U.S. plans providing pension benefits in excess of limitations imposed by the U.S. income tax code are not funded. Funding for the remaining defined benefit plans outside the U.S. is based on legal requirements, tax considerations, investment opportunities, and customary business practices in these countries.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In 2009, the Corporation took action with respect to its U.S. defined benefit pension and supplemental defined benefit plans to provide that no future compensation and benefit service will be accrued under these plans, other than for certain employees subject to collective bargaining agreements, for plan years after December 31, 2009 (“U.S. DB Pension Freeze”).

The U.S. DB Pension Freeze resulted in a pension curtailment charge aggregating \$21 million in 2009 due to the write-off of applicable unamortized prior service costs. As a result of the curtailment, plan assets and projected benefit obligations were required to be remeasured as of the curtailment date. The remeasurement decreased the projected benefit obligations by approximately \$320 million. In addition, the average remaining life expectancy of inactive participants rather than the average remaining service lives of active employees must be used in the amortization of actuarial gains and losses as a result of the freeze.

Other Postretirement Benefit Plans

Substantially all U.S. retirees and employees are covered by unfunded health care and life insurance benefit plans. Certain benefits are based on years of service and/or age at retirement. The plans are principally noncontributory for employees who were eligible to retire before 1993 and contributory for most employees who retire after 1992, and the Corporation provides no subsidized benefits to most employees hired after 2003.

In the U.S., health care benefit costs are capped and indexed by 3 percent annually for certain employees retiring on or before April 1, 2004. The future cost for retiree health care benefits is limited to a defined fixed cost based on the years of service for certain employees retiring after April 1, 2004. The annual increase in the consolidated weighted-average health care cost trend rate is expected to be 7.1 percent in 2010 and 2011 and to decline to 5.0 percent in 2015 and thereafter.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Summarized financial information about postretirement plans, excluding defined contribution retirement plans, is presented below:

	Pension Benefits		Other Benefits	
	Year Ended December 31			
	2009	2008	2009	2008
	(Millions of dollars)			
Change in Benefit Obligation				
Benefit obligation at beginning of year	\$ 4,968	\$ 5,459	\$ 795	\$ 858
Service cost	68	73	14	15
Interest cost	310	324	47	49
Actuarial loss (gain)	516	(144)	(12)	(58)
Currency and other	10	(391)	22	4
Benefit payments from plans	(356)	(339)	—	—
Direct benefit payments	(25)	(14)	(71)	(73)
Benefit obligation at end of year	5,491	4,968	795	795
Change in Plan Assets				
Fair value of plan assets at beginning of year	3,101	4,706	—	—
Actual gain (loss) on plan assets	520	(1,090)	—	—
Employer contributions	845	129	—	—
Currency and other	134	(305)	—	—
Benefit payments	(356)	(339)	—	—
Fair value of plan assets at end of year	4,244	3,101	—	—
Funded Status	\$(1,247)	\$(1,867)	\$(795)	\$(795)
Amounts Recognized in the Balance Sheet				
Noncurrent asset—Prepaid benefit cost	\$ 16	\$ 3	\$ —	\$ —
Current liability—Accrued benefit cost	(12)	(9)	(67)	(70)
Noncurrent liability—Accrued benefit cost	(1,251)	(1,861)	(728)	(725)
Net amount recognized	\$(1,247)	\$(1,867)	\$(795)	\$(795)

December 31 is used as the measurement date for all of the Corporation's postretirement plans.

Information for the Principal Plans and All Other Pension Plans

	Principal Plans		All Other Pension Plans		Total	
	Year Ended December 31					
	2009	2008	2009	2008	2009	2008
	(Millions of dollars)					
Projected benefit obligation (“PBO”)	\$ 5,047	\$ 4,568	\$ 444	\$ 400	\$ 5,491	\$ 4,968
Accumulated benefit obligation (“ABO”)	4,941	4,308	383	348	5,324	4,656
Fair value of plan assets	3,895	2,817	349	284	4,244	3,101

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Information for Pension Plans with an ABO in Excess of Plan Assets

	December 31	
	2009	2008
	(Millions of dollars)	
PBO	\$ 5,228	\$ 4,877
ABO	5,108	4,599
Fair value of plan assets	3,981	3,013

Components of Net Periodic Benefit Cost

	Pension Benefits			Other Benefits		
	Year Ended December 31			Year Ended December 31		
	2009	2008	2007	2009	2008	2007
	(Millions of dollars)					
Service cost	\$ 68	\$ 73	\$ 81	\$ 14	\$ 15	\$ 15
Interest cost	310	324	315	47	49	50
Expected return on plan assets ^(a)	(269)	(370)	(372)	—	—	—
Curtailments	21	—	—	—	—	—
Amortization of prior service cost and transition amount	3	6	7	2	2	2
Recognized net actuarial loss	111	56	77	—	1	5
Other	7	8	12	—	(1)	—
Net periodic benefit cost	<u>\$ 251</u>	<u>\$ 97</u>	<u>\$ 120</u>	<u>\$ 63</u>	<u>\$ 66</u>	<u>\$ 72</u>

(a) The expected return on plan assets is determined by multiplying the fair value of plan assets at the remeasurement date, typically the prior year-end (adjusted for estimated current year cash benefit payments and contributions), by the expected long-term rate of return.

Weighted-Average Assumptions used to determine Net Cost for years ended December 31

	Pension Benefits			Other Benefits		
	2009	2008	2007	2009	2008	2007
Discount rate	6.40%	6.14%	5.64%	6.50%	6.24%	5.84%
Expected long-term return on plan assets	8.17%	8.23%	8.27%	—	—	—
Rate of compensation increase	3.94%	3.99%	3.90%	—	—	—

Weighted-Average Assumptions used to determine Benefit Obligations at December 31

	Pension Benefits		Other Benefits	
	2009	2008	2009	2008
Discount rate	5.85%	6.40%	5.79%	6.50%
Rate of compensation increase	4.09%	3.94%	—	—

Expected Long-Term Rate of Return and Investment Strategies for the Principal Plans

Strategic asset allocation decisions are made with the intent of maximizing return at an acceptable level of risk. Risk factors considered in setting the strategic asset allocation include, among other things, plan participants retirement benefit security, the estimated payments of the associated liabilities, the plan funded status, and the

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

corporate financial condition. The resulting strategic asset allocation is a diversified blend of equity and fixed income investments. Equity investments are typically diversified across geographies and market capitalization. Fixed income investments are diversified across multiple sectors including government issues, corporate debt instruments, and securitized instruments with a portfolio duration that is consistent with the estimated payment of the associated liability. Actual asset allocation is regularly reviewed and periodically rebalanced to the strategic allocation when considered appropriate.

When deemed appropriate, certain of the Corporation's defined benefit pension trusts execute hedging strategies to manage the price risk applicable to equity investments. These strategies are designed to limit the downside exposure of equity investments by trading off upside potential above an acceptable level. In 2009, zero-cost equity collars were established to protect against potential losses beyond a certain level and to allow realization of potential gains up to a certain level on \$1.0 billion of U.S. equity exposure in the Corporation's U.S. pension trust from June 2 to December 30, 2009. In January 2010, similar equity collars were established to protect against potential losses beyond a certain level and to allow realization of potential gains up to a certain level on \$1.3 billion of U.S. equity exposure in the Corporation's U.S. pension plan. The maturity dates of the equity collars vary, with the latest maturity date occurring in January 2011.

The expected long-term rate of return is evaluated on an annual basis. In setting this assumption, a number of factors are considered including projected future returns by asset class, current asset allocation and historical long-term market performance. As part of the factors related to historical market performance, the Corporation considered the range of compounded annual returns for 15 rolling 15-year and 20-year periods through 2009 relative to each plan's current asset allocation.

The weighted-average expected long-term rate of return on pension fund assets used to calculate pension expense for the Principal Plans was 8.47 percent in 2009 compared with 8.48 percent in 2008 and will be 8.19 percent in 2010. The expected long-term rate of return on the assets in the Principal Plans is based on an asset allocation assumption of about 65 percent with equity managers, with expected long-term rates of return ranging from 9 to 10 percent, and about 35 percent with fixed income managers, with an expected long-term rate of return ranging from 6 to 7 percent.

Plan Assets

The Corporation's pension plan asset allocations for its Principal Plans are as follows:

<u>Asset Category</u>	<u>Target Allocation</u>	<u>Percentage of Plan Assets at December 31</u>	
	<u>2010</u>	<u>2009</u>	<u>2008</u>
Equity securities	63%	63%	68%
Fixed income securities	37	37	32
Total	100%	100%	100%

The plan assets did not include a significant amount of the Corporation's common stock.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Set forth below are the pension plan assets of the Principal Plans measured at fair value as of December 31, 2009, together with the inputs used to develop those fair value measurements.

	Fair Value Measurements at December 31, 2009		
	Total	Quoted Prices in Active Markets for Identical Assets	Significant Observable Inputs (Level 2)
		(Level 1) (Millions of dollars)	
Available Cash	\$ 202	\$ 202	\$ —
Fixed Income			
Assets held directly:			
U.S. government and municipals	130	92	38
U.S. corporate debt	278	—	278
U.S. securitized fixed income	72	—	72
International bonds	92	18	74
Held through mutual and pooled funds:			
U.S. government and municipals	74	—	74
U.S. corporate debt	231	—	231
International bonds	291	—	291
Multi-sector	52	1	51
Equity			
Assets held directly:			
U.S. equity	495	494	1
International equity	243	243	—
Held through mutual and pooled funds:			
U.S. equity	829	2	827
Non-U.S. equity	742	1	741
Global equity	164	—	164
Total	\$3,895	\$ 1,053	\$ 2,842

Inputs and valuation techniques used to measure the fair value of plan assets vary according to the type of security being valued. Substantially all of the equity securities held directly by the Principal Plans are actively traded and fair values are determined based on quoted market prices. Fair values of U.S. Treasury securities are determined based on trading activity in the marketplace.

Fair values of U.S. corporate debt, U.S. securitized fixed income and international bonds are typically determined by reference to the values of similar securities traded in the marketplace and current interest rate levels. Multiple pricing services are typically employed to assist in determining these valuations.

Fair values of equity securities and fixed income securities held through units of pooled funds are based on net asset value (NAV) of the units of the pooled fund determined by the fund manager. Pooled funds are similar in nature to retail mutual funds, but are more efficient for institutional investors than retail mutual funds. As pooled funds are only accessible by institutional investors, the NAV is not readily observable by noninstitutional investors.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
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Equity securities held directly by the pension trusts and those held through units in pooled funds are monitored as to issuer and industry. Except for U.S. Treasuries, concentrations of fixed income securities are similarly monitored for concentrations by issuer and industry. As of December 31, 2009 there were no significant concentrations of equity or debt securities in any single issuer or industry.

As of December 31, 2009, there was less than \$1 million of assets in the Principal Plans with a level 3 fair value determination (significant unobservable inputs). In addition, during 2009, there were no significant transfers of assets in the Principal Plans to or from level 3 fair value determinations.

Cash Flows

The Corporation currently expects to contribute about \$240 million to its pension plans in 2010.

Estimated Future Benefit Payments

Over the next ten years, the Corporation expects that the following gross benefit payments and related Medicare Part D reimbursements will occur:

	<u>Pension Benefits</u>	<u>Other Benefits</u> (Millions of dollars)	<u>Medicare Part D</u> <u>Reimbursements</u>
2010	\$ 350	\$ 80	\$ (4)
2011	352	81	(4)
2012	351	80	(5)
2013	357	81	(5)
2014	365	84	(5)
2015 – 2019	1,997	485	(27)

Health Care Cost Trends

Assumed health care cost trend rates affect the amounts reported for postretirement health care benefit plans. A one-percentage-point change in assumed health care trend rates would have the following effects on 2009 data:

	<u>One-Percentage-Point</u> <u>Increase</u>	<u>Decrease</u>
	(Millions of dollars)	(Millions of dollars)
Effect on total of service and interest cost components	\$ 2	\$ 2
Effect on postretirement benefit obligation	31	29

Defined Contribution Retirement and Investment Plans

In 2009, the Corporation took action with respect to its U.S. Incentive Investment Plan (a 401(k) plan), Retirement Contribution Plan and Retirement Contribution Excess Benefit Program to discontinue all contributions to these plans for future plan years (other than for certain employees subject to collective bargaining agreements). In addition, the Corporation adopted, effective January 1, 2010, a new 401(k) profit sharing plan, and amended its supplemental plan, to provide for a matching contribution of 100 percent of a U.S. employee's contributions to the plans, to a yearly maximum of four percent of eligible compensation, as well as a discretionary profit sharing contribution, in which contributions will be based on the Corporation's profit

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
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performance. Except for certain employees subject to collective bargaining agreements, U.S. participants' investment balances in the Corporation's existing 401(k) plan and Retirement Contribution Plan were transferred to the new 401(k) plan on January 1, 2010.

Contributions to defined contribution retirement plans are primarily based on the compensation of covered employees. The Corporation's contributions, all of which were charged to expense, were \$61 million in both 2009 and 2008, and \$56 million in 2007.

Voluntary contribution investment plans are provided to substantially all North American and most European employees. Under the plans, the Corporation matches a portion of employee contributions. Costs charged to expense under the plans were \$31 million, \$33 million and \$31 million in 2009, 2008 and 2007, respectively.

Note 11. Stockholders' Equity

Effective January 1, 2009, as required, the following changes were made with respect to the classification of noncontrolling interests (formerly minority owners' interest in subsidiaries). In addition, prior year amounts in the Consolidated Financial Statements have been recast to conform to the new requirements.

- Noncontrolling interests, which are not redeemable at the option of the noncontrolling interests, were reclassified from the mezzanine to equity, separate from the parent's stockholders' equity, in the Consolidated Balance Sheet. Common securities, redeemable at the option of the noncontrolling interest and carried at redemption values of approximately \$41 million and \$35 million as of December 31, 2009 and 2008, respectively, are classified in a line item combined with redeemable preferred securities of subsidiary in the Consolidated Balance Sheet.
- Consolidated net income was recast to include net income attributable to both the Corporation and noncontrolling interests.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Set forth below are reconciliations for each of the three years ending December 31, 2009 of the carrying amount of total stockholders' equity from the beginning of the period to the end of the period and an allocation of this equity to the stockholders of the Corporation and Noncontrolling Interests. In addition, because a portion of net income is allocable to redeemable securities of subsidiaries, which is classified outside of stockholders' equity, each of the reconciliations displays the amount of net income allocable to redeemable securities of subsidiaries.

		Stockholders' Equity Attributable to		Redeemable
	Comprehensive	Noncontrolling		Securities of
	Income	The Corporation	Interests	Subsidiaries
		(Millions of dollars)		
Balance at December 31, 2006		\$ 6,098	\$ 404	\$ 812
Comprehensive Income:				
Net income	\$ 1,951	1,823	85	43
Other comprehensive income, net of tax:				
Unrealized translation	377	365	12	—
Employee postretirement benefits	266	266	—	—
Other	10	10	—	—
Total Comprehensive Income	<u>\$ 2,604</u>			
Stock-based awards		345	—	—
Income tax benefits on stock-based compensation		32	—	—
Shares repurchased		(2,811)	—	—
Recognition of stock-based compensation		63	—	—
Dividends declared		(933)	(30)	—
Additional investment in subsidiary and other		—	(5)	171
Return on noncontrolling interests		—	(3)	—
Adoption of uncertain tax positions accounting standard		(34)	—	—
Balance at December 31, 2007		\$ 5,224	\$ 463	\$ 1,026
Comprehensive Income:				
Net income	\$ 1,829	1,690	82	57
Other comprehensive income, net of tax:				
Unrealized translation	(982)	(900)	(81)	(1)
Employee postretirement benefits	(689)	(687)	(2)	—
Other	(8)	(8)	—	—
Total Comprehensive Income	<u>\$ 150</u>			
Stock-based awards		105	—	—
Income tax benefits on stock-based compensation		10	—	—
Shares repurchased		(636)	—	—
Recognition of stock-based compensation		47	—	—
Dividends declared		(966)	(51)	(1)
Additional investment in subsidiary and other		(1)	(25)	(2)
Return on redeemable preferred securities and noncontrolling interests		—	(3)	(47)
Balance at December 31, 2008		\$ 3,878	\$ 383	\$ 1,032

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	Comprehensive	Stockholders' Equity Attributable to	Noncontrolling	Redeemable
	Income	The Corporation	Interests	Securities of Subsidiaries
		(Millions of dollars)		
Balance at December 31, 2008		\$ 3,878	\$ 383	\$ 1,032
Comprehensive Income:				
Net income	\$ 1,994	1,884	54	56
Other comprehensive income, net of tax:				
Unrealized translation	625	619	6	—
Employee postretirement benefits	(34)	(32)	(2)	—
Other	3	3	—	—
Total Comprehensive Income	<u>\$ 2,588</u>			
Stock-based awards		150	—	—
Income tax benefits on stock-based compensation		7	—	—
Shares repurchased		(7)	—	—
Recognition of stock-based compensation		86	—	—
Dividends declared		(996)	(45)	(1)
Additional investment in subsidiary and other		(186)	(111)	18
Return on redeemable preferred securities and noncontrolling interests		—	(1)	(53)
Balance at December 31, 2009		<u>\$ 5,406</u>	<u>\$ 284</u>	<u>\$ 1,052</u>

GAAP requires that the purchase of additional ownership in an already controlled subsidiary be treated as an equity transaction with no gain or loss recognized in consolidated net income or comprehensive income. GAAP also requires the presentation of the below schedule displaying the effect of a change in ownership interest between the Corporation and a noncontrolling interest.

	Year Ended December 31 2009 (Millions of dollars)
Net Income attributable to Kimberly-Clark Corporation	\$ 1,884
Decrease in Kimberly-Clark Corporation's additional paid-in capital for purchase of remaining shares in its Andean subsidiary ^(a)	(133)
Change from net income attributable to Kimberly-Clark Corporation and transfers to noncontrolling interests	<u>\$ 1,751</u>

(a) During the first quarter of 2009, the Corporation acquired the remaining approximate 31 percent interest in its Andean region subsidiary, Colombiana Kimberly Colpapel S.A., for \$289 million. The acquisition was recorded as an equity transaction that reduced noncontrolling interests, AOCI and additional paid-in capital by approximately \$278 million and increased investments in equity companies by approximately \$11 million.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Accumulated Other Comprehensive Income (Loss)

The changes in the components of accumulated other comprehensive income (loss) attributable to the Corporation are as follows:

	Year Ended December 31								
	2009			2008			2007		
	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount
	(Millions of dollars)								
Unrealized translation	\$ 619	\$—	\$ 619	\$ (900)	\$—	\$ (900)	\$ 365	\$ —	\$ 365
Purchase of subsidiary shares from noncontrolling interest	(37)	—	(37)	—	—	—	—	—	—
Unrecognized net actuarial loss and transition amount:									
Pension benefits	(36)	(14)	(50)	(1,141)	429	(712)	325	(107)	218
Other postretirement benefits	8	(4)	4	61	(46)	15	20	20	40
Unrecognized prior service cost:									
Pension benefits	21	(8)	13	12	(3)	9	11	(4)	7
Other postretirement benefits	2	(1)	1	2	(1)	1	2	(1)	1
Deferred (losses) gains on cash flow hedges	9	(9)	—	6	(8)	(2)	6	4	10
Unrealized holding gains (losses) on securities	4	(1)	3	(7)	1	(6)	—	—	—
Change in accumulated other comprehensive income (loss)	<u>\$ 590</u>	<u>\$ (37)</u>	<u>\$ 553</u>	<u>\$ (1,967)</u>	<u>\$ 372</u>	<u>\$ (1,595)</u>	<u>\$ 729</u>	<u>\$ (88)</u>	<u>\$ 641</u>

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The detailed statement of other comprehensive income (loss) for 2009 is presented below:

	Year Ended December 31, 2009		
	Pretax Amount	Tax Effect (Millions of dollars)	Net Amount
Unrealized translation	\$ 619	\$—	\$ 619
Defined benefit pension plans:			
Unrecognized net actuarial loss and transition amount			
Funded status recognition	(111)	19	(92)
Amortization included in net periodic benefit cost	111	(40)	71
Currency and other	(36)	7	(29)
	<u>(36)</u>	<u>(14)</u>	<u>(50)</u>
Unrecognized prior service cost			
Funded status recognition	18	(6)	12
Amortization included in net periodic benefit cost	3	(1)	2
Currency and other	—	(1)	(1)
	<u>21</u>	<u>(8)</u>	<u>13</u>
	<u>(15)</u>	<u>(22)</u>	<u>(37)</u>
Other postretirement defined benefit plans:			
Unrecognized net actuarial loss and transition amount			
Funded status recognition	9	(5)	4
Currency and other	(1)	1	—
	<u>8</u>	<u>(4)</u>	<u>4</u>
Unrecognized prior service cost			
Amortization included in net periodic benefit cost	2	(1)	1
	<u>10</u>	<u>(5)</u>	<u>5</u>
Cash flow hedges and other:			
Recognition of effective portion of hedges	(29)	8	(21)
Amortization included in net income	45	(18)	27
Currency and other	(3)	—	(3)
	<u>13</u>	<u>(10)</u>	<u>3</u>
Other comprehensive income (loss)	\$ 627	\$ (37)	\$ 590

Accumulated balances of other comprehensive income (loss), attributable to the Corporation, net of applicable income taxes are as follows:

	December 31	
	2009	2008
	(Millions of dollars)	
Unrealized translation	\$ (311)	\$ (893)
Unrecognized net actuarial loss and transition amount	(1,516)	(1,470)
Unrecognized prior service cost	(17)	(31)
Deferred gains on cash flow hedges	14	14
Unrealized holding losses on securities	(3)	(6)
Accumulated other comprehensive income (loss)	<u>\$(1,833)</u>	<u>\$(2,386)</u>

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
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Net unrealized currency gains or losses resulting from the translation of assets and liabilities of foreign subsidiaries, except those in highly inflationary economies, are recorded in accumulated other comprehensive income. For these operations, changes in exchange rates generally do not affect cash flows; therefore, unrealized translation adjustments are recorded in accumulated other comprehensive income rather than net income. Upon sale or substantially complete liquidation of any of these subsidiaries, the applicable unrealized translation adjustment would be removed from accumulated other comprehensive income and reported as part of the gain or loss on the sale or liquidation. The change in unrealized translation is primarily due to a weakening of the U.S. dollar versus the Australian dollar, Brazilian real and the British pound.

Also included in unrealized translation amounts are the effects of foreign exchange rate changes on intercompany balances of a long-term investment nature and transactions designated as hedges of net foreign investments.

Approximately \$101 million and \$5 million of unrecognized net actuarial loss and unrecognized prior service cost, respectively, is expected to be recognized as a component of net periodic benefit cost in 2010.

At December 31, 2009, unremitted net income of equity companies included in consolidated retained earnings was about \$935 million.

Note 12. Objectives and Strategies for Using Derivatives

As a multinational enterprise, the Corporation is exposed to risks, such as changes in foreign currency exchange rates, interest rates, commodity prices and certain investments in its defined benefit pension plans. A variety of practices are employed to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. The Corporation's policies allow the use of derivatives for risk management purposes and prohibit their use for speculation. The Corporation's policies also prohibit the use of any leveraged derivative instrument. Foreign currency derivative instruments, interest rate swaps and commodity hedging contracts are entered into with major financial institutions.

On the date the derivative contract is entered into, the Corporation formally designates certain derivatives either as cash flow, fair value or net investment hedges (each discussed below), including how the effectiveness of these hedges will be assessed and measured. This process links the derivatives to the transactions or financial balances they are hedging. Changes in the fair value of derivatives not designated as hedging instruments are recorded to earnings when they occur.

Set forth below is a summary of the fair values of the Corporation's derivative instruments classified by the risks they are used to manage as of December 31, 2009.

	Assets		Liabilities	
	2009	2008	2009	2008
	(Millions of dollars)			
Foreign currency exchange risk	\$16	\$114	\$ 84	\$ 32
Interest rate risk	41	3	—	—
Commodity price risk	1	—	3	19
Total	<u>\$58</u>	<u>\$117</u>	<u>\$ 87</u>	<u>\$ 51</u>

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Foreign Currency Exchange Risk Management

The Corporation has a centralized U.S. dollar functional currency international treasury operation (“In-House Bank”) that manages foreign currency exchange risks by netting, on a daily basis, exposures to recorded non-U.S. dollar assets and liabilities and entering into derivative instruments with third parties whenever the net exposure in any single currency exceeds predetermined limits. These derivative instruments are not designated as hedging instruments. Changes in the fair value of these instruments are recorded in earnings when they occur. The In-House Bank also records the gain or loss on the translation of its non-U.S. dollar denominated monetary assets and liabilities in earnings. Consequently, the effect on earnings from the use of these non-designated derivatives is substantially neutralized by the recorded transactional gains and losses. The In-House Bank’s daily notional derivative positions with third parties averaged approximately \$1.3 billion in 2009 and its average net exposure for the period was \$1.1 billion. The In-House Bank used eight counterparties for its foreign exchange derivative contracts.

The Corporation enters into derivative instruments to hedge a portion of the net foreign currency exposures of its non-U.S. operations principally for their forecasted purchases of pulp, which are priced in U.S. dollars. The derivative instruments used to manage these exposures are designated and qualify as cash flow hedges. The Corporation also hedges a portion of the net foreign currency exposures of its non-U.S. operations for imported intercompany finished goods and work-in-process priced in U.S. dollars and euros through the use of derivative instruments that are designated and qualify as cash flow hedges.

Gains and losses on these cash flow hedges, to the extent effective, are recorded in other comprehensive income net of related income taxes and released to earnings as the related finished goods inventory containing the pulp and imported intercompany purchases are sold to unaffiliated customers. As of December 31, 2009, approximately \$462 million notional value of outstanding derivative contracts was designated as cash flow hedges for the forecasted purchases of pulp and intercompany finished goods and work-in-process.

The foreign currency exposure on intercompany loans is hedged with derivative instruments with third parties. These derivatives are not designated as hedging instruments. At December 31, 2009, the notional amount of these derivative positions was \$471 million.

Foreign Currency Translation Risk Management

Translation adjustments result from translating foreign entities’ financial statements to U.S. dollars from their functional currencies. Translation exposure, which results from changes in translation rates between functional currencies and the U.S. dollar, generally is not hedged. There were no net investment hedges in place at December 31, 2009. The risk to any particular entity’s net assets is minimized to the extent that the entity is financed with local currency borrowing.

Interest Rate Risk Management

Interest rate risk is managed using a portfolio of variable- and fixed-rate debt composed of short- and long-term instruments and interest rate swaps. The objective is to maintain a cost-effective mix that management deems appropriate. From time to time, interest rate swap contracts, which are derivative instruments, are entered into to facilitate the maintenance of the desired ratio of variable- and fixed-rate debt. These derivative instruments are designated and qualify as fair value hedges. At December 31, 2009, interest rate swap contracts with an aggregate notional value of \$300 million were in place.

From time to time, derivatives are used to hedge the anticipated issuance of fixed-rate debt. These exposures are hedged with forward-starting swaps or “treasury locks” (e.g., a 10-year “treasury lock” hedging the

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
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anticipated underlying U.S. Treasury interest rate related to issuance of 10-year debt). At December 31, 2009, outstanding forward-starting swaps with an aggregate notional value of \$250 million were in place.

Commodity Price Risk Management

The Corporation uses derivative instruments to hedge a portion of its exposure to market risk arising from changes in the price of natural gas. Hedging of this risk is accomplished by entering into forward swap contracts, which are designated as cash flow hedges of specific quantities of natural gas expected to be purchased in future months.

As of December 31, 2009, outstanding commodity forward contracts were in place to hedge forecasted purchases of about 20 percent of the Corporation's estimated natural gas requirements for 2010 and a lesser percentage for future periods.

Effect of Derivative Instruments on Results of Operations and Other Comprehensive Income

Fair Value Hedges

Derivative instruments that are designated and qualify as fair value hedges are used to manage interest rate risk and certain U.S. dollar denominated intercompany debt. The realized gain or loss on the derivatives that hedge interest rate risk is amortized to interest expense over the life of the related debt. The fair values of these instruments are recorded as an asset or liability, as appropriate, with the offset recorded in current earnings. The offset to the change in fair values of the hedged debt instruments also is recorded in current earnings. Changes in the fair value of derivative instruments that hedge the U.S. dollar denominated intercompany debt are recorded in current earnings as well as the change in fair value of the hedged intercompany debt.

Fair value hedges resulted in no significant ineffectiveness in the year ended December 31, 2009. For the years ended December 31, 2009 and 2008, no gain or loss was recognized in earnings as a result of a hedged firm commitment no longer qualifying as a fair value hedge.

Cash Flow Hedges

For derivative instruments that are designated and qualify as cash flow hedges (e.g., hedging a portion of the currency exposure on the forecasted U.S. dollar denominated purchases of pulp by the Corporation's non-U.S. subsidiaries), the effective portion of the gain or loss on the derivative instrument is initially recorded in other comprehensive income, net of related income taxes, and recognized in income in the same period that the hedged exposure affects income. Changes in the fair values of derivative instruments used to hedge the price of natural gas, to the extent effective, are recorded in other comprehensive income, net of related income taxes, and recognized in income at the time the cost of the natural gas is recognized in income.

Cash flow hedges resulted in no significant ineffectiveness in the year ended December 31, 2009. For the years ended December 31, 2009 and 2008, no gains or losses were reclassified into earnings as a result of the discontinuance of cash flow hedges due to the original forecasted transaction no longer being probable of occurring. At December 31, 2009, \$6 million of after-tax losses are expected to be reclassified from accumulated other comprehensive income primarily to cost of sales during the next twelve months, consistent with the timing of the underlying hedged transactions. The maximum maturity of cash flow hedges in place at December 31, 2009 is December 2011.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Quantitative Information about the Corporation's Use of Derivative Instruments

The following tables display the location and fair values of derivative instruments presented in the Consolidated Balance Sheet and the location and amount of gains and losses reported in the Consolidated Income Statement and Statement of Other Comprehensive Income ("OCI").

**The Effect of Derivative Instruments on the Consolidated Income Statement for the
Years Ended December 31, 2009 and 2008 – (Millions of dollars)**

<u>Foreign exchange contracts</u>	<u>Income Statement Classification</u>		<u>Gain or (Loss) Recognized in Income</u>	
			<u>2009</u>	<u>2008</u>
Fair Value Hedges	Other income and (expense), net		<u>\$ (6)</u>	<u>\$ 14</u>
Undesignated Hedging Instruments	Other income and (expense), net ^(a)		<u>\$ (95)</u>	<u>\$ 65</u>

	<u>Amount of Gain or (Loss) Recognized in OCI</u>		<u>Income Statement Classification of Gain or (Loss) Reclassified from AOCI</u>	<u>Gain or (Loss) Reclassified from AOCI into Income</u>	
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
<u>Cash Flow Hedges</u>					
Interest rate contracts	\$ 29	\$ (3)	Interest Expense	\$ 3	\$ 4
Foreign exchange contracts	(32)	38	Cost of products sold	(5)	3
Commodity contracts	(26)	(29)	Cost of products sold	(43)	(8)
Total	<u>\$ (29)</u>	<u>\$ 6</u>		<u>\$ (45)</u>	<u>\$ (1)</u>
<u>Net Investment Hedges</u>					
Foreign exchange contracts	<u>\$ (18)</u>	<u>\$ 1</u>		<u>\$ —</u>	<u>\$ —</u>

(a) The majority of the gains and (losses) on these instruments arise from derivatives entered into with third parties by the In-House Bank. As previously noted, the In-House Bank also records gains and (losses) on the translation of its non-U.S. dollar denominated monetary assets and liabilities in earnings. Consequently, the effect on earnings from the use of these non-designated derivatives is substantially neutralized by the recorded transactional gains and losses.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Fair Values of Derivative Instruments				
	Asset Derivatives at December 31			
	2009		2008	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
(Millions of dollars)				
Derivatives designated as hedging instruments:				
Interest rate contracts	Other current assets	\$ 32	Other current assets	\$ 3
Interest rate contracts	Other assets	9	Other assets	—
Foreign exchange contracts	Other current assets	5	Other current assets	36
Commodity contracts		—		
	Other current assets	—	Other current assets	—
Total		\$ 46		\$ 39
Undesignated derivatives:				
Foreign exchange contracts	Other current assets	\$ 12	Other current assets	\$ 78
Total asset derivatives		\$ 58		\$ 117

Fair Values of Derivative Instruments				
	Liability Derivatives at December 31			
	2009		2008	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
(Millions of dollars)				
Derivatives designated as hedging instruments:				
Foreign exchange contracts	Accrued expenses	\$ 21	Accrued expenses	\$ 9
Commodity contracts	Accrued expenses	3	Accrued expenses	18
Total		\$ 24		\$ 27
Undesignated derivatives:				
Foreign exchange contracts and other	Accrued expenses	\$ 63	Accrued expenses	\$ 24
Total liability derivatives		\$ 87		\$ 51

Note 13. Real Estate Entities

The Corporation participates in the U.S. affordable housing and historic renovation real estate markets. Investments in these markets are encouraged by laws enacted by the U.S. Congress and related federal income tax rules and regulations. Accordingly, these investments generate income tax credits and tax losses that are used to reduce the Corporation's income tax liabilities. The Corporation invested in these markets through (i) investments in wholly-owned or majority-owned entities, (ii) limited liability companies as a nonmanaging member and (iii) investments in various funds in which the Corporation is one of many noncontrolling investors. The entities borrow money from third parties, generally on a nonrecourse basis and invest in and own various real estate projects.

The Corporation consolidates certain real estate entities because it has voting control. The assets of these entities are classified principally as property, plant and equipment and have a carrying amount aggregating

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

\$136 million at December 31, 2009, that serves as collateral for the obligations of these ventures. The obligations have a carrying amount aggregating \$85 million, of which \$32 million is included in debt payable within one year and \$53 million is included in long-term debt. The fair value of these obligations is estimated at \$82 million at December 31, 2009. Neither the creditors nor the other beneficial interest holders of these consolidated ventures have recourse to the general credit of the Corporation, except for \$8 million of permanent financing debt, which is guaranteed by the Corporation.

The Corporation also consolidates certain other real estate entities because it is the primary beneficiary. The assets of these entities are classified principally as property, plant and equipment and have a carrying amount aggregating \$8 million at December 31, 2009 that serves as collateral for the obligation of these ventures. The obligations have a carrying amount aggregating \$6 million, of which \$5 million is included in debt payable within one year and \$1 million is included in long-term debt. The fair value of these obligations is estimated at \$6 million at December 31, 2009. The Corporation determined it was the primary beneficiary of these variable interests based on quantitative and qualitative analyses, which indicated that the Corporation had the majority of the cash flow variability in these entities. As of December 31, 2009, the Corporation has earned income tax credits totaling approximately \$92 million on its consolidated real estate entities.

The Corporation has significant interests in other variable interest real estate entities in which it is not the primary beneficiary based on both quantitative and qualitative analyses, as appropriate. The Corporation has made noncontractual cash infusions to certain of the entities aggregating \$7 million principally to provide cash flow to support debt payments. The Corporation accounts for its interests in its nonconsolidated real estate entities by the equity method of accounting, and has accounted for the related income tax credits and other tax benefits as a reduction in its income tax provision. As of December 31, 2009, the Corporation had net equity of \$6 million in its nonconsolidated real estate entities. As of December 31, 2009, the Corporation has earned income tax credits totaling approximately \$88 million on these nonconsolidated real estate entities.

As of December 31, 2009, total permanent financing debt for the nonconsolidated entities was \$95 million. A total of \$29 million of the permanent financing debt is guaranteed by the Corporation and the remainder of this debt is secured solely by the properties and is nonrecourse to the Corporation. At December 31, 2009, the Corporation's maximum loss exposure for its nonconsolidated real estate entities is estimated to be \$41 million and is comprised of its net equity in these entities of \$6 million, its permanent financing guarantees of \$29 million, and income tax credit recapture risk of \$6 million.

If the Corporation's investments in all of its real estate entities were to be disposed of at their carrying amounts, a portion of the tax credits may be recaptured and may result in a charge to earnings. As of December 31, 2009, this recapture risk is estimated to be \$23 million. The Corporation has no current intention of disposing of these investments during the recapture period, nor does it anticipate the need to do so in the foreseeable future in order to satisfy any anticipated liquidity need. Accordingly, the recapture risk is considered to be remote.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Note 14. Leases and Commitments

Leases

The Corporation has entered into operating leases for certain warehouse facilities, automobiles and equipment. The future minimum obligations under operating leases having a noncancelable term in excess of one year as of December 31, 2009 are as follows:

	<u>Millions</u>
Year Ending December 31:	
2010	\$ 169
2011	137
2012	115
2013	95
2014	86
Thereafter	<u>187</u>
Future minimum obligations	<u>\$ 789</u>

Certain operating leases contain residual value guarantees under which, if the leased property is not purchased from the lessor at the end of the lease term, the Corporation will be liable to the lessor for the shortfall, if any, between the proceeds from the sale of the property and an agreed value. At December 31, 2009, the maximum amount of the residual value guarantee was approximately \$13 million. Management expects the proceeds from the sale of the properties under the operating leases will exceed the agreed values.

Consolidated rental expense under operating leases was \$284 million, \$316 million and \$271 million in 2009, 2008 and 2007, respectively.

Purchase Commitments

The Corporation has entered into long-term contracts for the purchase of pulp and utilities, principally electricity. Commitments under these contracts based on current prices are approximately \$693 million in 2010, \$524 million in 2011, \$326 million in 2012, \$66 million in 2013 and \$65 million in 2014. Total commitments beyond the year 2014 are \$134 million.

Although the Corporation is primarily liable for payments on the above-mentioned leases and purchase commitments, its exposure to losses, if any, under these arrangements is not material.

Note 15. Contingencies and Legal Matters

Contingency

One of the Corporation's North American tissue mills has an agreement to provide its local utility company a specified amount of electric power for each of the next seven years. In the event that the mill were to be shut down, the Corporation would be required to continue to operate the power generation facility on behalf of its owner, the local utility company. The net present value of the cost to fulfill this agreement as of December 31, 2009 is estimated to be approximately \$65 million.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Litigation

The following is a brief description of certain legal and administrative proceedings to which the Corporation or its subsidiaries is a party or to which the Corporation's or its subsidiaries' properties are subject. In management's opinion, none of the legal and administrative proceedings described below, individually or in the aggregate, is expected to have a material adverse effect on the Corporation's business, financial condition, results of operations or liquidity.

Environmental Matters

The Corporation has been named as a potentially responsible party under the provisions of the federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statutes, at a number of waste disposal sites, none of which, individually or in the aggregate, in management's opinion, is likely to have a material adverse effect on the Corporation's business, financial condition, results of operations or liquidity.

In May 2007, a wholly-owned subsidiary of the Corporation was served a summons in Pennsylvania state court by the Delaware County Regional Water Quality Authority ("Delcora"). Also in May 2007, Delcora initiated an administrative action against the Corporation. Delcora is a public agency that operates a sewerage system and a wastewater treatment facility serving industrial and municipal customers, including Kimberly-Clark's Chester Mill. Delcora also regulates the discharge of wastewater from the Chester Mill. Delcora has alleged in the summons and the administrative action that the Corporation underreported the quantity of effluent discharged to Delcora from the Chester Mill for several years due to an inaccurate effluent metering device and owes additional amounts. The Corporation's action for declaratory judgment in the Federal District Court for the Eastern District of Pennsylvania was dismissed in December 2007 on grounds of abstention. The Corporation appealed this dismissal to the Third Circuit Court of Appeals. The Third Circuit directed the parties to mediation, which during the third quarter of 2008 resulted in a procedural agreement to appoint a neutral and qualified hearing officer. As a result of this arrangement with Delcora, the Corporation has dismissed its appeal to the Third Circuit. The Corporation continues to believe that Delcora's allegations lack merit and is vigorously defending against Delcora's actions. In management's opinion, this matter is not expected to have a material adverse effect on the Corporation's business, financial condition, results of operations or liquidity.

Note 16. Synthetic Fuel Partnerships

The Corporation had minority interests in two synthetic fuel partnerships. Although these partnerships were VIEs, the Corporation was not the primary beneficiary, and the entities were not consolidated. Synthetic fuel produced by the partnerships was eligible for synthetic fuel tax credits through 2007; the partnerships were dissolved in 2008 at no cost to the Corporation. In addition, there were tax deductions for pretax losses generated by the partnerships that were reported as nonoperating expense in the Consolidated Income Statement. Both the credits and tax deductions reduced the Corporation's income tax expense. The effects of these credits and deductions are shown in the following table:

	<u>Year Ended December 31, 2007</u>	
	(Millions of dollars)	
Nonoperating expense	\$	(67)
Tax credits	\$60	
Tax benefit of nonoperating expense	<u>21</u>	<u>81</u>
Net synthetic fuel benefit	\$	<u>14</u>
Per share basis—diluted	\$	<u>.03</u>

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The effects of the credits are shown separately in the reconciliation of the U.S. statutory rate to its effective income tax rate in Note 17.

Note 17. Income Taxes

An analysis of the provision for income taxes follows:

	Year Ended December 31		
	2009	2008	2007
	(Millions of dollars)		
Current income taxes:			
United States	\$ 313	\$ 150	\$ 296
State	(5)	16	50
Other countries	297	301	294
Total	605	467	640
Deferred income taxes:			
United States	99	119	(73)
State	(5)	17	9
Other countries	47	15	(39)
Total	141	151	(103)
Total provision for income taxes	<u>\$ 746</u>	<u>\$ 618</u>	<u>\$ 537</u>

Income before income taxes is earned in the following tax jurisdictions:

	Year Ended December 31		
	2009	2008	2007
	(Millions of dollars)		
United States	\$1,643	\$1,261	\$1,456
Other countries	933	1,028	862
Total income before income taxes	<u>\$2,576</u>	<u>\$2,289</u>	<u>\$2,318</u>

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Deferred income tax assets (liabilities) are composed of the following:

	December 31	
	2009	2008
	(Millions of dollars)	
Net current deferred income tax asset attributable to:		
Accrued expenses	\$ 102	\$ 126
Pension, postretirement and other employee benefits	86	77
Inventory	(45)	(52)
Other	8	13
Valuation allowances	(15)	(33)
Net current deferred income tax asset	<u>\$ 136</u>	<u>\$ 131</u>
Net current deferred income tax liability attributable to:		
Other payables	\$ (16)	\$ 1
Other	(15)	(15)
Net current deferred income tax liability included in accrued expenses	<u>\$ (31)</u>	<u>\$ (14)</u>
Net noncurrent deferred income tax asset attributable to:		
Income tax loss carryforwards	\$ 225	\$ 244
Foreign tax credits and loss carryforwards	29	383
State tax credits	151	97
Pension and other postretirement benefits	228	835
Accumulated depreciation	(86)	(656)
Installment sales	(11)	(189)
Other	48	(3)
Valuation allowances	(211)	(286)
Net noncurrent deferred income tax asset included in other assets	<u>\$ 373</u>	<u>\$ 425</u>
Net noncurrent deferred income tax liability attributable to:		
Accumulated depreciation	\$ (976)	\$ (255)
Pension, postretirement and other employee benefits	546	73
Foreign tax credits and loss carryforwards	462	—
Installment sales	(180)	—
Other	(211)	(11)
Valuation allowances	(18)	—
Net noncurrent deferred income tax liability	<u>\$ (377)</u>	<u>\$ (193)</u>

Classification of the components of noncurrent deferred tax assets and liabilities is determined by the Corporation's net tax position by taxing jurisdiction and taxpaying entity. At December 31, 2009, the Corporation's net noncurrent deferred tax position had changed to a net liability of \$4 million from a net asset of \$232 million at December 31, 2008. The change was primarily due to a decrease of noncurrent deferred tax assets related to the decrease in the U.S. noncurrent pension liability of approximately \$800 million.

Valuation allowances decreased \$75 million in 2009, primarily as a result of taxes provided on equity affiliates' unremitted earnings, and were unchanged in 2008. Valuation allowances at the end of 2009 primarily relate to excess foreign tax credits in the U.S. and income tax loss carry-forwards of \$1.0 billion. If these items are not utilized against taxable income, \$184 million of the loss carryforwards will expire from 2010 through 2029. The remaining \$831 million has no expiration date.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Realization of income tax loss carryforwards is dependent on generating sufficient taxable income prior to expiration of these carryforwards. Although realization is not assured, management believes it is more likely than not that all of the deferred tax assets, net of applicable valuation allowances, will be realized. The amount of the deferred tax assets considered realizable could be reduced or increased if estimates of future taxable income change during the carryforward period.

Presented below is a reconciliation of the income tax provision computed at the U.S. federal statutory tax rate to the provision for income taxes:

	Year Ended December 31					
	2009		2008		2007	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
			(Millions of dollars)			
Income before income taxes	<u>\$2,576</u>		<u>\$2,289</u>		<u>\$2,318</u>	
Tax at U.S. statutory rate applied to income before income taxes	\$ 902	35.0%	\$ 801	35.0%	\$ 811	35.0%
State income taxes, net of federal tax benefit	(7)	(.3)	21	.9	38	1.6
Statutory rates other than U.S. statutory rate	(63)	(2.4)	(56)	(2.4)	(46)	(2.0)
Net operating losses realized	—	—	(6)	(.3)	(63)	(2.7)
Synthetic fuel credits	—	—	—	—	(60)	(2.6)
Other—net ^(a)	(86)	(3.3)	(142)	(6.2)	(143)	(6.2)
Provision for income taxes	<u>\$ 746</u>	<u>29.0%</u>	<u>\$ 618</u>	<u>27.0%</u>	<u>\$ 537</u>	<u>23.2%</u>

(a) Other—net is comprised of numerous items, none of which is greater than 1.4 percent of income before income taxes.

At December 31, 2009, U.S. income taxes have not been provided on approximately \$5.8 billion of unremitted earnings of subsidiaries operating outside the U.S. These earnings, which are considered to be invested indefinitely, would become subject to income tax if they were remitted as dividends, were lent to the Corporation or a U.S. affiliate, or if the Corporation were to sell its stock in the subsidiaries. Determination of the amount of unrecognized deferred U.S. income tax liability on these unremitted earnings is not practicable because of the complexities associated with this hypothetical calculation.

Accounting for Uncertainty in Income Taxes

Amounts recorded for uncertain tax positions have been classified in the Consolidated Balance Sheet as other liabilities (non-current) to the extent that payment is not anticipated within one year. Presented below is a reconciliation of the beginning and ending amounts of unrecognized income tax benefits:

	2009	2008	2007
		(Millions of dollars)	
Balance at January 1	\$ 438	\$ 438	\$ 491
Gross increases for tax positions of prior years	139	62	35
Gross decreases for tax positions of prior years	(77)	(96)	(23)
Gross increases for tax positions of the current year	113	68	40
Settlements	(39)	(15)	(117)
Lapse of statute of limitations	(10)	(6)	(1)
Currency	6	(13)	13
Balance at December 31	<u>\$ 570</u>	<u>\$ 438</u>	<u>\$ 438</u>

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Of the \$570 million, \$438 million, and \$438 million recorded as unrecognized tax benefits at December 31, 2009, 2008 and 2007, respectively, \$488 million, \$356 million and \$320 million, respectively, would reduce the Corporation's effective tax rate if recognized.

The Corporation recognizes accrued interest and penalties related to unrecognized income tax benefits in income tax expense. During the years ended December 31, 2009, 2008 and 2007, the Corporation recognized a net cost of \$2 million and net benefits of \$8 million and \$11 million, respectively, in interest and penalties. Total accrued penalties and net accrued interest were approximately \$18 million and \$34 million at December 31, 2009 and 2008, respectively.

It is reasonably possible that a number of uncertainties could be settled within the next 12 months. The most significant uncertainties involve transfer pricing, which may be resolved by entering into a revised advance pricing agreement between the U.S. and the U.K., and uncertainties related to questions about certain financing structures. Various other uncertain tax positions related to federal taxes are also being discussed at the IRS Appeals level in the U.S. Other less significant uncertain tax positions also may be settled of which none are individually significant. Settlement of these matters is not expected to have a material effect on the Corporation's financial condition, results of operations or liquidity.

As of December 31, 2009, the following tax years remain subject to examination for the major jurisdictions where the Corporation conducts business:

<u>Jurisdiction</u>	<u>Years</u>
United States	2006 to 2009
United Kingdom	2008 to 2009
Canada	2005 to 2009
Korea	2004 to 2009
Australia	2005 to 2009

The Corporation's U.S. federal income tax returns have been audited through 2005. However, the statute for potential adjustments for the years 2002 to 2003 and pending refund actions for the years 2004 to 2005 remain open with the IRS until June 30, 2010.

State income tax returns are generally subject to examination for a period of three to five years after filing of the respective return. The state effect of any federal changes remains subject to examination by various states for a period of up to two years after formal notification to the states. The Corporation and its subsidiaries have various state income tax returns in the process of examination, administrative appeals or litigation.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Note 18. Earnings Per Share

A reconciliation of the average number of common shares outstanding used in the basic and diluted EPS computations follows:

	Average Common Shares Outstanding		
	2009	2008	2007
	(Millions)		
Average shares outstanding	414.6	416.7	441.3
Participating securities	1.5	1.8	1.9
Basic	416.1	418.5	443.2
Dilutive effect of stock options	.4	.9	2.8
Dilutive effect of restricted share and restricted share unit awards	.3	.2	.1
Dilutive effect of accelerated share repurchase program	—	—	.2
Diluted	416.8	419.6	446.3

Options outstanding that were not included in the computation of diluted EPS because their exercise price was greater than the average market price of the common shares are summarized below:

Description	2009	2008	2007
Average number of share equivalents (millions)	21.8	15.6	2.8
Weighted-average exercise price	\$ 64.12	\$ 66.31	\$ 72.00
Expiration date of options	2009 to 2019	2008 to 2018	2007 to 2017
Options outstanding at year-end (millions)	20.3	16.0	3.9

The number of common shares outstanding as of December 31, 2009, 2008 and 2007 was 416.9 million, 413.6 million and 420.9 million, respectively.

Note 19. Subsequent Events

Because the cumulative inflation in Venezuela for the preceding three years was more than 100 percent based on the Consumer Price Index/National Consumer Price Index, effective January 1, 2010, the Corporation determined that results for this operation would be accounted for as highly inflationary. On January 8, 2010, the Venezuelan government devalued its currency and established a multiple exchange rate structure. As a result of the devaluation, the Corporation anticipates recording a one-time after tax charge to remeasure the subsidiary's local currency net monetary asset position into U.S. dollars. The Corporation is currently evaluating the rate at which the devaluation will be measured and 2010 results will be translated into U.S. dollars. The Corporation estimates the range of the one-time after-tax impact of the devaluation to be \$60 million to \$90 million, based on a rate of 4.3 to 6.0 bolivars per U.S. dollar. This charge will be recorded in the first quarter of 2010. At the stated range of rates, the Corporation estimates that the ongoing effect of the devaluation will not be material to the Corporation's 2010 net income.

Note 20. Business Segment and Geographic Data Information

The Corporation is organized into operating segments based on product groupings. These operating segments have been aggregated into four reportable global business segments: Personal Care; Consumer Tissue; K-C Professional & Other; and Health Care. The reportable segments were determined in accordance with how the Corporation's executive managers develop and execute the Corporation's global strategies to drive growth

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
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and profitability of the Corporation's worldwide Personal Care, Consumer Tissue, K-C Professional & Other and Health Care operations. These strategies include global plans for branding and product positioning, technology, research and development programs, cost reductions including supply chain management, and capacity and capital investments for each of these businesses. Segment management is evaluated on several factors, including operating profit. Segment operating profit excludes other income and (expense), net; income and expense not associated with the business segments; and the costs of corporate decisions related to the strategic cost reductions described in Note 5. Corporate & Other Assets include the Corporation's investments in equity affiliates, finance operations and real estate entities, and deferred tax assets. The accounting policies of the reportable segments are the same as those described in Note 1.

The principal sources of revenue in each global business segment are described below:

- The Personal Care segment manufactures and markets disposable diapers, training and youth pants and swimpants; baby wipes; feminine and incontinence care products; and related products. Products in this segment are primarily for household use and are sold under a variety of brand names, including Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.
- The Consumer Tissue segment manufactures and markets facial and bathroom tissue, paper towels, napkins and related products for household use. Products in this segment are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Hakle, Page and other brand names.
- The K-C Professional & Other segment manufactures and markets facial and bathroom tissue, paper towels, napkins, wipers and a range of safety products for the away-from-home marketplace. Products in this segment are sold under the Kimberly-Clark, Kleenex, Scott, WypAll, Kimtech, KleenGuard, Kimcare and Jackson brand names.
- The Health Care segment manufactures and markets disposable health care products such as surgical drapes and gowns, infection control products, face masks, exam gloves, respiratory products, pain management products and other disposable medical products. Products in this segment are sold under the Kimberly-Clark, Ballard, ON-Q and other brand names.

Net sales to Wal-Mart Stores, Inc. were approximately 13 percent in 2009, and approximately 14 percent in 2008 and 2007, primarily in the personal care and consumer tissue businesses.

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KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Information concerning consolidated operations by business segment and geographic area, as well as data for equity companies, is presented in the following tables:

Consolidated Operations by Business Segment

	Personal Care	Consumer Tissue	K-C Professional & Other	Health Care	Inter- segment Sales	Corporate & Other	Consolidated Total
	(Millions of dollars)						
Net Sales							
2009	\$8,365	\$ 6,409	\$ 3,007	\$1,371	\$ (90)	\$ 53	\$ 19,115
2008	8,272	6,748	3,174	1,224	(82)	79	19,415
2007	7,563	6,475	3,039	1,207	(59)	41	18,266
Operating Profit ^(a)							
2009	1,739	736	464	244	—	(358)	2,825
2008	1,649	601	428	143	—	(274) ^(b)	2,547
2007	1,562	702	478	195	—	(321) ^(b)	2,616
Depreciation and Amortization							
2009	255	314	148	50	—	16	783
2008	239	319	136	52	—	29	775
2007	241	303	139	50	—	74	807
Assets							
2009	5,895	5,871	2,969	2,558	—	1,916	19,209
2008	5,480	5,809	2,710	2,139	—	1,951 ^(c)	18,089
2007	5,776	6,276	2,877	2,238	—	1,273	18,440
Capital Spending							
2009	440	271	97	38	—	2	848
2008	375	351	130	49	—	1	906
2007	388	407	132	55	—	7	989

(a) Segment operating profit excludes other income and (expense), net and income and expenses not associated with the business segments.

(b) Corporate & Other includes expenses not associated with the business segments, including the following amounts of pretax charges for the strategic cost reductions and the related implementation costs in 2007 of \$27 million.

	Personal Care	Consumer Tissue	K-C Professional & Other	Health Care	Total
	(Millions of dollars)				
Corporate & Other					
2008	\$ (34)	\$ (15)	\$ (5)	\$ (18)	\$ (72)
2007	(89)	(22)	(16)	(21)	(148)

(c) Corporate & Other reflects the consolidation of the Monetization Financing Entities, see Note 2.

Sales of Principal Products

	2009	2008	2007
	(Billions of dollars)		
Consumer tissue products	\$ 6.3	\$ 6.6	\$ 6.4
Diapers	4.7	4.6	4.2
Away-from-home professional products	2.9	3.0	2.9
All other	5.2	5.2	4.8
Consolidated	<u>\$19.1</u>	<u>\$19.4</u>	<u>\$18.3</u>

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KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Consolidated Operations by Geographic Area

	United States	Canada	Inter- geographic Items (a)	Total North America	Europe	Asia, Latin America & Other	Inter- geographic Items	Corporate & Other	Consolidated Total
(Millions of dollars)									
Net Sales									
2009	\$10,146	\$ 596	\$ (322)	\$10,420	\$3,220	\$6,124	\$ (649)	\$ —	\$ 19,115
2008	10,143	574	(256)	10,461	3,679	5,942	(667)	—	19,415
2007	9,876	569	(253)	10,192	3,469	5,252	(647)	—	18,266
Operating Profit (b)									
2009	2,059	113	—	2,172	171	840	—	(358)	2,825
2008	1,730	144	—	1,874	210	737	—	(274) (c)	2,547
2007	1,853	157	—	2,010	258	669	—	(321) (c)	2,616
Net Property									
2009	4,174	32	—	4,206	1,582	2,245	—	—	8,033
2008	4,266	29	—	4,295	1,406	1,966	—	—	7,667
2007	4,239	36	—	4,275	1,636	2,183	—	—	8,094

(a) Intergeographic net sales include \$82 million, \$89 million and \$98 million by operations in Canada to the U.S. in 2009, 2008 and 2007, respectively.

(b) Geographic operating profit excludes other income and (expense), net and income and expenses not associated with geographic areas.

(c) Corporate & Other includes expenses not associated with geographic areas, including the following amounts of pretax charges for the strategic cost reductions and the related implementation costs in 2007 of \$27 million.

	United States	Europe	Asia, Latin America & Other	Total
(Millions of dollars)				
Corporate & Other				
2008	\$ (47)	\$ (22)	\$ (3)	\$ (72)
2007	(108)	(32)	(8)	(148)

Equity Companies' Data

	Net Sales	Gross Profit	Operating Profit	Net Income	Corporation's Share of Net Income
(Millions of dollars)					
2009	\$2,033	\$ 740	\$ 505	\$ 341	\$ 164
2008	2,286	812	464	349	166
2007	2,108	768	506	357	170
	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Stockholders' Equity
(Millions of dollars)					
2009	\$1,108	\$ 867	\$ 772	\$ 624	\$ 579
2008	815	819	705	410	519
2007	878	996	493	724	657

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Equity companies, primarily in Latin America, are principally engaged in operations in the Personal Care and Consumer Tissue businesses.

At December 31, 2009, the Corporation's equity companies and ownership interest were as follows: Kimberly-Clark Lever Private Limited (India) (50%), Kimberly-Clark de Mexico, S.A.B. de C.V. and subsidiaries (47.9%), Olayan Kimberly-Clark Arabia Company (49%), Olayan Kimberly-Clark (Bahrain) WLL (49%) and Tecnosur S.A. (50%).

Kimberly-Clark de Mexico, S.A.B. de C.V. is partially owned by the public and its stock is publicly traded in Mexico. At December 31, 2009, the Corporation's investment in this equity company was \$260 million, and the estimated fair value of the investment was \$2.3 billion based on the market price of publicly traded shares.

Note 21. Supplemental Data (Millions of dollars)

<u>Supplemental Income Statement Data</u>	December 31		
	2009	2008	2007
Advertising expense	\$559	\$512	\$468
Research expense	301	297	277
Foreign currency transaction losses, net	110	18	13

Supplemental Balance Sheet Data

<u>Summary of Accounts Receivable, net</u>	December 31	
	2009	2008
Accounts Receivable:		
From customers	\$2,290	\$2,203
Other	365	362
Less allowance for doubtful accounts and sales discounts	(89)	(73)
Total	<u>\$2,566</u>	<u>\$2,492</u>

<u>Summary of Inventories</u>	December 31					
	2009			2008		
	LIFO	Non-LIFO	Total	LIFO	Non-LIFO	Total
Inventories by Major Class:						
At the lower of cost determined on the FIFO or weighted-average cost methods or market:						
Raw materials	\$ 137	\$ 282	\$ 419	\$ 150	\$ 367	\$ 517
Work in process	177	111	288	246	133	379
Finished goods	573	685	1,258	758	832	1,590
Supplies and other	—	277	277	—	262	262
	<u>887</u>	<u>1,355</u>	<u>2,242</u>	<u>1,154</u>	<u>1,594</u>	<u>2,748</u>
Excess of FIFO or weighted-average cost over LIFO cost	(209)	—	(209)	(255)	—	(255)
Total	<u>\$ 678</u>	<u>\$1,355</u>	<u>\$2,033</u>	<u>\$ 899</u>	<u>\$1,594</u>	<u>\$2,493</u>

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

<u>Summary of Property, Plant and Equipment, net</u>	<u>December 31</u>	
	<u>2009</u>	<u>2008</u>
Property, Plant and Equipment		
Land	\$ 211	\$ 195
Buildings	2,686	2,486
Machinery and equipment	13,480	12,509
Construction in progress	557	533
	<u>16,934</u>	<u>15,723</u>
Less accumulated depreciation	<u>(8,901)</u>	<u>(8,056)</u>
Total	<u>\$ 8,033</u>	<u>\$ 7,667</u>

<u>Summary of Accrued Expenses</u>	<u>December 31</u>	
	<u>2009</u>	<u>2008</u>
Accrued advertising and promotion	\$ 415	\$ 351
Accrued salaries and wages	411	354
Accrued quantity discounts	345	170
Other	893	848
Total	<u>\$ 2,064</u>	<u>\$ 1,723</u>

Supplemental Cash Flow Statement Data

<u>Summary of Cash Flow Effects of Decrease (Increase) in Operating Working Capital ^(a)</u>	<u>Year Ended December 31</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Accounts receivable	\$ (20)	\$ 148	\$(192)
Inventories	523	(45)	(439)
Prepaid expenses	(1)	13	(35)
Trade accounts payable	278	(43)	152
Accrued expenses	201	(185)	185
Accrued income taxes	(27)	(96)	(57)
Derivatives	116	(65)	9
Currency	35	(62)	47
Decrease (increase) in operating working capital	<u>\$1,105</u>	<u>\$(335)</u>	<u>\$(330)</u>

(a) Excludes the effects of acquisitions and dispositions.

<u>Other Cash Flow Data</u>	<u>Year Ended December 31</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Interest paid	\$ 290	\$ 319	\$ 239
Income taxes paid	764	538	674

<u>Interest Expense</u>	<u>Year Ended December 31</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Gross interest cost	\$ 288	\$ 318	\$ 283
Capitalized interest on major construction projects	(13)	(14)	(18)
Interest expense	<u>\$ 275</u>	<u>\$ 304</u>	<u>\$ 265</u>

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Note 22. Unaudited Quarterly Data

	2009				2008			
	Fourth	Third	Second	First	Fourth	Third	Second	First
	(Millions of dollars, except per share amounts)							
Net sales	\$4,982	\$4,913	\$4,727	\$4,493	\$4,598	\$4,998	\$5,006	\$4,813
Gross profit	1,666	1,727	1,573	1,454	1,455	1,463	1,484	1,456
Operating profit	717	871	609	628	623	610	650	664
Net income attributable to the Corporation	492	582	403	407	419	413	417	441
Per share basis:								
Basic	1.18	1.40	.97	.98	1.01	.99	.99	1.05
Diluted	1.17	1.40	.97	.98	1.01	.99	.99	1.04
Cash dividends declared per share	.60	.60	.60	.60	.58	.58	.58	.58
Market price per share:								
High	67.03	60.48	54.31	53.90	66.37	66.66	65.88	69.69
Low	57.67	51.71	45.19	43.05	50.27	50.42	59.53	62.16
Close	63.71	58.98	52.43	46.11	52.74	64.84	59.78	64.55

PART II
(Continued)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Kimberly-Clark Corporation:

We have audited the accompanying consolidated balance sheets of Kimberly-Clark Corporation and subsidiaries (the “Corporation”) as of December 31, 2009 and 2008, and the related consolidated statements of income, stockholders’ equity, comprehensive income, and cash flows for each of the three years in the period ended December 31, 2009. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Corporation’s management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Kimberly-Clark Corporation and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, the Corporation adopted new accounting standards for business combinations and noncontrolling interests in consolidated financial statements effective January 1, 2009. The Corporation also adopted a new accounting standard for fair value measurements effective January 1, 2008.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Corporation’s internal control over financial reporting as of December 31, 2009, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 24, 2010, expressed an unqualified opinion on the Corporation’s internal control over financial reporting.

/s/ D ELOITTE & T OUCHE LLP

Deloitte & Touche LLP

Dallas, Texas

February 24, 2010

PART II
(Continued)

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of December 31, 2009, an evaluation was performed under the supervision and with the participation of the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures. Based on that evaluation, the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Corporation's disclosure controls and procedures were effective as of December 31, 2009.

Internal Control Over Financial Reporting

Management's Report on the Financial Statements

Kimberly-Clark Corporation's management is responsible for all aspects of the business, including the preparation of the consolidated financial statements in this annual report. The consolidated financial statements have been prepared using generally accepted accounting principles considered appropriate in the circumstances to present fairly the Corporation's consolidated financial position, results of operations and cash flows on a consistent basis. Management also has prepared the other information in this annual report and is responsible for its accuracy and consistency with the consolidated financial statements.

As can be expected in a complex and dynamic business environment, some financial statement amounts are based on estimates and judgments. Even though estimates and judgments are used, measures have been taken to provide reasonable assurance of the integrity and reliability of the financial information contained in this annual report. These measures include an effective control-oriented environment in which the internal audit function plays an important role and an Audit Committee of the Board of Directors that oversees the financial reporting process. The consolidated financial statements have been audited by the independent registered public accounting firm, Deloitte & Touche LLP. During its audits, Deloitte & Touche LLP was given unrestricted access to all financial records, including minutes of all meetings of stockholders and the Board of Directors and all committees of the Board. Management believes that all representations made to the independent registered public accountants during their audits were valid and appropriate.

Audit Committee Oversight and the Corporation's Code of Conduct

The Audit Committee of the Board of Directors, which is composed solely of independent directors, assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of the Corporation; the audits of its consolidated financial statements; and internal control over financial reporting. The Audit Committee reviews with the auditors any relationships that may affect their objectivity and independence. The Audit Committee also reviews with management, the internal auditors and the independent registered public accounting firm the quality and adequacy of the Corporation's internal control over financial reporting, including compliance matters related to the Corporation's code of conduct, and the results of the internal and external audits. The Audit Committee has reviewed and recommended that the audited consolidated financial statements included in this report be included in the Form 10-K for filing with the Securities and Exchange Commission.

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PART II

(Continued)

The Corporation's code of conduct, among other things, contains policies for conducting business affairs in a lawful and ethical manner everywhere it does business, for avoiding potential conflicts of interest and for preserving confidentiality of information and business ideas. Internal controls have been implemented to provide reasonable assurance that the code of conduct is followed.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to management and the Board of Directors regarding preparation of reliable published financial statements and safeguarding of the Corporation's assets. This system is supported with written policies and procedures, contains self-monitoring mechanisms and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and, therefore, can provide only reasonable assurance as to the reliability of financial statement preparation and such asset safeguarding.

The Corporation has assessed the effectiveness of its internal control over financial reporting as of December 31, 2009. In making this assessment, it used the criteria described in "*Internal Control—Integrated Framework*" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management believes that, as of December 31, 2009, the Corporation's internal control over financial reporting is effective.

Deloitte & Touche LLP has issued its attestation report on the effectiveness of the Corporation's internal control over financial reporting. That attestation report appears below.

/s/ Thomas J. Falk

Thomas J. Falk
Chairman of the Board and
Chief Executive Officer

/s/ Mark A. Buthman

Mark A. Buthman
Senior Vice President and
Chief Financial Officer

February 24, 2010

Changes in Internal Control Over Financial Reporting

There have been no changes in the Corporation's internal control over financial reporting identified in connection with the evaluation described above in "Management's Report on Internal Control Over Financial Reporting" that occurred during the Corporation's fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

PART II

(Continued)

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Kimberly-Clark Corporation:

We have audited the internal control over financial reporting of Kimberly-Clark Corporation and subsidiaries (the “Corporation”) as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Corporation’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management’s Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Corporation’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule of the Corporation as of and for the year ended December 31, 2009, and our report dated February 24, 2010, expressed an unqualified opinion on those financial statements and financial statement schedule and included an explanatory paragraph

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PART II

(Continued)

regarding the Corporation's adoption of new accounting standards for business combinations and noncontrolling interests in consolidated financial statements effective January 1, 2009, and for fair value measurements effective January 1, 2008.

/s/ D ELOITTE & T OUCHE LLP

Deloitte & Touche LLP

Dallas, Texas

February 24, 2010

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following sections of the Corporation's 2010 Proxy Statement for the Annual Meeting of Stockholders (the "2010 Proxy Statement") are incorporated in this Item 10 by reference:

- "Certain Information Regarding Nominees for Director" under "Proposal 1. Election of Directors," which identifies nominees for the Board of Directors of the Corporation.
- "Section 16(a) Beneficial Ownership Reporting Compliance."
- "Corporate Governance Information—Other Corporate Governance Matters – Code of Conduct," which describes the Corporation's Code of Conduct.
- "Corporate Governance Information—Stockholder Nominations for Directors," which describes the procedures by which stockholders may nominate candidates for election to the Board of Directors.
- "Corporate Governance Information—Audit Committee," which identifies members of the Audit Committee of the Board of Directors and an audit committee financial expert.

Pursuant to Instruction 3 to Item 401(b) of Regulation S-K, information regarding the executive officers of the Corporation is reported under the caption "Executive Officers of the Registrant" in Part I of this Report.

ITEM 11. EXECUTIVE COMPENSATION

The information in the sections of the 2010 Proxy Statement captioned "Executive Compensation," "Compensation of Directors" under "Proposal 1. Election of Directors" and "Corporate Governance Information—Compensation Committee Interlocks and Insider Participation" is incorporated in this Item 11 by reference.

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PART III (Continued)

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information in the section of the 2010 Proxy Statement captioned “Security Ownership of Management and Certain Beneficial Owners” is incorporated in this Item 12 by reference.

Equity Compensation Plan Information

The following table gives information about the Corporation’s common stock that may be issued upon the exercise of options, warrants, and rights under all of the Corporation’s equity compensation plans as of December 31, 2009.

	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (in millions) (a)	Weighted average exercise price of outstanding options, warrants, and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (in millions) (c)
Equity compensation plans approved by stockholders ⁽¹⁾	24.8 ⁽²⁾	\$ 61.27	14.2 ⁽³⁾
Equity compensation plans not approved by stockholders ⁽⁴⁾	.1 ⁽⁵⁾⁽⁶⁾	\$ 56.88 ⁽⁶⁾	.7
Total	24.9	\$ 61.26	14.9

(1) Includes the 1992 Equity Participation Plan, as amended (the “1992 Plan”), and the 2001 Equity Participation Plan (the “2001 Plan”).

(2) Does not include 2.5 million restricted share units granted under the 2001 Plan. Upon vesting, a share of the Corporation’s common stock is issued for each restricted share unit.

(3) Includes 13.3 million shares that may be granted as restricted stock or restricted share units under the 2001 Plan.

(4) Includes the Outside Directors’ Compensation Plan and certain acquired equity compensation plans. See below for description of the Outside Directors’ Compensation Plan.

(5) Does not include 0.1 million restricted share units granted under the Outside Directors’ Compensation Plan. Upon vesting, a share of the Corporation’s common stock is issued for each restricted share unit.

(6) Includes less than 2,000 options at a weighted-average exercise price of \$60.33 granted under equity compensation plans assumed by the Corporation in connection with acquisitions to honor existing obligations of acquired entities. The Corporation will not make any additional grants or awards under these plans, although the terms of one acquired deferred compensation plan provide for issuance of a de minimis number of shares of the Corporation’s common stock for reinvested dividends on deferred amounts.

Outside Directors’ Compensation Plan

In 2001, the Corporation’s Board of Directors approved the Outside Directors’ Compensation Plan. A maximum of 1,000,000 shares of the Corporation’s common stock is available for grant under this plan. The Board may grant awards in the form of stock options, stock appreciation rights, restricted stock, restricted share units, or any combination of cash, stock options, stock appreciation rights, restricted stock or restricted share units under this plan.

PART III

(Continued)

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information in the sections of the 2010 Proxy Statement captioned “Transactions with Related Persons” and “Corporate Governance Information—Director Independence” is incorporated in this Item 13 by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information in the sections of the 2010 Proxy Statement captioned “Principal Accounting Firm Fees” and “Audit Committee Approval of Audit and Non-Audit Services” under “Proposal 2. Ratification of Auditors” is incorporated in this Item 14 by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report.

1. Financial statements.

The financial statements are set forth under Item 8 of this report on Form 10-K.

2. Financial statement schedules.

The following information is filed as part of this Form 10-K and should be read in conjunction with the financial statements contained in Item 8:

Report of Independent Registered Public Accounting Firm

Schedule for Kimberly-Clark Corporation and Subsidiaries:

Schedule II Valuation and Qualifying Accounts

All other schedules have been omitted because they were not applicable or because the required information has been included in the financial statements or notes thereto.

3. Exhibits.

- | | |
|--------------------|--|
| Exhibit No. (3)a. | Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation's Current Report on Form 8-K dated May 1, 2009. |
| Exhibit No. (3)b. | By-Laws, as amended April 30, 2009, incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K dated May 1, 2009. |
| Exhibit No. (4). | Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request. |
| Exhibit No. (10)a. | Management Achievement Award Program, as amended and restated November 13, 2008, incorporated by reference to Exhibit No. (10)a of the Corporation's Annual Report on Form 10-K for the year-ended December 31, 2008.* |
| Exhibit No. (10)b. | Executive Severance Plan, as amended and restated as of December 31, 2009, filed herewith.* |
| Exhibit No. (10)c. | Seventh Amended and Restated Deferred Compensation Plan for Directors, effective January 1, 2008, incorporated by reference to Exhibit No. (10)c of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.* |
| Exhibit No. (10)d. | Executive Officer Achievement Award Program as amended November 12, 2008, incorporated by reference to Exhibit No. (10)d of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.* |
| Exhibit No. (10)e. | 1992 Equity Participation Plan, as amended, incorporated by reference to Exhibit No. (10)e of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.* |
| Exhibit No. (10)f. | Deferred Compensation Plan, as amended and restated, dated December 31, 2005, incorporated by reference to Exhibit No. (10)f of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2005.* |

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PART IV

(Continued)

Exhibit No. (10)g.	Outside Directors' Stock Compensation Plan, as amended, incorporated by reference to Exhibit No. (10)g of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002.*
Exhibit No. (10)h.	Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated effective April 17, 2009, filed herewith.*
Exhibit No. (10)i.	Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated, effective April 17, 2009, filed herewith.*
Exhibit No. (10)j.	Retirement Contribution Excess Benefit Program, as amended and restated, dated December 31, 2008, incorporated by reference to Exhibit No. (10)j of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.*
Exhibit No. (10)k.	Kimberly-Clark Corporation Supplemental Retirement 401(k) and Profit Sharing Plan, as amended and restated, effective January 1, 2010, incorporated by reference to Exhibit No. (10)j of the Corporation's Current Report on Form 8-K dated December 21, 2009.*
Exhibit No. (10)l.	Outside Directors' Compensation Plan, as amended, dated November 13, 2007, incorporated by reference to Exhibit No. (10)l of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2007.*
Exhibit No. (10)m.	2001 Equity Participation Plan, as amended effective November 17, 2009, filed herewith.*
Exhibit No. (10)n.	Form of Award Agreements under 2001 Equity Participation Plan, incorporated by reference to Exhibit No. (10)n of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.*
Exhibit No. (10)o.	Summary of Outside Directors' Compensation pursuant to the Outside Directors' Compensation Plan, effective January 1, 2009, incorporated by reference to Exhibit No. (10)o of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.*
Exhibit No. (10)p.	Severance Pay Plan, amended and restated, effective November 18, 2009, filed herewith.*
Exhibit No. (10)q.	Letter Agreement between Kimberly-Clark Corporation and Robert W. Black, incorporated by reference to Exhibit No. (10)q of the Corporation's Current Report on Form 8-K dated April 10, 2006, as filed on April 13, 2006.*
Exhibit No. (10)r.	Letter Agreement between Kimberly-Clark Corporation and Tony Palmer, incorporated by reference to Exhibit No. (10)r of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.*
Exhibit No. (10)s.	Letter Agreement between Kimberly-Clark Corporation and Christian A. Brickman, incorporated by reference to Exhibit No. (10)s of the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.*
Exhibit No. (10)t.	Summary of Financial Counseling Program for Kimberly-Clark Corporation Executives, dated November 12, 2008, incorporated by reference to Exhibit No. (10)t of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.*
Exhibit No. (10)u.	Amendments to the Supplemental Benefit Plan and the Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan and to the Retirement Contribution Excess Benefit Program, incorporated by reference to Exhibit No. (10)u of the Corporation's Current Report on Form 8-K dated April 22, 2009.*

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PART IV

(Continued)

Exhibit No. (12).	Computation of ratio of earnings to fixed charges for the five years ended December 31, 2009, filed herewith.
Exhibit No. (21).	Subsidiaries of the Corporation, filed herewith.
Exhibit No. (23).	Consent of Independent Registered Public Accounting Firm, filed herewith.
Exhibit No. (24).	Powers of Attorney, filed herewith.
Exhibit No. (31)a.	Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), filed herewith.
Exhibit No. (31)b.	Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, filed herewith.
Exhibit No. (32)a.	Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.
Exhibit No. (32)b.	Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.
Exhibit No. (101).INS**	XBRL Instance Document
Exhibit No. (101).SCH**	XBRL Taxonomy Extension Schema Document
Exhibit No. (101).CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit No. (101).DEF**	XBRL Taxonomy Extension Definition Linkbase Document
Exhibit No. (101).LAB**	XBRL Taxonomy Extension Label Linkbase Document
Exhibit No. (101).PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

* A management contract or compensatory plan or arrangement required to be identified pursuant to Item 15(a)(3) of this Annual Report on Form 10-K.

** Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Income Statement for the years ended December 31, 2009, 2008 and 2007, (ii) Consolidated Balance Sheet at December 31, 2009 and 2008, (iii) Consolidated Statement of Stockholders’ Equity for the years ended December 31, 2009, 2008 and 2007, (iv) Consolidated Statement of Comprehensive Income for the years ended December 31, 2009, 2008 and 2007, (v) Consolidated Cash Flow Statement for the years ended December 31, 2009 and 2008, and (vi) Notes to Consolidated Financial Statements. Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KIMBERLY-CLARK CORPORATION

February 24, 2010

By: /s/ M ARK A. B UTHMAN
Mark A. Buthman
Senior Vice President and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u> /s/ T HOMAS J. F ALK </u> Thomas J. Falk	Chairman of the Board and Chief Executive Officer and Director (principal executive officer)	February 24, 2010
<u> /s/ M ARK A. B UTHMAN </u> Mark A. Buthman	Senior Vice President and Chief Financial Officer (principal financial officer)	February 24, 2010
<u> /s/ M ICHAE L T. A ZBELL </u> Michael T. Azbell	Vice President and Controller (principal accounting officer)	February 24, 2010

Directors

John R. Alm	James M. Jenness
Dennis R. Beresford	Ian C. Read
John F. Bergstrom	Linda Johnson Rice
Abelardo E. Bru	Marc J. Shapiro
Robert W. Decherd	G. Craig Sullivan
Mae C. Jemison	

By: /s/ T HOMAS J. M IELKE
Thomas J. Mielke
Attorney-in-FactFebruary 24, 2010

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2009, 2008 AND 2007
(Millions of dollars)

<u>Description</u>	<u>Balance at</u>	<u>Additions</u>		<u>Deductions</u>	<u>Balance at</u>
	<u>Beginning</u>	<u>Charged to</u>	<u>Charged to</u>	<u>Write-Offs</u>	
	<u>Of Period</u>	<u>Costs and</u>	<u>Other</u>	<u>and</u>	<u>End of</u>
		<u>Expenses</u>	<u>Accounts</u> ^(a)	<u>Reclassifications</u>	<u>Period</u>
December 31, 2009					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	\$ 52	\$ 22	\$ 7	\$ 13 ^(b)	\$ 68
Allowances for sales discounts	21	272	1	273 ^(c)	21
December 31, 2008					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	\$ 51	\$ 16	\$ (7)	\$ 8 ^(b)	\$ 52
Allowances for sales discounts	22	269	(1)	269 ^(c)	21
December 31, 2007					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	\$ 39	\$ 15	\$ 4	\$ 7 ^(b)	\$ 51
Allowances for sales discounts	20	252	1	251 ^(c)	22

(a) Includes bad debt recoveries and the effects of changes in foreign currency exchange rates.

(b) Primarily uncollectible receivables written off.

(c) Sales discounts allowed.

<u>Description</u>	<u>Balance at</u>	<u>Additions</u>		<u>Deductions</u> ^(b)	<u>Balance at</u>
	<u>Beginning</u>	<u>Charged to</u>	<u>Charged to</u>		
	<u>of Period</u>	<u>Costs and</u>	<u>Other</u>		<u>End of</u>
		<u>Expenses</u>	<u>Accounts</u>		<u>Period</u>
		<u>(a)</u>			
December 31, 2009					
Deferred Taxes					
Valuation Allowance	\$ 319	\$ (84)	\$ —	\$ (9)	\$ 244
December 31, 2008					
Deferred Taxes					
Valuation Allowance	\$ 319	\$ 13	\$ —	\$ 13	\$ 319
December 31, 2007					
Deferred Taxes					
Valuation Allowance	\$ 371	\$ (63)	\$ —	\$ (11)	\$ 319

(a) Includes decreasing foreign tax credit valuation allowances related to taxes provided on equity affiliates' unremitted earnings of \$(54) million in 2009.

(b) Includes the net currency effects of translating valuation allowances at current rates of exchange, totaling \$(9) million in 2009, \$13 million in 2008, and \$(12) million in 2007.

EXHIBIT INDEX

Exhibit No. (3)a.	Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation's Current Report on Form 8-K dated May 1, 2009.
Exhibit No. (3)b.	By-Laws, as amended April 30, 2009, incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K dated May 1, 2009.
Exhibit No. (4).	Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request.
Exhibit No. (10)a.	Management Achievement Award Program, as amended and restated November 13, 2008, incorporated by reference to Exhibit No. (10)a of the Corporation's Annual Report on Form 10-K for the year-ended December 31, 2008.*
Exhibit No. (10)b.	Executive Severance Plan, as amended and restated as of December 31, 2009, filed herewith.*
Exhibit No. (10)c.	Seventh Amended and Restated Deferred Compensation Plan for Directors, effective January 1, 2008, incorporated by reference to Exhibit No. (10)c of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.*
Exhibit No. (10)d.	Executive Officer Achievement Award Program as amended November 12, 2008, incorporated by reference to Exhibit No. (10)d of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.*
Exhibit No. (10)e.	1992 Equity Participation Plan, as amended, incorporated by reference to Exhibit No. (10)e of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.*
Exhibit No. (10)f.	Deferred Compensation Plan, as amended and restated, dated December 31, 2005, incorporated by reference to Exhibit No. (10)f of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2005.*

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Exhibit No. (10)g.	Outside Directors' Stock Compensation Plan, as amended, incorporated by reference to Exhibit No. (10)g of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002.*
Exhibit No. (10)h.	Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated effective April 17, 2009, filed herewith.*
Exhibit No. (10)i.	Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated, effective April 17, 2009, filed herewith.*
Exhibit No. (10)j.	Retirement Contribution Excess Benefit Program, as amended and restated, dated December 31, 2008, incorporated by reference to Exhibit No. (10)j of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.*
Exhibit No. (10)k.	Kimberly-Clark Corporation Supplemental Retirement 401(k) and Profit Sharing Plan, as amended and restated, effective January 1, 2010, incorporated by reference to Exhibit No. (10)j of the Corporation's Current Report on Form 8-K dated December 21, 2009.*
Exhibit No. (10)l.	Outside Directors' Compensation Plan, as amended, dated November 13, 2007, incorporated by reference to Exhibit No. (10)l of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2007.*
Exhibit No. (10)m.	2001 Equity Participation Plan, as amended effective November 17, 2009, filed herewith.*
Exhibit No. (10)n.	Form of Award Agreements under 2001 Equity Participation Plan, incorporated by reference to Exhibit No. (10)n of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.*
Exhibit No. (10)o.	Summary of Outside Directors' Compensation pursuant to the Outside Directors' Compensation Plan, effective January 1, 2009, incorporated by reference to Exhibit No. (10)o of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.*
Exhibit No. (10)p.	Severance Pay Plan, amended and restated, effective November 18, 2009, filed herewith.*
Exhibit No. (10)q.	Letter Agreement between Kimberly-Clark Corporation and Robert W. Black, incorporated by reference to Exhibit No. (10)q of the Corporation's Current Report on Form 8-K dated April 10, 2006, as filed on April 13, 2006.*
Exhibit No. (10)r.	Letter Agreement between Kimberly-Clark Corporation and Tony Palmer, incorporated by reference to Exhibit No. (10)r of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.*
Exhibit No. (10)s.	Letter Agreement between Kimberly-Clark Corporation and Christian A. Brickman, incorporated by reference to Exhibit No. (10)s of the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.*
Exhibit No. (10)t.	Summary of Financial Counseling Program for Kimberly-Clark Corporation Executives, dated November 12, 2008, incorporated by reference to Exhibit No. (10)t of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.*
Exhibit No. (10)u.	Amendments to the Supplemental Benefit Plan and the Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan and to the Retirement Contribution Excess Benefit Program, incorporated by reference to Exhibit No. (10)u of the Corporation's Current Report on Form 8-K dated April 22, 2009.*

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Exhibit No. (12).	Computation of ratio of earnings to fixed charges for the five years ended December 31, 2009, filed herewith.
Exhibit No. (21).	Subsidiaries of the Corporation, filed herewith.
Exhibit No. (23).	Consent of Independent Registered Public Accounting Firm, filed herewith.
Exhibit No. (24).	Powers of Attorney, filed herewith.
Exhibit No. (31)a.	Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), filed herewith.
Exhibit No. (31)b.	Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, filed herewith.
Exhibit No. (32)a.	Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.
Exhibit No. (32)b.	Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.
Exhibit No. (101).INS**	XBRL Instance Document
Exhibit No. (101).SCH**	XBRL Taxonomy Extension Schema Document
Exhibit No. (101).CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit No. (101).DEF**	XBRL Taxonomy Extension Definition Linkbase Document
Exhibit No. (101).LAB**	XBRL Taxonomy Extension Label Linkbase Document
Exhibit No. (101).PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

* A management contract or compensatory plan or arrangement required to be identified pursuant to Item 15(a)(3) of this Annual Report on Form 10-K.

** Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Income Statement for the years ended December 31, 2009, 2008 and 2007, (ii) Consolidated Balance Sheet at December 31, 2009 and 2008, (iii) Consolidated Statement of Stockholders' Equity for the years ended December 31, 2009, 2008 and 2007, (iv) Consolidated Statement of Comprehensive Income for the years ended December 31, 2009, 2008 and 2007, (v) Consolidated Cash Flow Statement for the years ended December 31, 2009 and 2008, and (vi) Notes to Consolidated Financial Statements. Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

KIMBERLY-CLARK CORPORATION

EXECUTIVE SEVERANCE PLAN

As

Amended and Restated

As of December 31, 2009

1. Preamble and Statement of Purpose . The purpose of this Plan is to assure the Corporation that it will have the continued dedication of, and the availability of objective advice and counsel from, key executives of the Corporation notwithstanding the possibility, threat or occurrence of a change of control of the Corporation.

In the event the Corporation receives any proposal from a third person concerning a possible business combination with the Corporation, or acquisition of the Corporation's equity securities, or otherwise considers or pursues a transaction that could lead to a change of control, the Committee believes it imperative that the Corporation and the Board of Directors of the Corporation (the "Board") be able to rely upon key executives to continue in their positions and be available for advice, if requested, without concern that those individuals might be distracted by the personal uncertainties and risks created by such a possibility.

Should the Corporation receive or consider any such proposal or transaction, in addition to their regular duties, such key executives may be called upon to assist in the assessment of the proposal or transaction, to advise management and the Board as to whether the proposal or transaction would be in the best interest of the Corporation and its stockholders, and to take such other actions as the Board might determine to be appropriate.

2. Definitions . As used in this Plan, the following terms shall have the following respective meanings:

(a) Agreements : Executive Severance Agreements in substantially the forms approved by the Committee and attached hereto as Exhibit A (for Tier I Participants) or Exhibit B (for Tier II Participants) which provide for participation and payment under this Plan.

(b) Annual Bonus Amount : For any Participant, the three year average of the annual awards paid to the Participant under the Kimberly-Clark Corporation Executive Officer Achievement Award Program or the Kimberly-Clark Corporation Management Achievement Award Program, as applicable, or any successor or additional plan (the "Bonus Program"). The three year average of the annual awards paid to the Participant will be determined based on the higher of

the three year period consisting of either (i) the year in which the Relevant Date occurred (or, if the bonus is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the bonus is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If a Participant has been paid less than three years of annual awards the Annual Bonus Amount will be determined based on the average dollar amount of the annual awards paid in prior years to the Participant under the Bonus Program. If a Participant has not received any prior payment of annual awards, the Annual Bonus Amount under the Bonus Program will be determined as follows:

- (1) For a Participant classified at the Corporation's Grade 1 through 4 level, as defined by the Corporation's compensation department, the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the prior three year period to other employees at the same grade level.
- (2) For a Participant at the GSLT level (except for the Chief Executive Officer of the Corporation), the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the prior three year period to Participants at GSLT level.
- (3) For the Chief Executive Officer of the Corporation, the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the prior three year period to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding anything in this Plan to the contrary, this definition may be amended at the discretion of the Committee to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder).

(c) Cause : The term "Cause" shall mean any of the following:

- (i) the commission by the Participant of a felony;

- (ii) the Participant's dishonesty, habitual neglect or incompetence in the management of the affairs of the Corporation; or
- (iii) the refusal or failure by the Participant to act in accordance with any lawful directive or order of the Corporation, or an act or failure to act by the Participant which is in bad faith and which is detrimental to the Corporation.

(d) Change of Control : A "Change of Control" shall be deemed to have taken place upon the first of the following to occur:

- (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, acquires shares of the Corporation having 30% or more of the total number of votes that may be cast for the election of directors of the Corporation; or
- (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a "Transaction"), the persons who were directors of the Corporation before the Transaction shall cease to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.

(e) Code : The Internal Revenue Code of 1986, as amended.

(f) Committee : The Management Development and Compensation Committee of the Board.

(g) Corporation : Kimberly-Clark Corporation and any successor thereto that assumes this Plan and the Agreements pursuant to Section 13 below.

(h) Eligible Executive : Those key executives of the Corporation and its Subsidiaries who are from time to time designated by the Committee as, or who pursuant to criteria established by the Board or the Committee are, eligible to receive an Agreement.

(i) Equity Plans : The Kimberly-Clark Corporation 2001 Equity Participation Plan, the Kimberly-Clark Corporation 1999 Restricted Stock Plan, the Kimberly-Clark Corporation 1992 Equity Participation Plan, and any successor or additional plans under which a Participant receives stock options, restricted stock or other equity-based compensation.

(j) Excise Tax : The excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(k) Fair Market Value : With respect to any publicly traded equity security, the reported closing price of such security on the relevant date as reported

on the composite list used by The Wall Street Journal for reporting stock prices, or, if no such sale shall have been made on that day, on the last preceding day on which there was such a sale; and with respect to any other property, the fair market value thereof as determined by the Committee in good faith.

(l) Good Reason : Termination by the Participant for “Good Reason” shall mean the Separation from Service during the two year time period following the initial existence (without the Participant’s express written consent) of any one of the following conditions:

- (i) A material diminution in the Participant’s base compensation.
- (ii) A material diminution in the Participant’s authority, duties, or responsibilities.
- (iii) A material diminution in the authority, duties, or responsibilities of the supervisor to whom the Participant is required to report, including a requirement that a Participant report to a corporate officer or employee instead of reporting directly to the board of directors of the Corporation.
- (iv) A material diminution in the budget over which the Participant retains authority.
- (v) A material change in the geographic location at which the Participant must perform the services.
- (vi) Any other action or inaction that constitutes a material breach by the Corporation of any agreement under which the Participant provides services.

The Participant must provide notice to the Corporation of the existence of any of the above conditions within a period not to exceed 90 days of the initial existence of the condition, upon the notice of which the Corporation must be provided a period of at least 30 days during which it may remedy the condition and not be required to pay the amount.

The Participant's right to terminate the Participant's employment for Good Reason shall not be affected by the Participant's incapacity due to physical or mental illness. The Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

(m) Multiplier : For a Tier I Participant, two; and for a Tier II Participant, one.

(n) Net After Tax Receipt : The Value of a Payment, net of all taxes imposed on a Participant with respect thereto under Sections 1 and 4999 of the Code, determined by applying the highest marginal rate under Section 1 of the Code which applied to the Participant's taxable income for the immediately preceding taxable year.

(o) Parachute Value : With respect to a Payment, the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(p) Participant : An Eligible Executive who is a party to an Agreement which has not been terminated in accordance with the terms of this Plan.

(q) Payment : Any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of a Participant, whether paid or payable pursuant to this Plan or otherwise.

(r) Qualified Termination of Employment : The separation of Participant's service with the Corporation and/or its Subsidiaries either (i) within the two (2) year period following a Change of Control of the Corporation (A) by the Corporation without Cause or, (B) by the Participant with Good Reason, or (ii) by the Corporation without Cause before a Change of Control, if a Change of Control occurs within one year after such Separation from Service and it is reasonably demonstrated by the Participant that such Separation from Service was at the request of a third party that had taken steps reasonably calculated to effect a Change of Control or otherwise arose in connection with or in anticipation of a Change of Control. A transfer of employment for administrative purposes among

the Corporation and its Subsidiaries shall not be deemed a Qualified Termination of Employment, but if such a transfer results in the occurrence of Good Reason, the affected Participant shall have the right to Separate from Service for Good Reason and such separation shall be a Qualified Termination of Employment.

(s) Reduced Amount : With respect to a Participant, the greatest aggregate amount of Separation Payments which (a) is less than the sum of all Separation Payments and (b) results in aggregate Net After Tax Receipts which are equal to or greater than the Net After Tax Receipts which would result if the Participant were paid the sum of all Separation Payments.

(t) Relevant Date : In the case of a Qualified Termination of Employment as described in clause (ii) of the definition of "Qualified Termination of Employment," the date of such Qualified Termination of Employment and, in all other cases, the date of the Change of Control.

(u) Safe Harbor Amount : The portion of the payment to or for the benefit of a Participant that does not constitute an "excess parachute payment for purposes of Section 280G of the Code.

(v) Separation from Service . Termination of employment with the Corporation or a Subsidiary. A Separation from Service will be deemed to have occurred if the Participant's services with the Corporation or a Subsidiary is reduced to an annual rate that is 20 percent or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period).

(w) Separation Payment : With respect to a Participant, a Payment paid or payable to the Participant pursuant to this Plan or an Agreement (disregarding Section 9 of this Plan).

(x) Severance Period : For a Tier I Participant, the period of two years beginning on the date of the Qualified Termination of Employment; and for a Tier II Participant, the period of one year beginning on the date of the Qualified Termination of Employment.

(y) Subsidiary : Any domestic or foreign corporation at least twenty percent (20%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or by other Subsidiaries, provided, however, that "at least fifty percent (50%)" shall replace "at least twenty percent (20%)" where there is not a legitimate business criteria for using such lower percentage.

(z) Tier I Participant : A Participant whose Agreement indicates that he or she is a Tier I Participant.

(aa) Tier II Participant : A Participant whose Agreement indicates that he or she is a Tier II Participant.

(bb) Value : With respect to a Payment, the economic present value of a Payment as of the date of the change of control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d)(4) of the Code.

3. Participation; Agreements . Eligible Executives shall be proffered an Agreement and upon execution and delivery thereof by the Eligible Executive evidencing such Eligible Executive's agreement not to voluntarily leave the employ of the Corporation and its Subsidiaries and to continue to render services during the pendency of any threatened Change of Control of the Corporation, such Eligible Executive shall become a Participant. Each Agreement shall indicate whether the Participant to whom it is proffered will be a Tier I Participant or a Tier II Participant. A Participant shall cease to be a Participant in the Plan upon the termination of the Participant's Agreement in accordance with its terms.

4. Separation from Service of Participants . Nothing in this Plan shall be deemed to entitle a Participant to continued employment with the Corporation and its Subsidiaries and the rights of the Corporation to separate a Participant from service shall continue as fully as though this Plan were not in effect, provided that any Qualified Termination of Employment shall entitle the Participant to the benefits herein provided. In addition, nothing in this Plan shall be deemed to entitle a Participant under this Plan to any rights, or to payments under this Plan, with respect to any plan in which the Participant was not a participant prior to a Qualified Termination of Employment.

5. Payments Upon Qualified Termination of Employment . In the event of a Qualified Termination of Employment of a Participant, a lump sum cash payment or payments shall be made to such Participant as compensation for services rendered, in an amount or amounts (subject to any applicable payroll or other taxes required to be withheld) equal to the sum of the amounts specified in subsections (a) through (i) below, such payments to be made within 10 days following the later of the date of Separation from Service or the date of the Change of Control except to the extent not yet calculable, in which case such portions shall be paid as soon as practicable following the ability to calculate the amount. Notwithstanding the

foregoing, except as provided in Sections 9 and 10, all amounts payable under the terms of this plan shall be payable no later than March 15 of the year following the later of the date of Separation from Service or the date of the Change of Control. Notwithstanding anything in this Section 5 to the contrary, any amounts which are payable due to amounts the Executive would have been entitled under a deferred compensation plan required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder, such amounts shall be payable at the date it would have been payable if the Executive were entitled to this amount under the terms of the deferred compensation plan.

(a) Salary Plus Incentive Compensation. A lump sum amount equal to the Multiplier times the sum of (a) the Participant's annual base salary at the rate in effect immediately prior to the Relevant Date or, if higher, immediately before the Qualified Termination of Employment and (b) the Annual Bonus Amount;

(b) Equity Participation Plan - Option Shares (i) Except with respect to incentive stock options outstanding at the effective date of the Participant's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, all stock options that were granted to the Participant under any of the Equity Plans, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), that were outstanding both on the Relevant Date and immediately before the Qualified Termination of Employment, shall vest and become exercisable and the Qualified Termination of Employment of the Participant shall be deemed a retirement for purposes of exercising the stock options under the terms of the Equity Plans, and (ii) notwithstanding the foregoing, with respect to Incentive Stock Options that were outstanding at the effective date of the Participant's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, and which were forfeited upon the Participant's Separation from Service, a lump sum amount equal to the excess of (I) the aggregate Fair Market Value on the date of termination of the shares of common stock of the Corporation or other equity security then subject to such Incentive Stock Options over (II) the aggregate option price for such shares or other equity security;

(c) Restricted Stock. A lump sum amount equal to the sum of (i) with respect to restricted shares and/or restricted share units granted to the Participant under any of the Equity Plans that were outstanding but not vested on the Relevant Date where such vesting of restricted shares and/or restricted share units was not determined by the attainment of performance goals, and which are forfeited as a result of the Participant's Separation from Service, an amount equal to the Fair Market Value of an equivalent number of shares of common stock of the Corporation (or such other equity security into which the restricted shares and/or restricted share units has been converted) on the date of Separation from Service, (ii) in the event the number of restricted shares and/or restricted share units was to be determined by the attainment of performance goals according to a schedule determined by the Committee, with respect to a grant prior to 2010, with a performance period starting on or before January 1, 2009, an amount equal to the Fair Market Value of the number of shares that shall be considered to vest based on the greater of the target level established or the number of shares which would have vested based on the attainment of the Performance Goal as of the end of the prior year, and (iii) an amount equal to the Average PRSU Payout multiplied by the number of annual PRSU grants with a performance period starting after January 1, 2009 which are forfeited due to the Qualified Termination of Employment. With respect to any grants with a performance period starting after January 1, 2009 the forfeited restricted shares and/or restricted share units determined by the attainment of performance goals according to a schedule determined by the Committee will not be paid. For purposes of this subsection (c) the Average PRSU Payout shall mean the three year average of the dollar amount of the restricted shares and/or restricted share units determined by the attainment of performance goals (the "PRSU's") awards paid to the Participant under the Equity Plans, or any successor or additional plan. The three year average of the PRSU's paid to the Participant will be determined based on the higher of two dollar amount averages computed during alternative three year periods consisting of either (i) the year in which the Relevant Date occurred (or, if the award is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the award is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If a Participant has been paid less than three years of PRSU's the three year average of the PRSU's paid to the Participant will be determined based on the average dollar amount of the PRSU's paid in prior years to the Participant under the Equity

Plans, or any successor or additional plan. If a Participant has not received any prior payment of PRSU's, the Average PRSU Payout under the Equity Plans, or any successor or additional plan, will be determined as follows:

(1) For a Participant classified at the Corporation's Grade 1 through 4 level, as defined by the Corporation's compensation department, the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to other employees at the same grade level.

(2) For a Participant at the GSLT level (except for the Chief Executive Officer of the Corporation), the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to Participants at GSLT level.

(3) For the Chief Executive Officer of the Corporation, the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding anything in this Plan to the contrary, this definition may be amended at the discretion of the Committee to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162 (m) of the Code or any successor section (including the rules and regulations promulgated thereunder);

(d) Successor or Additional Stock Appreciation Right, Incentive Compensation, and Bonus Plan. A lump sum amount equal to the payment to which the Participant would have been entitled had all amounts awarded or granted to the Participant, vested or matured, under any stock appreciation right, incentive compensation, and bonus plans, which are adopted after the effective date of the Participant's Agreement and in which the Participant participates immediately prior to the Relevant Date, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), which had not vested or matured as of the date of Separation from Service and will not vest or mature as a result of the Participant's Separation from Service, such payment to be determined as though such award or grant had vested or matured on the date of termination of the Participant's employment;

(e) 401(k) and Profit Sharing Plan. A lump sum amount equal to (a) in the case of a Tier I Participant, the Participant's maximum matching contribution and an assumed 3% profit sharing contribution under the Kimberly-Clark Corporation 401(k) and Profit Sharing Plan (or any successor or additional plans) and the Kimberly-Clark Corporation Retirement Contribution Excess Benefit Program (or any successor or additional plans) (individually the "EBP" and collectively, the "401(k) and Profit Sharing Plan") to which the Participant would have been entitled if he had remained employed by the Corporation for the Severance Period at the rate of annual compensation specified in Section 5(a) above except that the Annual Bonus Amount shall be treated as earned for the year in which separation occurred and the balance of the Severance Period and no award actually earned in, and paid for, the year in which termination occurred shall be considered, plus (b) for all Participants, the excess of (I) the benefits under the 401(k) and Profit Sharing Plan to which the Participant would be entitled if the Participant were fully vested in all of his or her benefits under the 401(k) and Profit Sharing Plan at the date of Separation from Service, over (II) the value of the benefits to which the Participant is actually entitled at the date of termination of employment, based upon the value of the Participant's account as of the most recent valuation date before the date of the Qualified Termination of Employment. Notwithstanding anything in Section 5 to the contrary, any amounts under subsection (b) of this subparagraph which are payable due to amounts the Participant would have been entitled under the EBP shall be payable at the date such amount would have been payable if the Participant were entitled to this amount under the terms of the EBP; and

(f) Medical and Dental Benefits. A lump sum amount equal to (a) the amount of the monthly premiums that the Participant would be required to pay, if he or she elected "COBRA" continuation coverage under the medical and dental plans of the Corporation in which the Participant was participating immediately before the Qualified Termination of Employment, based upon the premium rates in effect as of the date of the Qualified Termination of Employment, times (b) for a Tier I Participant, 24, and for a Tier II Participant, 12.

6. Other Terms and Conditions. The Agreement to be entered into pursuant to this Plan shall contain such other terms, provisions and conditions not inconsistent with this Plan as shall be determined by the Committee. Where appearing in this Plan or the Agreement, the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise.

7. Non-Assignability. Each Participant's rights under this Plan shall be non-transferable except by will or by the laws of descent and distribution.

8. Unfunded Plan. The Plan shall be unfunded. Neither the Corporation nor the Board shall be required to segregate any assets that may at any time be represented by benefits under the Plan. Neither the Corporation nor the Board shall be deemed to be a trustee of any amounts to be paid under the Plan. Any liability of the Corporation to any Participant with respect to any benefit shall be based solely upon any contractual obligations created by the Plan and the Agreement; no such obligation shall be deemed to be secured by any pledge or any encumbrance on any property of the Corporation.

9. Certain Reduction of Payments by the Corporation when Payments Do Not Exceed 110% of the Safe Harbor Amount.

(a) This Section 9 shall only be applicable if it shall be determined that the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount. Anything in this Plan to the contrary notwithstanding, in the event Deloitte & Touche LLP or such other certified public accounting firm designated by the Corporation (the "Accounting Firm") shall determine that receipt of all Payments would subject a Participant, other than a Participant entitled to a Gross-Up Payment under Section 10 below, to tax under Section 4999 of the Code, it shall determine whether some amount of Separation Payments would meet the definition of a "Reduced Amount." If the Accounting Firm determines that there is a Reduced Amount, the aggregate Separation Payments shall be reduced to such Reduced Amount. All fees payable to the Accounting Firm with respect to this Section 9 shall be paid solely by the Corporation.

(b) If the Accounting Firm determines that aggregate Separation Payments should be reduced to the Reduced Amount, the Corporation shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof, and the Participant may then elect, in his or her sole discretion, which and how much of the Separation Payments that are not required to meet the requirements of Section 409A of the Code and the regulations promulgated

thereunder shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount), and shall advise the Corporation in writing of his or her election within ten days of his receipt of notice. If no such election is made by the Participant within such ten-day period, the Corporation may elect which of such Separation Payments that are not required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount) and shall notify the Participant promptly of such election. All determinations made by the Accounting Firm under this Section shall be binding upon the Corporation and the Participant and shall be made as promptly as practicable following such determination, the Corporation shall pay to or distribute for the benefit of the Participant such Separation Payments as are then due to the Participant under Section 5 of this Plan and shall promptly pay to or distribute for the benefit of the Participant in the future such Separation Payments as become due to the Participant under this Plan. Notwithstanding the prior sentence, such determination by the Accounting Firm shall be made within 60 days, and the payment by the Corporation shall be made within 90 days, of the later of a Separation from Service of the Executive or the date of the Change of Control.

(c) While it is the intention of the Corporation to reduce the amounts payable or distributable to a Participant hereunder only if the aggregate Net After Tax Receipts to the Participant would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Corporation to or for the benefit of a Participant pursuant to this Plan which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Corporation to or for the benefit of a Participant pursuant to this Plan could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm determines that an Overpayment has been made, based upon the assertion of a deficiency by the Internal Revenue Service against the Corporation or the Participant which the Accounting Firm believes has a high probability of success, any such benefit of a Participant shall be treated for all

purposes as a loan to the Participant which the Participant shall repay to the Corporation together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no such loan shall be deemed to have been made and no amount shall be payable by a Participant to the Corporation if and to the extent such deemed loan and payment would not either reduce the amount on which the Participant is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Participant together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code. Notwithstanding anything in this Plan or any Agreement to the contrary, the payment will be conditioned upon the Overpayment or Underpayment meeting the requirements of Section 409A of the Code and the regulations promulgated thereunder.

10. Certain Additional Payments by the Corporation to Participants .

(a) Anything in this Plan or any Agreement to the contrary notwithstanding and except as set forth in this paragraph, in the event that it shall be determined that any Payment to a Participant would be subject to the Excise Tax, then the Participant shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that, after payment by the Participant of all taxes (and any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Participant retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this Section 10(a), if it shall be determined that the Participant would (absent this sentence) be entitled to the Gross-Up Payment, but that the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount, then no Gross-Up Payment shall be made to the Participant and the provisions of Section 9 of this Plan shall apply to that Participant. The Corporation's obligation to make Gross-Up Payments under this Section 10 shall not be conditioned upon the Participant's Separation from Service.

(b) Subject to the provisions of Section 10(c), all determinations required to be made under this Section 10, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm. The Accounting Firm shall provide detailed supporting calculations both to the Corporation and the Participant within 15 business days of the receipt of notice from the Participant that there has been a Payment or such earlier time as is requested by the Corporation. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation. Any Gross-Up Payment, as determined pursuant to this Section 10 (including any Underpayment under this subsection (b) and any payment under subsection (c)), shall be paid by the Corporation to or for the benefit of the applicable Participant by the end of the year following the year in which the Participant remits the related taxes, or, in the case of reimbursed audit or litigation expenses, by the end of the year following the years the taxes are remitted or, if no taxes are remitted, the end of the year following the year the audit, settlement, or litigation is finally completed or resolved. Any determination by the Accounting Firm shall be binding upon the Corporation and the Participant. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Corporation should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event the Corporation exhausts its remedies pursuant to Section 10(c) and the Participant thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Participant on the later of the date of such determination or after the date payments are due under Section 5 of this Plan.

(c) Each Participant shall notify the Corporation in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than 10 business days after the Participant is informed in writing of such claim. The Participant shall apprise the Corporation of the nature of such claim and the date on which such claim is requested to be

paid. The Participant shall not pay such claim prior to the expiration of the 30-day period following the date on which the Participant gives such notice to the Corporation (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Corporation notifies the Participant in writing prior to the expiration of such period that the Corporation desires to contest such claim, the Participant shall:

- (1) give the Corporation any information reasonably requested by the Corporation relating to such claim,
- (2) take such action in connection with contesting such claim as the Corporation shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Corporation,
- (3) cooperate with the Corporation in good faith in order effectively to contest such claim, and
- (4) permit the Corporation to participate in any proceedings relating to such claim;

provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest, and shall indemnify and hold the Participant harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation of the foregoing provisions of this Section 10(c), the Corporation shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either pay the tax claimed to the appropriate taxing authority on behalf of the Participant and direct the Participant to sue for a refund or contest the claim in any permissible manner, and the Participant agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Corporation shall determine; *provided, however*, that, if the Corporation directs the Participant to pay such claim and directs the Participant to sue for a refund, the Corporation shall indemnify and hold the Participant harmless, on an

after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and *provided, further*, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Participant with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Corporation's control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder, and the Participant shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by a Participant of a Gross-Up Payment or payment by the Corporation of an amount on the Participant's behalf pursuant to Section 10(c), the Participant becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Participant shall (subject to the Corporation's complying with the requirements of Section 10(c), if applicable) promptly pay to the Corporation the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment by the Corporation of an amount on the Participant's behalf pursuant to Section 10(c), a determination is made that the Participant shall not be entitled to any refund with respect to such claim and the Corporation does not notify the Participant in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Notwithstanding any other provision of this Plan, the Corporation may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of a Participant, all or any portion of any Gross-Up Payment, and by signing an Agreement, the Participant shall consent to such withholding.

11. No Duty to Mitigate. In no event shall any Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan, and such amounts shall not be reduced whether or not the Participant obtains other employment.

12. Termination and Amendment of this Plan. The Committee shall have power at any time, in its discretion, to amend, abandon or terminate this Plan, in whole or in part; except that no amendment, abandonment or termination shall impair or abridge the obligations of the Corporation under any Agreements previously entered into pursuant to this Plan except as expressly permitted by the terms of such Agreements.

13. Successors. The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business and/or assets to assume expressly and agree to perform this Plan and the Agreements in the same manner and to the same extent that the Corporation would be required to perform them if no such succession had taken place.

14. Effective Date. This amended and restated Plan shall become effective on December 31, 2009.

KIMBERLY-CLARK CORPORATION

Executive Severance Agreement

As of December 31, 2009

AGREEMENT made effective as of the 31st day of December 2009 between KIMBERLY-CLARK CORPORATION, a Delaware corporation, and (the "Executive").

WITNESSETH:

WHEREAS, the Committee has approved the Corporation entering into severance agreements with key executives of the Corporation and its subsidiaries pursuant to the Executive Severance Plan (the "Plan"); and

WHEREAS, the Executive is a key executive of the Corporation or one of its subsidiaries and has been selected by the Committee as a key executive to be an Executive under the Plan; and

WHEREAS, should the Corporation receive or learn of any proposal by or from a third person concerning a possible business combination with, or acquisition of equity securities of, the Corporation, or should the Corporation otherwise consider or pursue a transaction that could lead to a change of control, the Committee believes it imperative that the Corporation and the Board be able to rely upon the Executive to continue in the Executive's position, and that they be able to receive and rely upon the Executive's advice, if they request it, as to the best interests of the Corporation and its stockholders, without concern that the Executive might be distracted by the personal uncertainties and risks created by such a possibility; and

WHEREAS, should the Corporation receive or consider any such proposal or transaction, in addition to the Executive's regular duties, the Executive may be called upon to assist in the assessment of the proposal or transaction, advise management and the Board as to whether the proposal or transaction would be in the best interest of the Corporation and its stockholders, and to take such other actions as the Board might determine to be appropriate;

NOW, THEREFORE, to assure the Corporation that it will have the continued dedication of the Executive and the availability of the Executive's advice and counsel notwithstanding the possibility, threat or occurrence of such a proposal or transaction, and to induce the Executive to remain in the employ of the Corporation, and for other good and valuable consideration, the Corporation and the Executive agree as follows:

In the event a third person, in order to effect a Change of Control (as hereinafter defined), begins a tender or exchange offer, circulates a proxy to stockholders, or takes other steps, or in the event the Corporation considers taking, or decides to take, steps that are expected to lead to a Change of Control, the Executive agrees that the Executive will not voluntarily leave the employ of the Corporation, and will render the services contemplated in the recitals to this Agreement and the Plan, until the efforts by the third party or the Corporation to effect a Change of Control are abandoned or until a Change of Control has occurred.

A. Lump-Sum Cash Payment. In the event of a Qualified Termination of Employment (as hereinafter defined) the Corporation will pay to the Executive, as compensation for services rendered to the Corporation a lump-sum cash amount or amounts (subject to any applicable payroll or other taxes required to be withheld) calculated by adding the amounts specified in subparagraphs (i) through (viii) below, such payments to be made within 10 day following the later of the date of Separation from Service or the date of the Change of Control, except to the extent not yet calculable, in which case such portions shall be paid as soon as practicable following the ability to calculate the amount. Notwithstanding the foregoing, except as provided in Paragraphs E and F, all amounts payable under the terms of this plan shall be payable no later than March 15 of the year following the later of the date of Separation from Service or the date of the Change of Control. Notwithstanding anything in this Paragraph A to the contrary, any amounts which are payable due to amounts the Executive would have been entitled under a deferred compensation plan required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder, such amounts shall be payable at the date it would have been payable if the Executive were entitled to this amount under the terms of the deferred compensation plan.

(i) Salary plus Incentive Compensation. A lump sum amount equal to two times the sum of (a) the Executive's annual base salary at the rate in effect immediately prior to the Relevant Date or, if higher, immediately before the Qualified Termination of Employment and (b) the Annual Bonus Amount;

(ii) Equity Participation Plan - Option Shares (a) Except with respect to incentive stock options outstanding at the effective date of the Executive's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, all stock options that were granted to the Executive under any of the Equity Plans, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), that were outstanding both on the Relevant Date and immediately before the Qualified Termination of Employment, shall vest and become exercisable and the Qualified Termination of Employment of the Executive shall be deemed a retirement for purposes of exercising the stock options under the terms of the Equity Plans, and (b) notwithstanding the foregoing, with respect to Incentive Stock Options that were outstanding at the effective date of the Executive's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, and which were forfeited upon the separation of the Executive's service, a lump sum amount equal to the excess of (I) the aggregate Fair Market Value on the date of separation of the shares of common stock of the Corporation or other equity security then subject to such Incentive Stock Options over (II) the aggregate option price for such shares or other equity security;

(iii) Restricted Stock. A lump sum amount equal to the sum of (i) with respect to restricted shares and/or restricted share units granted to the Executive under any of the Equity Plans that were outstanding but not vested on the Relevant Date, where such vesting of restricted shares and/or restricted share units was not determined by the attainment of performance goals, and which are forfeited as a result of the separation of the Executive's service, an amount equal to the Fair Market Value of an equivalent number of shares of common stock of the Corporation (or such other equity security into which the restricted shares and/or restricted share units has been converted) on the date of separation of service, (ii) in the event the number of restricted shares and/or restricted share units was to be determined by the attainment of performance goals according to a schedule determined by the Committee, with respect to a grant prior to 2010, with a performance period starting on or before January 1, 2009, an amount equal to the Fair Market Value of the number of shares that shall be considered to vest based on the greater of the target level established or the number of shares which would have vested based on the attainment of the Performance Goal as of the

end of the prior year, and (iii) an amount equal to the Average PRSU Payout multiplied by the number of annual PRSU grants with a performance period starting after January 1, 2009 which are forfeited due to the Qualified Termination of Employment. With respect to any grants with a performance period starting after January 1, 2009 the forfeited restricted shares and/or restricted share units determined by the attainment of performance goals according to a schedule determined by the Committee will not be paid. For purposes of this subsection (c) the Average PRSU Payout shall mean the three year average of the dollar amount of the restricted shares and/or restricted share units determined by the attainment of performance goals (the "PRSU's") awards paid to the Executive under the Equity Plans, or any successor or additional plan. The three year average of the PRSU's paid to the Executive will be determined based on the higher of two dollar amount averages computed during alternative three year periods consisting of either (i) the year in which the Relevant Date occurred (or, if the award is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the award is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If an Executive has been paid less than three years of PRSU's the three year average of the PRSU's paid to the Executive will be determined based on the average dollar amount of the PRSU's paid in prior years to the Executive under the Equity Plans, or any successor or additional plan. If an Executive has not received any prior payment of PRSU's, the Average PRSU Payout under the Equity Plans, or any successor or additional plan, will be determined as follows:

- (1) For an Executive classified at the Corporation's Grade 1 through 4 level, as defined by the Corporation's compensation department, the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to other employees at the same grade level.
- (2) For an Executive at GSLT level (except for the Chief Executive Officer of the Corporation), the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to Executives at GSLT level.

(3) For the Chief Executive Officer of the Corporation, the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding anything in this Plan to the contrary, this definition may be amended at the discretion of the Committee to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder);

(iv) Successor or Additional Stock Appreciation Right, Incentive Compensation, and Bonus Plan. A lump sum amount equal to the payment to which the Executive would have been entitled had all amounts awarded or granted to the Executive, vested or matured, under any stock appreciation right, incentive compensation, and bonus plans, which are adopted after the effective date of the Executive's Agreement and in which the Executive participates immediately prior to the Relevant Date, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), which had not vested or matured as of the date of separation of service and will not vest or mature as a result of the separation of the Executive's service, such payment to be determined as though such award or grant had vested or matured on the date of separation of the Executive's service;

(v) 401(k) and Profit Sharing Plan. A lump sum amount equal to (a) the Executive's maximum matching contribution and an assumed 3% profit sharing contribution under the Kimberly-Clark Corporation 401(k) and Profit Sharing Plan (or any successor or additional plans) and the Kimberly-Clark Corporation Retirement Contribution Excess Benefit Program (or any successor or additional plans) (individually the "EBP" and collectively, the "401(k) and Profit Sharing Plan") to which the Executive would have been entitled if he had remained employed by the Corporation for the Severance Period at the rate of annual compensation specified in subparagraph (i) of Paragraph A above except that the Annual Bonus Amount shall be treated as earned for the year in which separation of service occurred and the balance of the Severance Period and no award actually earned in, and paid for, the year in which separation of service occurred shall be considered, plus (b) the excess of (I) the benefits under the 401(k) and Profit

Sharing Plan to which the Executive would be entitled if the Executive were fully vested in all of his or her benefits under the 401 (k) and Profit Sharing at the date of separation of service, over (II) the value of the benefits to which the Executive is actually entitled at the date of separation of service, based upon the value of the Executive's account as of the most recent valuation date before the date of the Qualified Termination of Employment. Notwithstanding anything in the Paragraph A to the contrary, any amounts under subsection (b) of this subparagraph which are payable due to amounts the Executive would have been entitled under the EBP shall be payable at the date such amount would have been payable if the Executive were entitled to this amount under the terms of the EBP; and

(vi) Medical and Dental Benefits. A lump sum amount equal to (a) the amount of the monthly premiums that the Executive would be required to pay, if he or she elected "COBRA" continuation coverage under the medical and dental plans of the Corporation in which the Executive was participating immediately before the Qualified Termination of Employment, based upon the premium rates in effect as of the date of the Qualified Termination of Employment, times (b) 24.

B. Other Matters.

(i) Severance Pay Plan Payments. In the event of a Qualified Termination of Employment, the Executive shall not be entitled to receive any severance benefits that would otherwise be available to the Executive under the Kimberly-Clark Corporation Severance Pay Plan (or any successor or additional plan), or any other severance program sponsored by the Corporation and/or any of its Subsidiaries.

(ii) Participation in Employee Benefit Plans. The Executive's participation in savings, retirement, profit sharing, stock option, and/or stock appreciation rights plans of the Corporation and/or any of its Subsidiaries shall continue only through the last day of the Executive's employment. Any terminating distributions and/or vested rights under such plans shall be governed by the terms of those respective plans. Furthermore, the Executive's participation in any insurance plans of the Corporation and rights to any other fringe benefits shall except as otherwise specifically provided in such plans or corporate policy, terminate as of the close of the Executive's last day of employment, except to the extent specifically provided to the contrary in this Agreement. Nothing in this Agreement

shall be deemed to entitle the Executive to any rights, or to payments under this Agreement, with respect to any employee benefit plan which the Executive was not a participant prior to a Qualified Termination of Employment.

(iii) Continuing Obligations. The Executive shall retain in confidence any confidential information known to the Executive concerning the Corporation and its business so long as such information is not publicly disclosed.

(iv) No Guarantee of Employment. Nothing in this Agreement shall be deemed to entitle the Executive to continued employment with the Corporation or any of its Subsidiaries and the rights of the Corporation and its Subsidiaries to terminate the employment of the Executive shall continue as fully as if this Agreement were not in effect; *provided* that any Qualified Termination of Employment shall entitle the Executive to the benefits herein provided.

C. Definition of Change of Control. For the purpose of this Agreement, a “Change of Control” shall be deemed to have taken place upon the first of the following to occur after the date of this Agreement: (i) a third person, including a “group” as defined in Section 13(d) (3) of the Securities Exchange Act of 1934, acquires shares of the Corporation having 30% or more of the total number of votes that may be cast for the election of directors of the Corporation; or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a “Transaction”), the persons who were directors of the Corporation before the Transaction shall cease to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.

D. Definition of Subsidiary. For purposes of this Agreement, a “Subsidiary” shall mean any domestic or foreign corporation at least twenty percent (20%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or by other Subsidiaries, provided, however, that “at least fifty percent (50%)” shall replace “at least twenty percent (20%)” where there is not a legitimate business criteria for using such lower percentage.

E. Certain Reduction of Payments by the Corporation when Payments Do Not Exceed 110% of the Safe Harbor Amount.

(i) This Paragraph E shall only be applicable if it shall be determined that the Parachute Value of all Payments does not exceed 110% of the Safe

Harbor Amount. If the Executive is not entitled to a Gross-Up Payment pursuant to Paragraph F below, then anything in this Agreement to the contrary notwithstanding, in the event Deloitte & Touche LLP or such other certified public accounting firm designated by the Corporation (the "Accounting Firm") shall determine that receipt of all Payments would subject the Executive to tax under Section 4999 of the Code, it shall determine whether some amount of Separation Payments would meet the definition of a "Reduced Amount." If the Accounting Firm determines that there is a Reduced Amount, the aggregate Separation Payment shall be reduced to such Reduced Amount. All fees payable to the Accounting Firm with respect to this Paragraph E shall be paid solely by the Corporation.

(ii) If the Accounting Firm determines that aggregate Separation Payments should be reduced to the Reduced Amount, the Corporation shall promptly give the Executive notice to that effect and a copy of the detailed calculation thereof, and the Executive may then elect, in the Executive's sole discretion, which and how much of the Separation Payments that are not required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount), and shall advise the Corporation in writing of the Executive's election within ten days of the Executive's receipt of notice. If no such election is made by the Executive within such ten-day period, the Corporation may elect which of such Separation Payments that are not required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount) and shall notify the Executive promptly of such election. All determinations made by the Accounting Firm under this paragraph shall be binding upon the Corporation and the Executive, and as promptly as practicable following such determination the Corporation shall pay to or distribute for the benefit of the Executive such Separation Payments as are then due to the Executive under this Agreement, and shall promptly pay to or distribute for the benefit of the Executive in the future such Separation Payments as become due to the Executive under this Agreement. Notwithstanding the prior sentence, such determination by the Accounting Firm shall be made within 60

days, and the payment by the Corporation shall be made within 90 days, of the later of a Separation from Service of the Executive or the date of the Change of Control. While it is the intention of the Corporation to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate Net After Tax Receipts to the Executive would thereby be increased as a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Corporation to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment"), or that additional amounts which will have not been paid or distributed by the Corporation to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm determines that an Overpayment has been made, based upon the assertion of a deficiency by the Internal Revenue Service against the Corporation or the Executive which the Accounting Firm believes has a high probability of success, any such benefit of the Executive shall be treated for all purposes as a loan to the Executive which the Executive shall repay to the Corporation, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; *provided, however*, that no such loan shall be deemed to have been made and no amount shall be payable by the Executive to the Corporation if and to the extent such deemed loan and payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code, or generate a refund of such taxes. In the event the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code. Notwithstanding anything in this Agreement to the contrary payment will be conditioned upon the Overpayment or Underpayment meeting the requirements of Section 409A of the Code and the regulations promulgated thereunder.

F. Certain Additional Payments by the Corporation when Payments Exceed 110% of the Safe Harbor Amount.

(i) Anything in this Agreement to the contrary notwithstanding and except as set forth in this paragraph, in the event that it shall be determined that any Payment to the Executive would be subject to the Excise Tax, then the Executive shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (and any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this subparagraph (i) of Paragraph F, if it shall be determined that the Executive would (absent this sentence) be entitled to the Gross-Up Payment, but that the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount, then no Gross-Up Payment shall be made to the Executive and the provisions of Paragraph E above shall apply to that Executive. The Corporation's obligation to make Gross-Up Payments under this Paragraph F shall not be conditioned upon the Executive's Separation from Service.

(ii) Subject to the provisions of subparagraph (iii) of Paragraph F, all determinations required to be made under this Paragraph F, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm. The Accounting Firm shall provide detailed supporting calculations both to the Corporation and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment or such earlier time as is requested by the Corporation. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation. Any Gross-Up Payment, as determined pursuant to this Paragraph F (including any Underpayment under this subparagraph (ii) and any payment under subparagraph (iii), shall be paid by the Corporation to or for the benefit of the Executive by the end of the year following the year in which the Executive remits the related taxes or, in the case of reimbursed audit or litigation expenses, by the end of the

year following the years the taxes are remitted or, if no taxes are remitted, the end of the year following the year the audit, settlement, or litigation is finally completed or resolved. Any determination by the Accounting Firm shall be binding upon the Corporation and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Corporation should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event the Corporation exhausts its remedies pursuant to subparagraph (iii) of Paragraph F and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive on the later of the date of such determination or after the date payments are due under Paragraph A of this Agreement.

(iii) The Executive shall notify the Corporation in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than 10 business days after the Executive is informed in writing of such claim. The Executive shall apprise the Corporation of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which the Executive gives such notice to the Corporation (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Corporation notifies the Executive in writing prior to the expiration of such period that the Corporation desires to contest such claim, the Executive shall:

- (1) give the Corporation any information reasonably requested by the Corporation relating to such claim,
- (2) take such action in connection with contesting such claim as the Corporation shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Corporation,

(3) cooperate with the Corporation in good faith in order effectively to contest such claim, and

(4) permit the Corporation to participate in any proceedings relating to such claim;

provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest, and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation of the foregoing provisions of this subparagraph (iii) of Paragraph F, the Corporation shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either pay the tax claimed to the appropriate taxing authority on behalf of the Executive and direct the Executive to sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Corporation shall determine; *provided, however*, that, if the Corporation directs the Executive to pay such claim and directs the Executive to sue for a refund, the Corporation shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and *provided, further*, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Corporation's control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder, and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(iv) If, after the receipt by the Executive of a Gross-Up Payment or payment by the Corporation of an amount on the Executive's behalf pursuant to subparagraph (iii) of this Paragraph F, the Executive becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Executive shall (subject to the Corporation's complying with the requirements of subparagraph (iii) of this Paragraph F, if applicable) promptly pay to the Corporation the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment by the Corporation of an amount on the Executive's behalf pursuant to subparagraph (iii) of this Paragraph F, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Corporation does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(v) Notwithstanding any other provision of this Plan, the Corporation may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of the Executive, all or any portion of any Gross-Up Payment, and by signing this Agreement, the Executive consents to such withholding.

G. Definitions.

(i) Annual Bonus Amount: The three year average of the annual awards paid to the Executive under the Kimberly-Clark Corporation Executive Officer Achievement Award Program or the Kimberly-Clark Corporation Management Achievement Award Program, as applicable, or any successor or additional plan (the "Bonus Program"). The three year average of the annual awards paid to the Executive will be determined based on the higher of the three year period consisting of either (i) the year in which the Relevant Date occurred (or, if the bonus is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the bonus is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If an Executive has been paid less than three years of annual awards the Annual Bonus Amount will be determined

based on the average dollar amount of the annual awards paid in prior years to the Executive under the Bonus Program. If an Executive has not received any prior payment of annual awards, the Annual Bonus Amount under the Bonus Program will be determined as follows:

- (1) For an Executive classified at the Corporation's Grade 1 through 4 level, the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the three year period to other employees at the same grade level.
- (2) For an Executive at GSLT level (except for the Chief Executive Officer of the Corporation), the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the three year period to Executives at GSLT level.
- (3) For the Chief Executive Officer of the Corporation, the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over a three year period to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding anything in this Agreement to the contrary, this definition may be amended at the discretion of the Committee consistent with any amendment of the definition of Annual Bonus Amount under the Plan to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder).

- (ii) Board: The Board of Directors of the Corporation.
- (iii) Cause: The term "Cause" shall mean any of the following:
 - (a) the commission by the Executive of a felony;
 - (b) the Executive's dishonesty, habitual neglect or incompetence in the management of the affairs of the Corporation;or

(c) the refusal or failure by the Executive to act in accordance with any lawful directive or order of the Corporation, or an act or failure to act by the Executive which is in bad faith and which is detrimental to the Corporation.

(iv) Code : The Internal Revenue Code of 1986, as amended.

(v) Committee : The Management Development and Compensation Committee of the Board of Directors of the Corporation.

(vi) Corporation : Kimberly-Clark Corporation and any successor thereto that assumes this Plan and the Agreements pursuant to Paragraph H.(v) below.

(vii) Equity Plans : The Kimberly-Clark Corporation 2001 Equity Participation Plan, the Kimberly-Clark Corporation 1999 Restricted Stock Plan, the Kimberly-Clark Corporation 1992 Equity Participation Plan, and any successor or additional plans under which the Executive receives stock options, restricted stock or other equity-based compensation.

(viii) Excise Tax : The excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ix) Fair Market Value : With respect to any publicly traded equity security, the reported closing price of such security on the relevant date as reported on the composite list used by The Wall Street Journal for reporting stock prices, or, if no such sale shall have been made on that day, on the last preceding day on which there was such a sale; and with respect to any other property, the fair market value thereof as determined by the Committee in good faith.

(x) Good Reason : Termination by the Executive for “Good Reason” shall mean the separation from service during the two year time period following the initial existence (without the Executive’s express written consent) of any one of the following conditions:

- (a) A material diminution in the Executive’s base compensation.
- (b) A material diminution in the Executive’s authority, duties, or responsibilities.
- (c) A material diminution in the authority, duties, or responsibilities of the supervisor to whom the Executive is required to report,

including a requirement that a Executive report to a corporate officer or employee instead of reporting directly to the board of directors of the Corporation.

- (d) A material diminution in the budget over which the Executive retains authority.
- (e) A material change in the geographic location at which the Executive must perform the services.
- (f) Any other action or inaction that constitutes a material breach by the Corporation of any agreement under which the Executive provides services.

The Executive must provide notice to the Corporation of the existence of any of the above conditions within a period not to exceed 90 days of the initial existence of the condition, upon the notice of which the Corporation must be provided a period of at least 30 days during which it may remedy the condition and not be required to pay the amount.

The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

(xi) Net After Tax Receipt : The Value of a Payment, net of all taxes imposed on the Executive with respect thereto under Sections 1 and 4999 of the Code, determined by applying the highest marginal rate under Section 1 of the Code which applied to the Executive's taxable income for the immediately preceding taxable year.

(xii) Parachute Value : With respect to a Payment, the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(xiii) Qualified Termination of Employment : The separation of the Executive's service with the Corporation and/or its Subsidiaries either (i) within the two (2) year period following a Change of Control of the Corporation (A) by the Corporation without Cause or, (B) by the Executive with Good Reason, or (ii) by the Corporation without Cause before a Change of Control, if a Change of Control occurs within one year after such Separation from Service and it is reasonably demonstrated by the Executive that such Separation from Service was at the request of a third party that had taken steps reasonably calculated to effect a Change of Control or otherwise arose in connection with or in anticipation of a Change of Control. A transfer of employment for administrative purposes among the Corporation and its Subsidiaries shall not be deemed a Qualified Termination of Employment, but if such a transfer results in the occurrence of Good Reason, the Executive shall have the right to terminate employment for Good Reason and such separation shall be a Qualified Termination of Employment.

(xiv) Reduced Amount : The greatest aggregate amount of Separation Payments which (a) is less than the sum of all Separation Payments and (b) results in aggregate Net After Tax Receipts which are equal to or greater than the Net After Tax Receipts which would result if the Executive were paid the sum of all Separation Payments.

(xv) Relevant Date : In the case of a Qualified Termination of Employment as described in clause (ii) of the definition of "Qualified Termination of Employment," the date of such Qualified Termination of Employment and, in all other cases, the date of the Change of Control.

(xvi) Safe Harbor Amount : The portion of the payment to or for the benefit of an Executive that does not constitute an "excess parachute payment for purposes of Section 280G of the Code.

(xvii) Separation from Service . Termination of employment with the Corporation or a Subsidiary. A Separation from Service will be deemed to have occurred if the Executive's services with the Corporation or a Subsidiary is reduced to an annual rate that is 20 percent or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period).

(xviii) Separation Payment : A Payment paid or payable to the Executive pursuant to this Plan or an Agreement.

(xix) Severance Period : The period of two years beginning on the date of the Qualified Termination of Employment.

(xx) Value : With respect to a Payment, the economic present value of a Payment as of the date of the change of control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d)(4) of the Code.

H. General .

(i) No Duty to Mitigate . In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Plan, and such amounts shall not be reduced whether or not the Executive obtains other employment.

(ii) Indemnification . If litigation shall be brought to enforce or interpret any provision contained herein, the Corporation hereby agrees to indemnify the Executive for the Executive's reasonable attorney's fees and disbursements incurred in such litigation, and hereby agrees to pay prejudgment interest on any money judgment obtained by the Executive calculated at Citibank's (or any successor entity) prime rate of interest in effect from time to time from the date that payment(s) to the Executive should have been made under this Agreement. The reimbursement of an attorney's fees and disbursements incurred in such litigation will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred.

(iii) Payment Obligations Absolute . The Corporation's obligation to pay the Executive the compensation and to make the arrangements provided herein shall be absolute and unconditional and shall not be affected by any circumstances, including without limitation, any set-off, counterclaim, recoupment, defense or other right which the Corporation may have against the Executive or anyone else. All amounts payable by the Corporation hereunder shall be paid without notice or demand. Except as expressly provided herein, the Corporation waives all rights which it may now have or may hereafter have conferred upon it,

by statute or otherwise, to terminate, cancel or rescind this Agreement in whole or in part. Each and every payment made hereunder by the Corporation shall be final and the Corporation will not seek to recover all or any part of such payment from the Executive or from whosoever may be entitled thereto, for any reason whatsoever.

(iv) Unfunded Obligation . The obligation of the Corporation under this Agreement shall be unfunded. The Corporation shall not be required to segregate any assets that may at any time be represented by benefits under this Agreement. The Corporation shall not be deemed to be a trustee of any amounts to be paid under this Agreement. Any liability of the Corporation to the Executive with respect to any benefit shall be based solely upon any contractual obligations created hereunder; no such obligation shall be deemed to be secured by any pledge or any encumbrance on any property of the Corporation.

(v) Successors . This Agreement shall be binding upon and inure to the benefit of the Executive and the Executive's estate, and the Corporation and any successor of the Corporation, but neither this Agreement nor any rights arising hereunder may be assigned or pledged by the Executive. The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business and/or assets to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place.

(vi) Severability . Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(vii) Controlling Law . This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware. Where appearing in this Agreement, the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise.

(viii) Entire Agreement. The Executive and the Corporation acknowledge that upon its effective date, this Agreement supersedes any and all prior agreements between the Executive and the Corporation under the Plan as in effect at this time or at any prior time. From and after the Relevant Date, except as specifically provided herein, this Agreement shall supersede any other agreement between the parties with respect to severance pay and benefits. Notwithstanding the foregoing, any previously executed noncompetition agreement shall continue in effect following the execution of this Agreement and the Relevant Date.

(ix) Termination. This Agreement shall terminate on the third anniversary of the date hereof unless either (1) a Change of Control occurs on or before such third anniversary or (2) the Committee determines to extend this Agreement for an additional three-year term or such shorter period as it determines to be appropriate. Notwithstanding the foregoing, if at the time when this Agreement would otherwise terminate, a third party has taken steps reasonably calculated to effect a Change of Control or a Change of Control is otherwise under consideration, then this Agreement shall automatically continue in effect until (A) a Change of Control occurs, in which event this Agreement shall thereafter remain in effect in accordance with its terms, or (B) the Board makes a good faith determination that in its opinion, the efforts by the third party or the Corporation to effect a Change of Control have been abandoned, at which time the Agreement shall terminate unless it is extended pursuant to clause (2) of the preceding sentence.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day of , 20 .

Executive

KIMBERLY-CLARK CORPORATION

By: _____

KIMBERLY-CLARK CORPORATION

Executive Severance Agreement

As of December 31, 2009

AGREEMENT made effective as of the 31st day of December 2009 between KIMBERLY-CLARK CORPORATION, a Delaware corporation, and (the "Executive").

WITNESSETH:

WHEREAS, the Committee has approved the Corporation entering into severance agreements with key executives of the Corporation and its subsidiaries pursuant to the Executive Severance Plan (the "Plan"); and

WHEREAS, the Executive is a key executive of the Corporation or one of its subsidiaries and has been selected by the Committee as a key executive to be an Executive under the Plan; and

WHEREAS, should the Corporation receive or learn of any proposal by or from a third person concerning a possible business combination with, or acquisition of equity securities of, the Corporation, or should the Corporation otherwise consider or pursue a transaction that could lead to a change of control, the Committee believes it imperative that the Corporation and the Board be able to rely upon the Executive to continue in the Executive's position, and that they be able to receive and rely upon the Executive's advice, if they request it, as to the best interests of the Corporation and its stockholders, without concern that the Executive might be distracted by the personal uncertainties and risks created by such a possibility; and

WHEREAS, should the Corporation receive or consider any such proposal or transaction, in addition to the Executive's regular duties, the Executive may be called upon to assist in the assessment of the proposal or transaction, advise management and the Board as to whether the proposal or transaction would be in the best interest of the Corporation and its stockholders, and to take such other actions as the Board might determine to be appropriate;

NOW, THEREFORE, to assure the Corporation that it will have the continued dedication of the Executive and the availability of the Executive's advice and counsel notwithstanding the possibility, threat or occurrence of such a proposal or transaction, and to induce the Executive to remain in the employ of the Corporation, and for other good and valuable consideration, the Corporation and the Executive agree as follows:

In the event a third person, in order to effect a Change of Control (as hereinafter defined), begins a tender or exchange offer, circulates a proxy to stockholders, or takes other steps, or in the event the Corporation considers taking, or decides to take, steps that are expected to lead to a Change of Control, the Executive agrees that the Executive will not voluntarily leave the employ of the Corporation, and will render the services contemplated in the recitals to this Agreement and the Plan, until the efforts by the third party or the Corporation to effect a Change of Control are abandoned or until a Change of Control has occurred.

A. Lump-Sum Cash Payment. In the event of a Qualified Termination of Employment (as hereinafter defined) the Corporation will pay to the Executive, as compensation for services rendered to the Corporation a lump-sum cash amount or amounts (subject to any applicable payroll or other taxes required to be withheld) calculated by adding the amounts specified in subparagraphs (i) through (viii) below, such payments to be made within 10 day following the later of the date of Separation from Service or the date of the Change of Control, except to the extent not yet calculable, in which case such portions shall be paid as soon as practicable following the ability to calculate the amount. Notwithstanding the foregoing, except as provided in Paragraphs E and F, all amounts payable under the terms of this plan shall be payable no later than March 15 of the year following the later of the date of Separation from Service or the date of the Change of Control. Notwithstanding anything in this Paragraph A to the contrary, any amounts which are payable due to amounts the Executive would have been entitled under a deferred compensation plan required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder, such amounts shall be payable at the date it would have been payable if the Executive were entitled to this amount under the terms of the deferred compensation plan.

(i) Salary plus Incentive Compensation. A lump sum amount equal to the sum of (a) the Executive's annual base salary at the rate in effect immediately prior to the Relevant Date or, if higher, immediately before the Qualified Termination of Employment and (b) the Annual Bonus Amount;

(ii) Equity Participation Plan - Option Shares. (a) Except with respect to incentive stock options outstanding at the effective date of the Executive's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, all stock options that were granted to the Executive under any of the Equity Plans, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), that were outstanding both on the Relevant Date and immediately before the Qualified Termination of Employment, shall vest and become exercisable and the Qualified Termination of Employment of the Executive shall be deemed a retirement for purposes of exercising the stock options under the terms of the Equity Plans, and (b) notwithstanding the foregoing, with respect to Incentive Stock Options that were outstanding at the effective date of the Executive's Agreement for which the Option Price is lower than the Fair Market Value of the Stock at such date, and which were forfeited upon the Executive's Separation from Service, a lump sum amount equal to the excess of (I) the aggregate Fair Market Value on the date of termination of the shares of common stock of the Corporation or other equity security then subject to such Incentive Stock Options over (II) the aggregate option price for such shares or other equity security;

(iii) Restricted Stock. A lump sum amount equal to the sum of (i) with respect to restricted shares and/or restricted share units granted to the Executive under any of the Equity Plans that were outstanding but not vested on the Relevant Date, where such vesting of restricted shares and/or restricted share units was not determined by the attainment of performance goals, and which are forfeited as a result of the Executive's Separation from Service, an amount equal to the Fair Market Value of an equivalent number of shares of common stock of the Corporation (or such other equity security into which the restricted shares and/or restricted share units has been converted) on the date of Separation from Service, (ii) in the event the number of restricted shares and/or restricted share units was to be determined by the attainment of performance goals according to a schedule determined by the Committee, with respect to a grant prior to 2010, with a performance period starting on or before January 1, 2009, an amount equal to the Fair Market Value of the number of shares that shall be considered to vest based on the greater of the target level established or the number of shares which would have vested based on the attainment of the Performance

Goal as of the end of the prior year, and (iii) an amount equal to the Average PRSU Payout multiplied by the number of annual PRSU grants with a performance period starting after January 1, 2009 which are forfeited due to the Qualified Termination of Employment. With respect to any grants with a performance period starting after January 1, 2009 the forfeited restricted shares and/or restricted share units determined by the attainment of performance goals according to a schedule determined by the Committee will not be paid. For purposes of this subsection (c) the Average PRSU Payout shall mean the three year average of the dollar amount of the restricted shares and/or restricted share units determined by the attainment of performance goals (the "PRSU's") awards paid to the Executive under the Equity Plans, or any successor or additional plan. The three year average of the PRSU's paid to the Executive will be determined based on the higher of two dollar amount averages computed during alternative three year periods consisting of either (i) the year in which the Relevant Date occurred (or, if the award is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the award is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If an Executive has been paid less than three years of PRSU's the three year average of the PRSU's paid to the Executive will be determined based on the average dollar amount of the PRSU's paid in prior years to the Executive under the Equity Plans, or any successor or additional plan. If an Executive has not received any prior payment of PRSU's, the Average PRSU Payout under the Equity Plans, or any successor or additional plan, will be determined as follows:

(1) For an Executive classified at the Corporation's Grade 1 through 4 level, as defined by the Corporation's compensation department, the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to other employees at the same grade level.

(2) For an Executive at GSLT level (except for the Chief Executive Officer of the Corporation), the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to Executives at GSLT level.

(3) For the Chief Executive Officer of the Corporation, the Average PRSU Payout shall be calculated based on the prior three year average dollar amount of the PRSU's paid to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding anything in this Plan to the contrary, this definition may be amended at the discretion of the Committee to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder);

(iv) Successor or Additional Stock Option, Stock Appreciation Right, Incentive Compensation, and Bonus Plan . A lump sum amount equal to the payment to which the Executive would have been entitled had all amounts awarded or granted to the Executive, vested or matured, under any stock appreciation right, incentive compensation, and bonus plans, which are adopted after the effective date of the Executive's Agreement and in which the Executive participates immediately prior to the Relevant Date, including but not limited to any substitute plans adopted prior to the Relevant Date (or any successor or additional plan), which had not vested or matured as of the date of separation from service and will not vest or mature as a result of the Executive's Separation from Service, such payment to be determined as though such award or grant had vested or matured on the date of the Executive's Separation from Service;

(v) 401(k) and Profit Sharing Plan . A lump sum amount equal to the excess of (A) the benefits under the 401(k) and Profit Sharing Plan and the Kimberly-Clark Corporation Retirement Contribution Excess Benefit Program (or any successor or additional plans) (individually the "EBP" and collectively, the "401(k) and Profit Sharing Plan") to which the Executive would be entitled if the Executive were fully vested in all of his or her benefits under 401(k) and Profit Sharing Plan at the date of Separation from Service, over (B) the value of the benefits to which the Executive is actually entitled at the date of Separation from Service, based upon the value of the Executive's account as of the most recent valuation date before the date of the Qualified Termination of Employment. Notwithstanding anything in the Paragraph A to the contrary, any amounts under subsection (b) of this subparagraph which are payable due to amounts the Executive would have been entitled under the EBP shall be payable at the date such amount would have been payable if the Executive were entitled to this amount under the terms of the EBP; and

(vi) Medical and Dental Benefits. A lump sum amount equal to (a) the amount of the monthly premiums that the Executive would be required to pay, if he or she elected "COBRA" continuation coverage under the medical and dental plans of the Corporation in which the Executive was participating immediately before the Qualified Termination of Employment, based upon the premium rates in effect as of the date of the Qualified Termination of Employment, times (b) 12.

B. Other Matters.

(i) Severance Pay Plan Payments. In the event of a Qualified Termination of Employment, the Executive shall not be entitled to receive any severance benefits that would otherwise be available to the Executive under the Kimberly-Clark Corporation Severance Pay Plan (or any successor or additional plan), or any other severance program sponsored by the Corporation and/or any of its Subsidiaries.

(ii) Participation in Employee Benefit Plans. The Executive's participation in savings, retirement, profit sharing, stock option, and/or stock appreciation rights plans of the Corporation and/or any of its Subsidiaries shall continue only through the last day of the Executive's employment. Any terminating distributions and/or vested rights under such plans shall be governed by the terms of those respective plans. Furthermore, the Executive's participation in any insurance plans of the Corporation and rights to any other fringe benefits shall except as otherwise specifically provided in such plans or corporate policy, terminate as of the close of the Executive's last day of employment, except to the extent specifically provided to the contrary in this Agreement. Nothing in this Agreement shall be deemed to entitle the Executive to any rights, or to payments under this Agreement, with respect to any employee benefit plan which the Executive was not a participant prior to a Qualified Termination of Employment.

(iii) Continuing Obligations. The Executive shall retain in confidence any confidential information known to the Executive concerning the Corporation and its business so long as such information is not publicly disclosed.

(iv) No Guarantee of Employment. Nothing in this Agreement shall be deemed to entitle the Executive to continued employment with the Corporation or any of its Subsidiaries and the rights of the Corporation and its Subsidiaries to terminate the employment of the Executive shall continue as fully as if this Agreement were not in effect; *provided* that any Qualified Termination of Employment shall entitle the Executive to the benefits herein provided.

C. Definition of Change of Control. For the purpose of this Agreement, a "Change of Control" shall be deemed to have taken place upon the first of the following to occur after the date of this Agreement: (i) a third person, including a "group" as defined in Section 13(d) (3) of the Securities Exchange Act of 1934, acquires shares of the Corporation having 30% or more of the total number of votes that may be cast for the election of directors of the Corporation; or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a "Transaction"), the persons who were directors of the Corporation before the Transaction shall cease to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.

D. Definition of Subsidiary. For purposes of this Agreement, a "Subsidiary" shall mean any domestic or foreign corporation at least twenty percent (20%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or by other Subsidiaries, provided, however, that "at least fifty percent (50%)" shall replace "at least twenty percent (20%)" where there is not a legitimate business criteria for using such lower percentage.

E. Certain Reduction of Payments by the Corporation when Payments Do Not Exceed 110% of the Safe Harbor Amount.

(i) This Paragraph E shall only be applicable if it shall be determined that the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount. If the Executive is not entitled to a Gross-Up Payment pursuant to Paragraph F below, then anything in this Agreement to the contrary notwithstanding, in the event Deloitte & Touche LLP or such other certified public accounting firm designated by the Corporation (the "Accounting Firm") shall determine that receipt of all Payments would subject the Executive to tax under Section 4999 of the Code, it shall determine whether some amount of Separation Payments would meet the definition of a "Reduced Amount." If the Accounting

Firm determines that there is a Reduced Amount, the aggregate Separation Payment shall be reduced to such Reduced Amount. All fees payable to the Accounting Firm with respect to this Paragraph E shall be paid solely by the Corporation.

(ii) If the Accounting Firm determines that aggregate Separation Payments should be reduced to the Reduced Amount, the Corporation shall promptly give the Executive notice to that effect and a copy of the detailed calculation thereof, and the Executive may then elect, in the Executive's sole discretion, which and how much of the Separation Payments that are not required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount), and shall advise the Corporation in writing of the Executive's election within ten days of the Executive's receipt of notice. If no such election is made by the Executive within such ten-day period, the Corporation may elect which of such Separation Payments that are not required to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder shall be eliminated or reduced (as long as after such election the Value of the aggregate Separation Payments equals the Reduced Amount) and shall notify the Executive promptly of such election. All determinations made by the Accounting Firm under this paragraph shall be binding upon the Corporation and the Executive, and shall be made as promptly as practicable following such determination, the Corporation shall pay to or distribute for the benefit of the Executive such Separation Payments as are then due to the Executive under this Agreement, and shall promptly pay to or distribute for the benefit of the Executive in the future such Separation Payments as become due to the Executive under this Agreement. Notwithstanding the prior sentence, such determination by the Accounting Firm shall be made within 60 days, and the payment by the Corporation shall be made within 90 days, of the later of a Separation from Service of the Executive or the date of the Change of Control.

(iii) While it is the intention of the Corporation to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate Net After Tax Receipts to the Executive would thereby be increased as a result of the

uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Corporation to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment"), or that additional amounts which will have not been paid or distributed by the Corporation to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm determines that an Overpayment has been made, based upon the assertion of a deficiency by the Internal Revenue Service against the Corporation or the Executive which the Accounting Firm believes has a high probability of success, any such benefit of the Executive shall be treated for all purposes as a loan to the Executive which the Executive shall repay to the Corporation, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; *provided, however*, that no such loan shall be deemed to have been made and no amount shall be payable by the Executive to the Corporation if and to the extent such deemed loan and payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code, or generate a refund of such taxes. In the event the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code. Notwithstanding anything in this Agreement to the contrary, payment will be conditioned upon the Overpayment or Underpayment meeting the requirements of Section 409A of the Code and the regulations promulgated thereunder.

F. Certain Additional Payments by the Corporation when Payments Exceed 110% of the Safe Harbor Amount.

(i) Anything in this Agreement to the contrary notwithstanding and except as set forth in this paragraph, in the event that it shall be determined that any Payment to the Executive would be subject to the Excise Tax, then the Executive shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (and

any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this subparagraph (i) of Paragraph F, if it shall be determined that the Executive would (absent this sentence) be entitled to the Gross-Up Payment, but that the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount, then no Gross-Up Payment shall be made to the Executive and the provisions of Paragraph E above shall apply to that Executive. The Corporation's obligation to make Gross-Up Payments under this Paragraph F shall not be conditioned upon the Executive's Separation from Service.

(ii) Subject to the provisions of subparagraph (iii) of Paragraph F, all determinations required to be made under this Paragraph F, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm. The Accounting Firm shall provide detailed supporting calculations both to the Corporation and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment or such earlier time as is requested by the Corporation. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation. Any Gross-Up Payment, as determined pursuant to this Paragraph F, (including any Underpayment under this subparagraph (ii) and any payment under subparagraph (iii)), shall be paid by the Corporation to or for the benefit of the Executive by the end of the year following the year in which the Executive remits the related taxes or, in the case of reimbursed audit or litigation expenses, by the end of the year following the years the taxes are remitted or, if no taxes are remitted, the end of the year following the year the audit, settlement, or litigation is finally completed or resolved. Any determination by the Accounting Firm shall be binding upon the Corporation and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Corporation should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the

event the Corporation exhausts its remedies pursuant to subparagraph (iii) of Paragraph F and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive on the later of the date of such determination or after the date payments are due under Paragraph A of this Agreement.

(iii) The Executive shall notify the Corporation in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than 10 business days after the Executive is informed in writing of such claim. The Executive shall apprise the Corporation of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which the Executive gives such notice to the Corporation (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Corporation notifies the Executive in writing prior to the expiration of such period that the Corporation desires to contest such claim, the Executive shall:

- (1) give the Corporation any information reasonably requested by the Corporation relating to such claim,
- (2) take such action in connection with contesting such claim as the Corporation shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Corporation,
- (3) cooperate with the Corporation in good faith in order effectively to contest such claim, and
- (4) permit the Corporation to participate in any proceedings relating to such claim;

provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with

such contest, and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation of the foregoing provisions of this subparagraph (iii) of Paragraph F, the Corporation shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either pay the tax claimed to the appropriate taxing authority on behalf of the Executive and direct the Executive to sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Corporation shall determine; *provided, however*, that, if the Corporation directs the Executive to pay such claim and directs the Executive to sue for a refund, the Corporation shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and *provided, further*, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Corporation's control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder, and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(iv) If, after the receipt by the Executive of a Gross-Up Payment or payment by the Corporation of an amount on the Executive's behalf pursuant to subparagraph (iii) of this Paragraph F, the Executive becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Executive shall (subject to the Corporation's complying with the requirements of subparagraph (iii) of this Paragraph F, if applicable) promptly pay to the Corporation the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment by the Corporation of an amount on the Executive's behalf pursuant to

subparagraph (iii) of this Paragraph F, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Corporation does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(v) Notwithstanding any other provision of this Plan, the Corporation may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of the Executive, all or any portion of any Gross-Up Payment, and by signing this Agreement, the Executive consents to such withholding.

G. Definitions.

(i) Annual Bonus Amount: The three year average of the annual awards paid to the Executive under the Kimberly-Clark Corporation Executive Officer Achievement Award Program or the Kimberly-Clark Corporation Management Achievement Award Program, as applicable, or any successor or additional plan. The three year average of the annual awards paid to the Executive will be determined based on the higher of the three year period consisting of either (i) the year in which the Relevant Date occurred (or, if the bonus is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the bonus is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If an Executive has been paid less than three years of annual awards the Annual Bonus Amount will be determined based on the average dollar amount of the annual awards paid in prior years to the Executive under the Bonus Program. If an Executive has not received any prior payment of annual awards, the Annual Bonus Amount under the Bonus Program will be determined as follows:

(1) For an Executive classified at the Corporation's Grade 1 through 4 level, the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the three year period to other employees at the same grade level.

(2) For an Executive at GSLT level (except for the Chief Executive Officer of the Corporation), the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over the three year period to Executives at GSLT level.

(3) For the Chief Executive Officer of the Corporation, the Annual Bonus Amount shall be based on the average dollar amount of the annual awards paid over a three year period to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding anything in this Agreement to the contrary, this definition may be amended at the discretion of the Committee consistent with any amendment of the definition of Annual Bonus Amount under the Plan to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder).

(ii) Board : The Board of Directors of the Corporation.

(iii) Cause : The term “Cause” shall mean any of the following:

(a) the commission by the Executive of a felony;

(b) the Executive’s dishonesty, habitual neglect or incompetence in the management of the affairs of the Corporation;

or

(c) the refusal or failure by the Executive to act in accordance with any lawful directive or order of the Corporation, or an act or failure to act by the Executive which is in bad faith and which is detrimental to the Corporation.

(iv) Code : The Internal Revenue Code of 1986, as amended.

(v) Committee : The Management Development and Compensation Committee of the Board of Directors of the Corporation.

(vi) Corporation : Kimberly-Clark Corporation and any successor thereto that assumes this Plan and the Agreements pursuant to Paragraph H.(v) below.

(vii) Equity Plans : The Kimberly-Clark Corporation 2001 Equity Participation Plan, the Kimberly-Clark Corporation 1999 Restricted Stock Plan, the Kimberly-Clark Corporation 1992 Equity Participation Plan, and any successor or additional plans under which the Executive receives stock options, restricted stock or other equity-based compensation.

(viii) Excise Tax : The excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ix) Fair Market Value : With respect to any publicly traded equity security, the reported closing price of such security on the relevant date as reported on the composite list used by The Wall Street Journal for reporting stock prices, or, if no such sale shall have been made on that day, on the last preceding day on which there was such a sale; and with respect to any other property, the fair market value thereof as determined by the Committee in good faith.

(x) Good Reason : Termination by the Executive for “Good Reason” shall mean the separation from service during the two year time period following the initial existence (without the Executive’s express written consent) of any one of the following conditions:

- (a) A material diminution in the Executive’s base compensation.
- (b) A material diminution in the Executive’s authority, duties, or responsibilities.
- (c) A material diminution in the authority, duties, or responsibilities of the supervisor to whom the Executive is required to report, including a requirement that a Executive report to a corporate officer or employee instead of reporting directly to the board of directors of the Corporation.
- (d) A material diminution in the budget over which the Executive retains authority.
- (e) A material change in the geographic location at which the Executive must perform the services.

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- (f) Any other action or inaction that constitutes a material breach by the Corporation of any agreement under which the Executive provides services.

The Executive must provide notice to the Corporation of the existence of any of the above conditions within a period not to exceed 90 days of the initial existence of the condition, upon the notice of which the Corporation must be provided a period of at least 30 days during which it may remedy the condition and not be required to pay the amount.

The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

(xi) Net After Tax Receipt : The Value of a Payment, net of all taxes imposed on the Executive with respect thereto under Sections 1 and 4999 of the Code, determined by applying the highest marginal rate under Section 1 of the Code which applied to the Executive's taxable income for the immediately preceding taxable year.

(xii) Parachute Value : With respect to a Payment, the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(xiii) Qualified Termination of Employment : The separation of the Executive's service with the Corporation and/or its Subsidiaries either (i) within the two (2) year period following a Change of Control of the Corporation (A) by the Corporation without Cause or (B) by the Executive with Good Reason, or (ii) by the Corporation without Cause before a Change of Control, if a Change of Control occurs within one year after such Separation from Service and it is reasonably demonstrated by the Executive that such Separation from Service was at the request of a third party that had taken steps reasonably calculated to effect a Change of Control or otherwise arose in connection with or in anticipation of a

Change of Control. A transfer of employment for administrative purposes among the Corporation and its Subsidiaries shall not be deemed a Qualified Termination of Employment, but if such a transfer results in the occurrence of Good Reason, the Executive shall have the right to terminate employment for Good Reason and such separation shall be a Qualified Termination of Employment.

(xiv) Reduced Amount : The greatest aggregate amount of Separation Payments which (a) is less than the sum of all Separation Payments and (b) results in aggregate Net After Tax Receipts which are equal to or greater than the Net After Tax Receipts which would result if the Executive were paid the sum of all Separation Payments.

(xv) Relevant Date : In the case of a Qualified Termination of Employment as described in clause (ii) of the definition of "Qualified Termination of Employment," the date of such Qualified Termination of Employment and, in all other cases, the date of the Change of Control.

(xvi) Safe Harbor Amount : The portion of the payment to or for the benefit of an Executive that does not constitute an "excess parachute payment for purposes of Section 280G of the Code.

(xvii) Separation from Service : Termination of employment with the Corporation or a Subsidiary. A Separation from Service will be deemed to have occurred if the Executive's services with the Corporation or a Subsidiary is reduced to an annual rate that is 20 percent or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period).

(xviii) Separation Payment : A Payment paid or payable to the Executive pursuant to this Plan or an Agreement.

(xix) Severance Period : The period of one year beginning on the date of the Qualified Termination of Employment.

(xx) Value : With respect to a Payment, the economic present value of a Payment as of the date of the change of control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d) (4) of the Code.

H. General.

(i) No Duty to Mitigate. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Plan, and such amounts shall not be reduced whether or not the Executive obtains other employment.

(ii) Indemnification. If litigation shall be brought to enforce or interpret any provision contained herein, the Corporation hereby agrees to indemnify the Executive for the Executive's reasonable attorney's fees and disbursements incurred in such litigation, and hereby agrees to pay prejudgment interest on any money judgment obtained by the Executive calculated at Citibank's (or any successor entity) prime rate of interest in effect from time to time from the date that payment(s) to the Executive should have been made under this Agreement. The reimbursement of an attorney's fees and disbursements incurred in such litigation will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred.

(iii) Payment Obligations Absolute. The Corporation's obligation to pay the Executive the compensation and to make the arrangements provided herein shall be absolute and unconditional and shall not be affected by any circumstances, including without limitation, any set-off, counterclaim, recoupment, defense or other right which the Corporation may have against the Executive or anyone else. All amounts payable by the Corporation hereunder shall be paid without notice or demand. Except as expressly provided herein, the Corporation waives all rights which it may now have or may hereafter have conferred upon it, by statute or otherwise, to terminate, cancel or rescind this Agreement in whole or in part. Each and every payment made hereunder by the Corporation shall be final and the Corporation will not seek to recover all or any part of such payment from the Executive or from whosoever may be entitled thereto, for any reason whatsoever.

(iv) Unfunded Obligation. The obligation of the Corporation under this Agreement shall be unfunded. The Corporation shall not be required to segregate any assets that may at any time be represented by benefits under this Agreement. The Corporation shall not be deemed to be a trustee of any

amounts to be paid under this Agreement. Any liability of the Corporation to the Executive with respect to any benefit shall be based solely upon any contractual obligations created hereunder; no such obligation shall be deemed to be secured by any pledge or any encumbrance on any property of the Corporation.

(v) Successors . This Agreement shall be binding upon and inure to the benefit of the Executive and the Executive's estate, and the Corporation and any successor of the Corporation, but neither this Agreement nor any rights arising hereunder may be assigned or pledged by the Executive. The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business and/or assets to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place.

(vi) Severability . Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(vii) Controlling Law . This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware. Where appearing in this Agreement, the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise.

(viii) Entire Agreement . The Executive and the Corporation acknowledge that upon its effective date, this Agreement supersedes any and all prior agreements between the Executive and the Corporation under the Plan as in effect at this time or at any prior time. From and after the Relevant Date, except as specifically provided herein, this Agreement shall supersede any other agreement between the parties with respect to severance pay and benefits. Notwithstanding the foregoing, any previously executed noncompetition agreement shall continue in effect following the execution of this Agreement and the Relevant Date.

(ix) Termination. This Agreement shall terminate on the third anniversary of the date hereof unless either (1) a Change of Control occurs on or before such third anniversary or (2) the Committee or the Chief Executive Officer of the Corporation determines to extend this Agreement for an additional three-year term or such shorter period as he or she determines to be appropriate. Notwithstanding the foregoing, if at the time when this Agreement would otherwise terminate, a third party has taken steps reasonably calculated to effect a Change of Control or a Change of Control is otherwise under consideration, then this Agreement shall automatically continue in effect until (A) a Change of Control occurs, in which event this Agreement shall thereafter remain in effect in accordance with its terms, or (B) the Board makes a good faith determination that in its opinion, the efforts by the third party or the Corporation to effect a Change of Control have been abandoned, at which time the Agreement shall terminate unless it is extended pursuant to clause (2) of the preceding sentence.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day of , 20 .

Executive

KIMBERLY-CLARK CORPORATION

By: _____

**SUPPLEMENTAL BENEFIT PLAN
TO THE
KIMBERLY-CLARK CORPORATION
PENSION PLAN**

Amended and Restated Effective as of April 17, 2009

This Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan (the “Plan”) is intended to be an unfunded “excess benefit plan” within the meaning of Section 3(36) and 4(b)(5) of the Employee Retirement Income Security Act of 1974. As such, the purpose of this Plan is solely to provide benefits to participants in the Kimberly-Clark Corporation Pension Plan as amended and restated from time to time (the “Retirement Plan”), which exceed the limitation on benefits imposed by Section 415 of the Internal Revenue Code of 1986, or any comparable provision of any future legislation which amends, supplements or supersedes that Section (“Section 415 of the Code”).

The terms and provisions of this Plan are as follows:

1. Each term which is used in this Plan and also used in the Retirement Plan shall have the same meaning herein as under the Retirement Plan.

Notwithstanding the above, for purposes of this Plan, where the following words and phrases appear in this Plan they shall have the respective meanings set forth below unless the context clearly indicates otherwise:

- (a) Benefit : A benefit payable pursuant to, and determined in accordance with the provisions of this Plan.
- (b) Change of Control : A Change of Control shall be deemed to have taken place if: (i) a third person, including a “group” as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, acquires shares of the Corporation having 20 percent or more of the total number of votes that may be cast for the election of Directors of the Corporation, or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions, the persons who were directors of the Corporation before the transaction shall cease to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.
- (c) “Grandfathered Benefit” shall mean the portion of the Benefit considered deferred under this Plan on or before December 31, 2004 as determined in accordance with Section 409A of the Code and the guidance promulgated thereunder.
- (d) Investment Grade : A bond rating of BBB minus, or its equivalent, by one of the nationally recognized rating agencies.

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- (e) Lump Sum Payment : A form of benefit payable as a lump sum cash payment, actuarially determined based on the rate of interest equivalent to the yield on a 30-year Treasury Bond as published in the Federal Reserve Statistical Release for the week that contains the first business day of the month prior to the date such Lump Sum payment is payable under this Plan, or such other rate as determined pursuant to uniform Committee rules, and the mortality table set forth for determining actuarial equivalent benefits under Section 10.1(a) of the Retirement Plan, and (i) in the case of a lump sum payment pursuant to Section 4(a) or (b) of this Plan, based on the Participant's Benefit payable from this plan and his age at the date of such lump sum payment, and (ii) in the case of a lump sum payment pursuant to Section 4(c) or 4(d) of this Plan, based on the Participant's Benefit payable under this Plan, the earliest age at which his Benefit from the Retirement Plan could commence if he terminated employment, and the early retirement reduction factor applicable at such age of commencement. Notwithstanding the foregoing, the 30-year Treasury Bond yield shall be used in determining a lump sum cash payment so long as such rate is published by the Federal Reserve. In the event that the Federal Reserve ceases to publish the 30-year Treasury Bond rate, a lump sum cash payment will be actuarially determined based on the rate of interest equivalent to the yield on the longest term Treasury Bond published in the Federal Reserve Statistical Release which is no more than 30-years but not less than for a 10-year term.
- (f) Participant : A participant in the Retirement Plan who (i) is a "managerial or highly compensated employee" of an Employer, within the meaning of Title I of ERISA, and (ii) is eligible to receive a Benefit upon his termination of employment.
- (g) "Timely Elected" shall mean as follows:
- (i) For payments which commence under the Retirement Plan prior to January 1, 1996, the Participant has elected to receive such Lump Sum Payment either (aa) in the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan or (bb) at least 90 days prior to the date such Lump Sum payment is payable under this Supplemental Benefit Plan;
 - (ii) For payments which commence under the Retirement Plan on or after January 1, 1996 and prior to February 18, 2002, the Participant has elected to receive such Lump Sum Payment no later than the earlier of (aa) the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan, (bb) at least 90 days prior to the date such Lump Sum payment is payable under this Supplemental Benefit Plan or (cc) for Participants who terminate employment prior to having attained age 55, the calendar year in which the Participant attained age 54.

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- (iii) For payments which commence under the Retirement Plan on or after February 18, 2002 the Participant has elected to receive such Lump Sum Payment no later than the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan.
 - (iv) In the event of the death of the Participant who has not commenced payments under this Supplemental Benefit Plan, the Participant's surviving spouse or designated beneficiary, as the case may be may, with the consent of the Retirement Trust Committee, elect a Lump Sum Payment in writing no later than thirty (30) days after the Participant's date of death.
 - (v) In the event that a Participant terminates service due to a Disability as described in Section 4.5, the Participant may, with the consent of the Retirement Trust Committee, elect a Lump Sum Payment in writing no later than thirty (30) days after the date the Participant is determined to be disabled by the Committee for the Pension Plan.
 - (h) "Termination of employment" and "terminates service" with respect to a Benefit that is not a Grandfathered Benefit under this Plan means Separation from Service with the Corporation or a Subsidiary. A Separation from Service will be deemed to have occurred if the Participant's services with the Corporation or a Subsidiary is reduced to an annual rate that is 20 percent or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period). Subsidiary for this subsection means any domestic or foreign corporation at least twenty percent (20%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or by other Subsidiaries, provided, however, that "at least fifty percent (50%)" shall replace "at least twenty percent (20%)" where there is not a legitimate business criteria for using such lower percentage.
2. So long as a Pensioner (or the spouse or designated beneficiary, as the case may be of a former Employee) shall be entitled to receive benefits under the Retirement Plan, there shall be paid under this Plan to such Pensioner (or such spouse or designated beneficiary, as the case may be) such amounts of Disability Benefit, Basic Benefit, Optional Joint and Survivor Benefit, Pensioners Benefit, Survivors Benefit, Optional Years Certain and Life Benefit, Deferred Benefit, Automatic Survivor's Benefit, and any other benefits including benefits distributed upon termination of the Plan (as the case may be) as would have been paid to such person under the Retirement Plan without regard to the limitation on benefits imposed by Section 415 of the Code, but only to the extent that the amount of such benefits exceeds such limitation. Except as provided in Section 4, such amounts relating to Grandfathered Benefits shall be paid to such

person on the same terms and conditions, at the same times, and pursuant to the same elections made by the Employee, as they would have been if paid under the Retirement Plan, were it not for such limitation on benefits. Any portion of a Participant's Benefit which is not a Grandfathered Benefit shall be paid as a Lump Sum Payment pursuant to Section 4.

3. The Employer may enter into a contract with any Employee who it is projected will be entitled to receive benefits under this Plan, or with any Pensioner (or any spouse or designated beneficiary) who is entitled to receive benefits under this Plan, stipulating the terms and manner of payments to be made under this Plan, but the entitlement of a Pensioner (or spouse or designated beneficiary) to receive benefits under this Plan shall not be conditioned upon the entering into of such a contract prior to the entitlement to benefits under this Plan.
4. Notwithstanding any other provision of the Retirement Plan, a Participant (or surviving spouse or designated beneficiary, as the case may be) shall be entitled to elect to receive his Grandfathered Benefit payable under Section 2 as a Lump Sum Payment (subject to any applicable payroll or other taxes required to be withheld) under the following circumstances:
 - (a) The Participant (or surviving spouse or designated beneficiary, as the case may be) has Timely Elected to receive such Lump Sum Payment;
 - (b) the Corporation experiences a Change in Control; or
 - (c) the Corporation's long-term credit rating falls below Investment Grade.

If a Participant (or surviving spouse or designated beneficiary, as the case may be) elects a Lump Sum Payment pursuant to subsection 4(a) above, such election is subject to approval by the Retirement Trust Committee in its sole discretion. In addition, the Lump Sum Payment shall be payable at the same time as the payments are eligible to commence under the Retirement Plan.

If a Participant (or surviving spouse or designated beneficiary, as the case may be) elects a Lump Sum Payment pursuant to subsections 4(b) or 4(c) above, the Lump Sum Payment shall be reduced for active Employees by a penalty equal to ten percent (10%) of the Grandfathered Benefit otherwise payable and for former Employees (or spouses or designated beneficiaries) by a penalty equal to five percent (5%) of the Grandfathered Benefit otherwise payable. Such penalty shall be permanently forfeited and shall not be paid to, or in respect of, the Employee, former Employee, or spouse or designated beneficiary. In addition, such election must be made within two years after a Change in Control or within 90 days after the date the Corporation's long-term credit rating falls below Investment Grade. Such Lump Sum Payment shall be paid within thirty days of the date of election.

Notwithstanding any other provisions of this Plan to the contrary, except where waived by the Participant's spouse as required under the provisions of the Retirement Plan, all Grandfathered Benefits payable to a Participant shall be

paid in the same form as the benefits would be payable under the Retirement Plan. Provided, however, for each Participant whose employment terminates after February 18, 2002, if the amount of the Lump Sum Distribution, calculated as if such Participant (or surviving spouse or designated beneficiary, as the case may be) had made an election to receive a Lump Sum Distribution at the earliest time that such person could have made an election under subsection 4(a), does not exceed \$25,000, then such Lump Sum Distribution shall be paid at the earliest time such person could have made an election under subsection 4(a).

Notwithstanding any other provision in this Plan, any portion of a Participant's Benefit which is not a Grandfathered Benefit shall automatically be paid as a Lump Sum Payment. Such payment shall be made following the date which is six months after the Participant's separation from service (or, if earlier the date of death of the Participant).

Notwithstanding any other provisions of this Supplemental Benefit Plan to the contrary, (i) in the event that a portion of the Lump Sum Payment of a Grandfathered Benefit due a Participant pursuant to this Section 4 would not be deductible by the Company pursuant to Section 162(m) of the Code, the Company, at its discretion, may postpone payment of such amounts to the Participant until such time that the payments would be deductible by the Company, (ii) in the event that a portion of the Lump Sum Payment of a Participant's Benefit which is not a Grandfathered Benefit due a Participant pursuant to this Section 4 would not be deductible by the Company pursuant to Section 162(m) of the Code, the payment will be delayed where the Company reasonably anticipates that the Company's deduction with respect to such payment otherwise would be limited or eliminated by application of section 162(m); provided that the payment shall be made either at the earliest date at which the Company reasonably anticipates that the deduction of the payment of the amount will not be limited or eliminated by application of section 162(m). Provided, however, that no payment postponed pursuant to this subsection 4 shall be postponed beyond the first anniversary of the date such Participant terminated employment. Any Lump Sum Payment postponed pursuant to this subsection 4 shall include interest for the period such Lump Sum Payment is postponed at a per annum rate equal to the six-month U.S. Treasury Bill secondary market rate as published by the Federal Reserve Board for the calendar week ending prior to January 1 (for terminations of employment in either of the two subsequent fiscal quarters ending March 31 or June 30) or prior to July 1 (for terminations of employment in either of the two subsequent fiscal quarters ending on September 30 or December 31), or such other rate as determined pursuant to uniform Committee rules.

5. If a Participant has received a Lump Sum Payment pursuant to Section 4 above, such Participant may accrue an additional Benefit under this Plan after the date of such Lump Sum Payment, provided, however, that such future participation shall not result in duplication of benefits. Accordingly, if he has received a distribution of a Benefit under the Plan by reason of prior participation, his Benefit shall be reduced by the actuarial equivalent (at the date of the later distribution) of the present value of the Benefit previously paid hereunder.

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6. This Plan shall not be a funded plan, and the Corporation shall be under no obligation to set aside any funds for the purpose of making payments under this Plan. Any payments hereunder shall be made out of the general assets of the Employer.
 7. The Corporation by action of the Board of Directors, shall have the right at any time to amend this Plan in any respect, or to terminate this Plan; provided, however, that no such amendment or termination shall be effective to the extent it eliminates or reduces any "Section 411(d)(6) protected benefit" or adds or modifies conditions relating to "Section 411(d)(6) protected benefits" the result of which is a further restriction on such benefit unless such protected benefits are preserved with respect to benefits accrued as of the later of the adoption date or effective date of the amendment. "Section 411(d)(6) protected benefits" are benefits described in Section 411(d)(6)(A) of the Internal Revenue Code of 1986, early retirement benefits and retirement-type subsidies, and optional forms of benefit.
 8. The Committee under the Retirement Plan, as constituted from time to time, shall administer this Plan and shall have the same powers and duties, and shall be subject to the same limitations as are set forth in the Retirement Plan.
 9. Subject to the provisions of Section 5, this Plan shall terminate when the Retirement Plan terminates.
 10. Notwithstanding any other provision of this Plan, no additional benefit shall accrue under this Plan with respect to any compensation and benefit service accruals under the Retirement Plan with respect to plan years beginning after December 31, 2009. An Employee who commences employment with an Employer after December 31, 2009 will not be eligible to participate or to accrue a benefit under this Plan.

**SECOND SUPPLEMENTAL BENEFIT PLAN
TO THE
KIMBERLY-CLARK CORPORATION
PENSION PLAN**

Amended and Restated Effective as of April 17, 2009

1. Use of Defined Terms. Capitalized terms used herein have the respective meanings ascribed to such terms as set forth in Section 6 below.
2. Purpose. The Second Supplemental Benefit Plan is for the purpose of providing Participants and their Beneficiaries with such benefits, in addition to the Retirement Plan and the Supplemental Plan, as are necessary to fulfill the intent of the Retirement Plan without regard to Section 415 of the Code or any dollar limit imposed by the Code on the amount of compensation considered under the Retirement Plan. It is intended that the Second Supplemental Benefit Plan constitute an unfunded plan of deferred compensation for a select group of management or highly compensated employees, within the meaning of Title I of ERISA.
3. Benefit. The Benefit of a Participant or a Survivor under the Second Supplemental Benefit Plan shall be the difference between:
 - (a) the monthly amount payable under the Retirement Plan, which monthly amount shall be calculated (i) without regard to Article XI of the Retirement Plan and (ii) using the term Earnings defined as set forth in Section 6(f) of the Second Supplemental Benefit Plan below; less
 - (b) the sum of (i) the monthly amount payable under the Retirement Plan and (ii) the monthly amount payable under the Supplemental Plan.
4. Lump Sum Payments.
 - (a) Notwithstanding any other provision of the Retirement Plan, a Participant (or surviving spouse or designated beneficiary, as the case may be) shall be entitled to elect to receive his Grandfathered Benefit payable under Section 3 as a Lump Sum Payment (subject to any applicable payroll or other taxes required to be withheld) under the following circumstances:
 - (i) The Participant (or surviving spouse or designated beneficiary, as the case may be) has Timely Elected to receive such Lump Sum Payment;
 - (ii) the Corporation experiences a Change of Control; or
 - (iii) the Corporation's long-term credit rating falls below Investment Grade.

- (b) If a Participant (or surviving spouse or designated beneficiary, as the case may be) elects a Lump Sum Payment pursuant to subsection 4(a)(i) above, such election is subject to approval by the Retirement Trust Committee in its sole discretion. In addition, the Lump Sum Payment shall be payable at the same time as the payments are eligible to commence under the Retirement Plan.
- (c) If a Participant (or surviving spouse or designated beneficiary, as the case may be) elects a Lump Sum Payment pursuant to subsections 4(a)(ii) or 4(a)(iii) above, the Lump Sum Payment shall be reduced for active employee Participants by a penalty equal to ten percent (10%) of the Benefit otherwise payable and for a former employee, or a surviving spouse or designated beneficiary, by a penalty equal to five percent (5%) of the Grandfathered Benefit otherwise payable. Such penalty shall be permanently forfeited and shall not be paid to or in respect of, the Participant or surviving spouse or designated beneficiary. In addition, such election must be made within two years after a Change of Control or within 90 days after the date the Corporation's long-term credit rating falls below Investment Grade. Such Lump Sum Payment shall be made within thirty days of the date of election.
- (d) Notwithstanding any other provision in this Plan, any portion of a Participant's Benefit which is not a Grandfathered Benefit shall automatically be paid as a Lump Sum Payment. Such payment shall be made following the date which is six months after the Participant's separation from service (or, if earlier the date of death of the Participant).
- (e) If a Participant has received a Lump Sum Payment pursuant to this Section 4, such Participant may accrue an additional Benefit under this Plan after the date of such Lump Sum Payment, provided, however, that such future participation shall not result in duplication of benefits. Accordingly, if he has received a distribution of a Benefit under the Plan by reason of prior participation, his Benefit shall be reduced by the actuarial equivalent (at the date of the later distribution) of the present value of the Benefit previously paid hereunder.
- (f) Notwithstanding any other provisions of this Second Supplemental Benefit Plan to the contrary, (i) in the event that a portion of the Lump Sum Payment of a Grandfathered Benefit due a Participant pursuant to this Section 4 would not be deductible by the Company pursuant to Section 162(m) of the Code, the Company, at its discretion, may postpone payment of such amounts to the Participant until such time that the payments would be deductible by the Company, (ii) in the event that a portion of the Lump Sum Payment of a Participant's Benefit which is not a Grandfathered Benefit due a Participant pursuant to this Section 4 would not be deductible by the Company pursuant to Section 162(m) of the Code, the payment will be delayed where the Company reasonably anticipates that the Company's deduction with respect to such payment otherwise would be limited or eliminated by application of section 162(m); provided that the payment shall be made either at the earliest date at

which the Company reasonably anticipates that the deduction of the payment of the amount will not be limited or eliminated by application of section 162(m). Provided, however, that no payment postponed pursuant to this subsection 4(f) shall be postponed beyond the first anniversary of the date such Participant terminated employment. Any Lump Sum Payment postponed pursuant to subsection 4(d) or 4(f) shall include interest for the period such Lump Sum Payment is postponed at a per annum rate equal to the six-month U.S. Treasury Bill secondary market rate as published by the Federal Reserve Board for the calendar week ending prior to January 1 (for terminations of employment in either of the two subsequent fiscal quarters ending March 31 or June 30) or prior to July 1 (for terminations of employment in either of the subsequent fiscal quarters ending on September 30 or December 31), or such other rate as determined pursuant to uniform Committee rules.

- (g) Notwithstanding any other provisions of this Plan to the contrary, except where waived by the Participant's spouse as required under the provisions of the Retirement Plan, all Grandfathered Benefits payable to a Participant shall be paid in the same form as the benefits would be payable under the Retirement Plan. Provided, however, for each Participant whose employment terminates after February 18, 2002, if the amount of the Lump Sum Distribution, calculated as if such Participant (or surviving spouse or designated beneficiary, as the case may be) had made an election to receive a Lump Sum Distribution at the earliest time that such person could have made an election under subsection 4(a)(i), does not exceed \$25,000, then such Lump Sum Distribution shall be paid at the earliest time such person could have made an election under subsection 4(a)(i).

- 5. Amendment and Termination. The Corporation, by action of its Board of Directors, may amend the Second Supplemental Benefit Plan in any respect, or terminate the Second Supplemental Benefit Plan; provided, however, that no such amendment or termination shall be effective to the extent it eliminates or reduces any "Section 411(d)(6) protected benefit" or adds or modifies conditions relating to "Section 411(d)(6) protected benefits" the result of which is a further restriction on such benefit unless such protected benefits are preserved with respect to benefits accrued as of the later of the adoption date or effective date of the amendment. "Section 411(d)(6) protected benefits" are benefits described in Section 411(d)(6)(A) of the Internal Revenue Code of 1986, early retirement benefits and retirement-type subsidies, and optional forms of benefit.

- 6. Definitions. The following capitalized terms shall have the respective meanings set forth below:

- (a) "Benefit" shall mean a benefit payable pursuant to, and determined in accordance with the provisions of the Second Supplemental Benefit Plan.
- (b) "Change of Control" shall mean that: (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, has acquired shares of the Corporation having 20 percent or more of the total number of votes

that may be cast for the election of Directors of the Corporation, or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions, the persons who were directors of the Corporation before the transaction have ceased to constitute a majority of the Board of Directors of the Corporation or any successor to the Corporation.

- (c) "Code" shall mean the Internal Revenue Code of 1986, as amended.
- (d) "Corporation" shall mean Kimberly-Clark Corporation, and any successor corporation.
- (e) "Committee" shall mean the Committee named under the Retirement Plan.
- (f) "Earnings" shall mean compensation paid by one or more of the designated affiliated companies shown in Appendix B of the Retirement Plan for personal services rendered to one or more of such companies (before any withholding required by law or authorized by the person to whom such compensation is payable), including overtime, bonuses, incentive compensation, Regular Deferred Deposits and special Deferred Deposits under the Kimberly-Clark Corporation Salaried Employees' Incentive Investment Plan, and any salary or bonus, or both, deferred under the Kimberly-Clark Corporation Deferred Compensation Plan, but excluding any payments in lieu of vacation, severance payments, compensation paid in a form other than cash (such as goods, services, and, except as otherwise provided herein, contributions to employee benefit programs), service or suggestion awards, and all other special or unusual compensation of any kind.

Notwithstanding the above, for Plan Years of the Retirement Plan beginning on or after January 1, 1980, in the case of a Participant on foreign assignment, as determined by the Employer pursuant to rules adopted by the Committee, earnings shall be base salary, as determined by the Participant's Employer pursuant to rules adopted by the committee (without regard to any limitation under Section 401(a)(17) of the Code) plus overtime, bonuses, incentive compensation, and Regular Deferred Deposits and Special Deferred Deposits under the Kimberly-Clark Corporation Salaried Employees' Incentive Investment Plan, and any salary or bonus, or both, deferred under the Kimberly-Clark Corporation Deferred Compensation Plan, but shall exclude foreign service premium, cost of living adjustments, housing payments, tax equalization payments, payments in lieu of vacation, severance payments, compensation in a form other than cash (such as goods, services, and, except as otherwise provided herein, contributions to employee benefit programs), service or suggestion award and all other special or unusual compensation of any kind.

- (g) "Employer" shall mean a participating employer shown in Appendix A of the Retirement Plan.

- (h) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.
- (i) "Grandfathered Benefit" shall mean the portion of the Benefit considered deferred under this Plan on or before December 31, 2004 as determined in accordance with Section 409A of the Code and the guidance promulgated thereunder.
- (j) "Investment Grade" shall mean a bond rating of BBB minus, or its equivalent, by one of the nationally recognized rating agencies.
- (k) "Lump Sum Payment" shall mean a form of benefit payable as a lump sum cash payment, actuarially determined based on the rate of interest equivalent to the yield on a 30-year Treasury Bond as published in the Federal Reserve Statistical Release for the week that contains the first business day of the month prior to the date such Lump Sum payment is payable under this Second Supplemental Benefit Plan, or such other rate as determined pursuant to uniform Committee rules, and the mortality table set forth for determining actuarial equivalent benefits under Section 10.1(a) of the Retirement Plan, and (i) in the case of a lump sum payment pursuant to subsection 4(a)(i) of this Plan, based on the Participant's Benefit payable from this Plan and his age at the date of such lump sum payment, and (ii) in the case of a lump sum payment pursuant to subsections 4(a)(ii) or 4(a)(iii) of this Plan, based on the Participant's Benefit payable under this plan, the earliest age at which his Benefit from the Retirement Plan could commence if he terminated employment, and the early retirement reduction factor applicable at such age of commencement. Notwithstanding the foregoing, the 30-year Treasury Bond yield shall be used in determining a lump sum cash payment so long as such rate is published by the Federal Reserve. In the event that the Federal Reserve ceases to publish the 30-year Treasury Bond rate, a lump sum cash payment will be actuarially determined based on the rate of interest equivalent to the yield on the longest term Treasury Bond published in the Federal Reserve Statistical Release which is no more than 30-years but not less than for a 10-year term.
- (l) "Participant" shall mean a participant in the Retirement Plan who (i) is a "managerial or highly compensated employee" of an Employer, within the meaning of Title I of ERISA, and (ii) has earnings in excess of the limit provided under Section 401(a)(17) of the Code for any calendar year in which the Participant participates in the Retirement Plan, except that no individual shall be a participant herein to the extent that such participation is precluded by an agreement between the Corporation and such individual or such individual is subject to a separate agreement regarding deferred compensation which provides for similar benefits.

- (m) "Retirement Plan" shall mean the Kimberly-Clark Corporation Pension Plan, or any successor defined benefit pension plan.
- (n) "Second Supplemental Benefit Plan" shall mean the Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan.
- (o) "Supplemental Plan" shall mean the Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, or any successor to such plan.
- (p) "Survivor" shall refer to any of a Designated Beneficiary, surviving spouse or Surviving Minor Children of a Participant, within the meaning of the Retirement Plan.
- (q) "Terminations of employment", "terminated employment", "terminates service" and "separation from service" with respect to a Benefit that is not a Grandfathered Benefit under this Plan means Separation from Service with the Corporation or a Subsidiary. A Separation from Service will be deemed to have occurred if the Participant's services with the Corporation or a Subsidiary is reduced to an annual rate that is 20 percent or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period). Subsidiary for this subsection means any domestic or foreign corporation at least twenty percent (20%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or by other Subsidiaries, provided, however, that "at least fifty percent (50%)" shall replace "at least twenty percent (20%)" where there is not a legitimate business criteria for using such lower percentage.
- (r) "Timely Elected" shall mean as follows:
 - (i) For payments which commence under the Retirement Plan prior to January 1, 1996, the Participant has elected to receive such Lump Sum Payment either (aa) in the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan or (bb) at least 90 days prior to the date such Lump Sum payment is payable under this Second Supplemental Benefit Plan;
 - (ii) For payments which commence under the Retirement Plan on or after January 1, 1996 and prior to February 18, 2002 the Participant has elected to receive such Lump Sum Payment no later than the earlier of (aa) the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan, (bb) at least 90 days prior to the date such Lump Sum payment is payable under this Second Supplemental Benefit Plan or (cc) for Participants who terminate employment prior to having attained age 55, the calendar year in which the Participant attained age 54.

- (iii) For payments which commence under the Retirement Plan on or after February 18, 2002 the Participant has elected to receive such Lump Sum Payment no later than the calendar year prior to the year in which the payments are eligible to commence under the Retirement Plan.
- (iv) In the event of the death of the Participant who has not commenced payments under this Second Supplemental Benefit Plan, the Participant's surviving spouse or designated beneficiary, as the case may be may, with the consent of the Retirement Trust Committee, elect a Lump Sum Payment in writing no later than thirty (30) days after the Participant's date of death.
- (v) In the event that a Participant terminates service due to a Disability as described in Section 4.5 of the Retirement Plan, the Participant may, with the consent of the Retirement Trust Committee, elect a Lump Sum Payment in writing no later than thirty (30) days after the date the Participant is determined to be disabled by the Committee for the Pension Plan.

7. Miscellaneous

- (a) The Corporation is the Plan Sponsor and Named Fiduciary of the Second Supplemental Benefit Plan, within the meaning of ERISA.
- (b) The Committee shall administer the Second Supplemental Benefit Plan and shall have the same power and duties, and shall be subject to the same limitations, as are set forth in the Retirement Plan.
- (c) An application or claim for a benefit under the Retirement Plan, or an election to receive his benefit in a Lump Sum Payment, shall constitute a claim for a Benefit under the Second Supplemental Benefit Plan.

8. Cessation of Future Compensation and Benefit Service Accruals

Notwithstanding any other provision of this Second Supplemental Pension Plan, no additional Benefit shall accrue under this Second Supplemental Pension Plan with respect to any compensation and benefit service accruals under the Retirement Plan with respect to plan years beginning after December 31, 2009. An Employee who commences employment with an Employer after December 31, 2009 will not be eligible to participate or to accrue a benefit under this Second Supplemental Pension Plan.

KIMBERLY-CLARK CORPORATION
2001 EQUITY PARTICIPATION PLAN
(as amended effective November 17, 2009)

1. PURPOSE

This 2001 Equity Participation Plan (the "Plan") of Kimberly-Clark Corporation (the "Corporation") is intended to aid in attracting and retaining highly qualified personnel and to encourage those employees who materially contribute, by managerial, scientific or other innovative means to the success of the Corporation or of an Affiliate, to acquire an ownership interest in the Corporation, thereby increasing their motivation for and interest in the Corporation's or Affiliate's long-term success.

2. EFFECTIVE DATE

The Plan was originally adopted effective as of April 26, 2001, upon approval by the stockholders of the Corporation at the 2001 Annual Meeting. The Plan is amended and restated effective as of November 17, 2009.

3. DEFINITIONS

"Affiliate" means any domestic or foreign corporation at least fifty percent (50%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Corporation or other Affiliates (collectively, the "Affiliates"), provided, however, that "at least twenty percent (20%)" shall replace "at least fifty percent (50%)" where there is a legitimate business criteria for using such lower percentage.

"Award" has the meaning set forth in Section 6 of this Plan.

"Award Agreement" means an agreement entered into between the Corporation and a Participant setting forth the terms and conditions applicable to the Award granted to the Participant.

"Board" means the Board of Directors of the Corporation.

"Cause" means any of the following: (i) the commission by the Participant of a felony; (ii) the Participant's dishonesty, habitual neglect or incompetence in the management of the affairs of the Corporation; or (iii) the refusal or failure by the Participant to act in accordance with any lawful directive or order of the Corporation, or an act or failure to act by the Participant which is in bad faith and which is detrimental to the Corporation.

"Change of Control" means an event deemed to have taken place if: (i) a third person, including a "group" as defined for purposes of Code Section 409A, acquires shares of the Corporation having 30% or more of the total number of votes that may be cast for the election of directors of the Corporation; or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a "Transaction"), within a twelve month period, the persons who were directors of the Corporation before the Transaction shall cease to constitute a majority of the Board of the Corporation or any successor to the Corporation.

“Code” means the Internal Revenue Code of 1986 and the regulations thereunder, as amended from time to time.

“Committee” means the Compensation Committee of the Board, provided that if the requisite number of members of the Compensation Committee are not Disinterested Persons, the Plan shall be administered by a committee, all of whom are Disinterested Persons, appointed by the Board and consisting of two or more directors with full authority to act in the matter. The term “Committee” shall mean the Compensation Committee or the committee appointed by the Board, as the case may be. Furthermore, the term “Committee” shall include any delegate to the extent authority is delegated pursuant to Section 4 hereunder.

“Committee Rules” means the interpretative guidelines approved by the Committee providing the foundation for administration of this Plan.

“Common Stock” means the common stock, par value \$1.25 per share, of the Corporation and shall include both treasury shares and authorized but unissued shares and shall also include any security of the Corporation issued in substitution, in exchange for, or in lieu of the Common Stock.

“Disinterested Person” means a person who is a “Non-Employee Director” for purposes of rule 16b-3 under the Exchange Act, or any successor provision, and who is also an “outside director” for purposes of section 162(m) of the Code or any successor section.

“Exchange Act” means the Securities Exchange Act of 1934 and the rules and regulations thereunder, as amended from time to time.

“Fair Market Value” means the reported closing price of the Common Stock, on the relevant date as reported on the composite list used by The Wall Street Journal for reporting stock prices, or if no such sale shall have been made on that day, on the last preceding day on which there was such a sale.

“Incentive Stock Option” means an Option which is so defined for purposes of section 422 of the Code or any successor section.

“Nonqualified Stock Option” means any Option which is not an Incentive Stock Option.

“Option” means a right to purchase a specified number of shares of Common Stock at a fixed option price equal to no less than 100% of the Fair Market Value of the Common Stock on the date the Award is granted.

“Option Price” has the meaning set forth in subsection 7(b) of this Plan.

“Participant” means an employee who the Committee selects to participate in and receive Awards under the Plan (collectively, the “Participants”).

“Performance Goal” means the specific performance objectives as established by the Committee, which, if achieved, will result in the amount of payment, or the early payment, of the Award. The Performance Goal may consist of one or more or any combination of the following criteria: return on invested capital, stock price, market share, sales revenue, cash flow, earnings per share, return on equity, total shareholder return, gross margin, and/or costs. The performance goals may be described in terms that are related to the individual Participant, to the Company as a whole, or to a subsidiary, division, department, region, function or business unit of the Company in which the Participant is employed. The Committee, in its discretion, may change or modify these criteria; however, at all times the criteria must meet the requirements of Section 162(m) of the Code, or any successor section, to the extent applicable.

“Qualified Termination of Employment” means the termination of a Participant’s employment with the Corporation and/or its Affiliates within the two (2) year period following a Change of Control of the Corporation for any reason unless such termination is by reason of death or disability or unless such termination is (i) by the Corporation for Cause or (ii) by the Participant without Good Reason. Subject to the definition of “Termination by the Participant for Good Reason,” transfers of employment for administrative purposes among the Corporation and its Affiliates shall not be deemed a Qualified Termination of Employment.

“Restricted Period” shall mean the period of time during which the Transferability Restrictions applicable to Awards will be in force.

“Restricted Share” shall mean a share of Common Stock which may not be traded or sold, until the date the Transferability Restrictions expire.

“Restricted Share Unit” means the right, as described in Section 9, to receive an amount, payable in either cash or shares of Common Stock, equal to the value of a specified number of shares of Common Stock. No certificates shall be issued with respect to such Restricted Share Unit, except as provided in subsection 9(d), and the Corporation shall maintain a bookkeeping account in the name of the Participant to which the Restricted Share Unit shall relate.

“Retirement” and “Retires” for Awards granted after December 31, 2003 means the termination of employment on or after the date the Participant has attained age 55. For Awards granted prior to January 1, 2004 “Retirement” and “Retires” means the termination of employment on or after the date the Participant is entitled to receive immediate payments under a qualified retirement plan of the Corporation or an Affiliate; provided, however, if the Participant is not eligible to participate under a qualified retirement plan of the Corporation or its Affiliates then such Participant shall be deemed to have retired if his termination of employment is on or after the date such Participant has attained age 55.

“Stock Appreciation Right (SAR)” has the meaning set forth in subsection 7(i)(i) of this Plan.

“Termination by the Participant for Good Reason” shall mean the separation from service during the two year time period following the initial existence (without the Participant’s express written consent) of any one of the following conditions:

- (a) A material diminution in the Participant’s base compensation;
- (b) A material diminution in the Participant’s authority, duties, or responsibilities;
- (c) A material diminution in the authority, duties, or responsibilities of the supervisor to whom the Participant is required to report, including a requirement that a Participant report to a corporate officer or employee instead of reporting directly to the board of directors of the Corporation;
- (d) A material diminution in the budget over which the Participant retains authority;
- (e) A material change in the geographic location at which the Participant must perform the services; or

(f) Any other action or inaction that constitutes a material breach by the Corporation of any agreement under which the Participant provides services.

The Participant must provide notice to the Corporation of the existence of any of the above conditions within a period not to exceed 90 days of the initial existence of the condition, upon the notice of which the Corporation must be provided a period of at least 30 days during which it may remedy the condition and not be required to pay the amount.

The Participant's right to terminate the Participant's employment for Good Reason shall not be affected by the Participant's incapacity due to physical or mental illness. The Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

"Total and Permanent Disability" means Totally and Permanently Disabled as defined in the Kimberly-Clark Corporation Pension Plan.

"Transferability Restrictions" means the restrictions on transferability imposed on Awards of Restricted Shares or Restricted Share Units.

4. ADMINISTRATION

The Plan and all Awards granted pursuant thereto shall be administered by the Committee. The Committee, in its absolute discretion, shall have the power to interpret and construe the Plan and any Award Agreements; provided, however, that no such action or determination may increase the amount of compensation payable that would otherwise be due in a manner that would result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section. Any interpretation or construction of any provisions of this Plan or the Award Agreements by the Committee shall be final and conclusive upon all persons. No member of the Board or the Committee shall be liable for any action or determination made in good faith.

Within 60 days following the close of each calendar year that the Plan is in operation, the Committee shall make a report to the Board. The report shall specify the employees who received Awards under the Plan during the prior year, the form and size of the Awards to the individual employees, and the status of prior Awards.

The Committee shall have the power to promulgate Committee Rules and other guidelines in connection with the performance of its obligations, powers and duties under the Plan, including its duty to administer and construe the Plan and the Award Agreements.

The Committee may authorize persons other than its members to carry out its policies and directives subject to the limitations and guidelines set by the Committee, and may delegate its authority under the Plan, provided, however, the delegation of authority to grant Awards shall be limited to grants by the Chief Executive Officer to newly hired employees, or to respond to special recognition or retention needs, and any such grants shall be limited to eligible Participants who are not subject to section 16 of the Exchange Act. The delegation of authority shall be limited as follows: (a) with respect to persons who are subject to section 16 of the Exchange Act, the authority to grant Awards, the selection for participation, decisions concerning the timing, pricing and amount of a grant or Award and authority to administer Awards shall not be delegated by the Committee; (b) the maximum number of shares of Common Stock covered by Awards which may be granted by the Chief Executive Officer within any calendar year period shall not exceed 200,000; (c) any delegation shall satisfy all applicable requirements of rule 16b-3 of the Exchange Act, or any successor provision; and (d) no such delegation shall result in

the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section. Any person to whom such authority is granted shall continue to be eligible to receive Awards under the Plan.

5. ELIGIBILITY

The Committee shall from time to time select the Participants from those employees whom the Committee determines either to be in a position to contribute materially to the success of the Corporation or Affiliate or to have in the past so contributed. Only employees (including officers and directors who are employees) of the Corporation and its Affiliates are eligible to participate in the Plan.

6. FORM OF GRANTS

All Awards under the Plan shall be made in the form of Options, Restricted Shares or Restricted Share Units, or any combination thereof. Notwithstanding anything in this Plan to the contrary, any Awards shall contain the restriction on assignability in subsection 16(g) of this Plan to the extent required under rule 16b-3 of the Exchange Act.

7. STOCK OPTIONS

The Committee or its delegate shall determine and designate from time to time those Participants to whom Options are to be granted and the number of shares of Common Stock to be optioned to each and the periods the Option shall be exercisable. Such Options may be in the form of Incentive Stock Options or in the form of Nonqualified Stock Options. The Committee in its discretion at the time of grant may establish performance goals that may affect the grant, exercise and/or settlement of an Option. After granting an Option to a Participant, the Committee shall cause to be delivered to the Participant an Award Agreement evidencing the granting of the Option. The Award Agreement shall be in such form as the Committee shall from time to time approve. The terms and conditions of all Options granted under the Plan need not be the same, but all Options must meet the applicable terms and conditions specified in subsections 7(a) through 7(h).

(a) Period of Option. The Period of each Option shall be no more than 10 years from the date it is granted.

(b) Option Price. The Option price shall be determined by the Committee, but shall not in any instance be less than the Fair Market Value of the Common Stock at the time that the Option is granted (the "Option Price").

(c) Limitations on Exercise. The Option shall not be exercisable until at least one year has expired after the granting of the Option, during which time the Participant shall have been in the continuous employ of the Corporation or an Affiliate; provided, however, that the Option shall become exercisable immediately in the event of a Qualified Termination of Employment of a Participant, without regard to the limitations set forth below in this subsection 7(c). Unless otherwise determined by the Committee or its delegate at the time of grant, at any time during the period of the Option after the end of the first year, the Participant may purchase up to 30 percent of the shares covered by the Option; after the end of the second year, an additional 30 percent; and after the end of the third year, the remaining 40 percent of the total number of shares covered by the Option; provided, however, that if the Participant's employment is terminated for any reason other than death, Retirement or Total and Permanent Disability, the Option shall be exercisable only for three months following such termination and only for the number of shares of Common Stock which were exercisable on the date of such termination. In no event, however, may an Option be exercised more than 10 years after the date of its grant.

(d) Exercise after Death, Retirement, or Disability. Unless otherwise determined by the Committee or its delegate at the time of grant, if a Participant dies, becomes Totally and Permanently Disabled, or Retires without having exercised the Option in full, the remaining portion of such Option may be exercised, without regard to the limitations in subsection 7(c), as follows. If a Participant dies or becomes Totally and Permanently Disabled the remaining portion of such Option may be exercised within (i) three years from the date of any such event or (ii) the remaining period of the Option, whichever is earlier. Upon a Participant's death, the Option may be exercised by the person or persons to whom such Participant's rights under the Option shall pass by will or by applicable law or, if no such person has such rights, by his executor or administrator. If a Participant Retires the remaining portion of such Option may be exercised within (i) five years from the date of any such event or (ii) the remaining period of the Option, whichever is earlier.

(e) Non-transferability. During the Participant's lifetime, Options shall be exercisable only by such Participant. Options shall not be transferable other than by will or the laws of descent and distribution upon the Participant's death. Notwithstanding anything in this subsection 7(e) to the contrary, the Committee may grant to designated Participants the right to transfer Nonqualified Stock Options, to the extent allowed under rule 16b-3 of the Exchange Act, subject to the terms and conditions of the Committee Rules.

(f) Exercise; Notice Thereof. Options shall be exercised by delivering to the Corporation, or an agent designated by the Corporation, written notice of the number of shares with respect to which Option rights are being exercised and by paying in full the Option Price of the shares at the time being acquired. As determined by the Committee, payment may be made in cash, a check payable to the Corporation or in shares of Common Stock transferable to the Corporation and having a fair market value on the transfer date equal to the amount payable to the Corporation. A Participant shall have none of the rights of a stockholder with respect to shares covered by such Option until the Participant becomes the record holder of such shares.

(g) Purchase for Investment. It is contemplated that the Corporation will register shares sold to Participants pursuant to the Plan under the Securities Act of 1933. In the absence of an effective registration, however, a Participant exercising an Option hereunder may be required to give a representation that he/she is acquiring such shares as an investment and not with a view to distribution thereof.

(h) Limitations on Incentive Stock Option Grants.

(i) An Incentive Stock Option shall be granted only to an individual who, at the time the Option is granted, does not own stock possessing more than 10 percent of the total combined voting power of all classes of stock of the Corporation or Affiliates.

(ii) The aggregate Fair Market Value of all shares with respect to which Incentive Stock Options are exercisable by a Participant for the first time during any year shall not exceed \$100,000. The aggregate Fair Market Value of such shares shall be determined at the time the Option is granted.

(i) Election to Receive Cash Rather than Stock.

(i) At the same time as Nonqualified Stock Options are granted the Committee may also grant to designated Participants the right to convert a specified number of shares of Common Stock covered by such Nonqualified Stock Options to cash, subject to the terms and conditions of this subsection 7(i). For each such Option so converted, the Participant shall be entitled to receive cash equal to the difference between the Participant's Option Price and the Fair Market Value of the Common Stock on the date of conversion. Such a right shall be referred to herein as a Stock Appreciation Right ("SAR"). Participants to whom an SAR has been granted shall be notified of such grant and of the Options to which such SAR pertains. An SAR may be revoked by the Committee, in its sole discretion, at any time, provided, however, that no such revocation may be taken hereunder if such action would result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section.

(ii) A person who has been granted an SAR may exercise such SAR during such periods as provided for in the rules promulgated under section 16 of the Exchange Act. The SAR shall expire when the period of the subject Option expires.

(iii) At the time a Participant converts one or more shares of Common Stock covered by an Option to cash pursuant to an SAR, such Participant must exercise one or more Nonqualified Stock Options, which were granted at the same time as the Option subject to such SAR, for an equal number of shares of Common Stock. In the event that the number of shares and the Option Price per share of all shares of Common Stock subject to outstanding Options is adjusted as provided in the Plan, the above SARs shall automatically be adjusted in the same ratio which reflects the adjustment to the number of shares and the Option Price per share of all shares of Common Stock subject to outstanding Options.

8. RESTRICTED SHARES

The Committee or its delegate may from time to time designate those Participants who shall receive Restricted Share Awards. Each grant of Restricted Shares under the Plan shall be evidenced by an agreement which shall be executed by the Corporation and the Participant. The agreement shall contain such terms and conditions, not inconsistent with the Plan, as shall be determined by the Committee and shall indicate the number of Restricted Shares awarded and the following terms and conditions of the award.

(a) Grant of Restricted Shares. The Committee shall determine the number of Restricted Shares to be included in the grant and the period or periods during which the Transferability Restrictions applicable to the Restricted Shares will be in force (the "Restricted Period"). Unless otherwise determined by the Committee at the time of grant, the Restricted Period shall be for a minimum of three years and shall not exceed ten years from the date of grant, as determined by the Committee at the time of grant. The Restricted Period may be the same for all Restricted Shares granted at a particular time to any one Participant or may be different with respect to different Participants or with respect to various of the Restricted Shares granted to the same Participant, all as determined by the Committee at the time of grant.

(b) Transferability Restrictions. During the Restricted Period, Restricted Shares may not be sold, assigned, transferred or otherwise disposed of, or mortgaged, pledged or otherwise encumbered. Furthermore, a Participant's right, if any, to receive Common Stock upon termination of the Restricted Period may not be assigned or transferred except by will or by

the laws of descent and distribution. In order to enforce the limitations imposed upon the Restricted Shares the Committee may (i) cause a legend or legends to be placed on any such certificates, and/or (ii) issue "stop transfer" instructions as it deems necessary or appropriate. Holders of Restricted Shares limited as to sale under this subsection 8(b) shall have rights as a shareholder with respect to such shares to receive dividends in cash or other property or other distribution or rights in respect of such shares, and to vote such shares as the record owner thereof. With respect to each grant of Restricted Shares, the Committee shall determine the Transferability Restrictions which will apply to the Restricted Shares for all or part of the Restricted Period. By way of illustration but not by way of limitation, the Committee may provide (i) that the Participant will not be entitled to receive any shares of Common Stock unless he or she is still employed by the Corporation or its Affiliates at the end of the Restricted Period, (ii) that the Participant will become vested in Restricted Shares according to a schedule determined by the Committee, or under other terms and conditions determined by the Committee, and (iii) how any Transferability Restrictions will be applied, modified or accelerated in the case of the Participant's death or Total and Permanent Disability.

(c) Manner of Holding and Delivering Restricted Shares. Each certificate issued for Restricted Shares shall be registered in the name of the Participant and deposited with the Corporation or its designee. These certificates shall remain in the possession of the Corporation or its designee until the end of the applicable Restricted Period or, if the Committee has provided for earlier termination of the Transferability Restrictions following a Participant's death, Total and Permanent Disability or earlier vesting of the shares of Common Stock, such earlier termination of the Transferability Restrictions. At whichever time is applicable, certificates representing the number of shares to which the Participant is then entitled shall be delivered to the Participant free and clear of the Transferability Restrictions; provided that in the case of a Participant who is not entitled to receive the full number of Shares evidenced by the certificates then being released from escrow because of the application of the Transferability Restrictions, those certificates shall be returned to the Corporation and canceled and a new certificate representing the shares of Common Stock, if any, to which the Participant is entitled pursuant to the Transferability Restrictions shall be issued and delivered to the Participant, free and clear of the Transferability Restrictions.

9. RESTRICTED SHARE UNITS

The Committee or its delegate shall from time to time designate those Participants who shall receive Restricted Share Unit Awards. The Committee shall advise such Participants of their Awards by a letter indicating the number of Restricted Share Units awarded and the following terms and conditions of the award.

(a) Restricted Share Units may be granted to Participants as of the first day of a Restricted Period. The number of Restricted Share Units to be granted to each Participant and the Restricted Period shall be determined by the Committee in its sole discretion.

(b) Transferability Restrictions. During the Restricted Period, Restricted Share Units may not be sold, assigned, transferred or otherwise disposed of, or mortgaged, pledged or otherwise encumbered. Furthermore, a Participant's right, if any, to receive cash or Common Stock upon termination of the Restricted Period may not be assigned or transferred except by will or by the laws of descent and distribution. With respect to each grant of Restricted Share Units, the Committee shall determine the Transferability Restrictions which will apply to the Restricted Share Units for all or part of the Restricted Period. By way of illustration but not by way of limitation, the Committee may provide (i) that the Participant will forfeit any Restricted Share

Units unless he or she is still employed by the Corporation or its Subsidiaries at the end of the Restricted Period, (ii) that the Participant will forfeit any or all Restricted Share Units unless he or she has met the Performance Goals according to the schedule determined by the Committee, (iii) that the Participant will become vested in Restricted Share Units according to a schedule determined by the Committee, or under other terms and conditions determined by the Committee, and (iv) how any Transferability Restrictions will be applied, modified or accelerated in the case of the Participant's death or Total and Permanent Disability.

(c) Unless otherwise determined by the Committee, during the Restricted Period, Participants will be credited with dividends, equivalent in value to those declared and paid on shares of Common Stock, on all Restricted Share Units granted to them, and these dividends will be regarded as having been reinvested in Restricted Share Units on the date of the Common Stock dividend payments based on the then Fair Market Value of the Common Stock thereby increasing the number of Restricted Share Units held by a Participant. Holders of Restricted Share Units under this subsection 9(c) shall have none of the rights of a shareholder with respect to such shares. Holders of Restricted Share Units are not entitled to receive distribution of rights in respect of such shares, nor to vote such shares as the record owner thereof.

(d) Payment of Restricted Share Units. The payment of Restricted Share Units shall be made in cash or shares of Common Stock, or a combination of both, as determined by the Committee at the time of grant. The payment of Restricted Share Units shall be made within 90 days following the end of the Restricted Period.

10. GOVERNMENT SERVICE, LEAVES OF ABSENCE AND OTHER TERMINATIONS

(a) In the event the Participant's employment with the Corporation or an Affiliate is terminated by reason of a shutdown or divestiture of all or a portion of the Corporation's or its Affiliate's business, a proportion of the Restricted Shares or Restricted Share Unit Award shall be considered to vest as of the Participant's termination of employment. The number of shares that shall vest shall be prorated for the number of full years of employment during the Restricted Period prior to the Participant's termination of employment. In the event the number of Restricted Shares or Restricted Share Units was to be determined by the attainment of Performance Goals according to a schedule determined by the Committee the number of shares that are considered to vest shall be determined at the end of the Restricted Period, prorated for the number of full years of employment during the Restricted Period prior to the Participant's termination of employment, and shall be paid within 90 days following the end of the Restricted Period.

(b) In the event of a Qualified Termination of Employment of a Participant, all of the Options, Restricted Shares or Restricted Share Unit Awards that were not subject to Performance Goals shall be considered to vest immediately. In the event the number of Restricted Shares or Restricted Share Units was to be determined by the attainment of Performance Goals according to a schedule determined by the Committee, (i) with respect to either a grant prior to 2010, with a performance period starting on or before January 1, 2009, the number of shares that shall be considered to vest shall be the greater of the target level established or the number of shares which would have vested based on the attainment of the Performance Goal as of the end of the prior calendar year, and (ii) a severance amount equal to the Average PRSU Payout multiplied by the number of annual PRSU grants with a performance period starting after January 1, 2009 which are forfeited due to the Qualified Termination of Employment. With respect to any grants with a performance period starting after January 1, 2009 the forfeited restricted shares and/or restricted share units determined by the attainment of

performance goals according to a schedule determined by the Committee will not be paid. For purposes of this subsection (c) the Average PRSU Payout shall mean the three year average of the dollar amount of the restricted shares and/or restricted share units determined by the attainment of performance goals (the “PRSU’s”) awards paid to the Participant under the Plan. The three year average of the PRSU’s paid to the Participant will be determined based on the higher of two dollar amount averages computed during alternative three year periods consisting of either (i) the year in which the Relevant Date occurred (or, if the award is not yet paid as of the Relevant Date, for the preceding year) and the two preceding years or, (ii) the year of the Qualified Termination of Employment (or, if the award is not yet paid as of the Qualified Termination of Employment, for the preceding year) and the two preceding years. If a Participant has been paid less than three years of PRSU’s the three year average of the PRSU’s paid to the Participant will be determined based on the average dollar amount of the PRSU’s paid in prior years to the Participant under the Plan. If a Participant has not received any prior payment of PRSU’s, the Average PRSU Payout will be determined as follows:

(1) For a Participant classified at the Corporation’s Grade 1 through 6 level, as defined by the Corporation’s compensation department, the Average PRSU Payout shall be calculated based on the prior three year average PRSU payment to other employees at the same grade level.

(2) For a Participant at the GSLT level (except for the Chief Executive Officer of the Corporation), the Average PRSU Payout shall be calculated based on the prior three year average PRSU payment to Participants at GSLT level.

(3) For the Chief Executive Officer of the Corporation, the Average PRSU Payout shall be calculated based on the prior three year average PRSU payment to the previous Chief Executive Officer(s) of the Corporation.

Notwithstanding the foregoing, no severance amount shall be paid to any Participant with respect to any PRSU grants to the extent that the Participant is entitled to receive payment under the Kimberly-Clark Executive Severance Plan. Notwithstanding anything in this Plan to the contrary, this definition may be amended at the discretion of the Committee to allow any amounts payable by the Corporation to comply with the definition of performance based compensation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder).

(c) If, pending a Change of Control, the Committee determines the Common Stock will cease to exist without an adequate replacement security that preserves Participants’ economic rights and positions, then, by action of the Committee, the following shall occur:

(i) All Stock Options and SARs, except for Incentive Stock Options, shall become exercisable immediately prior to the consummation of the Change of Control in such manner as is deemed fair and equitable by the Committee.

(ii) The restrictions on all Restricted Shares shall lapse and Restricted Share Units shall vest immediately prior to consummation of the Change of Control and shall be settled upon the Change of Control in cash equal to the Fair Market Value of the Restricted Share Units at the time of the Change of Control. Provided, however, that any Restricted Share Units that are required to meet the requirements of Section 409A of the Code and the regulations thereunder shall be settled in a manner that complies with Section 409A of the Code and the regulations thereunder.

(d) A termination of employment shall not be deemed to have occurred while a Participant is on military leave or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Participant retains a right to reemployment with the Corporation or an Affiliate under an applicable statute or by contract. For purposes of this subparagraph, a leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Corporation or an Affiliate. If the period of leave exceeds six months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six-month period. Notwithstanding the foregoing sentence, where a leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a 29-month period of absence is substituted for such six-month period in determining whether a termination of employment shall be deemed to have occurred. A termination of employment with the Corporation or an Affiliate to accept immediate reemployment with the Corporation or an Affiliate likewise shall not be deemed to be a termination of employment for purposes of the Plan. A Participant who is classified as an intermittent employee shall be deemed to have a termination of employment for purposes of the Plan. Notwithstanding anything in this Plan to the contrary, a termination of employment with respect to any Restricted Share Units that are required to meet the requirements of Section 409A of the Code and the regulations thereunder shall not be deemed to be a termination of employment for purposes of the Plan if it is anticipated that the level of bona fide services the Participant would perform after such date would continue at a rate equal to more than 20 percent of the average level of bona fide services performed over the immediately preceding 36-month period (or the full period of services to the Corporation or an Affiliate if the Participant has been providing such services less than 36 months).

(e) If any amounts payable under this Plan would constitute a parachute payment under Section 280G(b)(2) then such amounts shall be reduced to the extent necessary to provide the Participant with the greatest aggregate net after tax receipt as determined by applying the procedures set forth in the Committee Rules.

11. SHARES SUBJECT TO THE PLAN

The number of shares of Common Stock available with respect to all Awards granted under this Plan shall not exceed 50,000,000 in the aggregate, of which not more than 50,000,000 shall be available for option and sale, and of which not more than 18,000,000 shall be available for grant as Restricted Shares and Restricted Share Units, subject to the adjustment provision set forth in Section 13 hereof. The shares of Common Stock subject to the Plan may consist in whole or in part of authorized but unissued shares or of treasury shares, as the Board may from time to time determine. Shares subject to Options which become ineligible for purchase, Restricted Share Units which are retired through forfeiture or maturity, other than those Restricted Share Units which are retired through the payment of Common Stock, and Restricted Shares which are forfeited during the Restricted Period due to any applicable Transferability Restrictions will be available for Awards under the Plan to the extent permitted by section 16 of the Exchange Act (or the rules and regulations promulgated thereunder) and to the extent determined to be appropriate by the Committee.

12. INDIVIDUAL LIMITS

The maximum number of shares of Common Stock covered by Awards which may be granted to any Participant within any two consecutive calendar year period shall not exceed 1,500,000 in the aggregate. If an Option which had been granted to a Participant is canceled, the shares of Common Stock which had been subject to such canceled Option shall continue to be counted against the maximum number of shares for which Options may be granted to the Participant. In the event that the number of Options which may be granted is adjusted as provided in the Plan, the above limits shall automatically be adjusted in the same ratio which reflects the adjustment to the number of Options available under the Plan.

13. CHANGES IN CAPITALIZATION

In the event there are any changes in the Common Stock or the capitalization of the Corporation through a corporate transaction, such as any merger, any acquisition through the issuance of capital stock of the Corporation, any consolidation, any separation of the Corporation (including a spin-off or other distribution of stock of the Corporation), any reorganization of the Corporation (whether or not such reorganization comes within the definition of such term in section 368 of the Code), or any partial or complete liquidation by the Corporation, recapitalization, stock dividend, stock split or other change in the corporate structure, appropriate adjustments and changes shall be made by the Committee, to the extent necessary to preserve the benefit to the Participant contemplated hereby, to reflect such changes in (a) the aggregate number of shares subject to the Plan, (b) the maximum number of shares subject to the Plan, (c) the maximum number of shares for which Awards may be granted to any Participant, (d) the number of shares and the Option Price per share of all shares of Common Stock subject to outstanding Options, (e) the maximum number of shares of Common Stock covered by Awards which may be granted by the Chief Executive Officer within any calendar year period, (f) the maximum number of shares of Common Stock available for option and sale and available for grant as Restricted Shares and Restricted Share Units, (g) the number of Restricted Shares and Restricted Share Units awarded to Participants, and (h) such other provisions of the Plan as may be necessary and equitable to carry out the foregoing purposes, provided, however that no such adjustment or change may be made to the extent that such adjustment or change will result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section.

14. EFFECT ON OTHER PLANS

All payments and benefits under the Plan shall constitute special compensation and shall not affect the level of benefits provided to or received by any Participant (or the Participant's estate or beneficiaries) as part of any employee benefit plan of the Corporation or an Affiliate. The Plan shall not be construed to affect in any way a Participant's rights and obligations under any other plan maintained by the Corporation or an Affiliate on behalf of employees.

15. TERM OF THE PLAN

The term of the Plan shall be ten years, beginning April 26, 2001, and ending April 25, 2011, unless the Plan is terminated prior thereto by the Committee. No Award may be granted or awarded after the termination date of the Plan, but Awards theretofore granted or awarded shall continue in force beyond that date pursuant to their terms.

16. GENERAL PROVISIONS

(a) Designated Beneficiary. Each Participant who shall be granted Restricted Shares and/or Restricted Share Units under the Plan may designate a beneficiary or beneficiaries with the Committee; provided that no such designation shall be effective unless so filed prior to the death of such Participant.

(b) No Right of Continued Employment. Neither the establishment of the Plan nor the payment of any benefits hereunder nor any action of the Corporation, its Affiliates, the Board of Directors of the Corporation or its Affiliates, or the Committee shall be held or construed to confer upon any person any legal right to be continued in the employ of the Corporation or its Affiliates, and the Corporation and its Affiliates expressly reserve the right to discharge any Participant without liability to the Corporation, its Affiliates, the Board of Directors of the Corporation or its Affiliates or the Committee, except as to any rights which may be expressly conferred upon a Participant under the Plan.

(c) Binding Effect. Any decision made or action taken by the Corporation, the Board or by the Committee arising out of or in connection with the construction, administration, interpretation and effect of the Plan shall be conclusive and binding upon all persons. Notwithstanding anything in section 3 to the contrary, the Committee may determine in its sole discretion whether a termination of employment for purposes of this Plan is caused by disability, retirement or for other reasons.

(d) Modification of Awards. The Committee may in its sole and absolute discretion, by written notice to a Participant, (i) limit the period in which an Incentive Stock Option may be exercised to a period ending at least three months following the date of such notice, (ii) limit or eliminate the number of shares subject to an Incentive Stock Option after a period ending at least three months following the date of such notice, and/or (iii) accelerate the Restricted Period with respect to the Restricted Share and Restricted Share Unit Awards granted under this Plan. Notwithstanding anything in this subsection 16(d) to the contrary, the Committee may not take any action to the extent that such action would result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section. Provided however, that any Restricted Share Units that are required to meet the requirements of Section 409A of the Code and the regulations thereunder shall be settled in a manner that complies with Section 409A of the Code and the regulations thereunder. Except as provided in this subsection and in subsection 16(e) no amendment, suspension, or termination of the Plan or any Awards under the Plan shall, without the consent of the Participant, adversely alter or change any of the rights or obligations under any Awards or other rights previously granted the Participant.

(e) Nonresident Aliens. In the case of any Award granted to a Participant who is not a resident of the United States or who is employed by an Affiliate other than an Affiliate that is incorporated, or whose place of business is, in a State of the United States, the Committee may (i) waive or alter the terms and conditions of any Awards to the extent that such action is necessary to conform such Award to applicable foreign law, (ii) determine which Participants, countries and Affiliates are eligible to participate in the Plan, (iii) modify the terms and conditions of any Awards granted to Participants who are employed outside the United States, (iv) establish subplans, each of which shall be attached as an appendix hereto, modify Option exercise procedures and other terms and procedures to the extent such actions may be necessary or advisable, and (v) take any action, either before or after the Award is made, which is deemed advisable to obtain approval of such Award by an appropriate governmental entity; provided, however, that no action may be taken hereunder if such action would (i) materially increase any benefits accruing to any Participants under the Plan, (ii) increase the number of securities which may be issued under the Plan, (iii) modify the requirements for eligibility to participate in the Plan, (iv) result in a failure to comply with applicable provisions of the Securities Act of 1933, the Exchange Act or the Code or (v) result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section.

(f) No Segregation of Cash or Stock. The Restricted Share Unit accounts established for Participants are merely a bookkeeping convenience and neither the Corporation nor its Affiliates shall be required to segregate any cash or stock which may at any time be represented by Awards. Nor shall anything provided herein be construed as providing for such segregation. Neither the Corporation, its Affiliates, the Board nor the Committee shall, by any provisions of the Plan, be deemed to be a trustee of any property, and the liability of the Corporation or its Affiliates to any Participant pursuant to the Plan shall be those of a debtor pursuant to such contract obligations as are created by the Plan, and no such obligation of the Corporation or its Affiliates shall be deemed to be secured by any pledge or other encumbrance on any property of the Corporation or its Affiliates.

(g) Inalienability of Benefits and Interest. Except as otherwise provided in this Plan, no benefit payable under or interest in the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any such attempted action shall be void and no such benefit or interest shall be in any manner liable for or subject to debts, contracts, liabilities, engagements, or torts of any Participant or beneficiary.

(h) Delaware Law to Govern. All questions pertaining to the construction, interpretation, regulation, validity and effect of the provisions of the Plan shall be determined in accordance with the laws of the State of Delaware.

(i) Purchase of Common Stock. The Corporation and its Affiliates may purchase from time to time shares of Common Stock in such amounts as they may determine for purposes of the Plan. The Corporation and its Affiliates shall have no obligation to retain, and shall have the unlimited right to sell or otherwise deal with for their own account, any shares of Common Stock purchased pursuant to this paragraph.

(j) Use of Proceeds. The proceeds received by the Corporation from the sale of Common Stock pursuant to the exercise of Options shall be used for general corporate purposes.

(k) Deferral of Award Payment. The Committee may establish one or more programs under the Plan to permit selected Participants the opportunity to elect to defer receipt of consideration upon exercise of an Award or other event that absent the election would entitle the Participant to payment or receipt of Common Stock or other consideration under an Award. The Committee may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts so deferred, and such other terms, conditions, rules and procedures that the Committee deems advisable for the administration of any such deferral program. Notwithstanding anything in the Plan to the contrary, no Participant may elect after 2004 to defer receipt of consideration upon exercise of an Award or other event that absent the election would entitle the Participant to payment or receipt of Common Stock or other consideration under an Award.

(l) Withholding. The Committee shall require the withholding of all taxes as required by law. In the case of exercise of an Option or payments of Awards whether in cash or in shares of Common Stock or other securities, withholding shall be as required by law and in the Committee Rules.

(m) Amendments. The Committee may at any time amend, suspend, or discontinue the Plan or alter or amend any or all Awards and Award Agreements under the Plan to the extent (1) permitted by law, (2) permitted by the rules of any stock exchange on which the Common Stock or any other security of the Corporation is listed, (3) permitted under applicable provisions of the Securities Act of 1933, as amended, the Exchange Act (including rule 16b-3 thereof) and (4) that such action would not result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder); and (5) that no Option may be re-priced, replaced, re-granted though cancellation, or modified without shareholder approval (except in connection with a change in the Common Stock or the capitalization of the Corporation as provided in Section 13 hereof) if the effect would be to reduce the exercise price for the shares underlying such Option; provided, however, that if any of the foregoing requires the approval by stockholders of any such amendment, suspension or discontinuance, then the Committee may take such action subject to the approval of the stockholders. Except as provided in subsections 16(d) and 16(e) no such amendment, suspension, or termination of the Plan shall, without the consent of the Participant, adversely alter or change any of the rights or obligations under any Awards or other rights previously granted the Participant.

**KIMBERLY-CLARK CORPORATION
SEVERANCE PAY PLAN**

Amended and restated as of November 18, 2009

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ARTICLE I

NAME, PURPOSE AND EFFECTIVE DATE OF PLAN

- 1.1 Name of the Plan. Kimberly-Clark Corporation (the "Corporation") hereby establishes a severance pay plan for its Employees, to be known as the Kimberly-Clark Corporation Severance Pay Plan (the "Plan") as set forth in this document. The Plan is intended to qualify as an employee welfare benefit plan within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").
- 1.2 Purpose of the Plan. The purpose of the Plan is to provide Eligible Employees a severance benefit in the event of involuntary termination of employment. The Plan is not intended as a replacement or substitution for any confidentiality or noncompete agreement between an Employee and Employer executed prior or subsequent to the effective date of the Plan.
- 1.3 Effective Date. The Plan is effective as of January 1, 1998 and is amended and restated to apply to involuntary Separations of Service after November 17, 2009.

ARTICLE II

DEFINITIONS AND CONSTRUCTION

- 2.1 Definitions. When the following words and phrases appear in this Plan, they shall have the respective meanings set forth below unless the context clearly indicates otherwise:
 - (a) Average MAAP: The three year average of the annual awards paid to the Participant under MAAP. The three year average of the annual awards paid to the Participant will be determined based on the three year period consisting of the year of the termination of employment (or, if the award for that year has not yet paid for the year of severance, for the preceding year) and the two preceding years. If a Participant has been paid less than three years of annual awards the Average MAAP will be determined based on the average dollar amount of the annual awards paid in prior years to the Participant under MAAP. If a Participant has not received any prior payment of annual awards, the Average MAAP will be determined as follows:
 - (i) For a Participant classified at the Corporation's Grade 1 through 4 level, as defined by the Corporation's compensation department, the Average MAAP shall be calculated based on the prior three year average MAAP payment to other employees at the same grade level.
 - (ii) For a Participant at the GSLT level (except for the Chief Executive Officer of the Corporation), the Average MAAP shall be calculated based on the prior three year average MAAP payment to Participants at GSLT level.

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- (iii) For the Chief Executive Officer of the Corporation, the Average MAAP shall be calculated based on the prior three year average MAAP payment to the previous Chief Executive Officer(s) of the Corporation.
- (b) Board : The Board of Directors of the Corporation.
- (c) Cause : Any termination of employment which is classified by the Employer as for cause, including but not limited to: (i) unsatisfactory performance of duties, or inability to meet the requirements of the position; (ii) any habitual neglect of duty or misconduct of the Employee in discharging any of his duties and responsibilities; (iii) excessive unexcused, or statutorily unprotected absenteeism or inattention to duties; (iv) failure or refusal to comply with the provisions of the Employer's personnel manual or any other rule or policy of the Employer; (v) misconduct, including but not limited to, engaging in conduct which the Committee reasonably determines to be detrimental to the Employer; (vi) disloyal, dishonest or illegal conduct by the Employee; (vii) theft, fraud, embezzlement or other criminal activity involving the Employee's relationship with the Employer; (viii) violation of any applicable statute, regulation, or rule, or provision of any applicable code of professional ethics; (ix) suspension, revocation, or other restriction of the Participant's professional license, if applicable; or (x) the Employer's inability to confirm, to its sole satisfaction, the references and/or credentials which the Participant provided with respect to any professional license, educational background and employment history.
- (d) COBRA : Medical continuation coverage elected under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985. Participants shall be eligible to receive medical continuation coverage under COBRA for the number of months provided under Article IV without payment of the applicable premium if the Participant is otherwise eligible for, and timely elects, COBRA medical continuation coverage. The Participant shall be responsible for any additional months of COBRA coverage elected beyond the months of COBRA provided by the Corporation under this Plan. The Participant may also enroll in other applicable COBRA coverage (e.g. dental and/or the health care spending accounts); however, the Participant shall be responsible for and must pay the COBRA premium for such coverage.
- (e) Code: The Internal Revenue Code of 1986, as amended from time to time, and as construed and interpreted by valid regulations or rulings issued thereunder.
- (f) Committee : The Benefits Administration Committee appointed to administer and regulate the Plan as provided in Article V.
- (g) Comparable Position : A position offered to an employee will be considered a Comparable Position under this Plan unless the Committee determines in its sole discretion that any of the following apply (i) there is a material diminution in the Employee's Earnings on the date of such offer, (ii) a material change in the geographic location at which the Employee must perform the services, (iii) the position offered to the Employee is a material diminution of the Employee's authority, duties or responsibilities. The Employee must provide notice to the Corporation of the existence of any of the above conditions within a period not to

exceed 90 days of the initial offer of the non-Comparable Position to the employee, upon the notice of which the Corporation must be provided a period of at least 30 days during which it may remedy the offer and not be required to pay the severance amount. The determination whether a position offered will be considered a Comparable Position under this Plan shall be in the Committee's sole discretion and the Committee shall have the power to promulgate Committee Rules and other guidelines in connection with this determination. Any such determination by the Committee whether a Participant is offered a Comparable Position shall be final and conclusive as to all Eligible Employees and other persons claiming rights under the Plan.

- (h) Earnings : The base salary of an Eligible Employee at his or her current stated hourly, weekly, monthly or annual rate on his Termination Date. If Eligible Employee is a full-time Employee, Earnings are the hourly pay rate (excluding shift differential) times 40 (hours). If Eligible Employee is an Employee who works less than 40 hours per week, Earnings are the hourly pay rate (excluding shift differential) times the Employee's regularly scheduled hours per week. Earnings do not include overtime pay, MAAP, bonus or other remuneration for all Eligible Employees. The calculation of a week of Earnings shall be made subject to any applicable Committee rule.
- (i) Effective Date : January 1, 1998, or with respect to a particular Subsidiary, such later date as of which the Committee deems such Subsidiary to be an Employer, or as set forth in Appendix A. The Plan is amended and restated to apply to involuntary Separations of Service after November 17, 2009.
- (j) Eligible Employee : An hourly Employee not covered by a collective bargaining unit, or salaried Employee, on the regular payroll of an Employer. For purposes of this subsection, "on the regular payroll of an Employer" shall mean paid through the payroll department of such Employer, and shall exclude employees classified by an Employer as intermittent or temporary, and persons classified by an Employer as independent contractors, regardless of how such employees may be classified by any federal, state, or local, domestic or foreign, governmental agency or instrumentality thereof, or court.
- (k) Employee : A person employed by an Employer.
- (l) Employer : The Corporation and each Subsidiary which the Committee shall from time to time designate as an Employer for purposes of the Plan. A list of Employers is set forth in Appendix A.
- (m) MAAP : The Management Achievement Award Program, the Executive Officer Achievement Award Program or any successor plans.
- (n) MAAP Eligible : Eligible Employees who as of their date of termination of employment meet the eligibility requirements to participate under MAAP.
- (o) Participant : An individual who has met the eligibility requirements to receive Severance Pay pursuant to Article III.

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- (p) Plan Year : A twelve calendar month period beginning January 1 through December 31.
 - (q) Separation from Service . Termination of employment with the Corporation or a Subsidiary. A Separation from Service will be deemed to have occurred if the Employee's services with the Corporation or a Subsidiary is reduced to an annual rate that is 20 percent or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period). The Committee shall have the power to promulgate Committee Rules and other guidelines in connection with the determination of a Separation from Service and any such determination by the Committee shall be final and conclusive as to all Eligible Employees and other persons claiming rights under the Plan.
 - (r) Severance Pay : Payment made to a Participant pursuant to Article IV hereof.
 - (s) Subsidiary : Any corporation, 50% or more of the voting shares of which are owned directly or indirectly by the Corporation, which is incorporated under the laws of one of the States of the United States.
 - (t) Termination Date : The date of an Employee's Separation from Service.
 - (u) Years of Service : An Employee shall be credited with a Year of Service for each year commencing with the Employee's vacation eligibility date as maintained by the payroll department of such Employer until the Employee's Termination Date, rounded to the nearest whole year of service. Notwithstanding any provision in the Plan to the contrary, an Employee's credited Years of Service shall be reduced to the extent such Years of Service have previously been used to calculate a prior severance payment to the Employee.
- 2.2 Construction : Where appearing in the Plan the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise. The words "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan and not to any particular Section or subsection.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

- 3.1 Participation . An Eligible Employee shall become a Participant on the later of the Effective Date or the first day actively employed by an Employer.
- 3.2 Eligibility . Each Participant whose employment is involuntarily terminated shall receive Severance Pay; provided, however, that Severance Pay shall not be paid to any Participant who:
 - (a) is terminated for Cause;

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- (b) is terminated during a period in which such Participant is not actively at work (i.e. has been on leave) for more than 25 weeks, except to the extent otherwise required by law;
 - (c) voluntarily quits or retires;
 - (d) dies;
 - (e) is offered a Comparable Position as defined in Section 3.5 below.

3.3 Duration . A Participant remains a Participant under the Plan until the earliest of:

- (a) the date the Participant is no longer an Eligible Employee;
- (b) the Participant's Termination Date; or
- (c) the date the Plan terminates.

3.4 Severance Agreement and Release . No Participant shall be entitled to receive Severance Pay hereunder unless such Participant executes a Separation Agreement and Full and Final Release of Claims, in the form required by the Corporation, within the period specified for such individual therein and such Participant does not revoke such Separation Agreement and Full and Final Release of Claims in writing within the 7-day period following the date on which it is executed.

3.5 Comparable Position . Severance Pay shall not be paid to any Employee whose employment is involuntarily terminated related to

- (a) any separation or reorganization of the Corporation including, but not limited to, a sale, spin-off or shutdown of a portion of the Corporation, including but not limited to a portion of a mill or other location, if such Employee is offered a Comparable Position with the successor entity,
- (b) the outsourcing of an Employee to a company other than an Employer, in which such Employee is offered or continues in a Comparable Position, or
- (c) any elimination of a job function, or transfer of an Employee's position to another location, in which such Employee is offered a Comparable Position with the Corporation.

ARTICLE IV
SEVERANCE BENEFITS

4.1 Severance Pay. Whether any Severance Pay is payable under this Plan, or any increase or decrease in the amount of Severance Pay, shall be in the sole discretion and as authorized pursuant to subsection 5.7(b) below. Any such increase or decrease in the amount of Severance Pay shall be final and conclusive as to all Eligible Employees and other persons claiming rights under the Plan. Subject to the exercise of such discretion, a Participant's Severance Pay shall be determined as follows:

- (a) Each individual who is eligible as provided in Article III above, shall receive, the Severance Pay, COBRA, outplacement assistance services and Employee Assistance Program services set forth below.

<u>Provision</u>	<u>GSLT</u>	<u>Grades 1-4</u>	<u>Other MAAP-Eligible</u>	<u>Salaried Exempt</u>	<u>Salaried Non-Exempt</u>	<u>Production Non-Union</u>
Severance -Termination on or after 12 months employment	2 x the sum of annual Earnings plus Average MAAP	The sum of annual Earnings plus Average MAAP	2 weeks of Earnings per Year of Service (26 weeks Earnings minimum)	2 weeks of Earnings per Year of Service (12 weeks Earnings minimum)	1 week of Earnings per Year of Service (6 weeks Earnings minimum)	1 week of Earnings per Year of Service (6 weeks Earnings minimum)
Severance – Termination within first 12 months employment	3 months Earnings	3 months Earnings	3 months Earnings	3 months Earnings	6 weeks Earnings	6 weeks Earnings
Current Year MAAP	Pro-rated based on actual performance if Separation from Service is after March 31 of the performance year	Pro-rated based on actual performance if Separation from Service is after March 31 of the performance year	Pro-rated based on actual performance if Separation from Service is after March 31 of the performance year			
COBRA	6 months	6 months	6 months	6 months	6 months	6 months
Outplacement	6 months	6 months	6 months	3 months	2 weeks	2 weeks
EAP	3 months	3 months	3 months	3 months	3 months	3 months

- (b) Severance Pay shall be paid as a lump sum cash payment no later than 60 days following the Participant's Termination Date, provided, however, should any payments under this Plan be delayed no interest will be owed to the Participant with respect to such late payment. Notwithstanding the foregoing, any current year MAAP that is payable shall be paid at the same time as it was payable under the provisions of MAAP but no later than 60 days following the calendar year of the Separation from Service.
- (c) The Severance Pay determined pursuant to subsection 4.1(a) above will be offset by any amount paid to a Participant (but not less than zero) pursuant to the Worker Adjustment and Retraining Notification Act ("WARN"), or any similar state law, in lieu of notice thereunder. The benefits provided under this Plan are

intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination, and the Committee shall so construe and implement the terms of the Plan.

- (d) If, at the time Severance Pay is to be made hereunder, a Participant is indebted or obligated to an Employer or any affiliate, then such Severance Pay shall be reduced by the amount of such indebtedness or obligation to the extent allowable under applicable federal or state law; provided that the Corporation may in its sole discretion elect not to reduce the Severance Pay by the amount of such indebtedness or obligation and provided that any such election by the Corporation shall not constitute a waiver of its claim of such indebtedness or obligation, in accordance with applicable law.
 - (e) Notwithstanding any provision in the Plan to the contrary, Severance Pay shall be reduced by the amount of any other severance payments, whether under any severance plan or offer letter or other individual agreement, made by an Employer.
 - (f) Severance Pay hereunder shall not be considered "compensation" for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by an Employer.
- 4.2 Withholding. A Participant shall be responsible for payment of any federal, Social Security, state, local or other taxes on Severance Pay under the Plan. The Employer shall deduct from Severance Pay any federal, Social Security, state, local or other taxes which are subject to withholding, as determined by the Employer.
- 4.3 Recovery of Overpayments. If it is determined that any amount paid to an individual under this Plan should not have been paid or should have been paid in a lesser amount, written notice thereof shall be given and such individual shall promptly repay the amount of the overpayment to the Plan. Notwithstanding the foregoing, the Plan in all cases reserves the right to pursue collection of any remaining overpayments if the above recovery efforts under this paragraph have failed.

ARTICLE V

PLAN ADMINISTRATION

BENEFITS ADMINISTRATION COMMITTEE

- 5.1 Membership. The Committee shall consist of at least three persons who shall be officers or directors of the Corporation or Eligible Employees. Members of the Committee shall be appointed from time to time by, and shall serve at the pleasure of, the Chief Human Resources Officer of the Corporation (the "CHRO"). The CHRO shall appoint one of the members of the Committee to serve as chairman. If the CHRO does not appoint a chairman, the Committee, in its discretion, may elect one of its members as chairman. The Committee shall appoint a Secretary who may be but need not be, a member of the Committee. The Committee shall not receive compensation for its services. Committee expenses shall be paid by the Corporation.

- 5.2 Powers. The Committee shall have all such powers as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the power to construe or interpret the Plan, to determine all questions of eligibility hereunder, to adopt rules relating to coverage, and to perform such other duties as may from time to time be delegated to it by the Board. Any interpretations of this Plan by persons other than the Committee or individuals or organizations to whom the Committee has delegated administrative duties shall have no effect hereunder. The Committee may prescribe such forms and systems and adopt such rules and methods and tables as it deems advisable. It may employ such agents, attorneys, accountants, actuaries, medical advisors, or clerical assistants (none of whom need be members of the Committee) as it deems necessary for the effective exercise of its duties, and may delegate to such agents any power and duties, both ministerial and discretionary, as it may deem necessary and appropriate. Notwithstanding the foregoing, any claim which arises under any other plan shall not be subject to review under this Plan, and the Committee's authority under this Article V shall not extend to any matter as to which an Administrator under such Program is empowered to make determinations under such plan. In administering the Plan, the Committee will be entitled, to the extent permitted by law, to rely conclusively on all tables, valuations, certificates, opinions and reports which are furnished by, or in accordance with the instructions of, the Committee of each of the Programs, or by accountants, counsel or other experts employed or engaged by the Committee.
- 5.3 Procedures. The Committee may take any action upon a majority vote at any meeting at which all members are present, and may take any action without a meeting upon the unanimous written consent of all members. All action by the Committee shall be evidenced by a certificate signed by the chairperson or by the secretary to the Committee. The Committee shall appoint a secretary to the Committee who need not be a member of the Committee, and all acts and determinations of the Committee shall be recorded by the secretary, or under his supervision. All such records, together with such other documents as may be necessary for the administration of the Plan, shall be preserved in the custody of the secretary.
- 5.4 Rules and Decisions. All rules and decisions of the Committee shall be uniformly and consistently applied to all Eligible Employees and Participants under this Plan in similar circumstances and shall be conclusive and binding upon all persons affected by them.
- 5.5 Books and Records. The records of the Employers shall be conclusive evidence as to all information contained therein with respect to the basis for participation in the Plan and for the calculation of Severance Pay.
- 5.6 Claim Procedure. The Committee procedure for handling all claims hereunder and review of denied claims shall be consistent with the provisions of ERISA. If a claim for Plan benefits is denied, the Committee shall provide a written notice within 90 days to the person claiming the benefits that contains the specific reasons for the denial, specific references to Plan provisions on which the Committee based its denial and a statement that the claimant may (a) request a review upon written application to the Committee within 60 days, (b) may review pertinent Plan documents and (c) may submit

issues and comments in writing. If a claim is denied because of incomplete information, the notice shall also indicate what additional information is required. If additional time is required to make a decision on the claim, the Committee shall notify the claimant of the delay within the original 90 day period. This notice will also indicate the special circumstances requiring the extension and the date by which a decision is expected. This extension period may not exceed 90 days beyond the end of the first 90-day period.

The claimant may request a review of a denied claim by writing the Committee in care of the Plan Administrator. The appeal must, however, be made within 60 days after the claimant's receipt of notice of the denial of the claim. Pertinent documents may be reviewed in preparing an appeal, and issues and comments may be submitted in writing. An appeal shall be given a complete review by the Committee, and a written decision, including reasons, shall be provided within 60 days. If there are special circumstances requiring an extensive review, the Committee shall notify the claimant in a written notice within the original 60 day period of its receipt of the appeal and indicating that the decision will be delayed. A final decision on the appeal shall be made within 120 days of the Committee's receipt of the appeal.

The Committee shall have all of the authority with respect to all aspects of claims for benefits under the Plan, and it shall administer this authority in its sole discretion.

5.7 Committee Discretion.

- (a) Any action on matters within the discretion of the Committee, including but not limited to, the amount of Severance Pay conferred upon a Participant, shall be final and conclusive as to all Eligible Employees and other persons claiming rights under the Plan. The Committee shall exercise all of the powers, duties and responsibilities set forth hereunder in its sole discretion. Notwithstanding anything in this Plan to the contrary, the Committee shall have the sole discretion to interpret the terms of the Plan included but not limited to, whether a termination is voluntarily or involuntary, whether a Participant's termination is for Cause, whether a Participant is offered a Comparable Position, and whether Severance Pay shall be payable to any Participant under this Plan.
- (b) Any increase or decrease in the amount of Severance Pay different than the amount set forth in 4.1(a) above may be authorized in their sole discretion by (i) the Committee, (ii) a Group President or Senior Vice President of the Corporation with the endorsement of either the Senior Vice President Global Human Resources or the Vice President Compensation and Benefits or (iii) the Chief Executive Officer. Any such increase or decrease in the amount of Severance Pay shall be final and conclusive as to all Eligible Employees and other persons claiming rights under the Plan.

5.8 Plan Amendments. The Board may from time to time modify, alter, amend or terminate the Plan. Any action permitted to be taken by the Board under the foregoing provision may be taken by the CHRO if such action:

- (a) is required by law, or

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- (b) is estimated not to increase the annual cost of the Plan by more than \$5,000,000, or
 - (c) is estimated not to increase the annual cost of the Plan by more than \$25,000,000 provided such action is approved and duly executed by the CEO.

Any action taken by the Board or CHRO shall be made by or pursuant to a resolution duly adopted by the Board or CHRO and shall be evidenced by such resolution or by a written instrument executed by such persons as the Board or CHRO shall authorize for that purpose.

The Board or CHRO also shall have the right to make any amendment retroactively which is necessary to bring the Plan into conformity with the Code or which is otherwise permitted by applicable law. Any such amendment will be binding and effective for the Employer.

Any action which is required or permitted to be taken by the Board under the provisions of this Plan may be taken by the Management and Development Compensation Committee of the Board or any other duly authorized committee of the Board designated under the By-Laws of the Corporation.

The Board, the Management and Development Compensation Committee or any duly authorized committee of the Board, the CEO or the CHRO may authorize persons to carry out its policies and directives subject to the limitations and guidelines set by it, and delegate its authority under the Plan.

- 5.9 Annual Reporting to the CEO. The CHRO shall report to the CEO before January 31 of each year all action taken by such position hereunder during the preceding calendar year.
- 5.10 Annual Reporting to the Board. The CEO shall report to the Board before January 31 of each year all action taken by such position hereunder during the preceding calendar year.
- 5.11 Delegation of Duties. This Plan is sponsored by Kimberly-Clark Corporation. The Committee reserves the right to delegate any and all administrative duties to one or more individuals or organizations. Any reference herein to any other entity or person, other than the Committee or any of its members, which is performing administrative services shall also include any other third party administrators. The responsibilities of any third party administrator may be governed, in part, by a separate administrative services contract.
- 5.12 Funding. Benefits shall be paid from the general assets of the Corporation.

ARTICLE VI

LIMITATIONS AND LIABILITIES

- 6.1 Non-Guarantee of Employment . Nothing contained in this Plan shall be construed as a contract of employment between an Employer and a Participant, or as a right of any Participant to be continued in the employment of his Employer, or as a limitation of the right of an Employer to discharge any Participant with or without Cause. Nor shall anything contained in this Plan affect the eligibility requirements under any other plans maintained by the Employer, nor give any person a right to coverage under any other Plan.
- 6.2 Non-Alienation . Except as otherwise provided herein, no right or interest of any Participant or Beneficiary in the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, attachment, garnishment, execution, levy, bankruptcy, or any other disposition of any kind, either voluntary or involuntary, prior to actual receipt of payment by the person entitled to such right or interest under the provisions hereof, and any such disposition or attempted disposition shall be void.
- 6.3 Applicable Law . This Plan is construed under, to the extent not preempted by Federal law, enforced in accordance with and governed by, the laws of the State of Wisconsin. If any provision of this Plan is found to be invalid, such provision shall be deemed modified to comply with applicable law and the remaining terms and provisions of this Plan will remain in full force and effect.
- 6.4 Notice . Any notice given hereunder is sufficient if given to the Employee by the Employer, or if mailed to the Employee to the last known address of the Employee as such address appears on the records of the Employer.
- 6.5 Service of Process . The Plan Administrator shall be the designated recipient of the services of process with respect to legal actions regarding the Plan.
- 6.6 No Guarantee of Tax Consequences . The Employer makes no commitment or guarantee that any amounts paid to or for the benefit of a Participant under this Plan will be excludable from the Participant's gross income for Federal, Social Security, or state income tax purposes, or that any other Federal, Social Security, or state income tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under this Plan is excludable from the Participant's gross income for Federal, Social Security, and state income tax purposes, and to notify the Plan Administrator if the Participant has reason to believe that any such payment is not so excludable. This Plan is intended to be compliant with Section 409A of the Code and the guidance promulgated thereunder. Notwithstanding any other provision of this Plan, the Corporation and the Committee shall administer and interpret the Plan, and exercise all authority and discretion under the Plan, to satisfy the requirements of Code Section 409A and the guidance promulgated thereunder and any noncompliant provisions of this Plan will either be void or deemed amended to comply with Section 409A of the Code and the guidance promulgated thereunder.

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- 6.7 Limitation of Liability. Neither the Employer, the Plan Administrator, nor the Committee shall be liable for any act or failure to act which is made in good faith pursuant to the provisions of the Plan, except to the extent required by applicable law. It is expressly understood and agreed by each Eligible Employee who becomes a Participant that, except for its or their willful misconduct or gross neglect, neither the Employer, the Plan Administrator nor the Committee shall be subject to any legal liability to any Participant, for any cause or reason whatsoever, in connection with this Plan, and each such Participant hereby releases the Employer, its officers and agents, and the Plan Administrator, and its agents, and the Committee, from any and all liability or obligation except as provided in this paragraph.
- 6.8 Indemnification of the Committee. The Employer shall indemnify the Committee and each of its members and hold them harmless from the consequences of their acts or conduct in their official capacity, including payment for all reasonable legal expenses and court costs, except to the extent that such consequences are the result of their own willful misconduct or breach of good faith.

APPENDIX A

EMPLOYERS COVERED BY THE KIMBERLY-CLARK CORPORATION
SEVERANCE PAY PLAN

<u>Employers</u>	<u>Participating Units</u>
American Allsafe Company	All salaried and hourly non-organized employees*
Avent, Inc.	All salaried and hourly non-organized employees, and hourly non-organized employees at former Tecnol, Inc. facilities*
I-Flow Corporation	All salaried and hourly non-organized employees*
Jackson Products, Inc.	All salaried and hourly non-organized employees*
Jackson Safety LLC	All salaried and hourly non-organized employees*
Jackson-Wilson LLC	All salaried and hourly non-organized employees*
Kimberly-Clark Corporation	All salaried and hourly non-organized employees*
Kimberly-Clark Financial Services, Inc.	All salaried and hourly non-organized employees*
Kimberly-Clark Global Sales, LLC	All salaried employees*
Kimberly-Clark International Services Corporation	All salaried and hourly non-organized employees except those who transfer to a 50% or less owned foreign subsidiary on a non-temporary basis*
Kimberly-Clark Michigan, Inc.	All salaried employees*
Kimberly-Clark Pennsylvania, LLC	All salaried employees*
Kimberly-Clark Worldwide, Inc.	All salaried and hourly non-organized employees*

* including those on temporary assignment at other employers or in other classifications, but excluding employees on temporary assignment from another Employer or classification.

APPENDIX B

2009 VOLUNTARY SEVERANCE PROGRAM

1. In General. Notwithstanding the requirement under Section 3.2 of the Plan that Severance Pay is only payable upon involuntary termination, a Participant who voluntarily terminates employment shall receive Severance Pay if they otherwise qualify under the terms of the Plan and meet the requirements of Section 2 below, except to the extent otherwise limited in accordance with the terms approved by the Corporation for this 2009 Voluntary Severance Program (the "Program"). A Participant will no longer be eligible under this Program if their separation from service is after December 31, 2009.
2. Voluntary Severance Election. A Participant qualifies under this Section 2 if such Participant is a salaried exempt or non-exempt nonproduction employee who submits an election to participate in the Program on or after April 21, 2009 and prior to May 23, 2009 and who
 - (a) is employed by the Corporation as of April 22, 2009, and separates from service with their Employer on June 30, 2009 unless the Chief Executive Officer of the Corporation exercises his discretion to require such Participant to remain employed until a later release date, but no later than December 31, 2009;
 - (b) separates from service with their Employer during the period April 1, 2009 through April 21, 2009; or
 - (c) separates from service with their Employer during the period April 1 through May 31 and on or after the date the Participant has attained age 55.
3. Severance Agreement and Release. No Participant shall be entitled to receive any of the benefits provided under the Plan hereunder unless such Participant executes a Separation Agreement and Full and Final Release of Claims, in the form required by the Corporation, within the period specified for such individual therein and such Participant does not revoke such Separation Agreement and Full and Final Release of Claims in writing within the 7-day period following the date on which it is executed.
4. Excluded Participants. Notwithstanding any provision in this Appendix B to the contrary, the following Participants, and groups of Participants are excluded from participation in this Program:
 - (a) members of the Corporation's Global Strategic Leadership Team;
 - (b) a Participant who was granted an Equity Participation Plan Retention Grant at the meeting of the Management and Development Compensation Committee on April 29, 2009;
 - (c) employees of Kimberly-Clark Professional Global Safety Business;
 - (d) U.S. employees in the Corporation's compensation department;
 - (e) Health Care Medical Devices Research and Engineering (Roswell based);
 - (f) Health Care Regulatory Affairs (Roswell based);

-
- (g) HC Quality Engineers (Roswell);
 - (h) employees of MEA Sparktak; and
 - (i) other excluded employees and groups as designated by the CHRO pursuant to a resolution duly adopted by the CHRO.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges
(Dollar amounts in millions)

	Year Ended December 31				
	2009	2008	2007	2006	2005
<u>Consolidated Companies</u>					
Income from continuing operations before income taxes	\$2,576	\$2,289	\$2,318	\$1,845	\$1,969
Interest expense	275	304	265	220	190
Interest factor in rent expense	90	102	88	75	66
Amortization of capitalized interest	14	13	15	16	7
<u>Equity Affiliates</u>					
Share of 50%-owned:					
Income before income taxes	—	1	2	3	2
Interest expense	—	—	—	—	—
Interest factor in rent expense	—	—	—	—	—
Amortization of capitalized interest	—	—	—	—	—
Distributed income of less than 50%-owned	114	131	130	244	113
Earnings	<u>\$3,069</u>	<u>\$2,840</u>	<u>\$2,818</u>	<u>\$2,403</u>	<u>\$2,347</u>
<u>Consolidated Companies</u>					
Interest Expense	\$ 275	\$ 304	\$ 265	\$ 220	\$ 190
Capitalized interest	13	14	18	15	8
Interest factor in rent expense	90	102	88	75	66
<u>Equity Affiliates</u>					
Share of 50%-owned:					
Interest and capitalized interest	—	—	—	—	—
Interest factor in rent expense	—	—	—	—	—
Fixed Charges	<u>\$ 378</u>	<u>\$ 420</u>	<u>\$ 371</u>	<u>\$ 310</u>	<u>\$ 264</u>
Ratio of earnings to fixed charges	<u>8.12</u>	<u>6.76</u>	<u>7.60</u>	<u>7.75</u>	<u>8.89</u>

Note: The Corporation is liable for certain obligations of S.D. Warren Company, which was sold in December 1994. The buyer provided the Corporation with a letter of credit from a major financial institution guaranteeing repayment of these obligations. No losses are expected from these arrangements and they have not been included in the computation of earnings to fixed charges.

KIMBERLY-CLARK CORPORATION
CONSOLIDATED SUBSIDIARIES

The following list includes certain companies that were owned directly or indirectly by Kimberly-Clark Corporation, a Delaware corporation, Dallas, Texas, as of December 31, 2009. The place of incorporation or organization is next to the name of the company.

Consolidated Subsidiaries

1194127 Ontario Inc., Ontario, Canada
 *3700 Orleans, LLC, Louisiana
 *700 Tchoupitoulas LLC (Arts Hotel), Louisiana
 *900 E. Walnut, LLC, Missouri
 Abdelia Comercial Ltda., Brazil
 AcryMed Incorporated, Oregon
 *Arabian Medical Products Manufacturing Company, Saudi Arabia
 Aria Aesthetics, Inc., Delaware
 Avent, Inc., Delaware
 Avent de Honduras, S.A. de C.V., Honduras
 Avent Holdings, LLC, Delaware
 Avent S. de R.L. de C.V., Mexico
 Avent Slovakia, Inc., Delaware
 Avent Slovakia s.r.o., Slovakia
 Bacraft S.A. Indústria de Papel, Brazil
 *Badgers LLC, Delaware
 *Badgers II LLC, Delaware
 Ballard Medical Products (Canada) Inc., Ontario, Canada
 Beco, Inc., Wisconsin
 Block Medical de Mexico, S.A. de C.V., Mexico
 *Bonster, S.A., Luxembourg
 Boxer Acquisition, Inc., Delaware
 *Carriage LP, South Carolina
 *Central High Associates, LLC, Wisconsin
 *City Hall Square LLC, Wisconsin
 Colombiana Kimberly Colpapel S.A., Colombia
 Delaware Overseas Finance, Inc., Delaware
 Durafab, Inc., Texas
 Excell Paper Sales Co., Pennsylvania
 Excell Paper Sales LLC, Delaware
 Fisbra Indústria e Comércio de Produtos Higiênicos Ltda., Brazil
 *Genpar AP, LLC, Texas
 *Genpar CM, LLC, Texas
 *Genpar CM II, LLC, Delaware
 *Genpar RI II, LLC, Delaware
 Gerinconfort Indústria e Comercio de Produtos Higienicos Ltd., Brazil

*H-K Overseas Holland B.V., Netherlands
Hakle Kimberly Deutschland GmbH, Germany
Hakle Kimberly Papiervertriebs GmbH, Austria
Hercules Global Investments, Cayman Islands
*Hogla Kimberly Limited, Israel
*Hogla Kimberly Marketing Limited, Israel
Housing Horizons, LLC, Texas
*Humble AP Partners LP, Texas
*Humble CM Partners LP, Texas
*Humble RI Partners LP, Texas
I-Flow Corporation, Delaware
Industrial Mimosa S.A., Uruguay
Jackson International Holdings, Inc., Delaware
Jackson Products, Inc., Delaware
Jackson Products, Ltd, United Kingdom
Jackson Safety Canada, Inc., Ontario
Jackson Safety Limited, Hong Kong
*Janesville School Apartments LLC, Wisconsin
K-C Advertising, Inc., Delaware
*K-C Antioquia Global Ltda., Colombia
K-C Equipment Finance L.P., United Kingdom
K-C Financial Services Investment Company, Delaware
K-C Guernsey I Ltd., Isle of Guernsey
K-C Guernsey II Ltd., Isle of Guernsey
K-C Investment Partnership, Ontario
K-C Nevada, Inc., Nevada
K-C Worldwide, LLC, Delaware
Kalayaan Land Corporation, Philippines
KC Tower Corporation, Delaware
KCA Super Pty. Limited, Australia
K.C.S.A. Holdings (Proprietary) Limited, South Africa
Kimberly Bolivia S.A., Bolivia
Kimberly-Clark (Barbados) Holding Ltd., Barbados
Kimberly-Clark (China) Company Ltd., China
Kimberly-Clark (Cyprus) Ltd., Cyprus
Kimberly-Clark (Hong Kong) Ltd., Hong Kong
Kimberly-Clark (Singapore) Finance Ltd., Singapore
Kimberly-Clark (Trinidad) Limited, Trinidad & Tobago
Kimberly-Clark Argentina S.A., Argentina
Kimberly-Clark Argentina Holdings S.A., Argentina
Kimberly-Clark Amsterdam Holdings, B.V., Netherlands
Kimberly-Clark Asia Holdings Pte. Ltd., Singapore
Kimberly-Clark Asia Pacific Pte. Ltd., Singapore
Kimberly-Clark Australia Consolidated Holdings Pty. Limited, Australia
Kimberly-Clark Australia Holdings Pty. Limited, Australia
Kimberly-Clark Australia Pty. Limited, Australia

Kimberly-Clark B.V., Netherlands
Kimberly-Clark Bahrain Holding Company S.P. C., Bahrain
Kimberly-Clark Brasil Holdings Limitada, Brazil
Kimberly-Clark Brasil Indústria e Comércio de Produtos de Hygiene Ltda., Brazil
Kimberly-Clark Canada Holdings, Inc., Ontario, Canada
Kimberly-Clark Canada Inc., Ontario, Canada
Kimberly-Clark Canada Inc. Kanadischen Rechts & Company KG, Germany
Kimberly-Clark Canada International Holdings, Inc., Canada
Kimberly-Clark Canada Investment Incorporated, Nova Scotia, Canada
Kimberly-Clark Canada Services Corporation, Ontario, Canada
Kimberly-Clark Canada U.K. Holding Limited, United Kingdom
Kimberly-Clark Cayman Islands Company, Cayman Islands
Kimberly-Clark Cayman Islands Finance Company, Cayman Islands
Kimberly-Clark Cayman Islands Holding Company, Cayman Islands
*Kimberly-Clark Central American Holdings, S.A., Panama
Kimberly-Clark Chile S.A., Chile
Kimberly-Clark Colombia Limitada, Colombia
Kimberly-Clark Costa Rica Limitada, Costa Rica
Kimberly-Clark de Centro America, S.A., El Salvador
Kimberly-Clark Denmark Holdings ApS, Denmark
Kimberly-Clark Dominican Republic S.A., Dominican Republic
Kimberly-Clark Dominicana, S.A., Dominican Republic
Kimberly-Clark Dublin Finance Limited, United Kingdom
Kimberly-Clark Dutch Holdings B.V., Netherlands
Kimberly-Clark Ecuador, S.A., Ecuador
Kimberly-Clark Europe Limited, United Kingdom
Kimberly-Clark European Investment B.V., Netherlands
Kimberly-Clark European Services Limited, United Kingdom
Kimberly-Clark Far East Pte. Limited, Singapore
Kimberly-Clark Finance Ltd., United Kingdom
Kimberly-Clark Financial Services, Inc., Tennessee
Kimberly-Clark Forestal S.A., Spain
Kimberly-Clark Foundation, Inc., Wisconsin
Kimberly-Clark Global Finance Ltd., Bermuda
Kimberly-Clark Global Sales, LLC, Delaware
Kimberly-Clark GmbH, Switzerland
Kimberly-Clark Guatemala, Limitada, Guatemala
Kimberly-Clark Health Care Inc., Delaware
Kimberly-Clark Hellas EPE, Greece
Kimberly-Clark Holding Limited, United Kingdom
Kimberly-Clark Holding s.r.l. Unipersonale, Italy
Kimberly-Clark Holland Holdings B.V., Netherlands
Kimberly-Clark Honduras, S. de R.L. de C.V., Honduras
Kimberly-Clark Hygiene Products Private Ltd., India
Kimberly-Clark Inc., Ontario, Canada
Kimberly-Clark Innovation Corporation, Korea

Kimberly-Clark Integrated Services Corporation, Delaware
Kimberly-Clark International Services Corporation, Delaware
Kimberly-Clark International, S.A., Panama
Kimberly-Clark Investing Finance Corporation Limited, United Kingdom
Kimberly-Clark Kft Trading Limited Liability Company, Hungary
Kimberly-Clark Latin America, Inc., Delaware
Kimberly-Clark Latin America Inc. y Cia, S.C., Spain
Kimberly-Clark Latin America Investments, Inc., Delaware
Kimberly-Clark Lda., Portugal
Kimberly-Clark Limited, United Kingdom
Kimberly-Clark Luxembourg S.a.r.l., Luxembourg
Kimberly-Clark Luxembourg Finance S.a.r.l., Luxembourg
Kimberly-Clark Luxembourg Holdings S.a.r.l., Luxembourg
*Kimberly-Clark Malta Holding Co. Ltd., Malta
*Kimberly-Clark Malta Investment Company Limited, Malta
Kimberly-Clark Manufacturing (Thailand) Limited, Thailand
Kimberly-Clark Mediterranean Finance Company Ltd., Malta
Kimberly-Clark N.V., Belgium
Kimberly-Clark Netherlands Holdings B.V., Netherlands
Kimberly-Clark North Asia Co., Ltd, South Korea
Kimberly-Clark North Asia (HK) Limited, Hong Kong
Kimberly-Clark OOO, Russia
Kimberly-Clark Pacific Finance Company, Cayman Islands
Kimberly-Clark Pacific Holdings Pty Limited, Australia
Kimberly-Clark Paper (Guangzhou) Company Limited, People's Republic of China
Kimberly-Clark Paper (Shanghai) Company Limited, People's Republic of China
Kimberly-Clark Paraguay S.A., Paraguay
Kimberly-Clark Patriot Holdings, Inc., Cayman Islands
Kimberly-Clark Pennsylvania, LLC, Delaware
Kimberly-Clark Pension Trusts Ltd., United Kingdom
Kimberly-Clark Personal Hygienic Products (Nanjing) Co. Ltd., People's Republic of China
Kimberly-Clark Personal Hygienic Products Company Limited, Beijing, People's Republic of China
Kimberly-Clark Peru S.R.L., Peru
Kimberly-Clark Philippines Inc., Philippines
Kimberly-Clark Philippine Holdings, Inc., Philippines
Kimberly-Clark Products (Malaysia) Sdn. Bdh., Malaysia
Kimberly-Clark Produtos Para Saúde Limitada, Brazil
Kimberly-Clark Puerto Rico, Inc., Delaware
Kimberly-Clark S.L., Spain
Kimberly-Clark S.A.S., France
Kimberly-Clark s.r.l., Italy
Kimberly-Clark s.r.o., Czech Republic
Kimberly-Clark Sales Corporation B.V., Netherlands
Kimberly-Clark Scandinavia ApS, Denmark
Kimberly-Clark Services Asia-Pacific, Australia
Kimberly-Clark Services, Inc., Delaware

Kimberly-Clark Singapore Pte. Ltd., Singapore
Kimberly-Clark of South Africa (Pty.) Limited, South Africa
Kimberly-Clark Southern Africa (Holdings) (Pty) Ltd., South Africa
Kimberly-Clark Sp. z.o.o., Poland
Kimberly-Clark Taiwan, Cayman Islands
Kimberly-Clark Thailand Limited, Thailand
Kimberly-Clark Trading (Malaysia) Sdn. Bhd., Malaysia
Kimberly-Clark Treasury Asia-Pacific, Australia
*Kimberly-Clark Tuketim Mallari Sanayi Ve Ticaret Anonim Sirketi, Turkey
Kimberly-Clark Tulip Holdings, B.V., Netherlands
Kimberly-Clark U.K. Operations Limited, United Kingdom
Kimberly-Clark Ukraine LLC, Ukraine
Kimberly-Clark Venezuela, C.A., Venezuela
Kimberly-Clark Ventures, LLC, Delaware
Kimberly-Clark Vietnam Co., Ltd., Vietnam
Kimberly-Clark West Indies Finance Company, Cayman Islands
Kimberly-Clark Worldwide Australia Holdings Pty. Limited, Australia
Kimberly-Clark Worldwide Taiwan Investment Limited, Taiwan
Kimberly-Clark Worldwide, Inc., Delaware
KIMNICA, S.A., Nicaragua
KS&J Indústria e Comercio Ltda., Brazil
La Ada de Acuña, S. de R. L., Mexico
*Lafayette-Lahr LLC, Indiana
*LaSalle Apartments LLC, Wisconsin
*LeClaire Apartments LLC, Wisconsin
*Limpar AP, LLC, Delaware
*Limpar CM II, LLC, Delaware
*Limpar RI, LLC, Delaware
*Main Lake Apartments LLC, Wisconsin
Manlak Investments (Pty.) Limited, South Africa
Microcuff GmbH, Germany
Mimo Brasil Limitada, Brazil
*Mineral Point School Apartments, Wisconsin
Minnetonka Limitada, Brazil
Minnetonka Overseas Investments Limited, Cayman Islands
*Molett Marketing Limited, Israel
*National Terminal Apartments LLC, Ohio
*New Glarus School Apartments LLC, Wisconsin
Nueva Arizona, S.A., Argentina
*Olayan Kimberly-Clark (Bahrain) W.L.L., Bahrain
*Olayan Kimberly-Clark Arabia Company, Saudi Arabia
Papeles del Cauca S.A., Colombia
P.T. Kimberly-Clark Indonesia, Indonesia
*Providence Leasing LLC, Delaware
Ridgeway Insurance Company Limited, Bermuda
Ropers LLC, Delaware

Ropers II LLC, Delaware
Safemaster Oy, Finland
Safeskin (B.V.I.) Limited, British Virgin Islands
Safeskin Corporation (Thailand) Limited, Thailand
Safeskin Industries (Thailand) Limited, Thailand
Safeskin Latex (Thailand) Limited, Thailand
Safeskin Medical & Scientific (Thailand) Limited, Thailand
Scott CB Holding Company, Delaware
Scott S.A., France
Scott Executive Pension Trustees Limited, United Kingdom
Scott Paper Eastern China Inc., Delaware
SK Corporation, Taiwan
*Stephenson Mill Associates LLC, Wisconsin
*Stephenson Mill Managers, LLC, Indiana
Syzygy, Inc., Delaware
Taiwan Scott Paper Corporation, Taiwan
*TCB Genpar, LLC, Texas
*TCB Limpar, LLC, Texas
Technology Systems S.A., Argentina
*Tecnosur S.A., Colombia
Texans LLC, Delaware
Texans II LLC, Delaware
Texas Company Building, LP, Texas
Three Rivers Timber Company, Washington
Tiscorp, L.P., United Kingdom
Tri-Med Specialties, Inc., Kansas
*YuHan-Kimberly, Limited, Korea

* Indicates a company that is not wholly owned directly or indirectly by the Corporation.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 33-49050, 33-58402, 33-64689, 333-02607, 333-06996, 333-17367, 333-43647, 333-94139, 333-51922, 333-61010, 333-62358, 333-89314, 333-104099, 333-115347, 333-155380, 333-161986, and 333-163891 all on Form S-8 and No. 333-144828 on Form S-3 of our reports dated February 24, 2010, relating to the consolidated financial statements and financial statement schedule of Kimberly-Clark Corporation and subsidiaries (the "Corporation") (which report expresses an unqualified opinion on those financial statements and financial statement schedule and includes an explanatory paragraph regarding the Corporation's adoption of new accounting standards for business combinations and noncontrolling interests in consolidated financial statements effective January 1, 2009, and for fair value measurements effective January 1, 2008) and the effectiveness of the Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Corporation for the year ended December 31, 2009.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP

Dallas, Texas

February 24, 2010

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010.

/s/ John R. Alm

John R. Alm

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010

/s/ Dennis R. Beresford

Dennis R. Beresford

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010.

/s/ John F. Bergstrom
John F. Bergstrom

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010.

/s/ Abelardo E. Bru
Abelardo E. Bru

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010

/s/ Robert W. Decherd
Robert W. Decherd

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, and each of them, with full power to act alone, her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010.

/s/ Mae C. Jemison
Mae C. Jemison

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010.

/s/ James M. Jenness
James M. Jenness

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010.

/s/ Ian C. Read
Ian C. Read

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010.

/s/ Linda Johnson Rice
Linda Johnson Rice

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010.

/s/ Marc J. Shapiro
Marc J. Shapiro

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Mark A. Buthman, Michael T. Azbell and Thomas J. Mielke, and each of them, with full power to act alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or his substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2010.

/s/ G. Craig Sullivan
G. Craig Sullivan

CERTIFICATIONS

I, Thomas J. Falk, certify that:

1. I have reviewed this annual report on Form 10-K of Kimberly-Clark Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

February 24, 2010

/s/ Thomas J. Falk
Thomas J. Falk
Chief Executive Officer

CERTIFICATIONS

I, Mark A. Buthman, certify that:

1. I have reviewed this annual report on Form 10-K of Kimberly-Clark Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

February 24, 2010

/s/ Mark A. Buthman
Mark A. Buthman
Chief Financial Officer

Certification of Chief Executive Officer

Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code

I, Thomas J. Falk, Chief Executive Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

- (1) the Form 10-K, filed with the Securities and Exchange Commission on February 24, 2010 (“accompanied report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Thomas J. Falk

Thomas J. Falk
Chief Executive Officer
February 24, 2010

Certification of Chief Financial Officer

Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code

I, Mark A. Buthman, Chief Financial Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

- (1) the Form 10-K, filed with the Securities and Exchange Commission on February 24, 2010 (“accompanied report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Mark A. Buthman

Mark A. Buthman
Chief Financial Officer
February 24, 2010

EXHIBIT II DEFINITIVE PROXY STATEMENT OF THE ISSUER ON SCHEDULE 14A, FILED
WITH THE SEC ON 12 MARCH 2010

KIMBERLY CLARK CORP

FORM DEF 14A (Proxy Statement (definitive))

Filed 03/12/10 for the Period Ending 04/29/10

Address	351 PHELPS DRIVE IRVING, TX 75038
Telephone	9722811200
CIK	0000055785
Symbol	KMB
SIC Code	2670 - Converted Paper And Paperboard Products, Except
Industry	Paper & Paper Products
Sector	Basic Materials
Fiscal Year	12/31

**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 (Amendment No.)

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

Kimberly-Clark Corporation

(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)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(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:

(5) Total fee paid:

- ☐ 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:

March 12, 2010



Thomas J. Falk
Chairman of the Board and
Chief Executive Officer

FELLOW STOCKHOLDERS:

It is my pleasure to invite you to the Annual Meeting of Stockholders of Kimberly-Clark Corporation. The meeting will be held on Thursday, April 29, 2010, at 9:00 a.m. at the Four Seasons Resort and Club, which is located at 4150 North MacArthur Boulevard, Irving, Texas.

At the Annual Meeting, stockholders will be asked to elect twelve directors for a one-year term, ratify the selection of the Corporation's independent auditors and vote on a stockholder proposal. These matters are fully described in the accompanying Notice of Annual Meeting and proxy statement.

Your vote is important. Regardless of whether you plan to attend the meeting, I urge you to vote your shares as soon as possible. You can vote by marking and dating the proxy form, by using the Internet or by telephone. Instructions regarding all three methods of voting are contained on the proxy form.

This year, we are utilizing rules that allow companies to furnish proxy materials to their stockholders on the Internet. We believe furnishing proxy materials in this manner allows us to continue to make this information available to our stockholders, while reducing printing and delivery costs and acting in a sustainable manner.

Also provided is our annual report for 2009. You will notice that we have taken a different approach to our annual report this year. My letter to stockholders, along with other information about Kimberly-Clark that in past years has been included in the front portion of the annual report, will be posted online in the Investors section of our website at www.kimberly-clark.com. Posting this information online is more cost-effective and sustainable.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Falk", written in a cursive style.

Thomas J. Falk

KIMBERLY-CLARK CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD APRIL 29, 2010

The Annual Meeting of Stockholders of Kimberly-Clark Corporation will be held at the Four Seasons Resort and Club, 4150 North MacArthur Boulevard, Irving, Texas, on Thursday, April 29, 2010, at 9:00 a.m. for the following purposes:

1. To elect as directors the twelve nominees named in the accompanying proxy statement;
2. To ratify the selection of Deloitte & Touche LLP as our independent auditors for 2010;
3. To vote on one stockholder proposal that may be presented at the meeting; and
4. To take action upon any other business that may properly come before the meeting or any adjournments of the meeting.

Stockholders of record at the close of business on March 1, 2010 are entitled to notice of and to vote at the meeting or any adjournments.

It is important that your shares be represented at the meeting. I urge you to vote promptly by using the Internet or telephone or by signing, dating and returning your proxy form.

The accompanying proxy statement also is being used to solicit voting instructions for shares of Kimberly-Clark common stock that are held by the trustees of our employee benefit and stock purchase plans for the benefit of the participants in the plans. It is important that each participant in the plans indicates his or her preferences using the Internet or telephone or otherwise signs, dates and returns the voting instruction card, which is enclosed with the proxy statement, in the business reply envelope provided.

By Order of the Board of Directors.

A handwritten signature in black ink, appearing to read "John W. Wesley". The signature is fluid and cursive, with a large loop at the end.

John W. Wesley
Vice President and Secretary

P.O. Box 619100
Dallas, Texas 75261-9100
March 12, 2010

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PROXY STATEMENT

PART ONE VOTING INFORMATION

A proxy is solicited on behalf of the Board of Directors of Kimberly-Clark Corporation for use at the Annual Meeting of Stockholders to be held on April 29, 2010 and at any adjournment of the Annual Meeting. We are first mailing either a notice containing instructions on how to access this proxy statement and our annual report online, or a printed copy of these proxy materials and the accompanying proxy form, to holders of Kimberly-Clark common stock on or about March 12, 2010.

Notice of Electronic Availability of Proxy Statement and Annual Report

As permitted by rules of the Securities and Exchange Commission ("SEC"), we are making this proxy statement and our annual report available to our stockholders electronically via the Internet. The notice of electronic availability contains instructions on how to access this proxy statement and our annual report and vote online. If you received a notice by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the notice instructs you on how to access and review all of the important information contained in the proxy statement and annual report online. The notice also instructs you on how you may submit your proxy over the Internet or by telephone. If you received a notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting these materials contained in the notice.

Who May Vote

Each stockholder of record at the close of business on March 1, 2010 will be entitled to one vote for each share registered in the stockholder's name. On that date, 416,128,552 shares of our common stock were outstanding.

How You May Vote

If you received a notice of electronic availability, you cannot vote your shares by filling out and returning the notice. The notice, however, provides instructions on how to vote in person, by Internet, by telephone or by mail.

You may vote in person by attending the meeting, by using the Internet or telephone, or (if you received printed proxy materials) by completing and returning a proxy form by mail. To vote your proxy using the Internet or telephone, see the instructions on the notice of electronic availability or the proxy form and have the notice or proxy form available when you access the Internet website or place your telephone call. To vote your proxy by mail, mark your vote on the proxy form, then follow the instructions on the card.

The named proxies will vote your shares according to your directions. **If you sign and return your proxy form, or if you vote using the Internet or by telephone, but do not specify how you want to vote your shares, the named proxies will vote your shares for the election of directors, for ratification of the selection of our independent auditors and against approval of the stockholder proposal.**

How You May Revoke or Change Your Vote

You may revoke your proxy before the time of voting at the meeting in any of the following ways:

- by mailing a revised proxy form to the Secretary of the Corporation
 - by changing your vote on the Internet website
-

- by using the telephone voting procedures
- by voting in person at the meeting

Confidential Voting

Proxy forms are received by our independent proxy processing agent, and the vote is certified by independent Inspectors of Election. Proxy forms and ballots that identify the vote of stockholders and plan participants will be kept confidential, except as necessary to meet legal requirements, in cases where stockholders and participants request disclosure or write comments on their cards, or in a contested matter involving an opposing proxy solicitation. During the proxy solicitation period, we will receive daily tabulation reports from the independent proxy processing agent, but these reports provide only aggregate data. In addition, the agent may identify stockholders who fail to vote so that we may contact them and request they do so.

Costs of Solicitation

Kimberly-Clark will bear the cost of preparing, printing and delivering materials in connection with this solicitation of proxies, including the cost of the proxy solicitation and the expenses of brokers, fiduciaries and other nominees in forwarding proxy materials to beneficial owners. In addition to the use of mail and electronic delivery, solicitation may be made by telephone or otherwise by our employees. We have retained D. F. King & Co., Inc. to aid in the solicitation at a cost of approximately \$17,000 plus reimbursement of out-of-pocket expenses.

Votes Required/Voting Procedures

A majority of the shares of our common stock, present in person or represented by proxy, will constitute a quorum for purposes of the Annual Meeting. The twelve nominees for director receiving a majority of the votes cast at the meeting in person or by proxy will be elected. If a nominee does not receive a majority of the votes cast, then the nominee will be subject to the Board's existing policy regarding resignations by directors who do not receive a majority of "for" votes. For approval, all other matters require the affirmative vote of a majority of shares that are present at the Annual Meeting in person or by proxy and entitled to vote on that matter.

Abstentions are treated as votes against a proposal, and broker non-votes will not be considered present and entitled to vote. Generally, a broker non-vote occurs on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner of the shares, and instructions are not given.

Stockholders are urged to vote their shares. Previously, for shares held by stockholders in street name, if the stockholders did not indicate how to vote their shares in the election of directors or for stockholder proposals, banks and brokers could vote the shares on behalf of these stockholders for these items as the banks and brokers deemed appropriate. Beginning this year, banks and brokers are no longer permitted to vote uninstructed shares for these items. Therefore, stockholders should vote to ensure their shares are represented in these matters.

Direct Stock Purchase and Dividend Reinvestment Plan

If a stockholder is a participant in our Direct Stock Purchase and Dividend Reinvestment Plan, the proxy form represents the number of full shares in the stockholder's account in the plan, as well as shares registered in the stockholder's name.

Employee Benefit Plans

We also are sending or otherwise making this proxy statement and voting materials available to participants in various Kimberly-Clark employee benefit and stock purchase plans. The trustee of each plan, as the stockholder of record of the shares of our common stock held in the plans, will vote whole

shares of stock attributable to each participant's interest in the plans in accordance with the directions the participant gives or, if no directions are given by the participant, in accordance with the directions of the respective plan committee.

Attending the Annual Meeting

Stockholders as of the record date, March 1, 2010, or their duly appointed proxies, may attend the Annual Meeting. If you plan to attend the meeting, please check your proxy form in the space provided or so indicate electronically or by telephone. This will assist us with meeting preparations and will help us to expedite your admittance. If your shares are not registered in your own name and you would like to attend the meeting, please ask the broker, trust, bank or other nominee that holds your shares to provide you with evidence of your share ownership, which will enable you to gain admission to the meeting.

To obtain directions to attend the meeting and vote in person, please contact Stockholder Services by telephone at (972) 281-1522 or by e-mail at stockholders@kcc.com.

Reducing Duplicate Mailings

Because many stockholders hold shares of our common stock in multiple accounts or share an address with other stockholders, stockholders may receive duplicate mailings of notices or proxy materials. Stockholders may avoid receiving duplicate mailings as follows:

- *Stockholders of Record.* If your shares are registered in your own name and you are interested in consenting to the delivery of a single notice or proxy materials, you may contact Stockholder Services by mail at P.O. Box 612606, Dallas, Texas 75261-2606, by telephone at (972) 281-1522 or by e-mail at stockholders@kcc.com.
- *Beneficial Stockholders.* If your shares are not registered in your own name, your broker, bank, trust or other nominee that holds your shares may have asked you to consent to the delivery of a single notice or proxy materials if there are other Kimberly-Clark stockholders who share an address with you. If you currently receive more than one copy of the notice or proxy materials at your household and would like to receive only one copy in the future, you should contact your nominee.
- *Right to Request Separate Copies.* If you consent to the delivery of a single proxy statement and annual report but later decide that you would prefer to receive a separate copy of the notice or proxy materials, as applicable, for each stockholder sharing your address, then please notify us or your nominee, as applicable, and we or they will promptly deliver the additional notices or proxy materials. If you wish to receive a separate copy of the notice or proxy materials for each stockholder sharing your address in the future, you may also contact Stockholder Services by mail at P.O. Box 612606, Dallas, Texas 75261-2606, by telephone at (972) 281-1522 or by stockholders@kcc.com.

PART TWO CORPORATE GOVERNANCE INFORMATION

Board of Directors and Board Committees

The Board of Directors met six times in 2009. All of the directors attended in excess of 75 percent of the total number of meetings of the Board and committees of the Board on which they served.

Although we do not have a formal policy with respect to director attendance at Annual Meetings, since 1997 all nominees and continuing directors have attended the Annual Meetings. Each director attended the 2009 Annual Meeting.

The standing committees of the Board include the Audit Committee, Management Development and Compensation Committee, Nominating and Corporate Governance Committee and Executive Committee. In compliance with applicable New York Stock Exchange ("NYSE") corporate governance listing standards, the Board has adopted charters for the Audit, Management Development and Compensation, and Nominating and Corporate Governance Committees. These charters are available in the Investors section of our website at www.kimberly-clark.com.

Audit Committee

Dennis R. Beresford is the Chairman of our Audit Committee. The other members of this Committee are John R. Alm, John F. Bergstrom, Robert W. Decherd and Linda Johnson Rice. The Committee met eight times in 2009. In addition, Mr. Beresford participated in three conference calls as Chairman of the Committee to preview earnings press releases during 2009.

Each member of the Audit Committee is an Independent Director under the independence standards set forth in our Corporate Governance Policies. See "Director Independence" for additional information on Independent Directors.

Each member of the Audit Committee satisfies the financial literacy requirements of the NYSE, and the Board has determined that Mr. Beresford is an "audit committee financial expert" under the rules and regulations of the SEC.

The principal functions of the Audit Committee, as specified in its charter, include the following:

- Overseeing:
 - the quality and integrity of our financial statements,
 - our compliance programs,
 - the independence, qualification and performance of our independent auditors, and
 - the performance of our internal auditors.
- Subject to stockholder ratification, selecting and engaging our independent auditors.
- Reviewing the scope of the audits and audit findings, including any comments or recommendations of our independent auditors.
- Establishing policy in connection with internal audit programs.
- Pre-approving all audit and non-audit services provided by our independent auditors.
- Providing oversight of our risk management program and receiving periodic reports from management on risk assessments, the risk management process and issues related to the risks of managing our business.

For additional information about the Audit Committee's oversight activities in 2009, see "Part Three — Proposals to be Voted on at the 2010 Annual Meeting — Ratification of Auditors — Audit Committee Report."

No member of the Audit Committee simultaneously serves on the audit committees of more than three public companies. If a member were to simultaneously serve on more than three public company audit committees, information regarding the Board's determination of whether this simultaneous service impairs the ability of the member to effectively serve on the Audit Committee will be available in the Investors section of our website at www.kimberly-clark.com.

Management Development and Compensation Committee

James M. Jenness is the Chairman of our Management Development and Compensation Committee. In addition to Mr. Jenness, the current members of this Committee are Abelardo E. Bru, Mae C. Jemison, M.D. and Ian C. Read. The Committee met six times in 2009. Each member of this Committee is an Independent Director.

The principal functions of the Management Development and Compensation Committee, as specified in its charter, include the following:

- Establishing and administering the policies governing annual compensation and long-term compensation, including stock option awards, restricted stock awards and restricted share unit awards.
- Overseeing:
 - leadership development for senior management and future senior management candidates, and
 - key organizational effectiveness and engagement policies.
- Reviewing diversity and inclusion programs and key metrics.

Compensation Processes and Procedures

On an annual basis, the Committee reviews and sets the compensation of our elected officers, including all of our executive officers. The Committee's charter does not permit the Committee to delegate to anyone the authority to establish any compensation policies or programs for elected officers, including our executive officers. Our Chief Executive Officer has the authority to establish compensation programs for non-elected officers. Additionally, as discussed in "Part Four — Other Important Information — Executive Compensation — Compensation Discussion and Analysis," the Committee has delegated limited authority to our Chief Executive Officer to grant stock options, restricted stock and restricted share units to non-executive officers for recruiting or retention purposes.

Our Chief Executive Officer makes a recommendation to the Committee each year on the appropriate target direct annual compensation to be paid to our executive officers, excluding himself. The Committee makes the final determination of the target direct annual compensation to be awarded to each executive officer, including our Chief Executive Officer. While our Chief Executive Officer and Chief Human Resources Officer typically attend Committee meetings, none of the other executive officers is present during the portion of the Committee's meetings when compensation for executive officers is set. In addition, our Chief Executive Officer is not present during the portion of the Committee's meetings when his compensation is set.

For additional information on the Committee's processes and procedures for determining executive compensation, and for a detailed discussion of our compensation policies, see "Part Four — Other Important Information — Executive Compensation — Compensation Discussion and Analysis."

Use of Compensation Consultants

The Committee's charter provides that the Committee has the authority to retain advisors, including compensation consultants, to assist the Committee in its work. The Committee believes that compensation consultants can provide important market information and perspectives that can help

the Committee determine compensation programs that best meet the objectives of our compensation policies.

Corporation Consultant. To assist management and the Committee in assessing and determining appropriate, competitive compensation for our executive officers, we annually engage an outside compensation consultant. In 2009, Mercer Human Resource Consulting ("Mercer") was retained for this purpose. Mercer has provided consulting services to the Corporation on a wide variety of human resources and compensation matters, both at the officer and non-officer levels. In 2009, Mercer was retained by the Corporation to provide advice and counsel regarding executive and director remuneration matters on an ongoing basis, including the following services in connection with our executive compensation program:

- Assessing market compensation levels for executive officer positions and other selected positions, within the Corporation's peer groups.
- Reviewing historic and projected performance for peer group companies for metrics used by the Corporation in its annual and long-term incentive plans.
- Assisting in incentive plan design and modifications, as requested.
- Providing market research on various issues as requested by management.
- Preparing for and participating in Committee meetings, as requested.
- Reviewing the Compensation Discussion and Analysis and other disclosures, as requested.
- Consulting with management on compensation matters.

Independent Committee Consultant. The Committee has also retained The Delves Group as its independent executive compensation consultant. The Committee has adopted a written policy providing that the independent Committee consultant may provide services only to the Committee and not to the Corporation. The Delves Group has no other business relationship with the Corporation and receives no payments from us other than fees for services to the Committee. The Delves Group reports directly to the Committee, and the Committee may replace The Delves Group or hire additional consultants at any time. The Delves Group attends Committee meetings and communicates with the Chairman of the Committee between meetings from time to time.

The Committee instructed The Delves Group to provide an independent review of the data and recommendations provided by management and Mercer. The scope of The Delves Group's engagement in 2009 included:

- Conducting a review of the competitive market data (including base salary, annual incentive targets and long-term incentive targets) for our executive officers, including our Chief Executive Officer.
- Reviewing and commenting on recommendations by management and Mercer concerning executive pay programs, including program changes and redesign, special awards, change in control provisions, executive contract provisions, promotions, retirement and related items, as desired by the Committee.
- Reviewing and commenting on the Committee's report for the proxy statement.
- Attending Committee meetings.
- Periodically consulting with the Chairman of the Committee.

During 2009, at the request of the Committee, Don Delves, the President of The Delves Group, attended all of the in-person Committee meetings, as well as one of the teleconference Committee meetings.

Committee Report

The Committee has reviewed the “Compensation Discussion and Analysis” section of this proxy statement and has recommended that it be included in this proxy statement. The Committee’s report is located at “Part Four — Other Important Information — Executive Compensation — Management Development and Compensation Committee Report.”

Nominating and Corporate Governance Committee

G. Craig Sullivan is the Chairman of our Nominating and Corporate Governance Committee. In addition to Mr. Sullivan, the current members of this Committee are Abelardo E. Bru, Mae C. Jemison, M.D. and Ian C. Read. The Committee met four times in 2009. Each member of this Committee is an Independent Director.

The principal functions of the Nominating and Corporate Governance Committee, as specified in its charter, include the following:

- Overseeing the process by which individuals are nominated to become Board members.
- Overseeing matters of corporate governance, including developing and recommending to the Board changes to our Corporate Governance Policies.
- Advising the Board on:
 - Board organization, membership, function, performance and compensation,
 - committee structure and membership, and
 - policies and positions regarding significant stockholder relations issues.
- Reviewing director independence standards and making recommendations to the Board with respect to the determination of the independence of directors.
- Monitoring and recommending improvements to the practices and procedures of the Board.
- Reviewing stockholder proposals and considering responses or actions regarding these proposals.

The Nominating and Corporate Governance Committee, in accordance with its charter and our Certificate of Incorporation, has established criteria and processes for director nominees, including nominations proposed by stockholders. Those criteria and processes are described in “Director Nominee Criteria and Process” and “Stockholder Nominations for Directors.”

Executive Committee

Marc J. Shapiro is the Chairman of our Executive Committee. In addition to Mr. Shapiro, the current members of this Committee are Dennis R. Beresford, Thomas J. Falk, James M. Jenness and G. Craig Sullivan. The Committee met one time in 2009.

The principal function of the Executive Committee is to exercise the powers of the Board to direct our business and affairs between meetings of the Board.

Compensation Committee Interlocks and Insider Participation

None of the members of the Management Development and Compensation Committee is a current or former officer or employee of the Corporation. No interlocking relationship exists between the members of our Board of Directors or the Management Development and Compensation Committee and the board of directors or compensation committee of any other company.

Director Independence

Since 1996, our By-Laws have provided that a majority of our directors be independent directors ("Independent Directors"). In addition, our Corporate Governance Policies adopted by the Board provide independence standards consistent with the rules and regulations of the SEC and the listing standards of the NYSE. Our Corporate Governance Policies are available in the Investors section of our website at www.kimberly-clark.com, and the independence standards are set forth in Section 17 of our Corporate Governance Policies.

The nominees for director are such that immediately after the election of the nominees to the Board, eleven of the twelve directors holding office will be Independent Directors. Our independent Board helps ensure good corporate governance and strong internal controls. We are in compliance with all corporate governance requirements of the NYSE, the SEC and the Sarbanes-Oxley Act of 2002.

The Board has determined that all directors and nominees, except for Thomas J. Falk, are Independent Directors and meet the independence standards set forth in our Corporate Governance Policies. When making these determinations, the Board considered the following:

- We made charitable contributions of \$375,000 in 2007, \$65,000 in 2008 and \$55,000 in 2009 to the Fox Cities Performing Arts Center in Appleton, Wisconsin, where Mr. Bergstrom is a director. These donations constituted less than five percent of the Fox Cities Performing Arts Center's gross revenues for the years in which the donations were made. We have significant operations and a significant number of employees in the Fox Cities area of Wisconsin.
- We made charitable contributions of \$1,000 in 2008 and \$3,000 in 2009 to the Theda Clark Hospital Foundation, where Mr. Bergstrom is a director.
- Companies majority-owned by Mr. Bergstrom paid us approximately \$58,000 in 2007 and 2008 and \$56,000 in 2009 to lease excess hangar space at an airport near Appleton, Wisconsin and approximately \$150,000 in 2007, \$172,000 in 2008 and \$174,000 in 2009 for pilot services pursuant to a pilot sharing contract. In addition, these companies paid us approximately \$162,000 in 2007, \$169,000 in 2008 and \$177,000 in 2009 for scheduling and aircraft services for their airplane.
- We paid approximately \$3,000 in 2007, \$65,000 in 2008 and \$2,800 in 2009 for automobiles and related services to car dealerships in the Neenah, Wisconsin area that are majority-owned by Mr. Bergstrom.
- We made a charitable contribution of \$50,000 in each of 2007, 2008 and 2009 to the Education is Freedom Foundation, where Mr. Bru is a director.
- We made charitable contributions of \$50,000 in 2007, \$25,000 in 2008 and \$26,000 in 2009 to the United Negro College Fund, where Ms. Johnson Rice is a director.
- We paid approximately \$734,000 in 2007, \$697,000 in 2008 and \$505,000 in 2009 to JPMorgan Chase & Co. ("JPMC") for investment banking services. Mr. Shapiro serves as a consultant to JPMC and as non-executive Chairman of its Texas operations. We do not believe his relationship with JPMC gives him a direct or indirect material interest in our transactions with JPMC.

The amount involved in each of these items is less than the amounts established by the NYSE and our Corporate Governance Policies as potentially affecting a director's independence.

Director Nominee Criteria and Process

The Board of Directors is responsible for approving candidates for Board membership. The Board has delegated the screening and recruitment process to the Nominating and Corporate Governance Committee, in consultation with the Chairman of the Board and Chief Executive Officer. The Nominating and Corporate Governance Committee believes that the criteria for director nominees should ensure effective corporate governance, support our strategies and businesses, include

consideration of diversity, account for individual director attributes and the effect of the overall mix of those attributes on the Board’s effectiveness and support the successful recruitment of qualified candidates for the Board.

Qualified candidates for director are those who, in the judgment of the Nominating and Corporate Governance Committee, possess all of the personal attributes and a sufficient mix of the experience attributes listed below to ensure effective service on the Board.

Personal Attributes

- **leadership:** lead in personal and professional lives
- **ethical character:** possess high standards for ethical behavior
- **collaborative:** actively participate in Board and committee matters
- **independence:** for non-management directors, are independent of management and the Corporation
- **ability to communicate:** possess good interpersonal skills
- **effectiveness:** bring a proactive and solution-oriented approach

Experience Attributes

- **financial acumen:** have good knowledge of business finance and financial statements
- **general business experience:** possess experience that will aid in judgments concerning business issues
- **industry knowledge:** possess reasonable knowledge about the Corporation’s industries
- **diversity of background and viewpoint:** bring to the Board an appropriate level of diversity
- **special business experience:** possess global management experience and experience with branded consumer packaged goods
- **other attributes:** provide special attributes identified as needed or as may be required

The Nominating and Corporate Governance Committee may receive recommendations for Board candidates from various sources, including our directors, management and stockholders. In addition, the Nominating and Corporate Governance Committee has retained a search firm to assist it in identifying and recruiting director candidates meeting the criteria specified by the Committee.

The Nominating and Corporate Governance Committee recommends to the Board nominees to fill any vacancies. As provided in the Corporation’s Certificate of Incorporation, the Board elects a new director when a vacancy occurs between annual meetings of stockholders. The Nominating and Corporate Governance Committee also recommends to the Board any new appointments and nominees for election as directors at our annual meeting of stockholders, as well as assesses the performance of each director at least once every three years in accordance with our Corporate Governance Policies.

Committee Review of Attributes of Current Directors

The Nominating and Corporate Governance Committee has reviewed the background of each of the Corporation’s current directors and his or her service on the Board and committees on which he or she serves, based on the personal and experience attributes described above. The Committee has determined

that each director possesses all of the personal attributes, as well as a sufficient mix of the experience attributes. For the experience attributes, the Committee considered the following:

Financial acumen:

- Satisfies the financial literacy requirements of the NYSE
- Qualifies as an audit committee financial expert under the rules and regulations of the SEC
- Has an accounting, finance or banking background

Industry knowledge:

- Possesses knowledge about our industries

Special business experience:

- Has international experience
- Has branded consumer packaged goods experience
- Has health care experience

General business experience:

- Has leadership experience as a chief executive officer or as a senior executive officer

Diversity of background and viewpoint:

- Brings a diverse viewpoint that is representative of our customer, consumer, employee and stockholder base
- Provides a different perspective (stemming, for example, from an academic background or experience from outside the consumer packaged goods or health care industries)

Other attributes:

- Has marketing experience
- Has compensation experience (including from executive officer experience)
- Has governance/public company board experience

The Committee has identified specific experience attributes for each director, based on the list above. See “Certain Information Regarding Directors and Nominees” for information regarding these specific attributes.

Diversity of Directors

As noted above, the Nominating and Corporate Governance Committee believes that diversity of backgrounds and viewpoints is a key attribute for directors. As a result, the Committee seeks to have a diverse Board that is representative of its customer, consumer, employee and stockholder base. While the Committee carefully considers this diversity when considering nominees for director, the Committee has not established a formal policy regarding diversity in identifying director nominees.

Stockholder Nominations for Directors

The Nominating and Corporate Governance Committee considers nominees recommended by stockholders as candidates for election to the Board of Directors. A stockholder wishing to nominate a candidate for election to the Board at an annual stockholders meeting is required to give written notice to the Secretary of the Corporation of his or her intention to make a nomination in accordance with the Corporation's Certificate of Incorporation and By-Laws. The notice of nomination must be received by us not less than 75 days nor more than 100 days prior to the stockholders' meeting, or if we give less than 75 days notice of the meeting date, the notice of nomination must be received within 10 days after the meeting date is announced. The notice of nomination is required to contain information, as set forth in the Certificate of Incorporation and By-Laws, about both the nominee and the stockholder making the nomination, including information sufficient to allow the Nominating and Corporate Governance Committee to determine if the candidate meets the director nominee criteria described above. The notice must also contain information about certain stock holdings of the nominee and the stockholder making the nomination, including derivative holdings, dividend rights that are separated from or separable from the underlying shares and certain performance-related fees, as well as information that would be required to be disclosed in connection with a proxy solicitation (and whether a proxy solicitation will be conducted). The notice is also required to contain information about certain related person transactions, contact and related information regarding the nominee, understandings regarding the nomination of the

nominee and the nominee's consent to be nominated. We may require that the proposed nominee furnish other information to determine that person's eligibility to serve as a director. A nomination that does not comply with the requirements set forth in the Certificate of Incorporation and By-Laws will not be considered for presentation at the annual meeting, but will be considered by the Nominating and Corporate Governance Committee for any vacancies arising on the Board between annual meetings in accordance with the process described in "Director Nominee Criteria and Process." There are twelve director positions on the Board, and there are no vacant director positions as of the date of this proxy statement.

Communications to Directors

The Board has established a process by which stockholders and other interested parties may communicate with the Board, including the Lead Director. That process can be found in the Investors section of our website at www.kimberly-clark.com.

Board Leadership Structure

The Board has established a leadership structure in which responsibilities are allocated between the Chairman of the Board and Chief Executive Officer and the Lead Director. The Board believes this allocation of responsibilities between these two positions provides for dynamic Board leadership while maintaining strong independence and is therefore an effective and appropriate leadership structure.

Chairman of the Board and Chief Executive Officer Positions. Mr. Falk serves as Chairman of the Board and Chief Executive Officer. As noted in our Corporate Governance Policies, the Board believes that it is appropriate for a single person to serve in both positions. The Board believes that combining these roles unifies the Corporation's leadership and enhances the Corporation's ability to execute its Global Business Plan. The Board has the discretion to separate the roles in the future if it deems it advisable and in the best interest of the Corporation to do so.

Lead Director. Mr. Shapiro served as Lead Director in 2009. The Lead Director serves as Chairman of the Executive Committee. Our Corporate Governance Policies outline the role and responsibilities of the Lead Director, which include coordinating the activities of the independent directors, providing input with regard to agendas and schedules for Board meetings, leading (with the Chairman of the Nominating and Corporate Governance Committee) the annual Board evaluation discussion, leading (with the Chairman of the Management Development and Compensation Committee) the Board's review and discussion of the Chief Executive Officer's performance, providing feedback to individual directors following their periodic evaluations, speaking on behalf of the Board and chairing Board meetings when the Chairman of the Board is unable to do so and acting as a direct conduit to the Board for stockholders, employees and others pursuant to policies adopted by the Board.

The Lead Director also chairs executive session meetings of non-management directors. The non-management directors are scheduled to meet in executive session without the presence of management at least quarterly.

Other Corporate Governance Matters

Corporate Governance Policies. The Board of Directors adopted Corporate Governance Policies in 1994, which have been amended from time to time in accordance with changes in rules and regulations and developing governance practices. These policies guide the Corporation and the Board on matters of corporate governance, including director responsibilities, Board committees and their charters, director independence, director compensation and performance assessments, director orientation and education, director access to management, Board access to outside financial, business and legal advisors, and management development and succession planning. These policies, which include our director independence standards, are available in the Investors section of our website at www.kimberly-clark.com.

Code of Conduct. Kimberly-Clark has a Code of Conduct that applies to all of our directors, executive officers and employees, including our Chief Executive Officer, Chief Financial Officer and

Corporate Controller. Our Code of Conduct is available in the Investors section of our website at www.kimberly-clark.com. Any amendments to or waivers of our Code of Conduct applicable to our Chief Executive Officer, Chief Financial Officer or Corporate Controller will be posted at this location.

Board and Management Roles in Risk Oversight. The Board reviews and oversees management's response to key risks facing us as we implement our Global Business Plan, which provides a long-term roadmap for our overall strategic direction, business operations and finances. Our senior executive team identifies and monitors key enterprise-wide and business unit risks, which are integrated into our Global Business Plan, providing the basis for the Board's risk review and oversight process. The Board believes these roles complement the Board's leadership structure described above, including the combination of the Chairman of the Board and Chief Executive Officer positions.

The Audit Committee's role regarding risk oversight, as specified in its charter, is to provide oversight of our risk management program and receive periodic reports from management on risk assessments, the risk management process and issues related to the risks of managing our business. As part of its oversight role, the Audit Committee receives an annual enterprise risk management update, which discusses our key financial, strategic, operational and compliance risks, as well as other periodic updates and reports regarding risks in these and other areas. Our Global Risk Oversight Committee, consisting of management members from key business units, finance, treasury, information technology, global risk management and legal, identifies key risks for review and updates our policies in risk management areas such as hedging and foreign currency and country risks, property and casualty risks and supplier and customer risks.

Committee Authority to Retain Independent Advisors. Each of the Audit, Management Development and Compensation, and Nominating and Corporate Governance Committees has the authority to retain independent advisors and consultants, with all fees and expenses to be paid by the Corporation.

Whistleblower Procedures. The Audit Committee has established procedures for (1) the receipt, retention and treatment of complaints we receive regarding accounting, internal accounting controls or auditing matters and (2) the confidential and anonymous submission by our employees and others of concerns regarding questionable accounting or auditing matters. We also maintain a toll-free, around-the-clock Code of Conduct telephone hotline that allows our employees and others to voice their concerns anonymously. The whistleblower procedures and information on how to access the hotline are available in the Investors section of our website at www.kimberly-clark.com.

Chief Compliance Officer. Thomas J. Mielke is the Senior Vice President — Law and Government Affairs and Chief Compliance Officer and oversees our compliance programs. He reports to the Audit Committee on the programs' effectiveness, provides periodic reports to the Board and works closely with our various compliance functions to provide coordination and sharing of best practices across the compliance groups.

Disclosure Committee. We have established a Disclosure Committee composed of members of management and chaired by our Vice President and Controller to assist in fulfilling our obligations to maintain disclosure controls and procedures and to coordinate and oversee the process of preparing our periodic securities filings with the SEC.

No Executive Loans. We do not extend loans to our executive officers or directors and do not have any such loans outstanding.

Stockholder Rights Plan. The Board has adopted the following policy statement on stockholder rights plans: "Kimberly-Clark does not have a 'poison pill' or stockholder rights plan. If Kimberly-Clark were to adopt a stockholder rights plan, the Board would seek prior stockholder approval of the plan unless, due to timing constraints or other reasons, a majority of independent directors of the Board determines that it would be in the best interests of stockholders to adopt a plan before obtaining stockholder approval. If a stockholder rights plan is adopted without prior stockholder approval, the plan must either be ratified by stockholders or must expire, without being renewed or replaced, within one year. The Nominating and Corporate Governance Committee shall review this policy statement periodically and report to the Board on any recommendations it may have concerning the policy."

Annual Election of Directors. Our Certificate of Incorporation provides that directors are elected on an annual basis. Our Certificate of Incorporation is available in the Investors section of our website at www.kimberly-clark.com.

Majority Voting for Election of Directors. The Corporation's By-Laws provide that, in uncontested elections, directors will be elected by a majority vote rather than by a plurality. If an incumbent director does not receive a majority of votes, the director is required to tender his or her resignation for consideration by the Board. Our By-Laws are available in the Investors section of our website at www.kimberly-clark.com.

Simple Majority Voting Provisions. In 2008, stockholders approved an amendment to our Certificate of Incorporation to eliminate supermajority voting provisions.

Special Stockholder Meetings. In 2009, stockholders approved an amendment to our Certificate of Incorporation to allow the holders of not less than 25 percent of the Corporation's issued and outstanding shares of capital stock to request that a special meeting of stockholders be called, subject to our By-Law procedures.

Charitable Contributions. The Nominating and Corporate Governance Committee has adopted guidelines for review and approval of charitable contributions by us and any foundation we control to organizations or entities with which a member of the Board of Directors or an executive officer is or may be affiliated. Any contributions made by us to any tax-exempt organization in which any Independent Director serves as an executive officer will be disclosed in the Investors section of our website at www.kimberly-clark.com, if within the preceding three years contributions in any single year from us to the organization exceeded the greater of \$1 million or 2 percent of the tax-exempt organization's consolidated gross revenues.

PART THREE

PROPOSALS TO BE VOTED ON AT THE 2010 ANNUAL MEETING

PROPOSAL 1. ELECTION OF DIRECTORS

General Information

As of the date of this proxy statement, the Board of Directors consists of twelve members. Each director's term expires at this year's Annual Meeting.

All the nominees for director set forth on the following pages are proposed to be elected at this year's Annual Meeting to serve for a term to expire at the 2011 Annual Meeting of Stockholders and until their successors have been duly elected and qualified. Should any nominee become unable to serve, proxies may be voted for another person designated by the Board. All nominees have advised us that they will serve if elected.

Certain Information Regarding Nominees for Director

The names of the nominees, their ages as of the date of the Annual Meeting, the year they first became directors, their principal occupations during at least the past five years, other public company directorships held by them as of February 23, 2010, public company boards they have served on since January 1, 2005, information regarding director attributes the Nominating and Corporate Governance Committee determined qualify them to serve as directors and certain other biographical information are set forth below. See "Committee Review of Attributes of Current Directors" for a discussion of director attributes considered by the Nominating and Corporate Governance Committee.

John R. Alm, 64, Director since 2006

Retired President and Chief Executive Officer, Coca-Cola Enterprises Inc.

Mr. Alm retired as President and Chief Executive Officer of Coca-Cola Enterprises Inc., a beverage company, in 2005. He had been Chief Executive Officer since 2004 and President and Chief Operating

Officer since 2000. Mr. Alm joined Coca-Cola Enterprises Inc. in 1992 and held the position of Chief Financial Officer until 2000.

Public company boards served on since 2005: Washington Group International, Inc. (February 2006 through November 2007).

Experience attributes: Mr. Alm satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, has knowledge about our industries, has international experience and experience with branded consumer packaged goods, and has marketing, compensation, governance and public company board experience.

Dennis R. Beresford, 71, Director since 2002

Ernst & Young Executive Professor of Accounting, University of Georgia

Mr. Beresford has served as Ernst & Young Executive Professor of Accounting at the J.M. Tull School of Accounting, Terry College of Business, University of Georgia since 1997. From 1987 to 1997, he served as the Chairman of the Financial Accounting Standards Board. Prior to that, Mr. Beresford held various positions at the accounting firm of Ernst & Young. He serves on the board of directors and audit committees of Legg Mason, Inc. and the Federal National Mortgage Association (Fannie Mae).

Public company boards served on since 2005: Legg Mason, Inc., Fannie Mae (since May 2006) and MCI, Inc. (July 2002 through January 2006).

Experience attributes: Mr. Beresford has been determined to be an “audit committee financial expert” under the SEC’s rules and regulations and has a background in accounting, provides diversity of background and viewpoint, and has governance and public company board experience.

John F. Bergstrom, 63, Director since 1987

Chairman and Chief Executive Officer, Bergstrom Corporation

Mr. Bergstrom has served as Chairman and Chief Executive Officer of Bergstrom Corporation, Neenah, Wisconsin, for more than the past five years. Bergstrom Corporation owns and operates automobile sales and leasing businesses and a credit life insurance company based in Wisconsin. Mr. Bergstrom is a director of the Wisconsin Energy Corporation and its wholly-owned subsidiary Wisconsin Electric Power Company. He also is a member of the board of directors of Advance Auto Parts, Inc., and a member of the board of directors and executive committee of Green Bay Packers, Inc.

Public company boards served on since 2005: Wisconsin Energy Corporation, Wisconsin Electric Power Company, Advance Auto Parts, Inc. (since May 2008), Sensient Technologies Corp. (through April 2006), Banta Corporation (through January 2007) and Midwest Air Group, Inc. (through June 2007).

Experience attributes: Mr. Bergstrom satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, and has marketing, compensation, governance and public company board experience.

Abelardo E. Bru, 61, Director since 2005

Retired Vice Chairman, PepsiCo, Inc.

Mr. Bru retired as Vice Chairman of PepsiCo, a food and beverage company, in 2005. He joined PepsiCo in 1976. Mr. Bru served from 1999 to 2003 as President and Chief Executive Officer and in 2003 to 2004 as Chief Executive Officer and Chairman of Frito-Lay Inc., a division of PepsiCo. Prior to leading Frito-Lay, Mr. Bru led PepsiCo’s largest international business, Sabritas Mexico, as President and General Manager from 1992 to 1999. Mr. Bru is a member of the board of directors of S. C. Johnson & Son, Inc. and the Education is Freedom Foundation.

Public company boards served on since 2005: Office Depot, Inc. (through December 2008).

Experience attributes: Mr. Bru satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, has knowledge about our industries, provides diversity of background and viewpoint, has international experience and experience with branded consumer packaged goods, and has marketing, compensation, governance and public company board experience.

Robert W. Decherd, 59, Director since 1996

Chairman of the Board, President and Chief Executive Officer, A. H. Belo Corporation

Mr. Decherd has served as Chairman of the Board, President and Chief Executive Officer of A. H. Belo Corporation, a newspaper publishing and Internet company, since it was spun off from Belo Corp. in February 2008. Prior to February 2008, Mr. Decherd was Chief Executive Officer of Belo Corp., a broadcasting and publishing company, for 21 years. He is a director of both A. H. Belo Corporation and Belo Corp., where he is non-executive chairman. Mr. Decherd is a member of the Advisory Council for the Harvard University Center for Ethics and the Board of Visitors of the Columbia Graduate School of Journalism. During the past decade, he has held appointments to Presidential and Federal Communications Commission commissions concerned with public policy matters related to the media industry.

Public company boards served on since 2005: Belo Corp. and A. H. Belo Corporation (since February 2008).

Experience attributes: Mr. Decherd satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, and has marketing, compensation, governance and public company board experience.

Thomas J. Falk, 51, Director since 1999

Chairman of the Board and Chief Executive Officer

Mr. Falk was elected Chairman of the Board and Chief Executive Officer of the Corporation in 2003 and President and Chief Executive Officer in 2002. Prior to that, he served as President and Chief Operating Officer since 1999. Mr. Falk previously had been elected Group President — Global Tissue, Pulp and Paper in 1998, where he was responsible for the Corporation's global tissue businesses. Earlier in his career, Mr. Falk had responsibility for the Corporation's North American Infant Care, Child Care and Wet Wipes businesses. Mr. Falk joined the Corporation in 1983 and has held other senior management positions in the Corporation. He also serves on the board of directors of Catalyst and the University of Wisconsin Foundation, and serves as a governor of the Boys & Girls Clubs of America.

Public company boards served on since 2005: Centex Corporation (through August 2009).

Experience attributes: Mr. Falk satisfies the financial literacy requirements of the NYSE and has a background in accounting, has leadership experience as a chief executive officer, has knowledge about our industries, has international experience and experience with branded consumer packaged goods, and has marketing, compensation, governance and public company board experience.

Mae C. Jemison, M.D., 53, Director since 2002

President, BioSentient Corporation

Dr. Jemison is founder and President of The Jemison Group, Inc., a technology consulting company, and BioSentient Corporation, a medical devices company. She chairs The Earth We Share international science camp. Dr. Jemison served as a professor of Environmental Studies at Dartmouth College from 1995 to 2002. From 1987 to 1993, she served as a National Aeronautics and Space Administration (NASA)

astronaut. Dr. Jemison serves on the board of directors of Scholastic Corporation, Valspar Corporation and The Dorothy Jemison Foundation for Excellence and is a member of the National Academy of Sciences' Institute of Medicine. She is also the Chairman of the State of Texas Product Development and Small Business Incubator Board, and she is a member of the National Advisory Council for Biomedical Imaging and Bioengineering, the Greater Houston Partnership Board of Directors, and the Board of Trustees of Morehouse College.

Public company boards served on since 2005: Scholastic Corporation, Valspar Corporation and Gen-Probe Incorporated (through November 2007).

Experience attributes: Dr. Jemison satisfies the financial literacy requirements of the NYSE, has knowledge about our industries, provides diversity of background and viewpoint, has experience in the health care field, and has compensation, governance and public company board experience.

James M. Jenness, 63, Director since 2007

Chairman of the Board, Kellogg Company

Mr. Jenness was elected Chairman of the Board of Kellogg Company, a producer of cereal and convenience foods, in 2005. He also served as Chief Executive Officer of Kellogg from 2004 through 2006. Mr. Jenness was Chief Executive Officer of Integrated Merchandising Systems LLC, a market leader in outsource management for retail promotion and branded merchandising, from 1997 to 2004. He served in various positions of increasing responsibility at Leo Burnett Company, Kellogg's major advertising agency partner, from 1974 to 1997, including as Vice Chairman, Chief Operating Officer and Director. He is a senior director of Children's Memorial Hospital and a director of Mercy Home for Boys and Girls. He also serves on the DePaul University College of Commerce Advisory Council, is Vice Chairman of DePaul's Board of Trustees and is co-trustee of the W. K. Kellogg Foundation Trust.

Public company boards served on since 2005: Kellogg Company.

Experience attributes: Mr. Jenness satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, has knowledge about our industries, has international experience and experience with branded consumer packaged goods, and has marketing, compensation, governance and public company board experience.

Ian C. Read, 56, Director since 2007

Senior Vice President, Pfizer, Inc.

Mr. Read is a Senior Vice President of Pfizer, Inc., a drug manufacturer, and Group President of its Worldwide Biopharmaceutical Businesses. Mr. Read joined Pfizer in 1978 in its financial organization. He worked in Latin America through 1995, holding positions of increasing responsibility, and was appointed President of the Pfizer International Pharmaceuticals Group, Latin America/Canada in 1996. In 2000, Mr. Read was named Executive Vice President of Europe/Canada and was named a corporate Vice President in 2001.

Experience attributes: Mr. Read satisfies the financial literacy requirements of the NYSE and has a background in finance, has leadership experience as a senior executive officer, has knowledge about our industries, has international experience and experience in the health care field, and has marketing and compensation experience.

Linda Johnson Rice, 52, Director since 1995

Chairman and Chief Executive Officer, Johnson Publishing Company, Inc.

Ms. Johnson Rice is Chairman and Chief Executive Officer of Johnson Publishing Company, Inc., a multi-media company. She joined that company in 1980, became Vice President in 1985, was elected

President and Chief Operating Officer in 1987 and became Chairman and Chief Executive Officer in 2008. Ms. Johnson Rice is a director of Omnicom Group, Inc.

Public company boards served on since 2005: Bausch & Lomb Incorporated (through October 2007), MoneyGram International, Inc. (through March 2008) and Omnicom Group, Inc.

Experience attributes: Ms. Johnson Rice satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, has international experience, and has marketing, compensation, governance and public company board experience.

Marc J. Shapiro, 62, Director since 2001

Retired Vice Chairman, JPMorgan Chase & Co.

Mr. Shapiro retired in 2003 as Vice Chairman of JPMorgan Chase & Co., a financial services company. Before becoming Vice Chairman of JPMorgan Chase & Co. in 1997, Mr. Shapiro was Chairman, President and Chief Executive Officer of Chase Bank of Texas, a wholly-owned subsidiary of JPMorgan Chase & Co., from 1989 until 1997. He now serves as a consultant to JPMorgan Chase & Co. as a non-executive Chairman of its Texas operations. Mr. Shapiro is a member of the board of directors of The Mexico Fund, and a trustee of Weingarten Realty Investors. He also serves on the boards of M.D. Anderson Cancer Center, Baylor College of Medicine, Rice University, BioHouston and the Menninger Clinic.

Public company boards served on since 2005: Burlington Northern Santa Fe Corporation (through February 2010), The Mexico Fund (since March 2006) and Weingarten Realty Trust.

Experience attributes: Mr. Shapiro satisfies the financial literacy requirements of the NYSE and has a banking and finance background, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, and has compensation, governance and public company board experience.

G. Craig Sullivan, 70, Director since 2004

Retired Chairman and Chief Executive Officer, The Clorox Company

Mr. Sullivan retired as Chairman and Chief Executive Officer of The Clorox Company, a consumer products company, in 2003. He joined The Clorox Company in 1971 and held a number of senior sales and management positions during his career, culminating in his election as Chief Executive Officer and Chairman of the Board in 1992. Mr. Sullivan also serves as a director of Mattel, Inc., The Goodyear Tire & Rubber Company and The American Ireland Fund. He also serves on the capital campaign committee for St. Anthony's Foundation in San Francisco and is a member of Hoover Institution's Board of Overseers.

Public company boards served on since 2005: Mattel, Inc. and The Goodyear Tire & Rubber Company (since April 2006).

Experience attributes: Mr. Sullivan satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, has knowledge about our industries, has international experience and experience with branded consumer packaged goods, and has marketing, compensation, governance and public company board experience.

Compensation of Directors

Directors who are not officers or employees of the Corporation or any of its subsidiaries, affiliates or equity companies are "Outside Directors" for compensation purposes. Outside Directors are compensated for their services under our Outside Directors' Compensation Plan, which we adopted in 2001. Our objectives for Outside Director compensation are to remain competitive with the compensation paid to

outside directors of comparable companies, to keep pace with changes in practices in director compensation, to attract qualified candidates for Board service and to reinforce our practice of encouraging stock ownership by our directors. In 2008, to assist the Nominating and Corporate Governance Committee in assessing and determining appropriate, competitive Outside Director compensation, the Committee engaged Mercer, an outside compensation consultant. Based on that assessment, in 2008 the Committee recommended to the Board, and the Board approved, the Outside Director compensation for 2009 and 2010.

In 2009, each Outside Director received:

- An annual cash retainer of \$85,000 payable quarterly in advance; and
- An annual grant of restricted share units with a value of \$140,000, effective the first business day of the year.

Outside Directors who join the Board during a calendar year receive the full quarterly amount of the annual retainer for the quarter in which they join the Board and each quarter thereafter, and a pro-rated grant of restricted share units.

Outside Directors who were also chairmen of the Audit, Management Development and Compensation and Nominating and Corporate Governance Committees each received an additional grant of restricted share units with a value of \$20,000, and the Lead Director received an additional grant of restricted share units with a value of \$30,000. In addition, we reimbursed Outside Directors for expenses incurred as a result of attending Board or committee meetings.

Restricted share units are not shares of our common stock. Rather, restricted share units represent the right to receive an amount, payable in shares of our common stock, equal to the value of a specified number of shares of our common stock within 90 days following the restricted period. The restricted period for the restricted share units begins on the date of grant and expires on the date the Outside Director retires from or otherwise terminates service on the Board. During the restricted period, restricted share units may not be sold, assigned, transferred or otherwise disposed of, or mortgaged, pledged or otherwise encumbered. Outside Directors also receive additional restricted share units equivalent in value to the dividends that would have been paid to them if the restricted share units granted to them were shares of our common stock.

2009 Outside Director Compensation

The following table sets forth the compensation paid to each Outside Director in 2009 for his or her service as a director:

<u>Name</u>	<u>Fees Earned or Paid in Cash(\$)</u>	<u>Stock Awards (\$)(1)(2)(3)</u>	<u>All Other Compensation (\$)(4)</u>	<u>Total(\$)(5)</u>
John R. Alm	85,000	140,000	0	225,000
Dennis R. Beresford	85,000	160,000	0	245,000
John F. Bergstrom	85,000	140,000	10,000	235,000
Abelardo E. Bru	85,000	140,000	10,000	235,000
Robert W. Decherd	85,000	140,000	0	225,000
Mae C. Jemison, M.D.	85,000	140,000	0	225,000
James M. Jenness	85,000	160,000	10,000	255,000
Ian C. Read	85,000	140,000	0	225,000
Linda Johnson Rice	85,000	160,000	0	245,000
Marc J. Shapiro	85,000	170,000	0	255,000
G. Craig Sullivan	85,000	140,000	10,000	235,000

- (1) Amounts shown reflect the grant date fair value of those grants, determined in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718 — Stock Compensation ("ASC Topic 718") for restricted share unit awards granted pursuant to our Outside Directors' Compensation Plan. See Note 9 to our audited consolidated financial statements included in our Annual Report on Form 10-K for 2009 for the assumptions used in valuing these restricted share units.
- (2) Restricted share unit awards were granted on January 5, 2009. The number of restricted share units granted on this date is set forth below.

<u>Name</u>	<u>Restricted Share Units Granted in 2009(#)</u>
John R. Alm	2,610
Dennis R. Beresford	2,982
John F. Bergstrom	2,610
Abelardo E. Bru	2,610
Robert W. Decherd	2,610
Mae C. Jemison, M.D.	2,610
James M. Jenness	2,982
Ian C. Read	2,610
Linda Johnson Rice	2,982
Marc J. Shapiro	3,169
G. Craig Sullivan	2,610

- (3) As of December 31, 2009, Outside Directors had the following stock awards outstanding:

<u>Name</u>	<u>Restricted Stock(#)</u>	<u>Restricted Share Units(#)</u>	<u>Stock Options(#)</u>
John R. Alm	0	8,941	0
Dennis R. Beresford	0	16,888	5,084
John F. Bergstrom	3,000	15,168	2,745
Abelardo E. Bru	0	9,905	0
Robert W. Decherd	3,000	17,653	8,236
Mae C. Jemison, M.D.	0	15,168	5,084
James M. Jenness	0	7,013	0
Ian C. Read	0	5,502	0
Linda Johnson Rice	3,000	16,535	5,084
Marc J. Shapiro	0	17,080	17,924
G. Craig Sullivan	0	11,484	0

- (4) All Other Compensation consists of charitable matching gifts paid in 2009 under the Kimberly-Clark Foundation's Matching Gifts Program to a charity designated by the director. This program is available to all employees and directors of the Corporation. Under this program, the Kimberly-Clark Foundation matches employees' and directors' financial contributions to qualified educational and charitable organizations in the United States on a dollar-for-dollar basis, up to \$10,000 per person per calendar year.
- (5) During 2009, Outside Directors received credit for cash dividends on restricted stock held by them. These dividends are credited to interest bearing accounts maintained by us on behalf of those Outside Directors with restricted stock. Earnings on those accounts are not included in the Outside Director Compensation Table because the earnings were not above market or preferential. Also in 2009, Outside Directors received additional restricted share units with a value equal to the dividends paid during the year on our common stock on the restricted share units held by them. Because we factor the

value of the right to receive dividends into the grant date fair value of the restricted stock and restricted share units awards, the dividends and dividend equivalents received by Outside Directors are not included in the Outside Director Compensation table. The dividends credited on restricted stock and additional restricted share units credited in 2009 were as follows:

<u>Name</u>	<u>Dividends Credited on Restricted Stock(\$)</u>	<u>Number of Restricted Share Units Credited for Dividends in 2009(#)</u>	<u>Grant Date Fair Value of Restricted Share Units Credited(\$)</u>
John R. Alm	0	360.11	19,213
Dennis R. Beresford	0	701.25	37,406
John F. Bergstrom	7,140	630.61	33,638
Abelardo E. Bru	0	401.99	21,447
Robert W. Decherd	7,140	738.52	39,392
Mae C. Jemison, M.D.	0	630.61	33,638
James M. Jenness	0	272.34	14,533
Ian C. Read	0	210.73	11,248
Linda Johnson Rice	7,140	685.93	36,589
Marc J. Shapiro	0	707.60	37,746
G. Craig Sullivan	0	470.55	25,103

Other than the cash retainer, grants of restricted share units and the other compensation previously described, no Outside Director received any compensation or perquisites from us for services as a director in 2009.

A director who is not an Outside Director does not receive any compensation for services as a member of the Board or any committee, but is reimbursed for expenses incurred as a result of the services.

The Board of Directors unanimously recommends a vote FOR the election of the twelve nominees for director.

PROPOSAL 2. RATIFICATION OF AUDITORS

The Audit Committee of the Board of Directors has selected Deloitte & Touche LLP as the independent registered public accounting firm to audit our financial statements for 2010, subject to ratification by the stockholders. If the stockholders do not ratify the selection of Deloitte & Touche LLP, the selection of other independent auditors will be considered by the Audit Committee. Deloitte & Touche LLP have been our independent auditors since 1928.

Representatives of Deloitte & Touche LLP are expected to be present at the Annual Meeting with the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

Principal Accounting Firm Fees

The aggregate fees (excluding value added taxes) of the Corporation and its subsidiaries with respect to the fiscal years ended December 31, 2009 and 2008 by the Corporation's principal accounting firm,

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Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu and their respective affiliates (collectively, “Deloitte”), were:

	2009	2008
Audit Fees(1)	\$ 10,260,000	\$ 9,959,000
Audit-Related Fees(2)	570,000	686,000
Tax Fees(3)	1,288,000	1,530,000
All Other Fees	0	0

- (1) These amounts represent fees billed or expected to be billed for professional services rendered by Deloitte for the audit of the Company’s annual financial statements for each of the fiscal years ended December 31, 2009 and December 31, 2008, and the reviews of the financial statements included in the Company’s Forms 10-Q and for services that are normally provided by the independent registered public accounting firm in connection with statutory or regulatory filings or engagements for each of those fiscal years. These amounts include fees for consolidated financial audits, statutory audits, comfort letters, attest services, consents, assistance with and review of SEC filings and other related matters. These amounts also include an audit of internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002.
- (2) These amounts represent aggregate fees by Deloitte for assurance and related services reasonably related to the performance of the audit or review of our financial statements for the fiscal years ended December 31, 2009 and December 31, 2008, that are not included in the audit fees listed above. These services comprise engagements to perform required agreed upon procedures. 2009 and 2008 fees include work with respect to employee benefit plans, due diligence assistance and other matters.
- (3) These amounts represent Deloitte’s aggregate fees for tax compliance, tax advice and tax planning for each of the fiscal years ended December 31, 2009 and December 31, 2008.

Audit Committee Approval of Audit and Non-Audit Services

All audit and non-audit services provided by Deloitte to the Corporation are pre-approved by the Audit Committee using the following procedures. At or before the first meeting of the Audit Committee each year, our Vice President and Controller prepares a detailed memorandum outlining the audit services to be provided by Deloitte together with the related fees. In addition, our business and staff units prepare individual requests for non-audit services to be provided by Deloitte during the year. These requests describe the services to be provided, the estimated cost of these services, why the requested service is not inconsistent with applicable auditor independence rules and why it is appropriate to have Deloitte provide such services. Our Vice President and Controller reviews and summarizes the individual non-audit service requests and fees (separately describing audit-related services, tax services and other services) to be provided by Deloitte. Before each subsequent meeting of the Committee, our Vice President and Controller prepares an additional memorandum that includes updated information regarding approved services and highlights any new audit and non-audit services to be provided by Deloitte. All new non-audit services to be provided are described in individual requests for services. The Audit Committee reviews these memoranda and the individual requests for non-audit services and approves the services if acceptable to the Committee.

To ensure prompt handling of unexpected matters, the Committee delegates to the Chairman of the Audit Committee the authority to amend or modify the list of audit and non-audit services and fees between meetings, as long as the additional or amended services do not affect Deloitte’s independence under applicable rules. The Chairman reports action taken to the Audit Committee at its next Committee meeting.

All Deloitte services and fees in 2009 and 2008 were pre-approved by the Audit Committee.

The Board of Directors unanimously recommends a vote FOR ratification of this selection.

Audit Committee Report

In accordance with its written charter adopted by the Board of Directors, the Audit Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of the Corporation.

In discharging its oversight responsibility as to the audit process, the Audit Committee obtained from the independent registered public accounting firm (the “auditors”) a formal written statement describing all relationships between the auditors and the Corporation that might bear on the auditors’ independence, as required by Public Company Accounting Oversight Board (PCAOB) Rule 3526, *Communication with Audit Committees Concerning Independence*, discussed with the auditors any relationships that may impact their objectivity and independence and satisfied itself as to the auditors’ independence. The Audit Committee also discussed with management, the internal auditors and the auditors the quality and adequacy of the Corporation’s internal controls and the internal audit function’s organization, responsibilities and budget and staffing. The Audit Committee reviewed with both the auditors and the internal auditors their audit plans, audit scope and identification of audit risks.

The Audit Committee discussed and reviewed with the auditors all communications required by the auditing standards of the PCAOB, including those required by PCAOB AU 380, “Communications with Audit Committees,” and, with and without management present, discussed and reviewed the results of the auditors’ examination of the financial statements and the Corporation’s internal control over financial reporting. The Committee also discussed the results of the internal audit examinations.

The Audit Committee discussed and reviewed the audited financial statements of the Corporation as of and for the fiscal year ended December 31, 2009, with management and the auditors. The Audit Committee also reviewed management’s assessment of the effectiveness of internal controls as of December 31, 2009 and discussed the auditors’ examination of the effectiveness of the Corporation’s internal control over financial reporting. Management has the responsibility for preparing the Corporation’s financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) and for establishing and maintaining the Corporation’s internal control over financial reporting. The auditors have the responsibility for performing an independent audit of the Corporation’s financial statements and internal control over financial reporting, and expressing opinions on the conformity of the Corporation’s financial statements with GAAP and the effectiveness of internal control over financial reporting.

Based on the above-mentioned review and discussions with management and the auditors, the Audit Committee recommended to the Board that the Corporation’s audited financial statements be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2009, for filing with the Securities and Exchange Commission. The Audit Committee also has selected and recommended to stockholders for ratification the reappointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2010.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Dennis R. Beresford, Chairman
John R. Alm
John F. Bergstrom
Robert W. Dechard
Linda Johnson Rice

PROPOSAL 3. STOCKHOLDER PROPOSAL REGARDING SPECIAL SHAREHOLDER MEETINGS

Mr. Nick Rossi, P.O. Box 249, Boonville, California 95415, owning 3,000 shares of our common stock, has given notice that he or his designee intends to present for action at the Annual Meeting the resolution set forth below. The Board of Directors opposes this stockholder proposal for the reasons set forth below the proposal.

Proxies solicited by management will be voted against the stockholder proposal below unless stockholders specify a contrary choice in their proxies.

Stockholder Proposal

In accordance with applicable rules of the SEC, we have set forth Mr. Rossi's proposal below:

3 — Special Shareowner Meetings

RESOLVED, Shareowners ask our board to take the steps necessary to amend our bylaws and each appropriate governing document to give holders of 10% of our outstanding common stock (or the lowest percentage allowed by law above 10%) the power to call special shareowner meetings. This includes a combination of small shareowners who can combine their holdings to equal the above 10% of holders. This includes that such bylaw and/or charter text will not have any exception or exclusion conditions (to the fullest extent permitted by state law) that apply only to shareowners but not to management and/or the board.

Special meetings allow shareowners to vote on important matters, such as electing new directors, that can arise between annual meetings. If shareowners cannot call special meetings investor returns may suffer. Shareowners should have the ability to call a special meeting when a matter merits prompt attention. This proposal does not impact our board's current power to call a special meeting.

This proposal topic won more than 60% support the following companies in 2009: CVS Caremark (CVS), Sprint Nextel (S), Safeway (SWY), Motorola (MOT) and R. R. Donnelley (RRD). William Steiner and Nick Rossi sponsored these proposals.

Please encourage our board to respond positively to this proposal which could exceed the outstanding 61%-support for this topic at our 2008 annual meeting: Special Shareowner Meetings — Yes on 3.

Response of the Corporation to Stockholder Proposal

The Board of Directors unanimously recommends a vote AGAINST this proposal for the reasons set forth below.

The Board recommends a vote against this proposal because the Corporation's Certificate of Incorporation already permits stockholders to request that a special meeting be called. In 2009, the Board recommended that stockholders approve an amendment to the Corporation's Certificate of Incorporation to allow holders of 25 percent or more of the Corporation's shares to request that a special meeting of stockholders be called, subject to the Corporation's By-Law procedures. That recommendation was made in response to a previous proposal from Mr. Chris Rossi requesting that holders of 10 percent to 25 percent of outstanding stock be granted the right to call a special meeting. Stockholders can read the Corporation's Certificate of Incorporation and By-Laws in the Investors section of our website at www.kimberly-clark.com.

The Board believes that this ownership threshold of 25 percent to request a special meeting helps to ensure that a significant number of stockholders considers a particular matter important enough to merit a special meeting. The Board believes that the proposal's 10 percent threshold is too low and creates the risk that a small minority of stockholders could trigger a special meeting and the resulting extraordinary financial and administrative expense of holding a special meeting. We maintain governance mechanisms

that afford management and the Board the ability to respond to proposals and concerns of all stockholders, regardless of the level of share ownership.

As a result, the Board believes the current rights of stockholders to call a special meeting respond to the essence of the proposal.

The Board unanimously recommends that the stockholders vote AGAINST the adoption of this proposal.

PART FOUR OTHER IMPORTANT INFORMATION

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth information as of December 31, 2009 regarding the number of shares of our common stock beneficially owned by each director and nominee, by each executive officer named in “Executive Compensation” (collectively, the “named executive officers”) and by all directors, nominees and executive officers as a group.

<u>Name</u>	<u>Amount and Nature of Beneficial Ownership(1)(2)(3)(4)(5)</u>
Robert E. Abernathy	591,596(6)
John R. Alm	12,441(7)
Dennis R. Beresford	23,472(6)
John F. Bergstrom	33,914(6)(8)
Robert W. Black	110,433(6)
Abelardo E. Bru	9,905
Mark A. Buthman	370,782(6)
Robert W. Decherd	49,139(6)(9)
Thomas J. Falk	1,774,664(6)(10)
Mae C. Jemison, M.D.	20,383(6)
James M. Jenness	7,013
Anthony J. Palmer	75,065(6)(11)
Ian C. Read	6,202
Linda Johnson Rice	26,919(6)(12)
Marc J. Shapiro	45,005(6)
G. Craig Sullivan	13,484(13)
All directors, nominees and executive officers as a group (21 persons)	3,759,659(6)(14)

-
- (1) Except as otherwise noted, the directors, nominees and named executive officers, and the directors, nominees and executive officers as a group, have sole voting and investment power with respect to the shares listed.
 - (2) Each director, nominee and named executive officer, and all directors, nominees and executive officers as a group own less than one percent of the outstanding shares of our common stock.
 - (3) A portion of the shares owned by certain executive officers and directors may be held in margin accounts at brokerage firms. Under the terms of the margin account agreements, stocks and other assets held in the account may be pledged to secure margin obligations under the account. As of the date of this proxy statement, none of the executive officers or directors has any outstanding margin obligations under any of these accounts.
 - (4) For each named executive officer, share amounts include restricted share units granted under our 2001 Equity Participation Plan (the “2001 Plan”) as indicated below. Amounts representing performance-based restricted share units in the table below represent target levels for these

awards. See “Part Four — Other Important Information — Executive Compensation — Outstanding Equity Awards” for additional information regarding these grants.

<u>Name</u>	<u>Time-Vested Restricted Share Units(#)</u>	<u>Performance-Based Restricted Share Units(#)</u>
Robert E. Abernathy	19,072	59,920
Robert W. Black	12,278	36,338
Mark A. Buthman	16,920	47,575
Thomas J. Falk	79,247	205,013
Anthony J. Palmer	10,101	27,884

- (5) For each director who is not an officer or employee of the Corporation or any of its subsidiaries or equity companies, share amounts include restricted share units and shares of restricted stock granted under our Outside Directors’ Compensation Plan. These awards are restricted and may not be transferred or sold until the Outside Director retires from or otherwise terminates service on the Board. See footnote (3) to the 2009 Outside Director Compensation table for the number of shares of restricted stock and restricted share units that the Outside Directors had outstanding as of December 31, 2009.
- (6) Includes shares of common stock held by the trustee of the Incentive Investment Plan and the Retirement Contribution Plan for the benefit of, and that are attributable to, the accounts in the plans of, the named executive officers. Also includes the following shares which could be acquired within 60 days of December 31, 2009 by:

<u>Name</u>	<u>Number of Shares That Could be Acquired Within 60 Days of December 31, 2009</u>
Robert E. Abernathy	405,110
Dennis R. Beresford	5,084
John F. Bergstrom	2,745
Robert W. Black	59,174
Mark A. Buthman	245,316
Robert W. Decherd	8,236
Thomas J. Falk	1,148,400
Mae C. Jemison, M.D.	5,084
Anthony J. Palmer	31,251
Linda Johnson Rice	5,084
Marc J. Shapiro	17,924
All directors, nominees and executive officers as a group (21 persons)	2,322,496

- (7) Includes 3,500 shares held by the trustee of the supplemental 401(k) plan maintained by Mr. Alm’s former employer.
- (8) Includes 5,000 shares held by Bergstrom Investments L.P., a partnership of which Mr. Bergstrom and his brother are general partners and their respective children are limited partners, and of which Mr. Bergstrom shares voting control.
- (9) Voting and investment power with respect to 23,250 of the shares is shared with Mr. Decherd’s spouse.
- (10) Includes 39,207 shares held by TKM, Ltd. and 291,205 shares held by TKM II, Ltd. TKM, Ltd. is a family limited partnership which is owned by (i) an entity owned by a trust, controlled by Mr. Falk and his spouse as general partner, (ii) a trust controlled by Mr. Falk and his spouse as limited partners, and (iii) two family trusts previously established for the benefit of Mr. Falk’s child as limited partners. TKM II, Ltd. is a family limited partnership which is owned by (i) an entity owned by a trust, controlled by Mr. Falk and his spouse as general partner, and (ii) a trust controlled by Mr. Falk and his spouse as limited partners. Mr. Falk shares voting control over the shares held by TKM, Ltd. and TKM II, Ltd.

TKM, Ltd. also has the right to acquire 33,775 shares within 60 days of December 31, 2009. These 33,775 shares are included in the 1,148,400 shares listed for Mr. Falk in footnote (6) above.

- (11) Does not include 2,492 phantom stock units held by Mr. Palmer in the supplemental Retirement Contribution Program.
- (12) Includes 300 shares held by a trust for the benefit of Ms. Johnson Rice's daughter and for which Ms. Johnson Rice serves as a co-trustee and shares voting and investment power.
- (13) Includes 2,000 shares held by a trust for the benefit of Mr. Sullivan's children and for which Mr. Sullivan serves as the sole trustee.
- (14) Voting and investment power with respect to 407,165 of the shares is shared.

To further align management's financial interests with those of the stockholders, the Corporation maintains stock ownership guidelines for key managers, including the named executive officers. See "Part Four — Other Important Information — Executive Compensation — Compensation Discussion and Analysis — Additional Compensation Information — Target Stock Ownership Guidelines."

In addition, our Corporate Governance Policies provide that, within three years of joining the Board, all Outside Directors should own an amount of the Corporation's common stock or share units at least equal in value to three times the annual Board cash compensation. For the purpose of these stock ownership guidelines, a director is deemed to own beneficially-owned shares, as well as restricted stock and restricted share units (whether or not any applicable restrictions have lapsed), but not stock options (whether vested or unvested). As of December 31, 2009, the stock ownership levels specified by these guidelines had been met or exceeded by each of the Outside Directors.

The following table sets forth the information, as of December 31, 2009, regarding persons or groups known to us to be beneficial owners of more than five percent of our common stock.

<u>Name and Address of Beneficial Owner</u>	<u>Number of Shares of Common Stock Beneficially Owned</u>	<u>Percentage of Common Stock Outstanding</u>
BlackRock, Inc.(1) 40 East 52 nd Street New York, NY 10022	28,868,164	6.95%

- (1) The address and number of shares of our common stock beneficially owned by BlackRock, Inc. are based on the Schedule 13G filed by BlackRock, Inc. with the SEC on January 29, 2010. According to the filing, BlackRock, Inc. had sole voting and dispositive power with respect to 28,868,164 shares, and did not have shared voting or dispositive power as to any shares.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis is intended to provide investors with an understanding of our compensation policies and decisions regarding compensation for our named executive officers for 2009. Our named executive officers are our Chief Executive Officer, Chief Financial Officer and our three other most highly compensated executive officers.

We will discuss and analyze the following topics in this Compensation Discussion and Analysis:

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Executive Summary

The Management Development and Compensation Committee (the “Committee”) authorized an executive compensation program in 2009 that is designed to achieve our executive compensation objectives described below. Consistent with our pay-for-performance objective, a significant portion of the 2009 annual cash compensation and long-term equity incentive compensation for our named executive officers was performance-based.

Committee Assessment of 2009 Performance. The Committee believes that management delivered positive results in 2009, not only in terms of annual performance, as reflected in the annual cash incentives paid for 2009 performance, but also in terms of a foundation for long-term performance, as reflected in enhancements to our Global Business Plan. The Committee believes these results further support our pay-for-performance objectives.

Establishment of 2009 Direct Annual Compensation. In February 2009, while establishing 2009 direct annual compensation (which consists of annual cash compensation and long-term equity incentive compensation granted in 2009) for our named executive officers, the Committee considered the overall economic environment and its anticipated impact on the Corporation and the executive compensation practices of our peer groups. As a result, Mr. Falk’s 2009 direct annual compensation target was 18.3 percent lower than his 2008 direct annual compensation target. The 2009 targets for the other named executive officers were, on average, 13.8 percent lower than the targets for 2008. For more information regarding the components of the direct annual compensation targets, see “Direct Annual Compensation” below.

In response to market conditions, when establishing the value of long-term equity incentive compensation awards in February 2009, the Committee decreased the target value of these awards for Mr. Falk by 25 percent from the 2008 target value of these awards. The target value of these awards for the other named executive officers decreased, on average, by 23.1 percent from the 2008 target value.

In addition, the Committee did not increase the base salaries of any of the named executive officers in 2009. Mr. Falk’s base salary did not increase from 2007 through 2009.

Overview of Annual Cash Incentive Paid for 2009 Performance. In 2009, we delivered substantial improvements in our gross and operating margins, resulting in earnings per share of \$4.52 that were significantly above our target of \$4.14. These margin improvements, along with working capital improvements, contributed to a Return on Invested Capital (“ROIC”) of 15.7 percent, compared to our target of 14.25 percent. These earnings per share and ROIC results were offset somewhat by our 2009 net sales of \$19.1 billion, which were slightly less than our target of \$19.4 billion. As a result, consistent with our pay-for-performance philosophy described below, the Committee determined that the corporate performance component of the annual cash incentives for 2009 should be 165 percent of target. As a result, Mr. Falk’s annual incentive payout for 2009 was 165 percent of target, and after applying business unit or staff function performance, payouts for the other named executive officers ranged from 152 to 162 percent of target. See “Annual Cash Compensation — Committee Assessment of 2009 Annual Cash Incentive Performance” for more information regarding target levels and our 2009 performance.

Other Key Actions Taken Regarding Executive Compensation Program. As part of the Committee’s ongoing review of our executive compensation program in comparison to developing trends, as well as in response to economic conditions, several changes were implemented to our executive compensation program in 2009, including:

- dividend equivalents are no longer paid on unvested performance-based restricted share units granted to the named executive officers as of February 2009 and thereafter; instead, dividend equivalents on these units are accumulated and will be paid in additional shares after the performance-based restricted share units vest, based on the actual number of shares that vest,
- adoption of a policy by the Committee in February 2009 providing that executive officers will no longer receive tax reimbursement and a related gross-up for perquisites (including personal use of corporate aircraft), except for certain relocation benefits,

- adoption of a policy by the Committee in February 2009 that limits the personal use of corporate aircraft by the Chief Executive Officer to an aggregate annual incremental cost to the Corporation of \$100,000, and generally prohibits the personal use of corporate aircraft by other executive officers unless there is no incremental cost to the Corporation for the use,
- reduction by the Committee of the maximum payout for annual cash incentives from 228 percent to 200 percent of the target payment amount to align with the practices of our peer groups,
- compensation and benefit service is no longer accruing under our defined benefit pension plans for our named executive officers, as well as most of our U.S. employees, for plan years after 2009, and
- a review of the peer groups used for executive compensation purposes and the adoption in April 2009 of using only the Consumer Goods Peer Group, instead of using the average of this peer group and the General Industry Peer Group, beginning with the 2010 executive compensation program.

The Committee believes these measures to be appropriate in light of evolving executive compensation practices, while still providing a competitive compensation package to our executive officers.

Executive Compensation Objectives and Policies

The Committee is responsible for establishing and administering our policies governing the compensation of our elected officers, including our named executive officers. Consistent with its charter, the Committee has adopted executive compensation policies that are designed to achieve the following objectives:

- *Quality of Talent.* Attract and retain executives whose abilities are considered essential to our long-term success.
- *Pay-for-Performance.* Support a performance-oriented environment that rewards achievement of our financial and non-financial goals.
- *Focus on Long-Term Success.* Reward executives for long-term strategic management and stockholder value enhancement.
- *Stockholder Alignment.* Align the financial interest of our executives with those of stockholders.

These compensation objectives and policies seek to align the compensation of our elected officers, including our named executive officers, with the objectives of our Global Business Plan. Our Global Business Plan, established by our senior management and the Board, is designed to make the Corporation a stronger and more competitive company and to increase our total return to stockholders.

Elements of Executive Compensation Program

For 2009, the Committee authorized an executive compensation program to effect these objectives. The following table provides additional information regarding how the program is designed to achieve these objectives:

Element	Objectives Achieved	Purpose	Target Competitive Position
Base salary	<ul style="list-style-type: none"> • Pay-for-performance • Quality of talent 	Provide annual cash income based on: <ul style="list-style-type: none"> • level of responsibility, performance and experience • comparison to market pay information 	<ul style="list-style-type: none"> • Compared to median of peer groups • Actual base salary will vary based on the individual's performance and experience in the position
Annual cash incentive	<ul style="list-style-type: none"> • Pay-for-performance 	Motivate and reward achievement of the following annual performance goals: <ul style="list-style-type: none"> • corporate key financial goals • other corporate financial and strategic performance goals • performance of the business unit or staff function of the individual, as applicable 	<ul style="list-style-type: none"> • Target compared to median of peer groups • Actual payout will vary based on actual corporate and business unit or staff function performance
Long-term equity incentive	<ul style="list-style-type: none"> • Stockholder alignment • Focus on long-term success • Pay-for-performance • Quality of talent 	Provide an incentive to deliver stockholder value and to achieve our long-term objectives, through awards of: <ul style="list-style-type: none"> • performance-based restricted share units • stock option grants 	<ul style="list-style-type: none"> • Target compared to median of peer groups (adjusted in 2009 to reflect anticipated reduced award levels based on market and economic conditions not included in peer group data) • Actual payout of performance-based restricted share units will also vary based on actual corporate performance • Actual payout will vary based on actual stock performance
Retirement benefits	<ul style="list-style-type: none"> • Quality of talent 	Provide competitive retirement plan benefits through pension plans, 401(k) plan and other defined contribution plans	<ul style="list-style-type: none"> • Benefits comparable to those of peer groups
Perquisites	<ul style="list-style-type: none"> • Quality of talent 	Provide minimal additional benefits	<ul style="list-style-type: none"> • Subject to review and approval by the Committee on a case-by-case basis
Post-termination compensation (severance and change in control)	<ul style="list-style-type: none"> • Quality of talent 	Encourage attraction and retention of executives critical to our long-term success and competitiveness: <ul style="list-style-type: none"> • Severance Pay Plan, which provides eligible employees with payments and benefits in the event of certain involuntary terminations • Executive Severance Plan, which provides executives payments in the event of a qualified separation of service following a change in control 	<ul style="list-style-type: none"> • Subject to review and approval by the Committee on a case-by-case basis

When setting compensation for our executive officers, the Committee considers direct annual compensation, which consists of the base salary, annual cash incentive, and long-term equity incentive compensation elements described above. While the Committee reviews each of these compensation elements, the Committee's decisions regarding a particular element are not necessarily impacted by other elements, other than to the extent that they affect direct annual compensation. See "Direct Annual Compensation."

Peer Groups for Executive Compensation Purposes

2009 Peer Groups. To ensure that our compensation programs are reasonable and competitive in the marketplace, the Committee compared our programs to those at other companies. To facilitate this comparison, in 2009 the Committee used, with respect to the named executive officers, two peer groups, the Consumer Goods Peer Group and the General Industry Peer Group:

Consumer Goods Peer Group

- | | | |
|----------------------------------|-----------------------|--------------------------------|
| • Anheuser-Busch Companies, Inc. | • ConAgra Foods, Inc. | • Newell Rubbermaid Inc. |
| • Avon Products, Inc. | • General Mills, Inc. | • Novartis AG |
| • Bristol-Myers Squibb Company | • The Hershey Company | • PepsiCo, Inc. |
| • Campbell Soup Company | • H.J. Heinz Company | • Pfizer Inc. |
| • The Clorox Company | • Johnson & Johnson | • The Procter & Gamble Company |
| • The Coca-Cola Company | • Kellogg Company | • Sara Lee Corporation |
| • Colgate-Palmolive Company | • Kraft Foods, Inc. | |

General Industry Peer Group

- | | | |
|--|---|----------------------------------|
| • 3M Company | • Fluor Corporation | • Medtronic, Inc. |
| • Aetna Inc. | • FedEx Corporation | • NIKE, Inc. |
| • Alcoa Inc. | • General Dynamics Corporation | • Qwest Communications |
| • Amerada Hess Corporation | | • Raytheon Company |
| • American Electric Power | • General Mills, Inc. | • Sara Lee Corporation |
| • Anheuser-Busch Companies, Inc. | • Halliburton Company | • Staples, Inc. |
| • CIGNA Corporation | • The Hartford Financial Services Group, Inc. | • Texas Instruments Incorporated |
| • Colgate-Palmolive Company | • Honeywell International Inc. | • Textron Inc. |
| • Deere & Company | • Illinois Tool Works Inc. | • The Travelers Companies, Inc. |
| • E. I. du Pont de Nemours and Company | • International Paper Company | |
| • Eastman Kodak Company | • Johnson Controls, Inc. | • U.S. Bancorp |
| • Eli Lilly and Company | • Marriott International, Inc. | • Union Pacific Railroad Co. |
| • Emerson Electric Co. | • Masco Corporation | • Washington Mutual, Inc. |
| | • McDonald's Corporation | • Wyeth |
| | | • Xerox Corporation |

The Consumer Goods Peer Group represents companies in our industry, while the General Industry Peer Group consists of companies that are similar in size to us and against which the Committee believes we compete for executive talent. The Committee averages the results of the two peer groups together for the purposes of establishing comparative data.

The peer groups are developed without consideration of individual company compensation practices, and no company has been included or excluded from our peer groups because they are known to pay above-average or below-average compensation. The Committee and compensation consultants retained by the Committee and us also periodically review the peer groups, and the peer groups are revised as appropriate to ensure that they continue to represent similar global organizations with which we compete for executive talent in the marketplace. There were no changes in the composition of either peer group from 2008 prior to our analysis regarding 2009 compensation. Although Anheuser-Busch Companies, Inc. was included in our peer group analysis in connection with the determination of our 2009 compensation, it has been acquired and will not be included in our peer group analysis for our 2010 compensation. Washington Mutual, Inc. and Wyeth were also acquired following our analysis regarding 2009 compensation.

The following table sets forth comparative data regarding the peer groups, at the time our 2009 compensation and performance objectives were determined:

	<u>Median Annual Revenue</u>	<u>Range of Individual Company Revenues</u>
Consumer Goods Peer Group	\$13.7 billion	\$ 4.9 billion to \$83.5 billion
General Industry Peer Group	\$19.0 billion	\$10.3 billion to \$38.1 billion

Our net sales for 2008 were \$19.4 billion.

2010 Peer Group Review. In April 2009, the Committee reviewed its practice of using two peer groups for executive compensation benchmarking purposes for our named executive officers. The review indicated that market data for the two peer groups have converged recently, leading to only a small difference between the data provided by the two groups. The review also noted that most of our peers use a single peer group comprised of companies in similar industries and that the use of a single peer group simplifies data analysis. Based on its review, the Committee adopted the use of only the Consumer Goods Peer Group for executive compensation benchmarking purposes, beginning with the 2010 executive compensation program. The Committee believes that this peer group represents the companies against which we compete for executive talent, customers and stockholders and that the use of only this peer group does not create a material difference from our current use of two peer groups.

Direct Annual Compensation

In setting 2009 compensation for our executive officers, including our Chief Executive Officer, the Committee focused on direct annual compensation, which consists of annual cash compensation (base salary and annual cash incentive) and long-term equity incentive compensation (performance-based restricted share units and stock options). The Committee considered annual cash and long-term equity incentive compensation both separately and as a package to help ensure that our executive compensation objectives are met.

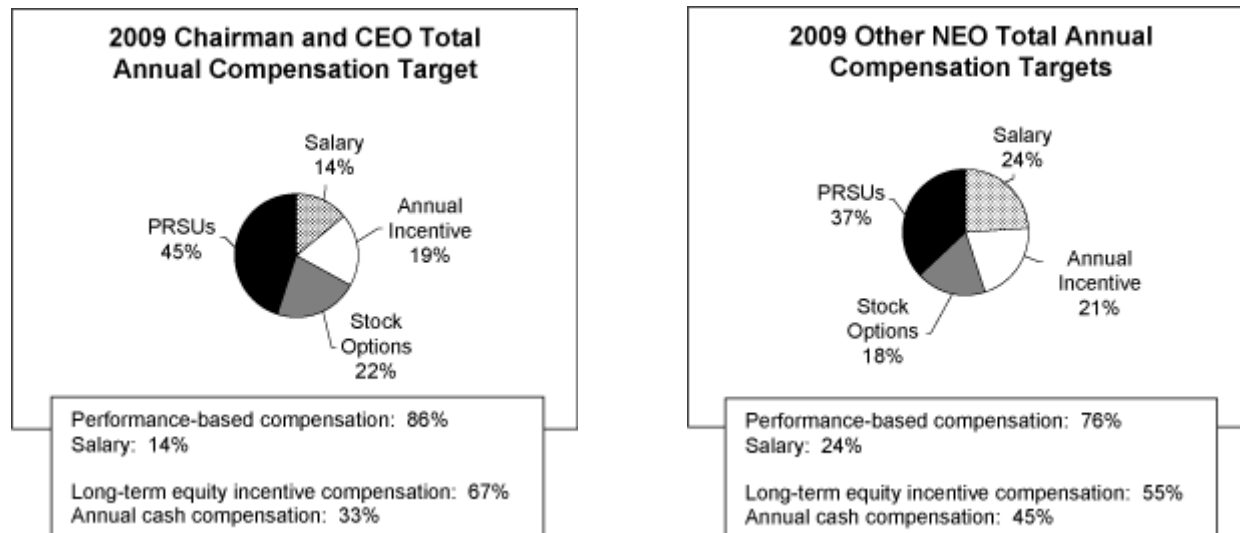
Consistent with its approach to direct annual compensation, the Committee established 2009 direct annual compensation targets for each of our named executive officers. These target amounts formed the basis for the Committee's compensation decisions in 2009, and the Committee believes that the 2009 target amounts it established were appropriate and consistent with our executive compensation objectives. For 2009, the direct annual compensation targets for our named executive officers were as follows:

<u>Name</u>	<u>2009 Direct Annual Compensation Target</u>
Thomas J. Falk	\$8,940,000
Mark A. Buthman	\$2,646,000
Robert E. Abernathy	\$3,056,250
Robert W. Black	\$2,161,000
Anthony J. Palmer	\$1,750,000

The 2009 direct annual compensation target amounts differ from the amounts set forth in the Summary Compensation Table because:

- Annual cash incentive compensation is included at the target level, while the Summary Compensation Table reflects the actual amount earned for 2009.
- As described below under "Long-Term Equity Incentive Compensation — Stock Option Awards," for compensation purposes the Committee values stock options differently than the way they are required to be reflected in the Summary Compensation Table.
- In setting direct annual compensation targets, the Committee does not include increases in pension or deferred compensation earnings or other compensation, while those amounts are required to be included in the Summary Compensation Table.

As shown in the following charts, performance-based compensation (annual cash incentive, performance-based restricted share units and stock options) constituted a significant portion of our named executive officers' direct annual compensation targets. Similarly, a large percentage of the direct compensation targets was in the form of equity (performance-based restricted share units and stock options).



Process for Setting Direct Annual Compensation. In setting the direct annual compensation of our executive officers, the Committee evaluates both market data provided by the compensation consultants and information on the performance of each executive officer for prior years. In order to remain competitive in the marketplace for executive talent, the target levels for the executive officers' compensation elements, including our Chief Executive Officer, are compared to the median of the peer groups described above. Because of the anticipated effects of market and economic conditions that occurred after the market data was gathered, for 2009 the Committee also compared these target levels to the peer groups assuming a 20 percent reduction in the peer groups' long-term equity incentive compensation component. As a result, although target direct annual compensation for most of our named executive officers was at or near the adjusted median of the peer group data, it was below the actual median of the peer group data.

In order to reinforce a "pay-for-performance" culture, targets for individual executive officers may be set above or below this median depending on the individual's performance in prior years and experience in the position, as well as any applicable retention concerns. The Committee believes that comparing target levels to the median (as well as the adjusted median, as discussed above), setting targets as described above, and providing incentive compensation opportunities that will enable executives to earn above-target compensation if they deliver above-target performance on their performance goals, are consistent with the objectives of our compensation policies. In particular, the Committee believes that this approach enables us to attract and retain skilled and talented executives to guide and lead our businesses and supports a "pay-for-performance" culture.

In setting compensation for executive officers who join us from other companies, the Committee evaluates both market data for the position to be filled as well as the officer candidates' compensation history at other companies. The Committee recognizes that, in order to successfully recruit candidates to leave their current position and to join us, the candidate's compensation package will likely have to exceed their current compensation and may put an executive's compensation above the median of the peer groups.

Chief Executive Officer Direct Annual Compensation. Mr. Falk's direct annual compensation is determined by the Committee in the same manner as the direct annual compensation of the other named executive officers, based on the policies and process described above. Mr. Falk's direct annual target

compensation is at or near the adjusted median (which reflects a 20 percent reduction in long-term equity incentive compensation, as discussed above) of direct compensation for chief executive officers of companies included in the peer group comparison with comparable levels of responsibilities.

The difference between Mr. Falk's compensation and that of the other named executive officers reflects the significant difference in their relative responsibilities. Mr. Falk's responsibilities for management and oversight of a global enterprise are significantly higher than those of the other executive officers. A contributing factor in the disparity of responsibilities is that the Corporation's organizational structure does not include a Chief Operating Officer. As a result, the market pay level for Mr. Falk is substantially higher than the market pay for other officer positions.

Annual Cash Compensation

In order to attract and retain high caliber executives, we pay our executives an annual cash amount that is considered by the Committee to be competitive in the marketplace. The cash compensation is divided between base salary and an annual cash incentive payment.

Base Salary. Salary ranges and individual salaries for executive officers are reviewed annually, and salary adjustments generally are effective on April 1 of each year. In determining individual salaries, the Committee considers the market levels of similar positions at our peer group companies, as well as the individual executive's performance and experience in the position. Performance is based on the executive's individual performance during the prior year against results-based objectives established at the beginning of each year. In addition, the executive's leadership performance is measured against the following behaviors viewed as describing an executive that is adept at leading the strategic, operational and organizational aspects of our global business:

- strategic leadership
- innovation focus
- global operations focus
- building talent
- consumer/shopper/user focus
- stakeholder relations focus
- change leadership
- personal effectiveness, including intellectual competence, inspiration and passion, personal integrity, openness to innovation and change, and emotional maturity

In addition, executives and other employees may receive an additional increase if warranted because of promotion, retention concerns, or market conditions. In general, an experienced executive who is performing at a satisfactory level will receive a base salary at or around the median of our peer group companies. Executives may be paid above or below the median depending on their experience and performance.

In 2009, the Committee did not increase our named executive officers' base salaries, in light of market and business conditions in early 2009, as well as in response to anticipated practices at peer group companies. Mr. Falk's base salary did not increase from 2007 through 2009.

The base salaries paid to our named executive officers in 2009 can be found in the Summary Compensation Table. As noted above, salary adjustments for our named executive officers take place on April 1 in years with increases. As a result, 2009 base salary amounts reflected in the Summary Compensation Table for our named executive officers (other than Mr. Falk) are slightly higher than 2008 base salary amounts because of base salary increases effective April 1, 2008.

Annual Cash Incentives. Consistent with our compensation objective to support a performance-oriented environment, our executive compensation program includes an annual cash incentive program to motivate and reward executives in achieving our annual performance objectives.

The target level for these annual payments is a percentage of the executive's base salary, and that target level is compared to the median of the peer group comparison described above and is set as described under "Direct Annual Compensation." The range of possible payouts is expressed as a percentage of the target level and was determined based on competitive factors and the goal of encouraging a performance-oriented environment. In 2009, the Committee reduced the maximum payout from 228 percent to 200 percent of the target payment amount to align with the practices of our peer groups. The target payment amounts and range of possible payouts for 2009 were as follows:

	<u>Target Payment Amount</u>	<u>Possible Payout</u>
Chief Executive Officer	140% of base salary	0% - 200% of target payment amount
Other Named Executive Officers	85% of base salary	0% - 200% of target payment amount

Under the program, a significant percentage of the annual cash incentive is dependent on performance measured against corporate goals and business unit or staff function goals established by the Committee at the beginning of each year. These performance goals, which are communicated to our executives at the beginning of each year, are derived from the financial and strategic goals stated in our Global Business Plan. The Committee has adjusted in the past, and may adjust in the future, the calculation of financial goals to eliminate the effect of items or events that the Committee determines in its discretion should be excluded for compensation purposes, such as the effect of extraordinary gains or losses. Establishing performance goals and target levels represents an exercise of discretion by the Committee under this program to limit the amount of the incentive payments, consistent with our pay-for-performance policy. In the absence of this exercise of discretion, each of the executive officers would be entitled to an award equal to 0.3 percent of the Corporation's earnings before unusual items; however, the Committee has exercised its discretion to limit the amount of the incentive payments each year of the program, and this maximum award has consequently never been paid to any of the executive officers.

For 2009, the Committee established the following performance goals and relative weights for our named executive officers:

	<u>Thomas J. Falk</u>	<u>Mark A. Buthman</u>	<u>Robert E. Abernathy</u>	<u>Robert W. Black</u>	<u>Anthony J. Palmer</u>
Corporate performance	100%	70%	50%	50%	70%
Performance of business unit or staff function	—	30	50	50	30
Total	100%	100%	100%	100%	100%

Corporate performance consists of (i) corporate key financial goals and (ii) other corporate financial and strategic performance goals, with these components weighted 70 percent and 30 percent, respectively.

The Committee has established these allocations to strike an appropriate balance between aligning the executives with our overall corporate objectives and with individual performance accountability for each executive's area of responsibility. Each year, the Committee determines the appropriate split between corporate and business unit or staff function performance goals based on its assessment of the appropriate balance.

• **Corporate key financial goals**

- *Net Sales.* Net sales are a key indicator of our overall growth and create an incentive to seek an increasing role in the markets in which we compete.
- *EPS.* Earnings per share consists of diluted net income per share attributable to Kimberly-Clark Corporation.

- **ROIC.** After EPS and net sales are determined as described above, a multiplier based on return on invested capital is applied to the result to determine the payout percentage. ROIC indicates the return we earn on the capital invested in our businesses, and it measures our efficiency in allocating our capital and creates an incentive to maximize returns on our capital. The formula we use to calculate ROIC can be accessed under the Investors section of our website at www.kimberly-clark.com.
- **Other corporate financial and strategic performance goals .** The Committee also established other corporate financial and non-financial strategic performance goals that are intended to challenge our executives and to incentivize them to stretch to exceed our long-term objectives. These goals, intended to further align compensation with achieving the goals of our Global Business Plan, included:
 - Consolidated cash provided by operations.
 - Consolidated gross margin improvement.
 - Cash generation from competitive improvement initiatives and cost savings programs, cash generation savings cash flow run rate, and working capital improvement from 2008.
 - Margin-enhancing innovation measured by net sales from innovation.
 - Brand equity attribute improvement in key categories and markets.
 - Diversity and inclusion achievements.

Actual performance in these areas is reviewed following the end of the year, and the Committee determines a payout percentage based on its assessment of the degree to which these goals are achieved.

- **Performance of business unit or staff function.** Our Chief Executive Officer establishes individual business unit or staff function performance goals that are intended to challenge the executives to exceed the objectives for that business unit or staff function. Following the end of the year, the executives' performance is analyzed to determine whether performance for the goals was above target, on target or below target. Following a recommendation from our Chief Executive Officer, the Committee then determines a payout percentage for the executive based on this performance assessment.

Committee Assessment of 2009 Annual Cash Incentive Performance.

- **Corporate key financial goals.** In 2009, the key financial goals at the corporate level, the potential payouts for achieving these goals, and the actual 2009 results as determined by the Committee, were as follows:

	Potential Payout as a Percentage of Target			Actual
	0%	100%	200%	
Net Sales (billions)	\$ 17.00	\$ 19.40	\$ 21.80	\$ 19.10
EPS	\$ 3.73	\$ 4.14	\$ 4.55	\$ 4.52
	0.8 x	1.0 x	1.2 x	
ROIC multiplier (basis point (bps) improvement)	(26) bps	14 bps	54 bps	160 bps

Based on these results, the Committee determined that the payout percentage for achieving the key financial goals should be 171 percent of target.

- **Other corporate financial and strategic performance goals .** The Committee also assessed performance against the other financial and strategic performance goals established at the beginning of 2009. Regarding these goals, the Committee determined that in 2009 we significantly exceeded the goals regarding consolidated cash provided by operations,

consolidated gross margin improvement and cash generation improvement, and that we met the goals regarding margin-enhancing innovation, brand equity attribute improvement and diversity and inclusion achievements. On balance, the Committee determined that the payout percentage for achieving these other financial and strategic goals should be 150 percent of target.

- **Performance of business unit or staff function.** Our Chief Executive Officer provides the Committee with an assessment of each individual business unit's or staff function's performance against the objectives for that business unit or staff function. In determining the performance of Messrs. Abernathy's and Black's respective business units, the Committee excluded a charge related to the Corporation's 2009 organization optimization efforts, noting that the future benefits expected to be achieved from these efforts will be taken into account in setting future performance objectives of the business units. In addition, in determining the performance of Mr. Black's business unit, the Committee also excluded a benefit resulting from a favorable change due to the impact of currency exchange. Based on performance of the business unit or staff function, the Committee determined payout percentages for business unit or staff function performance that, for our named executive officers, ranged from 122 percent to 160 percent of target.

Payouts for 2009. The following table summarizes the payout opportunities and shows the actual payout of annual cash incentives for 2009 for our named executive officers:

Name	Annual Incentive Target		Annual Incentive Maximum		2009 Annual Incentive Payout	
	% of Base Salary	Amount(\$)	% of Target	Amount(\$)	% of Target	Amount(\$)
Thomas J. Falk	140%	1,714,994	200%	3,429,989	165%	2,824,081
Mark A. Buthman	85%	561,000	200%	1,122,000	152%	851,480
Robert E. Abernathy	85%	531,250	200%	1,062,500	160%	850,219
Robert W. Black	85%	476,000	200%	952,000	162%	773,109
Anthony J. Palmer	85%	425,000	200%	850,000	153%	649,268

The cash incentive payments were paid to the executives in February 2010 and are included in the Summary Compensation Table.

Information Regarding Annual Cash Incentive Payouts from 2005 through 2009. The following table sets forth information regarding payouts for corporate goals (the combination of corporate key financial goals and other corporate financial and strategic performance goals), as well as the average total payout percentages (including business unit or staff function performance) for the current named executive officers, from 2005 through 2009:

	2009	2008	2007	2006	2005	Average
Payout for Corporate Goals	165%	55%	170%	97%	90%	115%
Average Total Payout Percentages for Current Named Executive Officers	158%	75%	163%	100%	96%	118%

From 2005 through 2009, total payout percentages (including business unit or staff function performance) for the current named executive officers ranged from 55 percent to 187 percent of the participant's target award opportunity. Generally, the Committee seeks to set the minimum, target and maximum levels such that the relative difficulty of achieving the target level is consistent from year to year.

Long-Term Equity Incentive Compensation

The Committee awards long-term equity incentive grants to executive officers as part of their overall compensation package. These awards are consistent with the Committee's objectives of aligning our senior leaders with the financial interests of our stockholders, focusing on our long-term success, supporting our performance-oriented environment and offering competitive compensation packages. When determining the amount of long-term equity incentive plan awards to be granted to executives, the Committee considered the following factors, among others: the specific responsibilities and performance

of the executive, our business performance, our stock price performance and other market factors. The 2009 long-term equity incentive awards were granted to the named executive officers in February 2009 based on an assessment of those factors at that time. Because these awards are part of our annual compensation program that compares direct annual compensation to the median of our peer group comparison, adjusted as described under “Direct Annual Compensation,” grants from prior years were not considered when setting 2009 targets or granting awards.

For 2009, the Committee set the long-term equity incentive compensation grant value for each executive based on first comparing direct annual compensation to the median of our peer groups, adjusted as described under “Direct Annual Compensation” and reflecting the performance of the executive officer. This grant value was then divided into two grants, described in more detail below, consisting of:

- Performance-based restricted share units and
- Stock options.

Performance-Based Restricted Share Unit Awards. In February 2009, executives received awards of performance-based restricted share units with a value equal to two-thirds of the target grant date value for long-term equity incentive compensation. For this purpose, performance-based restricted share units are valued on the basis that one unit has the same value as one share of our common stock on the date of grant.

2009-2011 Performance-Based Restricted Share Unit Goals and Targets. For the performance-based restricted share unit awards granted in 2009, the actual number of shares to be received by the executives will range from zero to 200 percent of the target levels established by the Committee for each executive, depending on the degree to which the performance objectives are met. The Committee increased the maximum payout for these awards in 2009 from 150 percent to 200 percent to align with the practices of our peer groups. The performance objectives for the 2009 awards are based on average annual net sales growth and the average ROIC for the period January 1, 2009 through December 31, 2011, as follows:

	<u>Goal</u>	<u>Relative Weight</u>	<u>Potential Payout as a Percentage of Target</u>		
			<u>0%</u>	<u>100%</u>	<u>200%</u>
	Annual Net Sales Growth	50%	0.0%	2.0%	4.0%
	ROIC	50%	13.4%	14.4%	15.4%

The performance objectives attempt to balance our Global Business Plan objectives, including annual net sales growth of two percent and average ROIC improvement of approximately 15 basis points per year during this period, peer group performance and our past and future performance. Information regarding restricted share unit awards granted to our named executive officers can be found under “Summary Compensation Table,” “Grants of Plan-Based Awards,” and “Discussion of Summary Compensation and Plan-Based Awards Tables.”

2006-2008 Performance-Based Restricted Share Unit Goals and Targets. In April 2009, the Committee determined the results of the 2006 through 2008 performance period for the performance-based restricted share units granted in 2006. The performance objective for the 2006 awards was based on adjusted ROIC for the period January 1, 2006 through December 31, 2008. The average adjusted ROIC objective, the potential payouts for achieving the objective and the actual results for this period as determined by the Committee were as follows:

	<u>Potential Payout as a Percentage of Target</u>				<u>Actual</u>
	<u>0%</u>	<u>50%</u>	<u>100%</u>	<u>150%</u>	
Adjusted ROIC	14.8%	15.3%	15.8%	16.3%	15.1%

For purposes of calculating average adjusted ROIC, the impact of the adoption of Financial Accounting Standards Board Interpretation (“FASB”) No. 48, *Accounting for Uncertainty in Income Taxes*, an *Interpretation of FASB Statement 109* (“FIN 48”), and the effect of an extraordinary loss related to the

consolidation of certain financing entities and certain notes receivable related to these financing entities were excluded from the ROIC calculation.

Based on this review, the Committee determined that the payout percentage should be 30 percent of target. The following table includes information about the opportunities and payouts regarding these grants to our named executive officers:

Name	Target Amount of Shares(#)	Maximum Amount of Shares(#)	2006 - 2008 Performance-Based Restricted Share Unit Award (Paid in April 2009)	
			% of Target	Amount of Shares(#)
Thomas J. Falk	43,987	65,981	30%	13,196
Mark A. Buthman	9,649	14,474	30%	2,895
Robert E. Abernathy	11,351	17,027	30%	3,405
Robert W. Black	5,676	8,514	30%	1,703
Anthony J. Palmer	—	—	—	—

When these grants were made in 2006, Mr. Palmer was not employed by the Corporation. The shares underlying these performance-based restricted share unit awards were distributed to our named executive officers in April 2009 and are included in the Option Exercises and Stock Vested in 2009 table.

Stock Option Awards. In April 2009, executive officers also received awards of stock options with a value equal to one-third of the target grant date value for long-term equity incentive compensation. For this purpose, stock options are valued on the basis that one option has the same value as 20 percent of the price of one share of the Corporation's common stock on the date of grant. The value we use for this purpose differs from, and in 2009 was higher than, the value we use for financial statement purposes. The Committee believes that this value is an appropriate way to determine the number of options to be granted under the 2001 Plan because it provides more consistent application and is not subject to the volatility inherent in the Black-Scholes-Merton valuation method used for financial statement purposes. This value was reduced from 20 percent to 15 percent in November 2009, as a result of a review of the Corporation's Black-Scholes-Merton valuation of the previous five years. The Black-Scholes-Merton valuation has declined from its 2005 level and has remained at approximately ten percent for 2008 and 2009. Due to this decline, the Committee believed it was appropriate to adjust the value used for option grants. This reduced value will apply to executives' option grants beginning in 2010. Information regarding stock options granted to our named executive officers can be found under "Summary Compensation Table," "Grants of Plan-Based Awards," and "Discussion of Summary Compensation and Plan-Based Awards Tables."

Retirement Benefits

Our named executive officers participate in our defined benefit pension plans and defined contribution plans. These plans are consistent with those maintained by our peer group companies and are therefore necessary in order to remain competitive with them for recruiting and retaining executive talent. Additionally, these plans help encourage retention of our senior executives because their retirement benefits under these plans generally increase for each year they remain employed by us. The Committee believes that these retirement benefit and contribution plans are important parts of our compensation program.

Pension Plans. We maintain a funded, tax-qualified, non-contributing defined benefit pension plan for employees, including named executive officers, who joined the Corporation before January 1, 1997. We also maintain supplemental pension plans that provide benefits to the participants in the pension plan as are necessary to fulfill the intent of our pension plan without regard to the limitations imposed by the Internal Revenue Code on qualified pension plans. We stopped accruing compensation and benefit service under these plans for most of our U.S. employees, including named executive officers, for plan years after 2009. These changes will not affect benefits earned by participants prior to January 1, 2010. For a more detailed explanation of our pension plans, and the present value of the accumulated benefits of our named executive officers, see "Pension Benefits."

Defined Contribution Plans. For employees who joined the Corporation on or after January 1, 1997, or for those employees who elected to opt out of continuing service accruals in our pension plans, through December 31, 2009 we maintained an additional tax-qualified defined contribution plan (the Retirement Contribution Plan). In addition, we maintained the Retirement Contribution Excess Benefit Program (the “supplemental Retirement Contribution Program”), a nonqualified defined contribution plan intended to provide benefits to the extent necessary to fulfill the intent of the Retirement Contribution Plan without regard to the limitations imposed by the Internal Revenue Code. For a more detailed explanation of the Retirement Contribution Plan and supplemental Retirement Contribution Program, and the balance of amounts contributed on behalf of our named executive officers who participated in these plans, see “Nonqualified Deferred Compensation.”

We also maintained through December 31, 2009 a tax-qualified defined contribution plan (the Incentive Investment Plan), which was a 401(k) plan that covered eligible employees, including our named executive officers. For more information, see “Nonqualified Deferred Compensation — Overview of Qualified and Non-Qualified Plans.”

We discontinued all contributions and accruals to the Retirement Contribution Plan and the Incentive Investment Plan, and modified the accruals for the supplemental Retirement Contribution Program, for plan years after 2009 for most of our U.S. employees, including named executive officers. Effective January 1, 2010, we adopted the Kimberly-Clark Corporation 401(k) and Profit Sharing Plan (the “401(k) Profit Sharing Plan”), a new 401(k) profit sharing plan to provide for a matching contribution of 100 percent of a U.S. employee’s contributions to the plans, to a yearly maximum of four percent of eligible compensation, as well as a discretionary profit sharing contribution, in which contributions will be based on our profit performance. Also effective January 1, 2010, the supplemental Retirement Contribution Program was renamed the Kimberly-Clark Corporation Supplemental Retirement 401(k) and Profit Sharing Plan (the “Supplemental 401(k) Plan”) and amended to provide benefits to the extent necessary to fulfill the intent of the 401(k) Profit Sharing Plan without regard to the limitations imposed by the Internal Revenue Code on qualified defined contribution plans. Most U.S. employees’ investment balances, including those of our named executive officers, in the Incentive Investment Plan and Retirement Contribution Plan were transferred to the new 401(k) Profit Sharing Plan.

Other Compensation

We provide our executive officers with minimal perquisites. In general, perquisites made up less than 0.4 percent of aggregate total compensation for our named executive officers in 2009.

These perquisites include personal financial planning services provided by an independent firm, an executive health screening program where executives may receive comprehensive physical examinations from an independent health care provider and permitted personal use of corporate aircraft consistent with the Corporation’s policy. The personal financial planning program is designed to provide executives with access to knowledgeable resources that understand our compensation and benefit plans and can assist our executives in efficiently and effectively managing their financial and tax planning issues. Our Chief Executive Officer no longer receives personal financial planning services pursuant to this program. The executive health screening program provides executives with additional services that help maintain their overall health. We encourage our executives to take advantage of this service.

The Board of Directors has approved an executive security program for our Chief Executive Officer. Under this program, our Chief Executive Officer is required to use our corporate aircraft for all business and personal travel, consistent with the Corporation’s policy, and security services are provided for him at all times, including at his office, other company locations and his residences. Periodically, a security assessment is conducted by an independent security consultant, and the program is reviewed by the Board, to ensure that security measures provided by us are appropriate. The Board considers these security arrangements to be appropriate and reasonable in light of the security risks identified in the independent security assessment. In addition, if a corporate aircraft is already scheduled for business purposes and can accommodate additional passengers, executive officers and their guests may, under

certain circumstances, join flights for personal travel. The incremental cost to us of providing security services at Mr. Falk's residences, personal travel for our named executive officers and their guests on our corporate aircraft and any related tax reimbursements and gross-ups is included in "All Other Compensation" in the Summary Compensation Table. In February 2009, the Committee adopted a policy that limits the personal use of corporate aircraft by the Chief Executive Officer to an aggregate annual incremental cost to the Corporation of \$100,000, and generally prohibits the personal use of corporate aircraft by other executive officers unless there is no incremental cost to the Corporation for the use. In addition, the Committee adopted a policy in February 2009 providing that executive officers will no longer receive tax reimbursement and a related gross-up for perquisites (including personal use of corporate aircraft), except for certain relocation benefits.

Post-Termination Benefits

We maintain several severance plans for our executive officers. Benefits under these plans are payable only if the executive's employment terminates as specified in the applicable severance plan. An executive officer may not receive severance benefits under more than one severance plan. We believe that our severance plans are consistent with those maintained by our peer group companies and that they are therefore important for attracting and retaining executives who are critical to our long-term success and competitiveness. For more information about these severance plans and their terms, see "Potential Payments on Termination or Change in Control — Severance Benefits."

Severance Pay Plan. Our Severance Pay Plan provides severance benefits to most of our U.S. hourly and salaried employees, including our named executive officers, who are involuntarily terminated under the circumstances described in the plan. The objective of this plan is to facilitate the employee's transition to his or her next position, and it is not intended to serve as a reward for the employee's past service. See "Potential Payments on Termination or Change in Control — Severance Benefits."

Executive Severance Plan. Our Executive Severance Plan provides severance benefits to eligible employees, including our named executive officers, in the event of a qualified termination of employment (as defined in the plan) in connection with a change in control. For an eligible employee to receive a payment under this plan, both a change in control must occur and the eligible employee's employment must be terminated (often referred to as a "double trigger"). Each of the named executive officers has entered into an agreement under the plan that expires on December 31, 2011. The plan and the agreements were amended in 2009 in order to comply with recent rulings regarding the tax deductibility of payments under the plan and agreements, as well as to eliminate benefits under the plan related to the Corporation's pension plans, supplemental pension plans, the Retirement Contribution Plan and the supplemental Retirement Contribution Program and to provide instead corresponding benefits related to the new 401(k) Profit Sharing Plan and Supplemental 401(k) Plan. See "Potential Payments on Termination or Change in Control — Severance Benefits."

Executive Compensation for 2010

Base Salary. In February 2010, the Committee approved the following base salaries for our named executive officers, effective on April 1, 2010:

<u>Name</u>	<u>Base Salary(\$)</u>
Thomas J. Falk	1,300,000
Mark A. Buthman	725,000
Robert E. Abernathy	750,000
Robert W. Black	600,000
Anthony J. Palmer	525,000

Annual Cash Incentives. In February 2010, the Committee also established objectives for 2010 annual cash incentives payable in 2011 to our named executive officers. Depending on actual performance

in 2010 against the financial and non-financial goals, 2010 incentive payments could range from zero to 200 percent of the named executive officers' target payments.

As discussed in "Annual Cash Compensation — Annual Cash Incentives" above, the Committee sets the appropriate split among corporate key financial goals, other corporate financial and strategic performance goals and business unit or staff function objectives each year.

Incentive payments for 2010 will be based on the Committee's judgment regarding our corporate and the executive officers' performance in 2010 against those objectives. The corporate key financial goals for 2010 are designed to encourage a continued focus on executing our long-term Global Business Plan objectives and include achieving net sales, adjusted operating profit return on sales, and adjusted earnings per share goals.

The Committee also established other corporate financial and non-financial goals for 2010. These goals, intended to further align compensation with achieving our Global Business Plan, include:

- Focusing on gross profit growth, brand building spending growth, cost savings, and operating profit growth.
- Focusing on brand equity and market performance.
- Driving innovation.
- Continuing progress in diversity and inclusion.

In addition, goals have been established for each named executive officer, other than our Chief Executive Officer, relating to his business unit or specific staff function.

Long-Term Equity Incentive Compensation. The Committee granted performance-based restricted share units to our named executive officers in February 2010. The performance objectives for the performance-based restricted share unit awards granted in 2010 are based on average annual net sales growth and average adjusted ROIC for the period January 1, 2010 through December 31, 2012. The actual number of shares to be received by our named executive officers will range from zero to 200 percent of the target levels established by the Committee for each executive, depending on the degree to which the performance objectives are met.

Information regarding the performance-based restricted share unit awards granted on February 22, 2010 to our named executive officers is set forth below.

<u>Name</u>	Performance-Based Restricted Share Units	
	Target Amount of Shares (#)	Maximum Amount of Shares (#)
Thomas J. Falk	83,472	166,944
Mark A. Buthman	17,807	35,614
Robert E. Abernathy	20,033	40,066
Robert W. Black	15,582	31,164
Anthony J. Palmer	9,460	18,920

In addition, on February 22, 2010, the Committee granted Mr. Abernathy 8,347 shares of time-vested restricted share units. This retention grant will vest in full on the third anniversary of the date of grant. Dividend equivalents on these units will be accumulated and paid in additional shares after the time-vested restricted share units vest.

Additional Compensation Information

Use of Independent Compensation Consultant. As previously discussed, the Committee engaged The Delves Group as its independent consultant to assist it in determining the appropriate executive officer compensation in 2009 pursuant to our compensation policies described above. Consistent with the

Committee's policy in which its independent consultant may provide services only to the Committee, The Delves Group had no other business relationship with the Corporation and received no payments from us other than fees for services to the Committee. See "Part Two — Corporate Governance Information — Management Development and Compensation Committee" for information about the use of compensation consultants.

Role of the Chief Executive Officer in Compensation Decisions. Our Chief Executive Officer makes a recommendation to the Committee each year on the appropriate target direct annual compensation to be awarded to our executive officers, excluding himself. The Committee makes the final determination of the target direct annual compensation to be awarded to each executive officer, including our Chief Executive Officer, based on the Committee's determination of how that compensation will aid in achieving the objectives of our compensation policies. While our Chief Executive Officer and Chief Human Resources Officer typically attend Committee meetings, none of the other executive officers is present during the portion of the Committee's meetings when compensation for executive officers is set. In addition, our Chief Executive Officer is not present during the portion of the Committee's meetings when his compensation is set.

Analysis of Risks Arising from Design of Executive Compensation Program. The Committee, with the assistance of its independent consultant and the Corporation's consultant, has reviewed an assessment of our compensation programs, including our executive compensation program. Based on this assessment, the Committee believes that the design of our executive compensation program does not encourage our named executive officers to take unnecessary and excessive risks and that the risks arising from the design of these programs are not reasonably likely to have a material adverse effect on the Corporation. The Committee reached the same conclusion for our other compensation programs. For a discussion of the factors that contributed to the Committee's conclusions, see "Analysis of Risks Arising from Design of Compensation Programs."

Timing of Long-Term Equity Grants. Our policies and the 2001 Plan require stock options to be granted at no less than the closing price of our common stock on the date of grant. The Committee's practice is to award options at its April Committee meeting. Committee meeting dates are set by the Committee at least one year in advance. We do not have any process or practice to time the grant of equity awards in advance of our release of earnings or other material non-public information.

In 2009, the Committee awarded performance-based restricted share units to executive officers at its February Committee meeting, and it intends to continue this practice. We believe this practice is consistent with award practices at other large public companies. Through 2008, the Committee had awarded executive officers restricted share units at the same time it granted stock options. Prior to 2004, restricted stock was awarded at various meetings of the Committee for retention purposes. Our executives are not permitted to choose the grant date for their individual restricted stock or restricted share unit awards.

The Committee administers our equity plans, which were approved by our stockholders in 1992 and 2001. Two categories of stock grants have been made under our equity plans: annual grants and recruiting or retention grants. Annual grants are made each year at a meeting of the Committee, as described above. Annual grants have accounted for approximately 99.5 percent of all options granted under these plans since 1993. Our executives are not permitted to choose the grant date for their individual stock option grants.

Our Chief Executive Officer has limited authority to grant employee stock options, restricted stock and restricted share units in connection with recruiting and special employee recognition and retention matters. Any recruiting and retention grants may not exceed 200,000 stock options, shares of restricted stock or restricted share units, in the aggregate, in any calendar year. These recruiting and retention grants are made on a pre-determined date following the release of our earnings during each quarter. Our Chief Executive Officer is not permitted to make any recruiting and retention grants to any of our executive officers. In 2009, our Chief Executive Officer authorized recruiting and retention grants consisting of an

aggregate of 100,202 time-vested restricted share units, performance-based restricted share units and stock options.

Policy on Incentive Compensation Claw-back. As described above, a significant percentage of our executive officer compensation is incentive-based. The determination of the extent to which the incentive objectives are achieved is based in part on the Committee's discretion and in part on our published financial results. The Committee has the right to reassess its determination of the performance awards if the financial statements on which it relied are restated. The Committee has the right to direct the Corporation to seek to recover from any executive officer any amounts determined to have been inappropriately received by the individual executive officer. In addition, the Sarbanes-Oxley Act of 2002 mandates that the chief executive officer and the chief financial officer reimburse us for any bonus or other incentive-based or equity-based compensation paid to them in a year following the issuance of financial statements that are later required to be restated as a result of misconduct.

Target Stock Ownership Guidelines. We strongly believe that the financial interests of our executives should be aligned with those of our stockholders. Accordingly, the Committee has established stock ownership guidelines for our corporate officers, including our named executive officers.

All executive officers are expected to own our common stock in an amount equivalent to three times their annual base salary. The Chief Executive Officer is expected to own an amount of our common stock which is six times his annual base salary. Failure to attain targeted stock ownership levels within five years from date of hire for, or appointment to, an eligible position can result in a reduction in future long-term equity incentive awards granted to the executive. In determining whether our stock ownership guidelines have been met, any restricted stock and time-vested restricted share units held are considered as being owned and performance-based restricted share units are excluded until they vest. Executive officer stock ownership levels were reviewed in 2009 for compliance with these guidelines. Based on our stock price as of the compliance date for this review, the stock ownership levels specified by the guidelines have been met or exceeded by each of our named executive officers, other than Messrs. Black and Palmer, who joined the Corporation in 2006 and who have less than five years of service.

We have a policy requiring all executive officers to review transactions involving our common stock or other securities related to our common stock with our Legal Department prior to entering into the transactions.

Although we do not have a formal policy prohibiting transactions that hedge an executive officer's economic risk of owning shares of our common stock, an executive officer must obtain prior clearance from our Legal Department prior to engaging in any hedging transaction to ensure compliance with applicable laws. Any shares an employee owns subject to a market put or call option are excluded for purposes of determining compliance with our stock ownership guidelines. None of our named executive officers engaged in any hedging transactions in 2009.

Tax Deduction for Executive Compensation. The United States income tax laws generally limit the deductibility of compensation paid to the chief executive officer and each of the three highest-paid executive officers (not including the chief financial officer) to \$1,000,000 per annum. An exception to this general rule exists for performance-based compensation that meets certain regulatory requirements. Several classes of executive compensation including the option awards to executive officers are designed to meet the requirements for deductibility. Other classes of executive compensation including the long-term equity grants as described above may be subject to the \$1,000,000 deductibility limit.

Although deductibility of compensation is preferred, tax deductibility is not a primary objective of our compensation programs. In our view and the view of the Committee, meeting the compensation objectives set forth above is more important than the benefit of being able to deduct the compensation for tax purposes.

Management Development and Compensation Committee Report

In accordance with its written charter adopted by the Board, the Management Development and Compensation Committee has oversight of compensation policies designed to align elected officers' compensation with our overall business strategy, values and management initiatives. In discharging its oversight responsibility, the Committee has retained an independent compensation consultant to advise the Committee regarding market and general compensation trends.

The Committee has reviewed and discussed the Compensation Discussion and Analysis with our management, which has the responsibility for preparing the Compensation Discussion and Analysis. Based upon this review and discussion, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference in our Annual Report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended December 31, 2009.

MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

James M. Jenness, Chairman
Abelardo E. Bru
Mae C. Jemison, M.D.
Ian C. Read

Summary Compensation Table

The following table contains information concerning compensation awarded to, earned by, or paid to our named executive officers in the last three years. Our named executive officers include our Chief Executive Officer, Chief Financial Officer and our three other most highly compensated executive officers serving as of December 31, 2009. Additional information regarding the items reflected in each column follows the table.

Summary Compensation Table

Name and Principal Position	Year	Salary(\$)	Stock Awards(\$)	Option Awards(\$)	Non-Equity Incentive Plan Compensation(\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(\$)	All Other Compensation(\$)	Total(\$)
Thomas J. Falk Chairman of the Board and Chief Executive Officer	2009	1,224,996	4,000,022	870,791	2,824,081	2,389,144	78,394	11,387,428
	2008	1,224,996	5,333,311	1,293,953	943,247	1,276,613	103,896	10,176,016
	2007	1,212,497	5,166,734	1,611,527	2,498,992	1,195,872	143,406	11,829,028
Mark A. Buthman Senior Vice President and Chief Financial Officer	2009	660,000	949,998	206,811	851,480	385,044	85,193	3,138,526
	2008	645,000	1,266,682	307,314	370,260	252,410	114,775	2,956,441
	2007	578,756	1,066,699	332,702	734,400	221,778	88,087	3,022,422
Robert E. Abernathy Group President — North Atlantic Consumer Products	2009	625,000	1,266,679	275,750	850,219	1,108,360	7,887	4,133,895
	2008	606,249	1,533,328	372,010	349,745	433,139	100,337	3,394,808
	2007	545,009	1,266,669	395,085	822,794	529,655	11,250	3,570,462
Robert W. Black Group President — K-C International	2009	560,000	750,013	163,274	773,109	0	101,002	2,347,398
	2008	549,999	999,972	242,618	565,581	0	99,897	2,458,067
	2007	514,997	666,615	207,934	616,715	0	81,581	2,087,842
Anthony J. Palmer(1) Senior Vice President and Chief Marketing Officer	2009	500,000	549,981	119,733	649,268	0	75,990	1,894,972
	2008	491,250	733,325	177,917	284,750	0	93,459	1,780,701

(1) Because Mr. Palmer became one of our three other most highly compensated executive officers in 2008, his 2007 compensation is not included in this table.

Salary. The amounts in this column represent base salary earned during the year.

Stock Awards and Option Awards. The amounts in these columns reflect the dollar value of restricted share unit awards and stock options, respectively, granted under our stockholder-approved 2001 Plan.

The restricted share unit awards either vest over time or based on the achievement of performance-based standards.

The amounts for each year represent the grant date fair value of the awards, computed in accordance with ASC Topic 718. See Notes 9, 8 and 6 to our audited consolidated financial statements included in our Annual Reports on Form 10-K for 2009, 2008 and 2007, respectively, for the assumptions we used in valuing and expensing these restricted share units and stock option awards in accordance with ASC Topic 718.

For awards that are subject to performance conditions, the value is based on the probable outcome of the conditions at grant date. The value of the awards at the grant date assuming the highest level of performance conditions will be achieved is set forth below:

<u>Name</u>	<u>Year</u>	<u>Stock Awards (\$)</u>
Thomas J. Falk	2009	8,000,044
	2008	7,999,996
	2007	3,875,051
Mark A. Buthman	2009	1,899,995
	2008	1,900,023
	2007	800,024
Robert E. Abernathy	2009	2,533,358
	2008	2,299,993
	2007	950,002
Robert W. Black	2009	1,500,026
	2008	1,499,958
	2007	499,961
Anthony J. Palmer	2009	1,099,963
	2008	1,099,988

Non-Equity Incentive Plan Compensation. The amounts in this column are the annual cash incentive payments described in “Compensation Discussion and Analysis.” These amounts were earned during the years indicated and were paid to the named executive officers in February of the following year.

Change In Pension Value and Nonqualified Deferred Compensation Earnings. The amounts in this column reflect the aggregate change during the year in actuarial present value of accumulated benefits under all defined benefit and actuarial plans (including supplemental pension plans). With respect to the supplemental pension plans, amounts have been calculated to reflect an approximate 30-year Treasury Bond rate to determine the amount of the earlier retirement age lump sum benefit in a manner consistent with our financial statements. We describe the assumptions we used in determining the amounts and provide additional information about these plans in “Pension Benefits.”

Messrs. Falk and Abernathy have deferred compensation in prior years pursuant to the Deferred Compensation Plan. Earnings on that deferred compensation are not included in the Summary Compensation Table because the earnings were not above-market or preferential. Messrs. Buthman, Black and Palmer participated in the supplemental Retirement Contribution Program, a non-qualified defined contribution plan. Earnings on that plan are not included in the Summary Compensation Table because the earnings were not above-market or preferential. See “Nonqualified Deferred Compensation” for a discussion of these plans and each named executive officer’s earnings under those plans in 2009.

All Other Compensation. All other compensation consists of the following:

<u>Name</u>	<u>Year</u>	<u>Perquisites (\$)(1)</u>	<u>Defined Contribution Plan Payments (\$)(2)</u>	<u>Tax Gross-Ups (\$)(3)</u>	<u>Total (\$)(4)</u>
Thomas J. Falk	2009	71,044	7,350	0	78,394
	2008	88,841	6,900	8,155	103,896
	2007	114,960	6,750	21,696	143,406
Mark A. Buthman	2009	2,175	83,018	0	85,193
	2008	5,950	108,825	0	114,775
	2007	7,777	79,101	1,209	88,087
Robert E. Abernathy	2009	305	7,350	232	7,887
	2008	56,420	6,900	37,017	100,337
	2007	4,500	6,750	0	11,250
Robert W. Black	2009	2,394	98,608	0	101,002
	2008	7,023	92,874	0	99,897
	2007	10,294	71,287	0	81,581
Anthony J. Palmer	2009	5,500	70,490	0	75,990
	2008	8,000	85,459	0	93,459

(1) *Perquisites.* For a description of the perquisites we provide executive officers, and the reasons why, see “Compensation Discussion and Analysis — Other Compensation.”

Except with respect to Messrs. Falk and Abernathy, amounts shown as perquisites consist solely of amounts paid pursuant to our Executive Financial Counseling Program and our executive health screening program. Amounts shown as perquisites for Mr. Abernathy for 2008 consist of \$48,670 for reimbursement of certain moving and related expenses and \$7,750 paid pursuant to our Executive Financial Counseling Program and for 2009 consist of \$305 for reimbursement of certain moving and related expenses. Perquisites for Mr. Falk included the following:

	<u>Personal Use of Corporate Aircraft \$(a)</u>	<u>Security Services \$(b)</u>	<u>Executive Health Screening Program \$(c)</u>	<u>Travel to Board Events \$(c)</u>	<u>Total \$(c)</u>
2009	32,277	36,695	2,072	0	71,044
2008	54,395	34,446	0	0	88,841
2007	45,320	56,120	0	13,520	114,960

- (a) Our Chief Executive Officer is required to use our corporate aircraft for personal travel pursuant to an executive security program established by the Board. The amount shown for personal use of our aircraft is our incremental cost of operating the aircraft. The incremental cost of personal travel on our corporate aircraft is based on our variable cost per hour of operating the aircraft multiplied by the number of hours of personal travel. Items included in calculating this variable cost for 2009 are crew travel costs, crew meals, fuel, catering, supplies, landing and parking fees, and maintenance costs. Non-variable costs that would have been incurred regardless of whether there was any personal use of the aircraft are excluded. In February 2009, the Committee adopted a policy that limits the personal use of corporate aircraft by our Chief Executive Officer to an aggregate annual incremental cost to the Corporation of \$100,000, and generally prohibits the personal use of corporate aircraft by other executive officers unless there is no incremental cost to the Corporation for the use.
- (b) Personal security services provided as required by our chief executive officer security program.

- (c) Incremental travel and related costs, including for Mr. Falk's spouse and child who accompanied him, in connection with Board meetings and customer site visits in Turkey and Russia in 2007. These meetings and visits continued a long-standing practice of the Board to periodically visit our important international markets and to be accompanied by spouses/guests on these visits.

- (2) *Defined Contribution Plan Payments* . Matching contributions were made under the Incentive Investment Plan for all named executive officers. The value for Messrs. Black, Buthman and Palmer also includes amounts contributed or allocated to the Retirement Contribution Plan and supplemental Retirement Contribution Program. Messrs. Buthman, Black and Palmer are the only named executive officers who participated in the Retirement Contribution Plan and supplemental Retirement Contribution Program, which are described under "Compensation Discussion and Analysis — Retirement Benefits . "
- (3) *Tax Gross-Ups*. The amounts shown in 2008 and 2009 for Mr. Abernathy reflect tax reimbursement for moving and related expenses incurred for a relocation in connection with his change in duties. For the remaining named executive officers, amounts reflect tax reimbursement and related gross-ups with respect to certain business and personal use of our corporate aircraft. In addition, for Mr. Falk, the amounts in 2007 reflect tax reimbursement and related gross-up with respect to (i) travel for Mr. Falk's spouse and child for the Board meetings and customer site visits in Turkey and Russia described above and (ii) tour of historical sites in Turkey for Mr. Falk, his spouse and child. The Committee adopted a policy in February 2009 providing that executive officers will no longer receive tax reimbursement and a related gross-up for perquisites (including personal use of corporate aircraft), except for certain relocation benefits.
- (4) *Certain Dividends* . The named executive officers also receive dividends on restricted stock and dividend equivalents on restricted share units held by them at the same rate and on the same dates as dividends are paid to our stockholders. Because we factor the value of the right to receive dividends into the grant date fair value of the restricted stock and restricted share units awards, the dividends and dividend equivalents received by our named executive officers are not included in the Summary Compensation Table. The named executive officers received the following dividends and dividend equivalents on the restricted stock, as applicable, and restricted share units held by them:

Name	Year	Dividends Received(\$)
Thomas J. Falk	2009	573,946
	2008	630,171
	2007	699,533
Mark A. Buthman	2009	127,008
	2008	142,368
	2007	137,057
Robert E. Abernathy	2009	149,737
	2008	161,869
	2007	145,403
Robert W. Black	2009	86,108
	2008	73,162
	2007	40,754
Anthony J. Palmer	2009	64,847
	2008	67,500

Dividend equivalents are no longer paid on unvested performance-based restricted share units granted to the named executive officers as of February 2009 and thereafter; instead, dividend equivalents on these units are accumulated and will be paid in additional shares after the performance-based restricted share units vest, based on the actual number of shares that vest. The value of these accumulated dividend equivalents will not be included in the table above until the underlying performance-based restricted share units vest and the dividend equivalents are paid in additional shares.

Under the terms of their letter agreements, Mr. Black's and Mr. Palmer's dividend equivalents on their respective restricted share unit awards granted as part of their signing bonuses are reinvested in

additional restricted share units. The grant date fair value of these reinvested dividend equivalents is reflected in the table above.

Grants of Plan-Based Awards

The following table sets forth plan-based awards granted to the named executive officers during 2009 on a grant-by-grant basis.

Grants of Plan-Based Awards in 2009

Name	Grant Type	Grant Date(3)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Option Awards: Number of Securities Underlying Options (#)(4)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)(5)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)			
Thomas J. Falk	Annual cash incentive award		0	1,714,994	3,429,989						
	Performance-based RSU	2/26/09				0	85,727	171,454			4,000,022
Mark A. Butthman	Time-vested stock option	4/29/09							201,572	49.61	870,791
	Annual cash incentive award		0	561,000	1,122,000						
Robert E. Abernathy	Performance-based RSU	2/26/09				0	20,360	40,720			949,998
	Time-vested stock option	4/29/09							47,873	49.61	206,811
Robert W. Black	Annual cash incentive award		0	531,250	1,062,500						
	Performance-based RSU	2/26/09				0	27,147	54,294			1,266,679
Anthony J. Palmer	Time-vested stock option	4/29/09							63,831	49.61	275,750
	Annual cash incentive award		0	476,000	952,000						
Thomas J. Falk	Performance-based RSU	2/26/09				0	16,074	32,148			750,013
	Time-vested stock option	4/29/09							37,795	49.61	163,274
Mark A. Butthman	Annual cash incentive award		0	425,000	850,000						
	Performance-based RSU	2/26/09				0	11,787	23,574			549,981
Robert E. Abernathy	Time-vested stock option	4/29/09							27,716	49.61	119,733

- (1) Represents the potential annual performance-based incentive cash payments each executive could earn in 2009. These awards were granted under our Executive Officer Achievement Award Program approved by stockholders in 2002. Actual amounts earned in 2009 were based on the 2009 objectives established by the Management Development and Compensation Committee at its February 26, 2009 meeting. See “Compensation Discussion and Analysis — Annual Cash Compensation — Annual Cash Incentives.” At the time of the grant, the incentive payment could range from the threshold amount to the maximum amount depending on the extent to which the 2009 objectives were met. The actual amounts paid in 2010 based on the 2009 objectives are set forth in the Summary Compensation Table under the column entitled “Non-Equity Incentive Plan Compensation.”
- (2) Performance-based restricted share units granted under the 2001 Plan to our named executive officers on February 26, 2009. The number of performance-based restricted share units granted in 2009 that will ultimately vest on February 26, 2012 could range from the threshold number to the maximum number depending on the extent to which the average annual net sales growth and average ROIC performance objectives for those awards are met. See “Compensation Discussion and Analysis — Long-Term Equity Incentive Compensation — Performance-Based Restricted Share Unit Awards.”
- (3) The grant date for each award is the same date that the Committee took action to grant the awards.
- (4) Time-vested stock options granted under the 2001 Plan to our named executive officers on April 29, 2009.
- (5) Grant date fair value is determined in accordance with ASC Topic 718 and, for performance-based restricted share units, is the value at grant date based on the probable outcome of the performance condition and is consistent with the estimate of aggregate compensation cost to be recognized over the service period determined as of the grant date, excluding the effect of estimated forfeitures. See Notes 9, 8 and 6 to our audited consolidated financial statements included in our Annual Reports on Form 10-K for 2009, 2008 and 2007, respectively, for the assumptions used in valuing and expensing these restricted share units and stock option awards in accordance with ASC Topic 718.

Discussion of Summary Compensation and Plan-Based Awards Tables

Our executive compensation policies and practices, pursuant to which the compensation set forth in the Summary Compensation Table and the Grants of Plan-Based Awards in 2009 table was paid or awarded, are described under “Compensation Discussion and Analysis.”

In 2006, the Corporation and Mr. Black entered into a letter agreement in connection with his hiring. Among other things, the letter agreement provided for an initial grant of stock options and restricted share units, as well as additional severance protection for Mr. Black. See “Potential Payments on Termination or Change in Control — Severance Benefits — Letter Agreement with Mr. Black.” Also in 2006, the Corporation and Mr. Palmer entered into a letter agreement in connection with his hiring. Among other things, the letter agreement provided for an initial grant of stock options and restricted share units, as well as additional severance protection for Mr. Palmer. See “Potential Payments on Termination or Change in Control — Severance Benefits — Letter Agreement with Mr. Palmer.” Other than these letter agreements and the executive severance plans described below, none of our named executive officers has any employment agreement with us. See “Potential Payments on Termination or Change in Control.”

Executive officers may receive long-term equity incentive awards of stock options, restricted stock or restricted share units, or a combination of stock options, restricted stock and restricted share units under the 2001 Plan, which was approved by stockholders in 2001. The 2001 Plan provides the Committee with discretion to require performance-based standards to be met before awards vest. From 2004 through 2007, the Committee used a combination of time-vested restricted share units, performance-based restricted share units and stock options. In 2008 and 2009, the Committee did not award time-vested restricted share units to our named executive officers. Each named executive officer received grants of stock options and performance-based restricted share units under the 2001 Plan in 2009.

For grants of stock options, the 2001 Plan provides that the option exercise price per share shall be no less than the closing price per share of our common stock at the grant date. The term of any option is no more than ten years from the grant date. Options granted in 2009 become exercisable in three annual installments of 30 percent, 30 percent and 40 percent, beginning April 29, 2010; provided, however, that all of the options become exercisable for three years upon death or total or permanent disability, and for five years upon retirement of the officer. In addition, options generally become exercisable upon a termination of employment following a change in control, and options granted to the named executive officers are subject to our Executive Severance Plan. See “Potential Payments on Termination or Change in Control.” The options may be transferred by the officers to family members or certain entities in which family members have interests.

Performance-based restricted share unit awards granted in 2009 vest three years following grant in a range from zero to 200 percent of the target levels based on our average annual net sales growth and average adjusted ROIC performance during the three years. As of February 9, 2010, the performance-based restricted share units granted in 2009, 2008 and 2007 were on pace to vest at the following levels: 151 percent for the 2009 award, 29 percent for the 2008 award and 60 percent for the 2007 award.

For restricted share units, during the restricted period an executive who is awarded restricted share units is not entitled to vote the units but, for units granted prior to 2009, receives cash equal to dividends paid on our common stock (other than Mr. Black’s and Mr. Palmer’s dividend equivalents on their respective restricted share unit awards granted as part of their signing bonuses, which are reinvested in additional restricted share units). Dividend equivalents are no longer paid on unvested performance-based restricted share units granted to the named executive officers as of February 2009 and thereafter; instead, dividend equivalents on these units are accumulated and will be paid in additional shares after the performance-based restricted share units vest, based on the actual number of shares that vest.

Outstanding Equity Awards

The following table sets forth information concerning outstanding equity awards for our named executive officers at December 31, 2009. Option awards were granted for ten-year terms, ending on the option expiration date set forth in the table. Stock awards were granted as indicated in the footnotes to the table.

Outstanding Equity Awards as of December 31, 2009(1)

Name	Grant Date	Option Awards(2)(3)				Stock Awards			
		Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)(4)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(5)	Market Value of Shares or Units of Stock That Have Not Vested(6)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(7)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested(8)
Thomas J. Falk	4/29/09	0	201,572	49.61	4/29/19				
	2/26/09							177,298(9)	11,295,656
	4/23/08	62,509	145,857	63.99	4/23/18				
	4/23/08							83,346	5,309,974
	4/25/07	86,254	57,504	71.88	4/25/17				
	4/25/07					35,940	2,289,737		
	4/25/07							35,940	2,289,737
	4/26/06	175,946	0	58.73	4/26/16				
	4/26/06					29,325	1,868,296		
	4/28/05	167,776	0	61.59	4/28/15				
	4/28/05					13,982	890,793		
	4/28/04	122,031	0	63.14	4/28/14				
	2/18/02	305,077	0	59.97	2/17/12				
	2/22/01	228,807(10)	0	68.59	2/21/11				
Mark A. Buthman	4/29/09	0	47,873	49.61	4/29/19				
	2/26/09							42,108(9)	2,682,701
	4/23/08	14,846	34,641	63.99	4/23/18				
	4/23/08							19,795	1,261,139
	4/25/07	17,807	11,872	71.88	4/25/17				
	4/25/07					7,420	472,728		
	4/25/07							7,420	472,278
	4/26/06	38,595	0	58.73	4/26/16				
	4/26/06					6,433	409,846		
	4/28/05	36,803	0	61.59	4/28/15				
	4/28/05					3,067	195,399		
	4/28/04	24,558	0	63.14	4/28/14				
	2/17/03	41,523	0	43.80	2/16/13				
	2/18/02	40,677	0	59.97	2/17/12				
	2/22/01	30,507	0	68.59	2/21/11				
Robert E. Abernathy	4/29/09	0	63,381	49.61	4/29/19				
	2/26/09							56,145(9)	3,576,998
	4/23/08	17,971	41,934	63.99	4/23/18				
	4/23/08							23,962	1,526,619
	4/25/07	21,146	14,098	71.88	4/25/17				
	4/25/07					8,602	548,033		
	4/25/07							8,811	561,349
	4/26/06	45,406	0	58.73	4/26/16				
	4/26/06					7,388	470,689		
	4/28/05	37,885	0	61.59	4/28/15				
	4/28/05					3,082	196,354		
	4/28/04	28,473	0	63.14	4/28/14				
	2/17/03	91,523	0	43.80	2/16/13				
	2/18/02	101,692	0	59.97	2/17/12				
	2/22/01	61,014	0	68.59	2/21/11				

Name	Grant Date	Option Awards(2)(3)				Stock Awards			
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)(4)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(5)	Market Value of Shares or Units of Stock That Have Not Vested(6)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(7)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested(8)
Robert W. Black	4/29/09	0	37,795	49.61	4/29/19				
	2/26/09							33,244(9)	2,117,975
	4/23/08	11,720	27,349	63.99	4/23/18				
	4/23/08							15,627	995,596
	4/25/07	11,129	7,420	71.88	4/25/17				
	4/25/07					4,637	295,423		
	4/25/07							4,637	295,423
	4/26/06	36,325	0	58.73	4/26/16				
	4/26/06(11)					3,857(12)	245,729		
	4/26/06					3,784	241,079		
Anthony J. Palmer	4/29/09	0	27,716	49.61	4/29/19				
	2/26/09							24,378(9)	1,553,122
	4/23/08	8,595	20,055	63.99	4/23/18				
	4/23/08							11,460	730,117
	4/25/07	11,129	7,420	71.88	4/25/17				
	4/25/07					4,637	295,423		
	4/25/07							4,637	295,423
	1/31/07	6,916	4,611	69.40	1/31/17				
	1/31/07(13)					5,464(12)	348,111		

- (1) The amounts shown reflect outstanding equity awards granted under the 1992 Equity Participation Plan (the “1992 Plan”) or the 2001 Plan (together, the “Equity Plans”). Under the Equity Plans, an executive officer may receive awards of stock options, restricted stock or restricted share units, or a combination of stock options, restricted stock and restricted share units. Only stock option awards are currently outstanding under the 1992 Plan. Stock options, time-vested restricted share unit and performance-based restricted share unit awards are currently outstanding for the named executive officers under the 2001 Plan.
- (2) Number and exercise price of stock options granted prior to December 1, 2004 include mandatory adjustments to reflect the change in capitalization due to the Neenah Paper, Inc. spin-off.
- (3) Stock options granted under the Equity Plans become exercisable in three annual installments of 30 percent, 30 percent and 40 percent, beginning the first anniversary of the grant date; provided that all of the options become exercisable for three years upon death or total and permanent disability and for five years upon retirement of the officer. In addition, options generally become exercisable upon a termination of employment following a change in control, and options granted to the named executive officers are subject to our Executive Severance Plan. See “Potential Payments on Termination or Change in Control.” The options may be transferred by the officers to family members or certain entities in which family members have interests.
- (4) The Equity Plans provide that the option price per share shall be no less than 100 percent of the closing price per share of our common stock on the date of grant.
- (5) The amounts shown represent awards of time-vested restricted share units granted to the named executive officers in April 2005, 2006 and 2007, as indicated. Subject to accelerated vesting as described in “Potential Payments on Termination or Change in Control,” time-vested restricted share unit awards vest in one-third increments, beginning on the third anniversary of the grant date (except as provided in footnotes (11) and (13) below). Dividend equivalents on these units are paid in cash on the number of restricted share units at the same rate and on the same day as dividends are paid to all our stockholders (except as provided in footnote (12) below).
- (6) The values shown in this column are based on the closing price of our common stock on December 31, 2009 of \$63.71 per share.

- (7) The amounts shown represent awards of performance-based restricted share units granted to the named executive officers in April 2007 and 2008 and February 2009. Subject to accelerated vesting as described in "Potential Payments on Termination or Change in Control," performance-based restricted share unit awards granted in 2007 and 2008 vest on April 25, 2010 and April 23, 2011, respectively, in a range from zero to 150 percent of the target levels indicated based on the achievement of specific performance goals, and performance-based restricted share unit awards granted in 2009 vest on February 26, 2012 in a range from zero to 200 percent of the target levels indicated based on the achievement of specific performance goals. Based on the current vesting pace of these awards, the amounts shown represent target levels for the 2007 and 2008 grants and the maximum level for the 2009 grant. See "Discussion of Summary Compensation and Plan-Based Awards Tables." For performance-based restricted share units granted prior to 2009, dividend equivalents are paid in cash on the target number of restricted share units at the same rate paid and on the same day as dividends are paid to all our stockholders. Dividend equivalents are no longer paid on unvested performance-based restricted share units granted to the named executive officers as of February 2009 and thereafter; instead, dividend equivalents on these units are accumulated and will be paid in additional shares after the performance-based restricted share units vest, based on the actual number of shares that vest.
- (8) The values shown in this column are based on the target level of performance-based restricted share units (or, for the February 2009 grant, the maximum level as described in footnote (7) above) and the closing price of our common stock on December 31, 2009 of \$63.71 per share.
- (9) Includes the following amount of dividend equivalents on performance-based restricted share units granted to the named executive officers in February 2009, based on the maximum level for the grant: 5,844 for Mr. Falk; 1,388 for Mr. Buthman; 1,850 for Mr. Abernathy; 1,095 for Mr. Black and 803 for Mr. Palmer.
- (10) Includes 33,775 options transferred to TKM, Ltd., a family partnership established by Mr. Falk and his spouse.
- (11) Under the terms of Mr. Black's letter agreement, these time-vested restricted share units, granted as part of his signing bonus, vest on April 26, 2011.
- (12) Includes the following amount of dividend equivalents on time-vested restricted share units granted as part of Mr. Black's or Mr. Palmer's signing bonus, as applicable, that are reinvested in additional restricted share units: 452 for Mr. Black and 1,464 for Mr. Palmer.
- (13) Under the terms of Mr. Palmer's letter agreement, these time-vested restricted share units, granted as part of his signing bonus, vested on January 31, 2010.
-

Option Exercises and Stock Vested

The following table sets forth information concerning stock options exercised and stock awards vested during 2009 for our named executive officers.

Option Exercises and Stock Vested in 2009

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise(#)	Value Realized on Exercise\$(1)	Number of Shares Acquired on Vesting(#)	Value Realized on Vesting\$(2)
Thomas J. Falk	610,154(3)	10,178,274	55,173	2,735,058
Mark A. Buthman	78,778	951,865	11,862	587,963
Robert E. Abernathy	71,184	722,696	13,909(4)	696,899
Robert W. Black	0	0	3,595	177,269
Anthony J. Palmer	0	0	5,000	257,350

- (1) The dollar amount reflects the total pre-tax value realized by the named executive officers (number of shares exercised times the difference between the closing price of our common stock on the exercise date and the exercise price). It is not the grant date fair value disclosed in other locations in this proxy statement. Value from these option exercises was only realized to the extent our stock price increased relative to the stock price at grant (the exercise price).
- (2) The dollar amount reflects the final pre-tax value received by the named executive officers upon the vesting of time-vested restricted share units or performance-based restricted share units (number of shares vested times the closing price of our common stock on the vesting date). It is not the grant date fair value disclosed in other locations in this proxy statement.
- (3) Includes 61,015 options exercised by TKM, Ltd.
- (4) Includes 464 time-vested restricted share units that were vested and withheld to cover Mr. Abernathy's applicable tax withholding obligations arising when these time-vested restricted share units became non-forfeitable. The underlying time-vested restricted share units became non-forfeitable when Mr. Abernathy turned age 55.

Pension Benefits

The following table sets forth information as of December 31, 2009 concerning potential payments to our named executive officers under our pension plan and supplemental pension plans. Information about these plans follows the table.

2009 Pension Benefits

Name(1)	Plan Name	Number of Years Credited Service(#)	Present Value of Accumulated Benefit(\$)
Thomas J. Falk	Pension Plan	26.5	607,730
	Supplemental Pension Plans	26.5	10,460,102
Mark A. Buthman	Pension Plan	15.2(2)	304,184
	Supplemental Pension Plans	15.2	1,617,728
Robert E. Abernathy(3)	Pension Plan	28.0	792,549
	Supplemental Pension Plans	28.0	4,363,141

- (1) Because Messrs. Black and Palmer joined the Corporation after January 1, 1997, they are not eligible to participate in our defined benefit pension plans.

- (2) Mr. Buthman has 27.6 years of actual service. As described under “Nonqualified Deferred Compensation,” in 1997 he elected to participate in our defined contribution plans instead of accruing additional years of service under our defined benefit pension plans. This election reduces his benefits under our defined benefit pension plans and increases his benefits under our defined contribution plans, in accordance with the terms of those plans.
- (3) Mr. Abernathy is currently eligible for early retirement under the plans and would be eligible to receive the reduced benefits described in the table below.

Employees who joined the Corporation prior to January 1, 1997 (and who have not elected to participate in our Retirement Contribution Plan), including Messrs. Falk and Abernathy, are eligible to participate in our pension plans, which provide benefits based on years of service and pay (annual cash compensation), integrated with social security benefits. Our pension plans are comprised of the Kimberly-Clark Pension Plan and the Supplemental Benefit Plans.

We stopped accruing compensation and benefit service under our pension plans for most of our U.S. employees, including our named executive officers, for plan years after 2009. These changes will not affect benefits earned by participants prior to January 1, 2010.

The following is an overview of these plans, which are applicable to our executives and active employees based in the U.S. who joined the Corporation prior to January 1, 1997 (and who have not opted out of the plans).

	<u>Pension Plan</u>	<u>Supplemental Pension Plans</u>
Reason for Plan	Provide eligible participants with a competitive level of retirement benefits based on pay and years of service	Provide eligible participants with benefits as are necessary to fulfill the intent of the pension plan without regard to limitations imposed by the Internal Revenue Code
Eligible Participants	Salaried employees who joined the Corporation prior to January 1, 1997	Salaried employees impacted by limitations imposed by the Internal Revenue Code on payments under the pension plan
Payment Form	<p>Normal benefit:</p> <ul style="list-style-type: none"> Single-life annuity payable monthly <p>Other optional forms of benefit are available, including a joint and survivor benefit</p>	<p>Accrued benefits prior to 2005:</p> <ul style="list-style-type: none"> Monthly payments or a lump sum after age 55 <p>Accrued benefits for 2005 and after:</p> <ul style="list-style-type: none"> Lump sum six months after termination of employment
Retirement Eligibility	<p>Full unreduced benefit:</p> <ul style="list-style-type: none"> Normal retirement age of 65 Age 62 with 10 years of service Age 60 with 30 years of service Disability retirement <p>Reduced benefit:</p> <ul style="list-style-type: none"> Age 55 with five years of service. The amount of the benefit is reduced according to the number of years the participant retires before the age he or she is eligible for a full, unreduced benefit. The amount of the reduction is based on age and years of vesting service 	
Benefits Payable	Depends on the participant's years of service under our plan and monthly average earnings over the last 60 months of service or, if higher, the monthly average earnings for the five calendar years in their last fifteen years of service for which earnings were the highest	
Benefit Formula for Salaried Employees (As of December 31, 2009) (Payable in the form of a single life annuity)	$\text{Unreduced monthly benefit} = 1/12 \text{ of } ((1.125\% \times \text{final average annual earnings (up to } 2/3 \text{ of the Social Security Taxable Wage Base)}) + (1.425\% \times \text{final average annual earnings (in excess of } 2/3 \text{ of the Social Security Taxable Wage Base up to Taxable Wage Base)}) + (1.5\% \times \text{final average annual earnings (over the Social Security Taxable Wage Base)}))$	

	<u>Pension Plan</u>	<u>Supplemental Pension Plans</u>
Pensionable Earnings	Annual cash compensation. Long-term equity compensation is not included	
Change in control or reduction in our long-term credit rating (below investment grade)	Not applicable	Participants have the option of receiving the present value of their accrued benefits prior to 2005 in the supplemental pension plans in a lump sum, reduced by 10 percent and 5 percent for active and former employees, respectively

The estimated actuarial present value of the retirement benefits accrued through December 31, 2009 appears in the 2009 Pension Benefits table. For purposes of determining the present value of accumulated benefits, we have used the potential earlier retirement ages as described above rather than the normal retirement age under the plans, which is 65. For a discussion of how we value these obligations and the assumptions we use in that valuation, see Note 10 to our audited consolidated financial statements included in our 2009 Annual Report on Form 10-K. The calculation of actuarial present value generally is consistent with the methodology and assumptions outlined in our audited consolidated financial statements, except that benefits are reflected as payable as of the date the executive is first entitled to full unreduced benefits (as opposed to the assumed retirement date) and without consideration of pre-retirement mortality. Present values were calculated using projected mortality. With respect to the supplemental pension plans, the amount of the earlier retirement age lump sum benefit was determined using an approximate 30-year Treasury Bond rate of 4.50%, consistent with the methodology used for purposes of our consolidated financial statements; any actual lump sum benefit would be calculated using the 30-year Treasury Bond rate in effect as of the beginning of the month prior to termination. Present value amounts were determined based on the financial accounting discount rate for United States pension plans of 6.00% as of December 31, 2009.

The actuarial increase in 2009 of the projected retirement benefits can be found in the Summary Compensation Table under the heading “Change in Pension Value and Nonqualified Deferred Compensation Earnings” (all amounts reported under that heading represent actuarial increases in our pension plans). No payments were made to the named executive officers listed above under our pension plans during 2009. For participants in the pension plans, the number of years of credited service disclosed in the table equals an executive’s length of service with Kimberly-Clark, except for Mr. Buthman as described in footnote (2) to the table above. Beginning in 2010, the number of years of credited service will be frozen at the amounts set forth in the table above, as a result of our ceasing accruing compensation and benefit service under the plans.

While the supplemental pension plans remain unfunded, in 1994 the Board approved the establishment of a trust and authorized us to make contributions to this trust in order to provide a source of funds to assist us in meeting our liabilities under our supplemental defined benefit plans. For additional information regarding these plans, see “Compensation Discussion and Analysis — Retirement Benefits.”

Nonqualified Deferred Compensation

The following table sets forth information concerning nonqualified defined contribution and deferred compensation plans for our named executive officers during 2009.

2009 Nonqualified Deferred Compensation

Name	Company Contributions in 2009\$(1)	Aggregate Earnings in 2009\$(2)	Aggregate Balance at December 31, 2009\$(3)
Thomas J. Falk	0	180,869	1,755,464
Mark A. Buthman	58,895	27,629	381,666
Robert E. Abernathy	0	2,728	12,478
Robert W. Black	72,648	54,061	233,896
Anthony J. Palmer	44,529	9,871	165,708

- (1) Consist solely of contributions by the Corporation under the supplemental Retirement Contribution Program. These amounts are included in the Summary Compensation Table and represent a portion of the Defined Contribution Plan Payments included in All Other Compensation.
- (2) The amounts in this column show the changes in the aggregate account balance for our named executive officers during 2009 that are not attributable to company contributions. There were no withdrawals by or distributions to our named executive officers during 2009. Aggregate earnings are not included in the Summary Compensation Table because the earnings are not above-market or preferential.
- (3) Balance includes contributions by the Corporation under the supplemental Retirement Contribution Program (i) for Mr. Buthman of \$86,205 and \$56,939 in 2008 and 2007, respectively, (ii) for Mr. Black of \$70,254 and \$51,750 in 2008 and 2007, respectively, and (iii) for Mr. Palmer of \$62,839 in 2008, that are reported in the Summary Compensation Table as a portion of All Other Compensation for those years.

Amounts shown for Messrs. Falk and Abernathy represent compensation deferred in prior years under our Deferred Compensation Plan and accumulated earnings. Effective in 2005, no further amounts may be deferred under this plan. Participants in the Deferred Compensation Plan may elect to have deferrals credited with yields equal to those earned on any of a subset of funds available in the Incentive Investment Plan or 401(k) Profit Sharing Plan, as applicable. Generally, benefits are payable under the Deferred Compensation Plan in accordance with the participant's election in a lump sum or in quarterly installments over a period between two and 20 years. If a participant ceases his or her employment (other than as a result of a total and permanent disability or death or on or after age 55 with five or more years of service), the account balance is paid in a lump sum. In the event of a change in control or a reduction in our long-term credit rating (below investment grade), currently-employed participants have the option to elect an immediate lump-sum payment of their account balance, less a 10 percent penalty.

The amounts shown for Messrs. Buthman, Black and Palmer reflect 2009 contributions by the Corporation, earnings and year-end balance for their respective accounts under the supplemental Retirement Contribution Program. In 1997, pursuant to a broad-based election offered to certain employees, Mr. Buthman elected to no longer accrue any additional years of benefit service under our defined benefit pension plans and instead to participate in the Retirement Contribution Plan.

Overview of Qualified and Non-Qualified Plans. The following is an overview of our qualified and non-qualified plans that we offered to our named executive officers as of December 31, 2009. As discussed following the table below, we have discontinued all contributions to our qualified plans and all accruals to the supplemental Retirement Contribution Program for plan years after 2009.

	<u>Incentive Investment Plan</u>	<u>Retirement Contribution Plan</u>	<u>Supplemental Retirement Contribution Program</u>
Purpose	To assist employees in saving for retirement (401(k) plan)	To assist employees in saving for retirement	To provide benefits to the extent necessary to fulfill the intent of the Retirement Contribution Plan without regard to the limitations imposed by the Internal Revenue Code on qualified defined contribution plans
Eligible participants	Most employees	Most employees	Salaried employees impacted by limitations imposed by the Internal Revenue Code on the Retirement Contribution Plan
Was the plan qualified under the Internal Revenue Code?	Yes	Yes	No
Could employees make contributions?	Yes	No	No
Did we make contributions or match employee contributions?	We matched the first 2% of employee contributions at 75% and the next 3% of employee contributions at 50%. Our maximum contribution was \$7,350 in 2009	We contributed from 3.5% to 8.75% of the employee's salary, depending on compensation level and age. See the Retirement Contribution Schedule below	We provided credit to the extent contributions to the Retirement Contribution Plan were limited by the Internal Revenue Code
When did our contributions vest?	Our contributions under these plans generally vested once the participant completed at least three years of service		
How were contributions invested?	Contributions were invested in certain designated investment options selected by the participant		
When were account balances distributed?	Distributions of the participant's vested account balance are only available after termination of employment. Loans, hardship and certain other withdrawals are allowed prior to termination of employment for certain vested amounts under the Incentive Investment Plan		

Under the Retirement Contribution Plan, we provided monthly contributions to a retirement contribution account based on the participant's age and eligible earnings, as shown in the following schedule:

Retirement Contribution Schedule

Age (At Plan Year End)	Percent of Base Earnings(1)	Percent of Excess Earnings(2)
Under 25	3.50%	5.75%
25 - 29	3.75%	6.00%
30 - 34	4.00%	6.25%
35 - 39	4.25%	6.50%
40 - 44	4.50%	6.75%
45 - 49	5.25%	7.50%
50 - 54	6.00%	8.25%
55 and over	6.50%	8.75%

- (1) "Base Earnings" are the amount of eligible earnings, up to two-thirds of the taxable wages of an employee used for purposes of calculating the non-Medicare portion of FICA taxes. Eligible earnings include salary, bonus and incentive compensation.
- (2) "Excess Earnings" are the amount of eligible earnings above Base Earnings.

We discontinued all contributions and accruals to the Retirement Contribution Plan and the Incentive Investment Plan, and modified the accruals for the supplemental Retirement Contribution Program, for plan years after 2009 for most of our U.S. employees, including our named executive officers. Effective January 1, 2010, we adopted the 401(k) Profit Sharing Plan, a new 401(k) profit sharing plan to provide for a matching contribution of 100 percent of a U.S. employee's contributions to the plans, to a yearly maximum of four percent of eligible compensation, as well as a discretionary profit sharing contribution, in which contributions will be based on our profit performance. Also effective January 1, 2010, the supplemental Retirement Contribution Program was amended to become the Supplemental 401(k) Plan and to provide benefits to the extent necessary to fulfill the intent of the 401(k) Profit Sharing Plan without regard to the limitations imposed by the Internal Revenue Code on qualified defined contribution plans. Most U.S. employees' investment balances, including those of our named executive officers, in the Incentive Investment Plan and Retirement Contribution Plan were transferred to the new 401(k) Profit Sharing Plan.

Potential Payments on Termination or Change in Control

Our named executive officers are eligible to receive certain benefits in the event of termination of employment, including following a change in control. This section describes various termination scenarios as well as the payments and benefits payable under those scenarios.

Severance Benefits

We maintain several severance plans for our executive officers, depending on the circumstances that result in their termination. Those plans include the Executive Severance Plan, which is applicable when an executive officer is terminated following a change in control, and the Severance Pay Plan, which is applicable in the event of certain other involuntary terminations. An executive officer may not receive severance benefits under more than one of the plans described below.

Executive Severance Plan. We have agreements under our Executive Severance Plan with each named executive officer. The agreements provide that, in the event of a "Qualified Termination of

Employment” (as described below), the participant will receive a cash payment in an amount equal to the sum of:

- Two times the sum of annual base salary and the average annual incentive award for the three prior fiscal years,
- The value of any forfeited awards, based on the closing price of our common stock at the date of the participant’s separation from service, of restricted stock, time-vested restricted share units, performance-based restricted share units granted before 2010 (at the greater of target or the attainment of the performance goal as of the end of the prior year), and certain unvested incentive stock options,
- The value of each forfeited grant of performance-based restricted share units granted after January 1, 2009, based on the average annual dollar amount paid to the participant for the three prior fiscal years for performance-based restricted share units,
- The value of any forfeited benefits under the new 401(k) Profit Sharing Plan and Supplemental 401(k) Plan,
- The value of the employer match and assumed 3 percent profit sharing contribution the named executive officer would have received if he had remained employed an additional two years under the new 401(k) Profit Sharing Plan and Supplemental 401(k) Plan, and
- Two years of COBRA premiums for medical and dental coverage.

In addition, nonqualified stock options and certain incentive stock options will vest and be exercisable within the earlier of five years from the participant’s termination or the remaining term of the option.

Under the terms of the agreements, in certain circumstances, if the named executive officer incurs excise tax due to the application of Section 280G of the Internal Revenue Code, the named executive officer would be entitled to an additional cash payment so that the participant will be in the same position as if the excise tax were not applicable.

A “Qualified Termination of Employment” is a separation of service within two years following a change of control of the Corporation (as defined in the Plan) either involuntarily without cause or by the participant with good reason. In addition, any involuntary separation of service without cause within one year before a change of control will also be determined to be a Qualified Termination of Employment if it is in connection with, or in anticipation of, a change of control.

The Board has determined the eligibility criteria for participation in the Plan. The Committee amended the Plan and the related agreement on November 17, 2009 to provide that (i) participants receive two times the average annual incentive award for the three prior fiscal years, rather than two times the target incentive award for that fiscal year, and (ii) participants receive payouts for forfeited awards of performance-based restricted share units (with a performance period starting after January 1, 2009) based on the average dollar amount paid to the participant for the three prior fiscal years for performance-based restricted share units, in order to comply with recent rulings regarding the tax deductibility of these payments. In addition, the Committee amended the Plan and agreements to eliminate benefits under the Plan related to the Corporation’s pension plans, supplemental pension plans, the Retirement Contribution Plan and the supplemental Retirement Contribution Program and to provide the benefits described above related to the new 401(k) Profit Sharing Plan and Supplemental 401(k) Plan.

These amendments did not extend the date our current agreements with each of our named executive officers expire, which is December 31, 2011, unless extended by the Board.

Each named executive officer’s agreement under the Executive Severance Plan provides that the executive will retain in confidence any confidential information known to the executive concerning the Corporation and its business so long as such information is not publicly disclosed.

Severance Pay Plan. Our Severance Pay Plan generally provides eligible employees (including our named executive officers) severance payments and benefits in the event of certain involuntary terminations. Under the Severance Pay Plan, a named executive officer (employed for at least one year) whose employment is involuntarily terminated would receive:

- Two times the sum of annual base salary and the average annual incentive award for the three prior fiscal years,
- If the termination occurs after March 31, the pro-rated current year annual incentive award based on actual performance,
- Six months of COBRA premiums for medical and dental coverage, and
- Six months of outplacement services and three months of participation in the employee assistance program.

If the named executive officer's employment is involuntarily terminated within the first 12 months of employment, the Severance Pay Plan provides that the named executive officer would receive three months' base salary.

Severance pay under the Severance Pay Plan will not be paid to any participant who is terminated for cause (as defined under the plan), is terminated during a period in which the participant is not actively at work for more than 25 weeks (except to the extent otherwise required by law), voluntarily quits or retires, dies or is offered a comparable position (as defined under the plan).

A named executive officer must execute a full and final release of claims against us within a specified period of time following termination to receive severance benefits under our severance pay plans. Under the amended Severance Pay Plan, if the release has been timely executed, severance benefits are payable as a lump sum cash payment no later than 60 days following the participant's termination date. Any current year annual incentive award that is payable under the amended Severance Pay Plan will be paid at the same time as it was payable under the Executive Officer Achievement Award Program, but no later than 60 days following the calendar year of the separation from service.

The Committee amended the Severance Pay Plan on November 17, 2009 to provide that participants receive two times the average annual incentive award for the three prior fiscal years, rather than two times the target incentive award for that fiscal year, in order to comply with recent rulings regarding the tax deductibility of these payments.

Letter Agreement with Mr. Black. In its offer letter to Mr. Black, which was effective April 10, 2006, the Corporation has agreed to provide additional severance protection for him. If his employment is involuntarily terminated by the Corporation for any reason other than for "cause" (as described below), or by him for "good reason" (as described below), during the first five years of his employment, he will be entitled to receive a lump sum severance amount equal to:

- One year's base salary plus target annual incentive,
- The current value of unvested restricted share units and unvested stock options granted as a signing bonus (including unvested restricted share units accrued due to dividend reinvestment),
- Pro-rata portion of the target annual incentive, and
- Any accrued but unpaid prior year annual incentive bonus (if the termination is after the end of the calendar year but before payment of the annual incentive bonus).

In the letter agreement, "cause," means (1) habitual neglect of duty or misconduct in discharging Mr. Black's duties, (2) excessive, unexcused and statutorily unprotected absenteeism, (3) failure or refusal to comply with any lawful Corporation rule or policy, including those rules set forth in our Code of Conduct, provided the rule or policy is meaningful and substantive or the failure or refusal to comply detrimentally harms the Corporation's business, (4) engaging in disloyal, dishonest or illegal conduct relating to the Corporation's business, (5) engaging in theft, fraud, embezzlement or other criminal activity involving the

parties' employment relationship or (6) otherwise engaging in improper conduct that the Corporation reasonably determines to be meaningfully detrimental to its business.

In the letter agreement, "good reason" means (1) a material reduction in Mr. Black's title or responsibilities that would ordinarily result in a reduction in pay, or (2) a failure by the Corporation to make a payment or grant to him as provided for in the letter agreement, unless the Corporation cures either of these items within 30 days after he provides notice.

To receive this severance benefit, Mr. Black must execute the Corporation's standard release agreement. This benefit is in lieu of any benefit he would be entitled to under our severance pay plans. If the benefit under these plans is greater than the benefit under the letter agreement, he may elect to receive the other benefit in lieu of the benefit under the letter agreement.

Letter Agreement with Mr. Palmer. In its offer letter to Mr. Palmer, which was effective October 2, 2006, the Corporation has agreed to provide additional severance protection for him. If his employment is involuntarily terminated by the Corporation for any reason other than for "cause" (as described below), or by him for "good reason" (as described below), during the first five years of his employment:

- He will be entitled to receive a lump sum severance amount equal to one year's base salary plus target annual incentive, payable on the first day of the seventh month following the date of his separation from service, and
- His unvested restricted share units granted as his signing bonus will vest and be paid, in common stock, payable in conjunction with his severance benefit.

In addition, if his termination is after the end of the calendar year but before payment of the annual incentive bonus, he will also receive any accrued but unpaid prior year annual incentive bonus.

In the letter agreement, "cause," means (1) habitual neglect of duty or misconduct in discharging Mr. Palmer's duties, (2) excessive, unexcused and statutorily unprotected absenteeism, (3) failure or refusal to comply with any lawful Corporation rule or policy, including those rules set forth in our Code of Conduct, provided the rule or policy is meaningful and substantive or the failure or refusal to comply detrimentally harms the Corporation's business, (4) engaging in disloyal, dishonest or illegal conduct relating to the Corporation's business, (5) engaging in theft, fraud, embezzlement or other criminal activity involving the parties' employment relationship or (6) otherwise engaging in improper conduct that the Corporation reasonably determines to be meaningfully detrimental to its business.

In the letter agreement, "good reason" means (1) a material reduction in Mr. Palmer's title or responsibilities that would ordinarily result in a reduction in pay, or (2) a failure by the Corporation to make a payment or grant to Mr. Palmer as provided for in the letter agreement, provided that he provides the Corporation 30 days notice of the reduction or failure by the Corporation and the Corporation has not cured the reduction or failure within 30 days after he provides notice.

To receive this severance benefit, Mr. Palmer must execute the Corporation's standard release agreement. This benefit is in lieu of any benefit he would be entitled to under our severance pay plans. If the benefit under these plans is greater than the benefit under the letter agreement, he may elect to receive the other benefit in lieu of the benefit under the letter agreement.

2001 Plan. In the event of a "Qualified Termination of Employment" (as described below) of a participant in the 2001 Plan in connection with a change of control, all of the participant's options, restricted stock and restricted share units would become fully vested (with any restricted stock or performance-based restricted share units vesting as described below). Unless otherwise governed by another applicable plan or agreement, such as the terms of the Executive Severance Plan, options in this event would be exercisable for the lesser of three months or the remaining term of the option. If any amounts payable under the 2001 Plan constitute a parachute payment under Section 280G of the Internal Revenue Code, the 2001 Plan provides that the amounts will be reduced to the extent necessary to provide the participant with the greatest aggregate net after tax receipt. A "Qualified Termination of Employment" is a termination of the participant's employment within two years following a change of control of the

Corporation (as defined in the 2001 Plan), unless the termination is by reason of death or disability or unless the termination is by the Corporation for cause or by the participant without good reason.

The Committee amended the 2001 Plan on November 17, 2009 to provide that, in connection with a Qualified Termination of Employment, restricted stock or performance-based restricted share units vest at the greater of the average incentive awards for the three prior fiscal years or the number of shares that would have vested based on the attainment of the applicable performance goal as of the end of the prior calendar year.

The 2001 Plan provides that, if pending a change of control, the Committee determines that the Corporation's common stock will cease to exist without an adequate replacement security that preserves the economic rights and positions of the participants in the 2001 Plan, then all stock options (other than incentive stock options) will become exercisable, and the restrictions on all restricted stock will lapse and the restricted share units will vest. Each of these events would be deemed to occur immediately prior to the consummation of the change of control, in a manner deemed fair and equitable by the Committee.

In the event of a termination of employment of a participant in the 2001 Plan, other than a qualified termination of employment, death, total and permanent disability or retirement of the participant, the participant will forfeit all unvested restricted stock and restricted share units, and any stock options held by the participant will be exercisable for the lesser of three months or the remaining term of the option.

Retirement, Death and Disability

Retirement. In the event of retirement (separation from service after age 55), our named executive officers are entitled to receive:

- Benefits payable under our pension plans for eligible participants (if the participant has at least five years of vesting service) (see "Pension Benefits" for additional information),
- Their account balance, if any, under the Retirement Contribution Plan and supplemental Retirement Contribution Program (if the participant has at least three years of vesting service),
- Their unvested employer contributions, if any, to the Incentive Investment Plan,
- Their account balance, if any, under the Deferred Compensation Plan,
- After December 31, 2009, their account balance under the Supplemental 401(k) Plan (if the participant has at least two years of vesting service),
- After December 31, 2009, their account balance under the 401(k) Profit Sharing Plan, including any unvested employer contributions,
- Accelerated vesting of unvested stock options, and the options will be exercisable until the earlier of five years or the remaining term of the options,
- For units granted before 2008 and outstanding more than six months after the date of grant, time-vested restricted share units will be payable in full at the end of the restricted period,
- For units outstanding more than six months after the date of grant, performance-based restricted share units will be payable based on attainment of the performance goal at the end of the restricted period,
- Annual incentive award payment under the Executive Officer Achievement Award Program as determined by the Committee in its discretion,
- For participants with at least fifteen years of vesting service and who joined the Corporation before January 1, 2004, retiree medical credits based on number of years of vesting service (up to a maximum of \$104,500 in credits), and
- For participants with at least fifteen years of vesting service, continuing group life coverage.

Death. In the event of death while an active employee, the following benefits are payable:

- 50 percent of the benefits under our pension plans for eligible participants, not reduced for early payment (if the participant has at least five years of vesting service) (see “Pension Benefits” for additional information), payable under the terms of the plans to the participant’s spouse or minor children,
- Their account balance, if any, under the Retirement Contribution Plan and supplemental Retirement Contribution Program,
- Their unvested employer contributions, if any, to the Incentive Investment Plan,
- Their account balance, if any, under the Deferred Compensation Plan,
- After December 31, 2009, their account balance under the Supplemental 401(k) Plan,
- After December 31, 2009, their account balance under the 401(k) Profit Sharing Plan, including any unvested employer contributions,
- Accelerated vesting of unvested stock options, and the options will be exercisable until the earlier of three years or the remaining term of the options,
- For units outstanding more than six months after the date of grant, time-vested restricted share units will be vested pro rata, based on the number of full months of employment during the restricted period prior to the participant’s termination of employment, payable within 90 days following the end of the restricted period,
- For units outstanding more than six months after the date of grant, performance-based restricted share units will be vested pro rata, based on attainment of the performance goal at the end of the restricted period, payable within 70 days following the end of the restricted period,
- Annual incentive award payment under the Executive Officer Achievement Award Program as determined by the Committee in its discretion, and
- Payment of benefits under the Corporation’s group life insurance plan (which is available to all salaried employees in the U.S.) equal to the participant’s annual pay, up to \$1 million (plus any additional coverage of two, three or four times the participant’s annual pay, up to \$1 million, purchased by the participant at group rates).

Disability. In the event of a separation of service due to a total and permanent disability, as defined in the applicable plan, our named executive officers are entitled to receive:

- Benefits payable under our pension plans for eligible participants, not reduced for early payment, if the participant has at least five years of vesting service (see “Pension Benefits” for additional information),
- Up to an additional 12 months of vesting service (but not contributions) from the date of separation of service under, as applicable, (i) the Incentive Investment Plan, the Retirement Contribution Plan and the supplemental Retirement Contribution Program or (ii) the 401(k) Profit Sharing Plan and Supplemental 401(k) Plan,
- Their account balance, if any, under the Deferred Compensation Plan,
- Accelerated vesting of unvested stock options, and the options will be exercisable until the earlier of three years or the remaining term of the options,
- For units outstanding more than six months after the date of grant, time-vested restricted share units will be vested pro rata, based on the number of full months of employment during the restricted period prior to the participant’s termination of employment, payable within 90 days following the end of the restricted period,

- For units outstanding more than six months after the date of grant, performance-based restricted share units will be vested pro rata, based on attainment of the performance goal at the end of the restricted period, payable within 70 days following the end of the restricted period,
- Annual incentive award payment under the Executive Officer Achievement Award Program as determined by the Committee in its discretion,
- For participants with at least fifteen years of vesting service and who joined the Corporation before January 1, 2004, medical credits based on number of years of vesting service (up to a maximum of \$104,500 in credits),
- Continuing coverage under the Corporation's group life insurance plan (available to all U.S. salaried employees), with no requirement to make monthly contributions toward coverage during disability, and
- Payment of benefits under the Corporation's Long-Term Disability Plan (available to all U.S. salaried employees). Long-term disability under the plan would provide income protection of monthly base pay, ranging from a minimum monthly benefit of \$50 to a maximum monthly benefit of \$10,000. Benefits are reduced by the amount of any other Corporation- or government-provided income benefits received (but will not be lower than the minimum monthly benefit).

Potential Payments on Termination or Change in Control Table

The following table presents the approximate value of (i) the severance benefits for our named executive officers under the Executive Severance Plan (as amended November 17, 2009) had a Qualified Termination of Employment under that plan occurred on December 31, 2009; (ii) the severance benefits for our named executive officers under the Severance Pay Plan if an involuntary termination had occurred on December 31, 2009; (iii) the benefits that would have been payable on the death of our named executive officers on December 31, 2009; (iv) the benefits that would have been payable on the total and permanent disability of our named executive officers on December 31, 2009; and (v) the potential payments to Mr. Abernathy if he had retired on December 31, 2009. If applicable, amounts in the table were calculated using the closing price of our common stock on December 31, 2009 of \$63.71 per share.

The termination benefits provided to our executive officers upon their voluntary termination of employment do not discriminate in scope, terms or operation in favor of our executive officers compared to the benefits offered to all salaried employees, so those benefits are not included in the table below. Because none of our named executive officers, other than Mr. Abernathy, was eligible to retire as of December 31, 2009, potential payments assuming retirement on that date are not included for the other named executive officers.

The amounts presented in the table are in addition to amounts each named executive officer earned or accrued prior to termination, such as the officer's balances under our Deferred Compensation Plan, accrued retirement benefits (including accrued pension plan benefits), previously vested benefits under our qualified and non-qualified plans, previously vested options, restricted stock and restricted share units and accrued salary and vacation. For information about these previously earned and accrued amounts, see the "Summary Compensation Table," "Outstanding Equity Awards," "Option Exercises and Stock Vested," "Pension Benefits," and "Nonqualified Deferred Compensation."

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Name	Cash Payment(\$)	Equity with Accelerated Vesting(\$)	Additional Retirement Benefits(\$)	Continued Benefits and Other Amounts(\$)	Total(\$)
Thomas J. Falk					
Qualified Termination of Employment	8,480,699(1)	18,009,148(2)	395,963(3)	32,856(4)	26,918,666
Involuntary termination(5)	8,480,699	0	0	14,714(6)	8,495,413
Death	3,824,081(7)	14,932,235	0(8)	0	17,756,316
Disability	2,824,081(7)	14,932,235	10,105,558(9)	91,600(10)	27,953,484
Mark A. Buthman					
Qualified Termination of Employment	3,178,203(1)	4,020,270(2)	162,871(3)	2,255,781(4)	9,617,125
Involuntary termination(5)	3,178,203	0	0	14,714(6)	3,208,185
Death	1,511,480(7)	3,390,677	331,392(8)	0	5,233,549
Disability	851,480(7)	3,390,677	2,276,406(9)	95,900(10)	6,614,463
Robert E. Abernathy					
Qualified Termination of Employment	3,173,508(1)	4,785,727(2)	162,630(3)	32,856(4)	8,154,721
Involuntary termination(5)	3,173,508	0	0	14,714(6)	3,226,732
Death	850,219(7)	4,197,123	0(8)	0	5,047,342
Disability	850,219(7)	4,197,123	2,085,399(9)	95,900(10)	7,228,641
Retirement	850,219(1)	6,903,664	537,243	95,900(11)	8,387,026
Robert W. Black					
Qualified Termination of Employment	2,947,973(1)	2,690,135(2)	152,240(3)	2,263,837(4)	8,054,185
Involuntary termination(12)	2,947,973	0	0	14,714(6)	2,962,687
Death	773,109(7)	2,521,725	0	0	3,294,834
Disability	773,109(7)	2,521,725	0	0(10)	3,294,834
Anthony J. Palmer					
Qualified Termination of Employment	2,515,501(1)	2,353,456(2)	130,636(3)	1,582,447(4)	6,582,040
Involuntary termination(12)	2,515,501	0	0	14,714(6)	2,546,072
Death	1,649,268(7)	2,034,569	0	0	3,683,837
Disability	649,268(7)	2,034,569	0	0(10)	2,683,837

- (1) Assumes the Committee would approve full payment under the Executive Officer Achievement Award Program for 2009; actual amount that would be paid is determined by the Committee in its discretion.
- (2) Under the terms of the 2001 Plan, if the Committee were to determine that, pending a change in control, our common stock will cease to exist without an adequate replacement security, the payment of this amount would not be contingent upon the Qualified Termination of Employment of the named executive officer. This provision also applies to grants under the 2001 Plan to employees other than the named executive officers.
- (3) Includes the value of two additional years of employer contributions under the 401(k) Profit Sharing Plan and Supplemental 401(k) Plan, pursuant to the terms of the Executive Severance Plan as amended November 17, 2009.
- (4) Includes an amount equal to twenty-four months of COBRA medical and dental coverage with an estimated value of \$32,856, as well as an estimated additional cash payment to Messrs. Buthman,

Black and Palmer of \$2,222,925, \$2,230,981 and \$1,549,591, respectively, to place them in the same position as if the excise tax due to the application of Section 280G of the Internal Revenue Code were not applicable.

- (5) Benefits payable under the Severance Pay Plan. For Mr. Abernathy, does not include accelerated equity vesting that occurred when he became retirement eligible at age 55. See the benefits payable for Mr. Abernathy for retirement for the amount of this accelerated equity vesting.
- (6) Includes six months of COBRA medical coverage and outplacement services with an estimated value of \$8,214 and \$6,500, respectively.
- (7) For death, includes the payment of benefits under the Corporation's group life insurance plan (which is available to all U.S. salaried employees); Messrs. Abernathy and Black have opted out of this benefit. For death and disability, assumes the Committee would approve full payment under the Executive Officer Achievement Award Program for 2009; actual amount that would be paid is determined by the Committee in its discretion. For disability, does not include benefits payable under the Corporation's Long-Term Disability Plan (which is available to all U.S. salaried employees), the value of which would be dependent on the life span of the named executive officer and the value of any Corporation- or government-provided income benefits received.
- (8) For Mr. Buthman, includes the excess of the estimated actuarial present value of the pension benefits payable on death for each named executive officer through December 31, 2009 over the present value of the aggregate accumulated benefit set forth in the Pension Benefits table. For Messrs. Falk and Abernathy, the estimated actuarial present value of the pension benefits payable on death is less than the present value of the aggregate accumulated benefit set forth in the Pension Benefits table; as a result, no incremental benefit as a result of their death is included in the amount.
- (9) Includes the excess of the estimated actuarial present value of the retirement benefits payable on disability for the named executive officer through December 31, 2009 (assuming the named executive officer elects to receive a continuing benefit for his surviving spouse) over the present value of the aggregate accumulated benefit set forth in the Pension Benefits table.
- (10) Includes the value of retiree medical credits assuming total and permanent disability on December 31, 2009 of the named executive officers, other than Messrs. Black and Palmer. The named executive officers would also be eligible for continuing group life coverage assuming total and permanent disability on December 31, 2009, which benefit does not discriminate in scope, terms or operation in favor of our executive officers compared to the benefits offered to all U.S. salaried employees and is therefore not included in the table.
- (11) Includes the value of retiree medical credits assuming Mr. Abernathy's retirement on December 31, 2009. Mr. Abernathy would also be eligible for continuing group life coverage assuming total and permanent disability on December 31, 2009, which benefit does not discriminate in scope, terms or operation in favor of our named executive officers compared to the benefits offered to all U.S. salaried employees and is therefore not included in the table.
- (12) Benefits payable under the Severance Pay Plan, which are greater than amounts payable under the letter agreements with Messrs. Black and Palmer.

Analysis of Risks Arising from Design of Compensation Programs

The Committee, with the assistance of its independent consultant and the Corporation's consultant, has reviewed an assessment of our compensation programs for our employees, including our executive officers, to determine whether our compensation systems could encourage behavior that exacerbates business risks. Program design features that could have the potential to encourage unnecessary and excessive risks include unreasonably attainable performance targets, programs that differ substantially from those of our peers, unbalanced programs that overly rely on short-term incentives, incentive programs that are largely uncapped, and misalignment between program participants and stockholders.

Based on this assessment, the Committee believes that the design of our compensation programs, including our executive compensation program, does not encourage our executives or employees to take unnecessary and excessive risks and that the risks arising from these programs are not reasonably likely to have a material adverse effect on the Corporation. Several factors contributed to the Committee's conclusion, including:

- The performance targets for annual cash incentive programs are selected to ensure that they are reasonably attainable in a manner consistent with our Global Business Plan without encouraging executives or employees to take inappropriate risks.
- An analysis by the Corporation's consultant and the Committee's independent consultant indicated that our compensation programs are consistent with those of our peer groups. In addition, the target levels for direct annual compensation are compared to the median of our peer groups.
- The Committee believes the allocation among the components of direct annual compensation provides an appropriate balance between annual and long-term incentives and between fixed and performance-based compensation.
- Annual cash incentives and long-term performance-based restricted share unit awards under our executive compensation program are capped at 200 percent of the target award, and all other material non-executive cash incentive programs are capped at reasonable levels, which the Committee believes protects against disproportionately large incentives.
- The Committee believes the performance measures and the multi-year vesting features of the long-term equity incentive compensation component encourage participants to seek sustainable growth and value creation.
- The Committee believes inclusion of share-based compensation through the long-term equity incentive compensation component encourages appropriate decision-making that is aligned with the long-term interests of stockholders.
- The Committee believes the Corporation maintains a values-driven, ethics-based culture supported by a strong tone at the top.
- Our stock ownership guidelines further align management with stockholders and encourage management to consider our long-term interests.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, executive officers and any person owning more than 10 percent of a class of our stock to file reports with the SEC regarding their ownership of our stock and any changes in ownership. The Corporation maintains a compliance program to assist our directors and executive officers in making these filings. We believe that our executive officers and directors timely complied with their filing requirements for 2009.

TRANSACTIONS WITH RELATED PERSONS

Policies and Procedures for Review, Approval or Ratification of Related Person Transactions. The Board has adopted written procedures regarding the review, approval or ratification of transactions involving related persons that SEC regulations require to be disclosed in proxy statements, which are commonly referred to as related person transactions. A related person transaction is any transaction between the Corporation and any related person that requires disclosure under the SEC's rules regarding these transactions. A related person is defined under the SEC's rules and includes our directors, executive officers and five percent stockholders.

Under these written procedures, the Board has determined that:

- The Nominating and Corporate Governance Committee is best suited to review, approve and ratify related person transactions involving any director, nominee for director, any five percent stockholder, or any of their immediate family members or related firms, and
- The Audit Committee is best suited to review, approve and ratify related person transactions involving executive officers (or their immediate family members or related firms), other than any executive officer who is also a Board member.

The Nominating and Corporate Governance Committee or the Audit Committee may, in its sole discretion, refer consideration of these transactions to the full Board.

Each director, director nominee and executive officer is required to promptly provide written notification of any material interest that he or she (or his or her immediate family member) has or will have in a transaction with the Corporation. Based on a review of the transaction, a determination will be made whether the transaction constitutes a related person transaction under the SEC's rules. The Nominating and Corporate Governance Committee or the Audit Committee will then review the terms and substance of the transaction to determine whether to ratify or approve the related person transaction.

In determining whether the transaction is in, or not opposed to, the Corporation's best interest, the Nominating and Corporate Governance Committee or the Audit Committee may consider any factors deemed relevant or appropriate, including:

- Whether the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party,
- Whether the transaction constitutes a conflict of interest under our Code of Conduct, the nature, size or degree of any conflict and whether mitigation of any conflict is feasible,
- The impact on a director's independence, if applicable, and
- Whether steps have been taken to ensure fairness to the Corporation.

2009 Related Person Transactions. We share aircraft hangar space, pilots and related services with Bergstrom Corporation, an entity which is majority-owned by Mr. Bergstrom. During 2009, Bergstrom Corporation paid us \$407,000 for its share of the costs associated with these services. We believe this arrangement is fair and reasonable, advantageous to the Corporation and consistent with national benchmarking. Based on an analysis of the arrangement, we also believe its terms to be comparable to those that could be obtained in arm's-length dealings with an unrelated third party.

2011 STOCKHOLDER PROPOSALS

Proposals by stockholders for inclusion in our proxy statement and form of proxy for the Annual Meeting of Stockholders to be held in 2011 should be addressed to the Secretary, Kimberly-Clark Corporation, P.O. Box 619100, Dallas, Texas 75261-9100, and must be received at this address no later than November 12, 2010. Upon receipt of a proposal, we will determine whether or not to include the proposal in the proxy statement and form of proxy in accordance with applicable law. It is suggested that proposals be forwarded by certified mail, return receipt requested.

ANNUAL MEETING ADVANCE NOTICE REQUIREMENTS

Our By-Laws require advance notice for any business to be brought before a meeting of stockholders. In general, for business to be properly brought before an annual meeting by a stockholder (other than in connection with the election of directors; see "Part Two — Corporate Governance Information — Stockholder Nominations for Directors"), written notice of the stockholder proposal must be received by the Secretary of the Corporation not less than 75 days nor more than 100 days prior to the first anniversary of the preceding year's annual meeting. Certain other notice periods are provided if the date of

the annual meeting is advanced by more than 30 days or delayed by more than 60 days from the anniversary date. Under our By-Laws, the stockholder's notice to the Secretary must contain certain information regarding the stockholder and affiliates, including name and address, shares held, derivative positions, dividend rights that are separate or separable from the underlying shares and certain performance-related fees. Stockholders must also provide information regarding whether the stockholder or affiliates intend to deliver a proxy statement or form of proxy regarding the proposal, as well as information regarding the proposal and information relating to the stockholder or affiliates required to be disclosed in the proxy statement. Additional information concerning the advance notice requirements and a copy of our By-Laws may be obtained from the Secretary of the Corporation at the address provided above.

OTHER MATTERS

Our management does not know of any other matters to be presented at the Annual Meeting. Should any other matter requiring a vote of the stockholders arise at the meeting, the persons named in the proxy will vote the proxies in accordance with their best judgment.

By Order of the Board of Directors.

A handwritten signature in black ink, reading "John W. Wesley". The signature is fluid and cursive, with a large, sweeping loop at the end.

John W. Wesley
Vice President and Secretary

KIMBERLY-CLARK CORPORATION
P.O. Box 619100
Dallas, Texas 75261-9100
Telephone (972) 281-1200

March 12, 2010



Invitation to Stockholders
Notice of 2010 Annual Meeting
Proxy Statement





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MR A SAMPLE
DESIGNATION (IF ANY)
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Electronic Voting Instructions

You can vote by Internet or telephone!
Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on April 29, 2010.



Vote by Internet

- Log on to the Internet and go to www.envisionreports.com/kmb
- Follow the steps outlined on the secured website.



Vote by telephone

- Call toll free 1-800-652-VOTE (8683) within the US, US territories and Canada any time on a touch tone telephone. There is **NO CHARGE** to you for the call.
- Follow the instructions provided by the recorded message.



Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

Annual Meeting Proxy Card

1234 5678 9012 345

▼ IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼

A Election of Directors — The Board of Directors recommends a vote **FOR** the listed nominees (term to expire at 2011 Annual Meeting of Stockholders).

1. Nominees:	For	Against	Abstain		For	Against	Abstain		For	Against	Abstain	+
01 – John R. Alm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	02 – Dennis R. Beresford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	03 – John F. Bergstrom	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
04 – Abelardo E. Bru	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	05 – Robert W. Dechard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	06 – Thomas J. Falk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
07 – Mae C. Jemison, M.D.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	08 – James M. Jenness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	09 – Ian C. Read	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10 – Linda Johnson Rice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 – Marc J. Shapiro	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 – G. Craig Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

B Proposal — The Board of Directors recommends a vote **FOR** Proposal 2. **C Proposal** — The Board of Directors recommends a vote **AGAINST** Proposal 3.

	For	Against	Abstain		For	Against	Abstain
2. Ratification of Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. Stockholder Proposal Regarding Special Shareholder Meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D Non-Voting Items

Change of Address — Please print new address below.

Meeting Attendance
Mark box to the right if you plan to attend the Annual Meeting.

☐

E

Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) — Please print date below.

Signature 1 — Please keep signature within the box.

Signature 2 — Please keep signature within the box.

/ /



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MR A SAMPLE (THIS AREA IS SET UP TO ACCOMMODATE
140 CHARACTERS) MR A SAMPLE AND MR A SAMPLE AND
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<STOCK#> 0150XB



Proxy — Kimberly-Clark Corporation

It's a win-win solution! Reduce paper flow to your home and help the environment, too! If you have access to the Internet, we encourage you to consider receiving Kimberly-Clark's future Annual Reports and Proxy Statements in electronic format rather than in printed form. In electing to do so, you conserve natural resources and save your company money! To sign up for electronic delivery service, registered holders may go to our transfer agent's website at www.computershare.com/investor at any time and follow the instructions. **Act Now!**

▼ IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼



Proxy/Voting Instructions for the Annual Meeting of Stockholders — April 29, 2010

Solicited on Behalf of the Board of Directors

Thomas J. Falk, Thomas J. Mielke and John W. Wesley, or any of them, with full power of substitution to each, hereby are appointed proxies and are authorized to vote, as specified on the reverse side of this card, all shares of common stock that the undersigned is entitled to vote at the Annual Meeting of Stockholders of Kimberly-Clark Corporation, to be held at the Four Seasons Resort and Club, 4150 North MacArthur Boulevard, Irving, Texas on April 29, 2010 at 9:00 a.m. and at any adjournment thereof. In their discretion, the proxies are authorized to vote on such other business as may properly come before the meeting.

IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED FOR PROPOSALS 1 AND 2 AND AGAINST PROPOSAL 3. IF YOU PREFER TO VOTE SEPARATELY ON INDIVIDUAL ISSUES YOU MAY DO SO BY MARKING THE APPROPRIATE BOXES ON THE REVERSE SIDE.

This card also constitutes voting instructions to the trustees of the Corporation's employee benefits and stock purchase plans to vote whole shares attributable to accounts the undersigned may hold under such plans. If no voting instructions are provided, the respective plan committees, which are comprised of management personnel, will direct the trustees to vote the shares. Please date, sign and return this proxy/voting instruction card promptly. If you own shares directly and plan to attend the meeting, please so indicate in the space provided on the reverse side.

IMPORTANT: TO BE SIGNED AND DATED ON REVERSE SIDE.

PLEASE RETURN THIS CARD IN THE SELF-ADDRESSED ENVELOPE PROVIDED.

EXHIBIT III QUARTERLY REPORT OF THE ISSUER ON FORM 10-Q FOR THE FIRST
QUARTERLY PERIOD OF 2010 ENDED 31 MARCH 2010, FILED WITH THE SEC
ON 7 MAY 2010, TOGETHER WITH THE AMENDED QUARTERLY REPORT,
FILED WITH THE SEC ON 14 MAY 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2010**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from.....to.....

Commission file number **1-225**

KIMBERLY-CLARK CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

39-0394230

(I.R.S. Employer
Identification No.)

P. O. Box 619100

Dallas, Texas

75261-9100

(Address of principal executive offices)

(Zip Code)

(972) 281-1200

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of April 30, 2010, there were 413,971,851 shares of the Corporation's common stock outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES CONSOLIDATED INCOME STATEMENT (Unaudited)

	Three Months Ended March 31	
(Millions of dollars, except per share amounts)	2010	2009
Net Sales	\$ 4,835	\$ 4,493
Cost of products sold	<u>3,188</u>	<u>3,039</u>
Gross Profit	1,647	1,454
Marketing, research and general expenses	881	749
Other (income) and expense, net	<u>101</u>	<u>77</u>
Operating Profit	665	628
Interest income	5	8
Interest expense	<u>(61)</u>	<u>(73)</u>
Income Before Income Taxes and Equity Interests	609	563
Provision for income taxes	<u>(241)</u>	<u>(164)</u>
Income Before Equity Interests	368	399
Share of net income of equity companies	<u>43</u>	<u>32</u>
Net Income	411	431
Net income attributable to noncontrolling interests	<u>(27)</u>	<u>(24)</u>
Net Income Attributable to Kimberly-Clark Corporation	\$ 384	\$ 407
Per Share Basis:		
Net Income Attributable to Kimberly-Clark Corporation		
Basic	\$ <u>.92</u>	\$ <u>.98</u>
Diluted	<u>.92</u>	<u>.98</u>
Cash Dividends Declared	\$ <u>.66</u>	\$ <u>.60</u>

See Notes to Consolidated Financial Statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

(Millions of dollars)	March 31, 2010	December 31, 2009
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 669	\$ 798
Accounts receivable, net	2,557	2,566
Inventories	2,104	2,033
Other current assets	389	467
Total Current Assets	5,719	5,864
Property	16,942	16,934
Less accumulated depreciation	8,984	8,901
Net Property	7,958	8,033
Investments in Equity Companies	398	355
Goodwill	3,277	3,275
Long-Term Notes Receivable	608	607
Other Assets	1,037	1,075
	\$ 18,997	\$ 19,209
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Debt payable within one year	\$ 1,001	\$ 610
Accounts payable	1,995	1,920
Accrued expenses	1,839	2,064
Other current liabilities	421	329
Total Current Liabilities	5,256	4,923
Long-Term Debt	4,387	4,792
Noncurrent Employee Benefits	1,807	1,989
Long-Term Income Taxes Payable	201	168
Deferred Income Taxes	409	377
Other Liabilities	207	218
Redeemable Preferred and Common Securities of Subsidiaries	1,052	1,052
Stockholders' Equity		
Kimberly-Clark Corporation	5,396	5,406
Noncontrolling Interests	282	284
Total Stockholders' Equity	5,678	5,690
	\$ 18,997	\$ 19,209

See Notes to Consolidated Financial Statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
(Unaudited)

Three Months
Ended March 31

(Millions of dollars)

2010 2009

Operating Activities

Net income	\$ 411	\$ 431
Depreciation and amortization	193	177
Stock-based compensation	4	10
(Increase) decrease in operating working capital	(157)	156
Deferred income taxes	86	(46)
Net losses on asset dispositions	10	8
Equity companies' earnings in excess of dividends paid	(41)	(32)
Postretirement benefits	(149)	(21)
Other	107	9
Cash Provided by Operations	464	692

Investing Activities

Capital spending	(184)	(211)
Acquisition of businesses, net of cash acquired	-	(11)
Proceeds from sales of investments	10	5
Proceeds from dispositions of property	-	3
Net decrease in time deposits	61	57
Other	(6)	(12)
Cash Used for Investing	(119)	(169)

Financing Activities

Cash dividends paid	(250)	(240)
Net (decrease) increase in short-term debt	(10)	245
Proceeds from issuance of long-term debt	-	2
Repayments of long-term debt	(4)	(10)
Cash paid on redeemable preferred securities of subsidiary	(13)	(13)
Shares purchased from noncontrolling interests	-	(278)
Proceeds from exercise of stock options	21	16
Acquisitions of common stock for the treasury	(141)	-
Other	(20)	(17)
Cash Used for Financing	(417)	(295)

Effect of Exchange Rate Changes on Cash and Cash Equivalents	(57)	-
Increase in Cash and Cash Equivalents	(129)	228
Cash and Cash Equivalents, beginning of year	798	364

Cash and Cash Equivalents, end of period \$ 669 \$ 592

See Notes to Consolidated Financial Statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

(Millions of dollars)	Three Months Ended March 31	
	2010	2009
Net Income	\$ 411	\$ 431
Other Comprehensive Income, Net of Tax:		
Unrealized currency translation adjustments	(26)	(361)
Employee postretirement benefits	36	32
Other	2	(6)
Total Other Comprehensive Income, Net of Tax	12	(335)
Comprehensive Income	423	96
Comprehensive income attributable to noncontrolling interests	33	(9)
Comprehensive Income Attributable to Kimberly-Clark Corporation	\$ 390	\$ 105

See Notes to Consolidated Financial Statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Accounting Policies

Basis of Presentation

The accompanying unaudited condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation have been included.

For further information, refer to the Consolidated Financial Statements and footnotes included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2009.

New Accounting Standards

Effective January 1, 2010, the Corporation adopted new accounting requirements issued by the Financial Accounting Standards Board ("FASB") for determining when a company must consolidate a variable interest entity ("VIE") in which the company has an interest. Under the new requirements, a company must perform a qualitative analysis when determining whether it must consolidate a VIE. If the company has an interest in a VIE that provides it with the power to direct the most significant activities of the VIE, and the obligation to absorb significant losses or the right to receive significant benefits of the VIE, the company must consolidate the VIE. A company is required to perform ongoing reassessments to determine if it must consolidate a VIE. This differs from previous guidance, which prescribed a quantitative analysis to determine whether to consolidate a VIE and required this analysis be reassessed only when specific events occur.

Adoption of the new accounting requirements had no impact on the Corporation's Consolidated Financial Statements. Under the new requirements, the Corporation determined that it must continue to consolidate a financing entity used to monetize long-term notes received from the sale of certain nonstrategic timberlands and its Luxembourg-based financing subsidiary. Factors considered by the Corporation in making these determinations included the purpose of the entities, the types and significance of intercompany transactions, and the benefits obtained by the Corporation and the nonaffiliated parties that have invested in these entities. The Corporation does not anticipate any changes to these entities that would result in the Corporation not continuing to consolidate them. See Note 2 for the carrying values and fair values of the significant financial assets, liabilities and redeemable preferred securities of these consolidated VIEs.

The Corporation also has investments in real estate entities that generate income tax credits and tax losses that are used to reduce the Corporation's income tax liabilities. Under the new requirements, the Corporation determined that it must continue to consolidate certain of its real estate entities and must continue to not consolidate certain of its other real estate entities that are accounted for under the equity method. Factors considered by the Corporation in making these determinations included the rights of the Corporation or nonaffiliated parties to manage the operations of the individual entities and the eventual sale of the real estate assets.

Note 1. (Continued)

The assets of the consolidated real estate VIEs are classified principally as property in the Corporation's condensed Consolidated Balance Sheet and have a carrying amount aggregating \$39 million at March 31, 2010 that serves as collateral for the obligations of these ventures. The obligations have a carrying amount aggregating \$25 million, of which \$6 million is included in debt payable within one year and \$19 million is included in long-term debt. The fair value of these obligations is estimated at \$25 million at March 31, 2010. Neither the creditors nor the other beneficial interest holders of these consolidated ventures have recourse to the general credit of the Corporation, except for \$8 million of permanent financing debt, which is guaranteed by the Corporation.

As of March 31, 2010, the Corporation had net equity of \$8 million in its nonconsolidated real estate VIEs. As of March 31, 2010, total permanent financing debt for these nonconsolidated entities was \$94 million. A total of \$29 million of the permanent financing debt is guaranteed by the Corporation, and the remainder of this debt is secured solely by the properties and is nonrecourse to the Corporation.

Note 2. Fair Value Measurements

The following fair value information is based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels in the hierarchy used to measure fair value are:

Level 1 – Unadjusted quoted prices in active markets accessible at the reporting date for identical assets and liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets. Quoted prices for identical or similar assets and liabilities in markets that are not considered active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are significant to the valuation and are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

During the first quarter of 2010, there were no significant transfers between level 1, 2, or 3 fair value determinations.

Note 2. (Continued)

Set forth below are the assets and liabilities that are measured on a recurring basis at fair value as of March 31, 2010, together with the inputs used to develop those fair value measurements.

		Fair Value Measurements		
	<u>March 31</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
		<u>(Millions of dollars)</u>		
Assets				
Company-owned life insurance ("COLI")	\$ 44	\$ -	\$ 44	\$ -
Available-for-sale securities	19	14	-	5
Derivatives	<u>52</u>	<u>-</u>	<u>52</u>	<u>-</u>
Total	\$ 115	\$ 14	\$ 96	\$ 5

Liabilities

Derivatives	\$ 52	\$ -	\$ 52	\$ -
-------------	-------	------	-------	------

The COLI policies are a source of funding primarily for the Corporation's nonqualified employee benefits and are included in other assets. Available-for-sale securities are included in other current assets and other assets, as appropriate. The derivative assets and liabilities are included in other current assets, other assets, accrued expenses and other liabilities, as appropriate.

Level 1 Fair Values - The fair values of certain available-for-sale securities are based on quoted market prices in active markets for identical assets. Unrealized losses on these securities aggregating \$3 million are recorded in other comprehensive income until realized. The unrealized losses have not been recognized in earnings because the Corporation has both the intent and ability to hold the securities for a period of time sufficient to allow for an anticipated recovery of fair value to the cost of such securities.

Level 2 Fair Values - The fair value of the COLI policies is derived from investments in a mix of money market, fixed income and equity funds managed by unrelated fund managers. The fair values of derivatives used to manage interest rate risk and commodity price risk are based on LIBOR rates and interest rate swap curves and NYMEX price quotations, respectively. The fair value of hedging instruments used to manage foreign currency risk is based on quotations of spot currency rates and forward points, which are converted into implied forward currency rates. Additional information on the Corporation's use of derivative instruments is contained in Note 8.

Level 3 Fair Values - The fair value of certain available-for-sale securities acquired in the fourth quarter of 2009 is based on quoted market prices for the exchange-traded securities, adjusted to reflect the restrictions placed on the sale of these securities. There was no significant change in the fair value from the date of acquisition through March 31, 2010.

Fair Value Disclosures

The following table includes the fair value of the Corporation's financial instruments as of March 31, 2010, for which fair value disclosure is required:

Note 2. (Continued)

(Millions of dollars)	Carrying Amount	Estimated Fair Value
Assets		
Cash and cash equivalents ^(a)	\$ 669	\$ 669
Time deposits (included in other current assets) ^(b)	133	133
Long-term notes receivable ^(c)	608	593
Other note receivable (included in accounts receivable and other assets)	21	21
Liabilities and redeemable preferred and common securities of subsidiaries		
Short-term debt ^(d)	100	100
Monetization loan ^(c)	397	398
Long-term debt ^(e)	4,891	5,365
Redeemable preferred and common securities of subsidiaries ^(f)	1,052	1,146

^(a) Cash equivalents are comprised of certificates of deposit, time deposits and other interest-bearing investments with original maturity dates of 90 days or less, all of which are recorded at cost, which approximates fair value.

^(b) Time deposits are comprised of deposits with original maturities of more than 90 days but less than one year, all of which are recorded at cost, which approximates fair value.

^(c) Long-term notes receivable represent held-to-maturity securities, which arose from the sale of nonstrategic timberlands and related assets. The notes are backed by irrevocable standby letters of credit issued by money center banks. A consolidated VIE has an outstanding long-term monetization loan secured by the related note held by this VIE (indicated by Note 1 and Loan 1 below). The following summarizes the terms of the notes and the monetization loan as of March 31, 2010 (millions of dollars):

Description	Face Value	Carrying Amount	Maturity	Interest Rate ⁽¹⁾
Note 1	\$ 397	\$ 392	09/30/2014	LIBOR
Note 2	220	216	07/07/2011	LIBOR minus 12.5 bps
Loan 1	397	397	01/31/2011	LIBOR plus 127 bps

(1) Payable quarterly, 3-month LIBOR

The difference between the carrying amount of the notes and their fair value represents an unrealized loss position for which an other-than-temporary impairment has not been recognized in earnings because the Corporation has both the intent and ability to hold the notes for a period of time sufficient to allow for an anticipated recovery of fair value to the carrying amount of the notes. Neither the notes nor the monetization loan are traded in active markets. Accordingly, their fair values were calculated using a floating rate pricing model that compared the stated spread to the fair value spread to determine the price at which each of the financial instruments should trade. The model used the following inputs to calculate fair values: face value, current LIBOR rate, fair value credit spread, stated spread, maturity date and interest payment dates.

Note 2. (Continued)

- ^(d) Short-term debt issued by non-U.S. subsidiaries is recorded at cost, which approximates fair value.
- ^(e) Long-term debt includes long-term debt instruments and the portion payable within the next twelve months (\$504 million). Fair values were estimated based on quoted prices for financial instruments for which all significant inputs were observable, either directly or indirectly.
- ^(f) The redeemable preferred securities are not traded in active markets. Accordingly, their fair values were calculated using a pricing model that compares the stated spread to the fair value spread to determine the price at which each of the financial instruments should trade. The model used the following inputs to calculate fair values: face value, current benchmark rate, fair value spread, stated spread, maturity date and interest payment dates. The fair value and the carrying amount of the redeemable common securities of \$41 million were based on an independent third-party appraisal, adjusted for current market conditions.

Note 3. Highly Inflationary Accounting for Venezuelan Operations

In 2003, the Venezuelan government enacted currency restrictions which have affected the ability of the Corporation's Venezuelan subsidiary ("K-C Venezuela") to obtain U.S. dollars at the official exchange rate to pay for significant imports of finished goods, raw materials and services to support its operations. For transactions that do not qualify for settlement at the official exchange rate, a market exists for the acquisition and exchange of bolivar-and U.S. dollar-denominated bonds, effectively resulting in a parallel market exchange rate substantially unfavorable to the official exchange rate.

In instances during 2009 when the U.S. dollar-denominated imports did not receive government approval to be settled at the official exchange rate of 2.15 bolivars to the U.S. dollar, K-C Venezuela measured the transactions from U.S. dollars to bolivars at the parallel exchange rate. In instances during 2009 when the U.S. dollar-denominated imports received government approval to be settled at the official exchange rate, K-C Venezuela measured the transactions from U.S. dollars to bolivars at the official exchange rate. During 2009, K-C Venezuela used the official rate to translate its operating results from the bolivar functional currency into U.S. dollars, based on its dividend remittance history at that rate.

The cumulative inflation in Venezuela for the three years ended December 31, 2009 was more than 100 percent, based on the Consumer Price Index/National Consumer Price Index. As a result, effective January 1, 2010, K-C Venezuela began accounting for its operations as highly inflationary, as required by U.S. GAAP. Under highly inflationary accounting, K-C Venezuela's functional currency became the U.S. dollar, and its income statement and balance sheet are measured into U.S. dollars using both current and historical rates of exchange. The effect of changes in exchange rates on bolivar-denominated monetary assets and liabilities is reflected in income.

On January 8, 2010, the Venezuelan government devalued its currency and established a dual official exchange rate structure of 2.6 bolivars to the U.S. dollar for essentials and 4.3 bolivars to the U.S. dollar for non-essentials. If access to the official exchange rate were granted, the finished goods and raw materials imported by K-C Venezuela would qualify at the 4.3 bolivars to the U.S. dollar exchange rate.

Note 3. (Continued)

The Corporation determined that under highly inflationary accounting, the parallel exchange rate is the appropriate exchange rate to measure K-C Venezuela's bolivar-denominated transactions into U.S. dollars as this is the rate at which K-C Venezuela has substantially converted the bolivars it generated from its operations during first quarter 2010 into U.S. dollars to pay for significant imports of finished goods, raw materials and services to support its operations.

As a result of the adoption of highly inflationary accounting, the Corporation recorded an after tax charge of \$96 million in first quarter 2010 to remeasure K-C Venezuela's bolivar-denominated net monetary asset position into U.S. dollars at a parallel exchange rate of approximately 6 bolivars per U.S. dollar. In the condensed Consolidated Cash Flow Statement, this non-cash charge was included in Other in Cash Provided by Operations. This charge was recorded in the following Consolidated Income Statement line items:

	Millions of dollars
Cost of products sold	\$ 19
Other (income) and expense, net	79
Provision for income taxes	(2)
Net charge	\$ 96

At March 31, 2010, K-C Venezuela had a bolivar-denominated net monetary asset position of 357 million bolivars. For the full year 2009, K-C Venezuela represented approximately 3 percent of consolidated net sales, and 1 percent of consolidated operating profit and net income attributable to the Corporation.

Note 4. Inventories

The following schedule presents inventories by major class:

	March 31, 2010			December 31, 2009		
(Millions of dollars)	LIFO	Non-LIFO	Total	LIFO	Non-LIFO	Total
At the lower of cost determined on the FIFO or weighted-average cost methods or market:						
Raw materials	\$ 139	\$ 300	\$ 439	\$ 137	\$ 282	\$ 419
Work in process	172	96	268	177	111	288
Finished goods	661	681	1,342	573	685	1,258
Supplies and other	-	278	278	-	277	277
	972	1,355	2,327	887	1,355	2,242
Excess of FIFO or weighted-average cost over LIFO cost	(223)	-	(223)	(209)	-	(209)
Total	\$ 749	\$ 1,355	\$ 2,104	\$ 678	\$ 1,355	\$ 2,033

The Corporation uses the LIFO method of valuing inventory for financial reporting purposes for most U.S. inventories. Interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs. An actual valuation of inventory under the LIFO method is made at the end of each year based on the inventory levels and costs at that time.

Note 5. Employee Postretirement Benefits

The table below presents benefit cost information for defined benefit plans and other postretirement benefit plans:

(Millions of dollars)	Defined Benefit Plans		Other Postretirement Benefit Plans	
	Three Months Ended March 31			
	2010	2009	2010	2009
Service cost	\$ 14	\$ 16	\$ 4	\$ 3
Interest cost	77	77	11	13
Expected return on plan assets	(84)	(65)	-	-
Recognized net actuarial loss	25	43	-	-
Other	3	1	1	1
Net periodic benefit cost	\$ 35	\$ 72	\$ 16	\$ 17

During the first quarter of 2010 and 2009, the Corporation made cash contributions of approximately \$175 million and \$90 million, respectively, to its pension trusts. The Corporation currently anticipates contributing about \$240 million for the full year 2010 to its pension trusts.

For the U.S. pension plan, the Corporation utilizes an equity collar strategy to reduce the volatility of returns on investments. In January 2010, zero-cost equity collars were established on \$1.3 billion of U.S. equity exposure.

Note 6. Earnings Per Share

There are no adjustments required to be made to net income for purposes of computing basic and diluted EPS. The average number of common shares outstanding is reconciled to those used in the basic and diluted EPS computations as follows:

(Millions of shares)	Average Common Shares Outstanding	
	Three Months Ended March 31	
	2010	2009
Average shares outstanding	416.2	413.7
Participating securities	1.4	1.9
Basic	417.6	415.6
Dilutive effect of stock options	.9	.1
Dilutive effect of restricted share and restricted share unit awards	.8	.2
Diluted	<u>419.3</u>	<u>415.9</u>

Note 6. (Continued)

Options outstanding during the three month periods ended March 31, 2010 and 2009, to purchase 14.6 million and 24.1 million shares of common stock, respectively, were not included in the computation of diluted EPS because the exercise prices of the options were greater than the average market price of the common shares during the periods.

The number of common shares outstanding as of March 31, 2010 and 2009 was 414.9 million and 413.9 million, respectively.

Note 7. Stockholders' Equity

Set forth below is a reconciliation of comprehensive income and stockholders' equity attributable to Kimberly-Clark Corporation and noncontrolling interests for the three months ended March 31, 2010 and 2009. Also reconciled for the same periods are the redeemable preferred and common securities of subsidiaries, which are required to be classified outside of stockholders' equity.

(Millions of dollars)	Comprehensive Income	Stockholders' Equity Attributable to		Redeemable Securities of Subsidiaries
		The Corporation	Noncontrolling Interests	
Balance at December 31, 2009		\$ 5,406	\$ 284	\$ 1,052
Comprehensive Income:				
Net income	\$ 411	384	13	14
Other comprehensive income, net of tax:				
Unrealized translation	(26)	(33)	6	1
Employee postretirement benefits	36	37	(1)	-
Other	2	2	-	-
Total Comprehensive Income	\$ 423			
Stock-based awards exercised or vested		19	-	-
Income tax benefits on stock-based compensation		1	-	-
Shares repurchased		(150)	-	-
Recognition of stock-based compensation		4	-	-
Dividends declared		(275)	(20)	-
Other		1	-	(2)
Return on redeemable preferred securities and noncontrolling interests		-	-	(13)
Balance at March 31, 2010		\$ 5,396	\$ 282	\$ 1,052

The net unrealized currency translation adjustments for the three months ended March 31, 2010 are primarily due to a weakening of the U.S. dollar versus the euro and the British pound.

Note 7. (Continued)

(Millions of dollars)	Comprehensive Income	Stockholders' Equity Attributable to		Redeemable Securities of Subsidiaries
		The Corporation	Noncontrolling Interests	
Balance at December 31, 2008		\$ 3,878	\$ 383	\$ 1,032
Comprehensive Income:				
Net income	\$ 431	407	10	14
Other Comprehensive income, net of tax:				
Unrealized translation	(361)	(330)	(31)	-
Employee postretirement benefits	32	34	(2)	-
Other	(6)	(6)	-	-
Total Comprehensive Income	\$ 96			
Stock-based awards exercised or vested		14	-	-
Recognition of stock-based compensation		10	-	-
Dividends declared		(248)	(14)	-
Additional investment in subsidiary and other		(184)	(108)	13
Return on redeemable preferred securities		-	-	(13)
Balance at March 31, 2009		\$ 3,575	\$ 238	\$ 1,046

Net unrealized currency gains or losses resulting from the translation of assets and liabilities of non-U.S. subsidiaries, except those in highly inflationary economies, are accumulated in a separate section of stockholders' equity. For these operations, changes in exchange rates generally do not affect cash flows; therefore, unrealized translation adjustments are recorded in stockholders' equity rather than income. Upon the sale or substantially complete liquidation of any of these subsidiaries, the applicable unrealized translation adjustment would be removed from stockholders' equity and reported as part of the gain or loss on the sale or liquidation.

Also included in stockholders' equity are the effects of foreign exchange rate changes on intercompany balances of a long-term investment nature and transactions designated as hedges of net foreign investments.

Note 7. (Continued)

The purchase of additional ownership in an already controlled subsidiary is recorded as an equity transaction with no gain or loss recognized in consolidated net income or comprehensive income. The following schedule reflects the effect of a change in ownership interest between the Corporation and a noncontrolling interest.

	Three Months Ended March 31 2009
Net Income attributable to Kimberly-Clark Corporation	\$ 407
Decrease in Kimberly-Clark Corporation's additional paid-in capital for purchase of remaining shares in its Andean region subsidiary ^(a)	(133)
Change from net income attributable to Kimberly-Clark Corporation and transfers to noncontrolling interests	\$ 274

- ^(a) During the first quarter of 2009, the Corporation acquired the remaining 31 percent interest in its Andean region subsidiary, Colombiana Kimberly Colpapel S.A., for \$289 million. The acquisition was recorded as an equity transaction that reduced noncontrolling interests, accumulated other comprehensive income ("AOCI") and additional paid-in capital classified in stockholders' equity by \$278 million and increased investments in equity companies by \$11 million.

Note 8. Objectives and Strategies for Using Derivatives

As a multinational enterprise, the Corporation is exposed to risks, such as changes in foreign currency exchange rates, interest rates, commodity prices and certain investments of its defined benefit pension plans. A variety of practices are employed to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. The Corporation's policies allow the use of derivatives for risk management purposes and prohibit their use for speculation. The Corporation's policies also prohibit the use of any leveraged derivative instrument. Foreign currency derivative instruments, interest rate swaps, equity collars and the majority of commodity hedging contracts are entered into with major financial institutions.

On the date the derivative contract is entered into, the Corporation formally designates certain derivatives as cash flow, fair value or net investment hedges (each discussed below), and establishes how the effectiveness of these hedges will be assessed and measured. This process links the derivatives to the transactions or financial balances they are hedging. Changes in the fair value of derivatives not designated as hedging instruments are recorded to earnings when they occur.

Note 8. (Continued)

Set forth below is a summary of the fair values of the Corporation's derivative instruments as of March 31, classified by the risks they are used to manage:

(Millions of dollars)	Assets		Liabilities	
	2010	2009	2010	2009
Foreign currency exchange risk	\$ 20	\$ 55	\$ 35	\$ 38
Interest rate risk	32	10	6	5
Commodity price risk	-	-	11	29
Total	\$ <u>52</u>	\$ <u>65</u>	\$ <u>52</u>	\$ <u>72</u>

Foreign Currency Exchange Risk Management

The Corporation has a centralized U.S. dollar functional currency international treasury operation ("In-House Bank") that manages foreign currency exchange risks by netting, on a daily basis, exposures to recorded non-U.S. dollar assets and liabilities and entering into derivative instruments with third parties whenever the net exposure in any single currency exceeds predetermined limits. These derivative instruments are not designated as hedging instruments. Changes in the fair value of these instruments are recorded in earnings when they occur. The In-House Bank also records the gain or loss on the remeasurement of its non-U.S. dollar denominated monetary assets and liabilities in earnings. Consequently, the effect on earnings from the use of these non-designated derivatives is substantially neutralized by the recorded transactional gains and losses. The In-House Bank's daily notional derivative positions with third parties averaged approximately \$1.2 billion in the first quarter of 2010 and its average net exposure for the quarter was \$.9 billion. The In-House Bank used eight counterparties for its foreign exchange derivative contracts.

The Corporation enters into derivative instruments to hedge a portion of the net foreign currency exposures of its non-U.S. operations principally for their forecasted purchases of pulp, which are priced in U.S. dollars. The derivative instruments used to manage these exposures are designated and qualify as cash flow hedges. The Corporation also hedges a portion of the net foreign currency exposures of its non-U.S. operations for imported intercompany finished goods and work-in-process priced in U.S. dollars and euros through the use of derivative instruments that are designated and qualify as cash flow hedges.

Gains and losses on these cash flow hedges, to the extent effective, are recorded in other comprehensive income net of related income taxes and released to earnings as the related finished goods inventory containing the pulp and imported intercompany purchases are sold to unaffiliated customers. As of March 31, 2010, approximately \$450 million notional value of outstanding derivative contracts was designated as cash flow hedges for the forecasted purchases of pulp and intercompany finished goods and work-in-process.

The foreign currency exposure on intercompany balances, primarily loans, is hedged with derivative instruments with third parties. At March 31, 2010, the notional amount of these derivative positions was \$820 million, of which \$220 million was designated as fair value hedges and the remainder was undesignated.

Note 8. (Continued)*Foreign Currency Translation Risk Management*

Translation adjustments result from translating foreign entities' financial statements to U.S. dollars from their functional currencies. Translation exposure, which results from changes in translation rates between functional currencies and the U.S. dollar, generally is not hedged. However, consistent with other years, a portion of the Corporation's net investment in its Mexican affiliate has been hedged. At March 31, 2010, the Corporation had in place net investment hedges of approximately \$120 million for a portion of its investment in its Mexican affiliate. Changes in the fair value of net investment hedges are recognized in other comprehensive income to offset the change in value of the net investment being hedged. There was no significant ineffectiveness on these hedges as of March 31, 2010.

Interest Rate Risk Management

Interest rate risk is managed using a portfolio of variable- and fixed-rate debt composed of short- and long-term instruments and interest rate swaps. The objective is to maintain a cost-effective mix that management deems appropriate. From time to time, interest rate swap contracts, which are derivative instruments, are entered into to facilitate the maintenance of the desired ratio of variable- and fixed-rate debt. These derivative instruments are designated and qualify as fair value hedges. At March 31, 2010, interest rate swap contracts with an aggregate notional value of \$320 million were in place.

From time to time, derivatives are used to hedge the anticipated issuance of fixed-rate debt. These exposures are hedged with forward-starting swaps or "treasury locks" (e.g., a 10-year "treasury lock" hedging the anticipated underlying U.S. Treasury interest rate related to issuance of 10-year debt). These swaps are designated as cash flow hedges. At March 31, 2010, outstanding forward-starting swaps with an aggregate notional value of \$250 million were in place.

Commodity Price Risk Management

The Corporation uses derivative instruments to hedge a portion of its exposure to market risk arising from changes in the price of natural gas. Hedging of this risk is accomplished by entering into forward swap contracts, which are designated as cash flow hedges of specific quantities of natural gas expected to be purchased in future months.

As of March 31, 2010, outstanding commodity forward contracts were in place to hedge forecasted purchases of about 15 percent of the Corporation's estimated natural gas requirements for the balance of the current year and a lesser percentage for future periods.

*Effect of Derivative Instruments on Results of Operations and Other Comprehensive Income**Fair Value Hedges*

Derivative instruments that are designated and qualify as fair value hedges are used to manage interest rate risk and certain U.S. dollar denominated intercompany debt. The fair values of these instruments are recorded as an asset or liability, as appropriate, with the offset recorded in current earnings. The offset to the change in fair values of the hedged debt instruments also is recorded in current earnings. Changes in the fair value of derivative instruments that hedge the U.S. dollar denominated intercompany debt are recorded in current earnings as well as the change in fair value of the hedged intercompany debt. The realized gain or loss on the derivatives that hedge interest rate risk is amortized to interest expense over the life of the related debt.

Fair value hedges resulted in no significant ineffectiveness in the three month period ended March 31, 2010. For the three month periods ended March 31, 2010 and 2009, no gain or loss was recognized in earnings as a result of a hedged firm commitment no longer qualifying as a fair value hedge.

Note 8. (Continued)*Cash Flow Hedges*

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is initially recorded in other comprehensive income, net of related income taxes, and recognized in earnings in the same period that the hedged exposure affects earnings.

Cash flow hedges resulted in no significant ineffectiveness in the three month period ended March 31, 2010. For the three month period ending March 31, 2010 and 2009, no gains or losses were recognized in earnings as a result of the discontinuance of cash flow hedges due to the original forecasted transaction no longer being probable of occurring. At March 31, 2010, \$1 million of after-tax losses are expected to be reclassified from accumulated other comprehensive income primarily to cost of sales during the next twelve months, consistent with the timing of the underlying hedged transactions. The maximum maturity of cash flow hedges in place at March 31, 2010 is December 2011.

Quantitative Information about the Corporation's Use of Derivative Instruments

The following tables display the location and fair values of derivative instruments presented in the Consolidated Balance Sheet and the location and amount of gains and losses reported in the Consolidated Income Statement and Statement of Other Comprehensive Income ("OCI").

Effect of Derivative Instruments on the Consolidated Income Statement
for the three months ended March 31, 2010 and 2009 (Millions of dollars)

Foreign exchange contracts	Income Statement Classification	Gain or (Loss) Recognized in Income	
		2010	2009
Fair Value Hedges	Other income and (expense), net	\$ <u>(8)</u>	\$ <u>(15)</u>
Undesignated Hedging Instruments ^(a)	Other income and (expense), net	\$ <u>(19)</u>	\$ <u>(76)</u>

- ^(a) The majority of the gains and (losses) on these instruments arise from derivatives entered into with third parties to manage foreign currency exchange exposure on the remeasurement of non-U.S. dollar denominated monetary assets and liabilities. Consequently, the effect on earnings from the use of these undesignated derivatives is substantially neutralized by the recorded transactional gains and losses.

Note 8. (Continued)

(Millions of dollars)	Amount of Gain or (Loss) Recognized in OCI		Income Statement Classification of Gain or (Loss) Reclassified from AOCI	Gain or (Loss) Reclassified from AOCI into Income	
	2010	2009		2010	2009
<u>Cash Flow Hedges</u>					
Interest rate contracts	\$ (7)	\$ 7	Interest expense	\$ 1	\$ 1
Foreign exchange contracts	5	18	Cost of products sold	(11)	18
Commodity contracts	(10)	(22)	Cost of products sold	(3)	(12)
Total	\$ (12)	\$ 3		\$ (13)	\$ 7
<u>Net Investment Hedges</u>					
Foreign exchange contracts	\$ (4)	\$ (8)		\$ -	\$ -

Fair Values of Derivative Instruments

(Millions of dollars)	Asset Derivatives at March 31			
	2010		2009	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Interest rate contracts	Other current assets	\$ 24	Other current assets	\$ -
Interest rate contracts	Other assets	8	Other assets	10
Foreign exchange contracts	Other current assets	11	Other current assets	25
Total		\$ 43		\$ 35
Undesignated derivatives:				
Foreign exchange contracts	Other current assets	\$ 9	Other current assets	\$ 30
Total asset derivatives		\$ 52		\$ 65

Note 8. (Continued)

Fair Values of Derivative Instruments

(Millions of dollars)	Liability Derivatives at March 31			
	2010		2009	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Interest rate contracts	Accrued expenses	\$ -	Accrued expenses	\$ 5
Foreign exchange contracts	Accrued expenses	18	Accrued expenses	13
Commodity contracts	Accrued expenses	10	Accrued expenses	26
Commodity contracts	Other liabilities	1	Other liabilities	3
Total		\$ 29		\$ 47
Undesignated Derivatives:				
Foreign exchange contracts and other	Accrued expenses	\$ 23	Accrued expenses	\$ 25
Total liability derivatives		\$ 52		\$ 72

Note 9. Description of Business Segments

The Corporation is organized into operating segments based on product groupings. These operating segments have been aggregated into four reportable global business segments: Personal Care; Consumer Tissue; K-C Professional & Other; and Health Care. The reportable segments were determined in accordance with how the Corporation's executive managers develop and execute the Corporation's global strategies to drive growth and profitability of the Corporation's worldwide Personal Care, Consumer Tissue, K-C Professional & Other and Health Care operations. These strategies include global plans for branding and product positioning, technology, research and development programs, cost reductions including supply chain management, and capacity and capital investments for each of these businesses. Segment management is evaluated on several factors, including operating profit. Segment operating profit excludes other income and (expense), net. Corporate & Other Assets include the Corporation's investments in equity affiliates, finance operations, real estate entities, and deferred tax assets.

The principal sources of revenue in each global business segment are described below:

- The Personal Care segment manufactures and markets disposable diapers, training and youth pants and swimpants; baby wipes; feminine and incontinence care products; and related products. Products in this segment are primarily for household use and are sold under a variety of brand names, including Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.
- The Consumer Tissue segment manufactures and markets facial and bathroom tissue, paper towels, napkins and related products for household use. Products in this segment are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Hakle, Page and other brand names.
- The K-C Professional & Other segment manufactures and markets facial and bathroom tissue, paper towels, napkins, wipers and a range of safety products for the away-from-home marketplace. Products in this segment are sold under the Kimberly-Clark, Kleenex, Scott, WypAll, Kimtech, KleenGuard, Kimcare and Jackson brand names.
- The Health Care segment manufactures and markets disposable health care products such as surgical drapes and gowns, infection control products, face masks, exam gloves, respiratory products, pain management products and other disposable medical products. Products in this segment are sold under the Kimberly-Clark, Ballard, ON-Q and other brand names.

Note 9. (Continued)

The following schedules present information concerning consolidated operations by business segment:

(Millions of dollars)	Three Months Ended March 31	
	2010	2009
NET SALES:		
Personal Care	\$ 2,137	\$ 1,977
Consumer Tissue	1,606	1,574
K-C Professional & Other	730	651
Health Care	367	298
Corporate & Other	12	13
Intersegment sales	(17)	(20)
Consolidated	\$ 4,835	\$ 4,493

(Millions of dollars)	Three Months Ended March 31	
	2010	2009
OPERATING PROFIT (reconciled to income before income taxes):		
Personal Care	\$ 472	\$ 442
Consumer Tissue	181	194
K-C Professional & Other	107	80
Health Care	57	48
Other income and (expense), net ^(a)	(101)	(77)
Corporate & Other ^(b)	(51)	(59)
Total Operating Profit	665	628
Interest income	5	8
Interest expense	(61)	(73)
Income Before Income Taxes	\$ 609	\$ 563

Note 9. (Continued)

- (a) Other income and (expense), net included a \$79 million charge for the adoption of highly inflationary accounting in Venezuela effective January 1, 2010. See additional information in Note 3 to the Consolidated Financial Statements. In addition, foreign currency transaction losses totaled \$21 million in the first quarter of 2010 and \$76 million in the prior year.
- (b) Included in Corporate & Other in 2010 is a \$19 million charge related to the adoption of highly inflationary accounting in Venezuela. See additional information in Note 3 to the Consolidated Financial Statements. The charges related to the business segments are as follows:

	Millions of Dollars	
Personal Care	\$	11
Consumer Tissue		6
K-C Professional & Other		2
Total	\$	<u>19</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introduction

This management's discussion and analysis of financial condition and results of operations is intended to provide investors with an understanding of the Corporation's recent performance, its financial condition and its prospects. The following will be discussed and analyzed:

- Overview of First Quarter 2010 Results
- Results of Operations and Related Information
- Liquidity and Capital Resources
- New Accounting Standards
- Environmental Matters
- Business Outlook

Overview of First Quarter 2010 Results

- Net sales increased 7.6 percent.
- Operating profit increased 5.9 percent and net income attributable to Kimberly-Clark Corporation decreased 5.7 percent.
- Cash provided by operations was \$464 million, a decrease of 33 percent from last year.
- An after tax charge of \$96 million was recorded in first quarter 2010 related to the January 1, 2010 adoption of highly inflationary accounting in Venezuela.
- The effective tax rate was 39.6 percent compared to 29.1 percent in the prior year.

Results of Operations and Related Information

This section presents a discussion and analysis of the Corporation's first quarter of 2010 net sales, operating profit and other information relevant to an understanding of the results of operations.

First Quarter of 2010 Compared With First Quarter of 2009

Analysis of Net Sales

By Business Segment
(Millions of dollars)

Net Sales	2010	2009
Personal Care	\$ 2,137	\$ 1,977
Consumer Tissue	1,606	1,574
K-C Professional & Other	730	651
Health Care	367	298
Corporate & Other	12	13
Intersegment sales	(17)	(20)
Consolidated	\$ 4,835	\$ 4,493

Commentary:

	Percent Change in Net Sales Versus Prior Year				
	Total Change	Volume Growth	Changes Due To		
			Net Price	Currency	Mix/ Other
Consolidated	7.6	2	1	5	-
Personal Care	8.1	3	1	5	(1)
Consumer Tissue	2.0	(3)	-	5	-
K-C Professional & Other	12.1	4	2	5	1
Health Care	23.2	20	-	3	-

- Personal care net sales in North America increased 4 percent versus the first quarter of 2009. Sales volumes were up 2 percent, currency effects benefited sales by 1 percent, and changes in net selling prices, driven by the timing of promotional activity for Huggies diapers, added an additional percent of growth. The growth in volumes was broad-based across most categories, including a double-digit increase in feminine care as a result of initial shipments of the new U by Kotex line extension that was launched toward the end of the first quarter. In addition, sales volumes for Huggies baby wipes and the Corporation's child care brands rose 5 percent and 4 percent, respectively, compared to soft year-ago results that included the impacts of a slowdown in category sales. In other areas of the business, sales volumes for adult care rose 3 percent, including early benefits from recent innovation on both the Poise and Depend brands. Finally, sales volumes for Huggies diapers were off about 5 percent in the first quarter, in part due to the previously mentioned timing of promotional activity.

In Europe, personal care net sales rose 6 percent in the quarter, including a currency exchange rate benefit of 9 percent. Net selling prices declined nearly 2 percent and changes in product mix reduced sales by about 1 percent. Overall sales volumes were down slightly in the first quarter, as a 4 percent decline in Huggies diapers was nearly offset by strong growth in Huggies baby wipes and the Corporation's child care brands.

In K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, personal care net sales increased 15 percent, as changes in currency rates benefited sales by 9 percent and organic sales rose 6 percent. Sales volumes were up 7 percent, while changes in product mix reduced sales by about 1 percent. The growth in volumes was broad-based, with particular strength in China, Turkey, South Asia and Latin America.

- In North America, sales of consumer tissue products decreased approximately 4 percent compared to the year-ago period. Sales volumes were down nearly 6 percent and product mix was slightly unfavorable, while changes in net selling prices added more than 2 percent to sales, primarily due to sheet count reductions taken in the first quarter on Cottonelle bathroom tissue to improve net realized revenue. Although bathroom tissue sales volumes were down about 3 percent in the quarter, overall net sales were up modestly as a result of the sheet count reductions. Sales volumes for Kleenex facial tissue declined 3 percent in the quarter in conjunction with a mild cold and flu season. Finally, paper towel volumes fell at a double-digit rate and continue to be impacted by consumer trade-down.

In Europe, consumer tissue net sales rose about 3 percent compared with the first quarter of 2009, including favorable currency effects of 8 percent. Net selling prices decreased 3 percent, reflecting a continued competitive environment, and sales volumes were off about 2 percent in the quarter.

In K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, consumer tissue net sales increased 12 percent, as currency effects were favorable by 10 percent and organic sales rose 2 percent. Sales volumes advanced approximately 2 percent in the first quarter, while a 1 percent benefit from changes in product mix was essentially offset by slightly lower net selling prices.

- Net sales of K-C Professional (KCP) & other products increased 12.1 percent compared with the first quarter of 2009. Favorable currency effects benefited sales by 5 percent and the acquisition of Jackson Products, Inc. ("Jackson") added 3 percent of sales growth in the quarter. In addition, net selling prices increased 2 percent and changes in product mix benefited sales by 1 percent, reflecting the Corporation's continued focus on increasing net realized revenue. Organic sales volumes advanced 1 percent.

In North America, KCP net sales increased 12 percent, including an approximate 6 percent benefit from Jackson. Meanwhile, net selling prices rose 3 percent, organic sales volumes were up about 2 percent and changes in currency rates added 1 percent to sales. In Europe, KCP's sales rose 9 percent in the first quarter, including favorable currency effects of 9 percent and a benefit from Jackson of more than 1 percent. Organic sales volumes were up about 1 percent, while net selling prices fell 2 percent.

In K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, KCP's net sales increased 23 percent, including benefits from currency rates totaling 10 percent. Sales volumes were up about 7 percent, with particular strength in South Asia and Latin America, and the combined impact of higher net selling prices and improved product mix increased sales by 6 percent.

- Net sales of health care products increased 23.2 percent in the first quarter. Growth was driven by a 12 percent benefit from the acquisition of I-Flow Corporation ("I-Flow") and an 8 percent increase in organic sales volumes. In addition, favorable currency exchange rates added 3 percent of sales growth in the quarter. The organic volume growth was highlighted by double-digit gains in medical devices and in exam gloves. In addition, increased global demand for face masks as a result of the H1N1 flu virus was responsible for nearly 4 percent of organic volume growth in the quarter.

By Geography
(Millions of dollars)

Net Sales	2010	2009
North America	\$ 2,647	\$ 2,539
Outside North America	2,364	2,105
Intergeographic sales	(176)	(151)
Consolidated	\$ <u>4,835</u>	\$ <u>4,493</u>

Commentary:

- Net sales in North America increased 4 percent compared with the prior year due to higher net selling prices and increases in sales volumes.
- Net sales outside North America increased 12 percent, particularly in Asia and Europe, due to higher volumes and favorable currency effects partially offset by lower net selling prices.

Analysis of Operating Profit

By Business Segment
(Millions of dollars)

Operating Profit	2010	2009
Personal Care	\$ 472	\$ 442
Consumer Tissue	181	194
K-C Professional & Other	107	80
Health Care	57	48
Other income and (expense), net ^(a)	(101)	(77)
Corporate & Other ^(b)	(51)	(59)
Consolidated	\$ 665	\$ 628

Notes:

- ^(a) Other income and (expense), net included a \$79 million charge for the adoption of highly inflationary accounting in Venezuela effective January 1, 2010. See additional information in Note 3 to the Consolidated Financial Statements. In addition, foreign currency transaction losses totaled \$21 million in the first quarter of 2010 and \$76 million in the prior year.
- ^(b) Included in Corporate & Other in 2010 is a \$19 million charge related to the adoption of highly inflationary accounting in Venezuela. See additional information in Notes 3 and 9 to the Consolidated Financial Statements.

Commentary:

	Percentage Change in Operating Profit Versus Prior Year					
	Total Change	Changes Due To				
		Volume	Net Price	Input Costs ^(a)	Currency	Other ^(b)
Consolidated	5.9	5	6	(11)	11	(5)
Personal Care	6.8	2	3	(5)	2	5
Consumer Tissue	(6.7)	(6)	3	(12)	-	8
K-C Professional & Other	33.8	5	19	(23)	7	26
Health Care	18.8	64	-	(13)	5	(37)

- ^(a) Includes raw materials cost inflation and energy and distribution variations.
- ^(b) Includes cost savings. Consolidated also includes the charge related to the adoption of highly inflationary accounting in Venezuela.

Consolidated operating profit for the first quarter of 2010 was up 5.9 percent from the prior year. In addition to the effect of higher net sales, there were a number of other factors affecting year-over-year operating profit comparisons. Cost savings in the quarter from the Corporation's FORCE (Focused On Reducing Costs Everywhere) program totaled approximately \$80 million. The Corporation also realized benefits of about \$35 million related to the 2009 organization optimization initiative that streamlined its salaried workforce. Pension expense fell by nearly \$40 million, as expected, with a majority of the decrease reflected in cost of sales. Increased production volumes favorably impacted the year-over-year comparisons by approximately \$35 million. Meanwhile, inflation in key cost inputs amounted to about \$70 million overall versus 2009, including \$50 million in higher fiber costs, \$25 million for raw materials other than fiber, and \$10 million in distribution costs, partially offset by \$15 million of lower energy costs. Marketing, research and general expenses increased in the first quarter, including a \$60 million increase in strategic marketing to support the Corporation's product innovation activities and targeted growth initiatives, along with higher selling, research and administrative expenses, driven by increases to support future growth in K-C International and the I-Flow acquisition.

The Corporation recorded charges of \$19 million in Cost of products sold, and \$79 million in Other income and (expense), net related to the adoption of highly inflationary accounting in Venezuela effective January 1, 2010. In addition, Other income and (expense), net included foreign currency transaction losses of \$21 million in the first quarter of 2010 and \$76 million in the prior year.

- Personal care segment operating profit increased 6.8 percent as the benefits from cost savings, higher net selling prices, sales volume increases and production efficiencies were tempered by higher input costs and increased marketing, research and general expenses. In North America, operating profit increased primarily due to cost savings, production efficiencies, higher net selling prices and favorable currency effects, partially offset by higher input costs and increases in marketing, research and general expense. In Europe, operating profit increased due to cost savings partially offset by lower net selling prices. Operating profit in the Corporation's operations in Asia, Latin America, the Middle East, Eastern Europe and Africa decreased as the benefits from higher sales volumes were more than offset by increases in marketing, research and general expenses.
- Consumer tissue segment operating profit decreased 6.7 percent as higher input costs, lower sales volumes and increased strategic marketing expense were tempered by cost savings and production efficiencies. In North America, operating profit increased due to higher net selling prices and production efficiencies, partially offset by lower sales volumes and higher input costs. In Europe, operating profit decreased as cost savings were more than offset by lower selling prices. Operating profit in the Corporation's operations in Asia, Latin America, the Middle East, Eastern Europe and Africa decreased due to higher selling and general expenses and unfavorable currency effects, partially offset by increased sales volumes.
- Operating profit for K-C Professional & Other products increased 33.8 percent due to cost savings and higher net selling prices, partially offset by higher input costs.
- Health care segment operating profit increased 18.8 percent due to increased sales volumes and cost savings, partially offset by increased selling and general expenses.

By Geography
(Millions of dollars)

Operating Profit	2010	2009
North America	\$ 562	\$ 505
Outside North America	255	259
Other income and (expense), net ^(a)	(101)	(77)
Corporate & Other ^(b)	(51)	(59)
Consolidated	\$ 665	\$ 628

Notes:

- (a) Other income and (expense), net included a \$79 million charge for the adoption of highly inflationary accounting in Venezuela effective January 1, 2010. See additional information in Note 3 to the Consolidated Financial Statements. In addition, foreign currency transaction losses totaled \$21 million in the first quarter of 2010 and \$76 million in the prior year.
- (b) Included in Corporate & Other in 2010 is a \$19 million charge related to the adoption of highly inflationary accounting in Venezuela. See additional information in Note 3 to the Consolidated Financial Statements.

Commentary:

- Operating profit in North America increased 11.3 percent because higher net selling prices, production efficiencies, and cost savings more than offset higher input costs and increased marketing, research and general expenses.
- Operating profit outside North America was essentially even with last year as higher sales volumes and cost savings were offset by lower net selling prices and higher strategic marketing spending.

Additional Income Statement Commentary

- Interest expense for the first quarter of 2010 was \$12 million lower than the prior year primarily due to a lower average level of debt.
- The Corporation's effective tax rate for the first quarter of 2010 was 39.6 percent compared to 29.1 percent in the prior year. The first quarter rate was above the Corporation's full-year target range of 30 to 32 percent, driven by the nondeductible currency losses resulting from the adoption of highly inflationary accounting in Venezuela and changes in tax law related to U.S. health care reform legislation, including a \$20 million charge related to the Medicare Part D subsidy, partially offset by a one-time event related to foreign tax credits.
- The Corporation's share of net income of equity companies in the first quarter increased to \$43 million from \$32 million in 2009, mainly as a result of higher net income at Kimberly-Clark de Mexico, S.A.B. de C.V. (KCM). KCM delivered double-digit growth in net sales, operating profit and net income, as results were positively impacted by solid organic sales growth, improved gross margin and favorable currency effects.

Liquidity and Capital Resources

- Cash provided by operations in the first quarter of 2010 totaled \$464 million compared to \$692 million in the prior year. The decline was driven by increases in operating working capital and higher pension plan contributions, partially offset by higher cash earnings. First quarter contributions to the Corporation's defined benefit pension plans totaled about \$175 million in 2010 versus \$90 million in 2009. The Corporation continues to target full-year 2010 pension contributions of approximately \$240 million.
- Capital spending for the quarter was \$184 million compared with \$211 million last year. The Corporation continues to target full year spending of \$1.0 to \$1.1 billion in 2010.
- During the first quarter of 2010, the Corporation repurchased approximately 2.5 million shares of its common stock at a cost of about \$150 million, in line with the Corporation's target to repurchase \$500 to \$600 million worth of its shares in 2010.
- At March 31, 2010, total debt and redeemable securities was \$6.4 billion compared with \$6.5 billion at the end of 2009.
- In 2003, the Venezuelan government enacted currency restrictions, which have affected the ability of K-C Venezuela to obtain U.S. dollars at the official exchange rate to pay for significant imports of finished goods, raw materials and services to support its operations. These exchange restrictions have negatively impacted K-C Venezuela because it has had to meet its foreign currency needs from non-government sources at the parallel exchange rates, which are substantially unfavorable to the official rate. See Note 3 to the Consolidated Financial Statements for more details about the accounting for K-C Venezuela's financial results and the previously discussed charge resulting from the January 1, 2010 adoption of highly inflationary accounting in Venezuela.

As of March 31, 2010, K-C Venezuela had a bolivar-denominated net monetary asset position of 357 million bolivars. Management does not expect further changes in the parallel market exchange rate during the remainder of 2010 to have a material impact on the Corporation's financial condition, results of operations or liquidity.

- Management believes that the Corporation's ability to generate cash from operations and its capacity to issue short-term and long-term debt are adequate to fund operating needs, capital spending, payment of dividends and other needs in the foreseeable future.

New Accounting Standards

See Note 1 to the Consolidated Financial Statements for information on recently issued accounting standards.

Environmental Matters

The Corporation has been named a potentially responsible party under the provisions of the federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statutes, at a number of waste disposal sites, none of which, individually or in the aggregate, in management's opinion, is likely to have a material adverse effect on the Corporation's business, financial condition, results of operations, or liquidity.

Business Outlook

The Corporation plans to continue to strengthen its brands, pursue targeted growth initiatives and invest for future growth. The Corporation has launched a number of innovations already this year and intends to bring more to market as the year progresses. The Corporation continues to expect that strategic marketing spending will rise at a faster pace than sales in 2010. Given recent input cost changes and expectations for additional near-term increases, particularly with pulp, the Corporation is now experiencing significantly higher cost inflation in 2010 than previously estimated. As a result, management is looking for ways to increase revenue realization and focusing on generating incremental cost savings and controlling discretionary spending to offset a substantial portion of these input cost increases.

Information Concerning Forward-Looking Statements

Certain matters contained in this report concerning the business outlook, including economic conditions, anticipated currency rates and exchange risk, anticipated impact of acquisitions, cost savings, changes in finished product selling prices, cash flow and uses of cash, capital spending, marketing spending, anticipated raw material and energy costs, anticipated financial and operating results, revenue realization strategies, contingencies and anticipated transactions of the Corporation constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the Corporation. There can be no assurance that these future events will occur as anticipated or that the Corporation's results will be as estimated. For a description of certain factors that could cause the Corporation's future results to differ materially from those expressed in any such forward-looking statements, see Item 1A of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2009 entitled "Risk Factors."

Item 4. Controls and Procedures.

As of March 31, 2010, an evaluation was performed under the supervision and with the participation of the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures. Based on that evaluation, the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Corporation's disclosure controls and procedures were effective as of March 31, 2010. There have been no significant changes during the quarter covered by this report in the Corporation's internal control over financial reporting or in other factors that could significantly affect internal control over financial reporting.

PART II – OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The Corporation repurchases shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. During 2010, the Corporation anticipates purchasing \$500 million to \$600 million of its common stock. All share repurchases by the Corporation during the first quarter of 2010 were made through a broker in the open market.

The following table contains information for shares repurchased during the first quarter of 2010. None of the shares in this table were repurchased directly from any officer or director of the Corporation.

Period (2010)	Total Number of Shares Purchased⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
January 1 to 31	267,000	\$ 59.83	18,267,411	31,732,589
February 1 to 28	1,017,000	59.69	19,284,411	30,715,589
March 1 to 31	<u>1,197,000</u>	61.16	20,481,411	29,518,589
Total	<u>2,481,000</u>			

- ⁽¹⁾ Share repurchases were made pursuant to a share repurchase program authorized by the Corporation's Board of Directors on July 23, 2007 that allows for the repurchase of 50 million shares in an amount not to exceed \$5 billion.

In addition, during January, February and March 2010, the Corporation purchased the following shares from current or former employees in connection with the exercise of employee stock options and other awards.

Month	Shares	Amount
January	6,713	\$ 409,330
February	203	12,068
March	1,431	86,933

Item 6. Exhibits.

(a) Exhibits.

Exhibit No. (3)a. Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation's Current Report on Form 8-K dated May 1, 2009.

Exhibit No. (3)b. By-Laws, as amended April 30, 2009, incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K dated May 1, 2009.

Exhibit No. (4). Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request.

Exhibit No. (31)a. Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed herewith.

Exhibit No. (31)b. Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, filed herewith.

Exhibit No. (32)a. Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.

Exhibit No. (32)b. Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.

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Exhibit No. (101).SCH* XBRL Taxonomy Extension Schema Document

Exhibit No. (101).CAL* XBRL Taxonomy Extension Calculation Linkbase Document

Exhibit No. (101).LAB* XBRL Taxonomy Extension Label Linkbase Document

Exhibit No. (101).PRE* XBRL Taxonomy Extension Presentation Linkbase Document

* In accordance with Regulation S-T, the XBRL-related information in Exhibit No. (101) to this Quarterly Report on Form 10-Q shall be deemed "furnished" and not "filed."

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KIMBERLY-CLARK CORPORATION
(Registrant)

By: /s/ Mark A. Buthman
Mark A. Buthman
Senior Vice President and
Chief Financial Officer
(principal financial officer)

By: /s/ Michael T. Azbell
Michael T. Azbell
Vice President and Controller
(principal accounting officer)

May 7, 2010

EXHIBIT INDEX

Exhibit No.	Description
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* In accordance with Regulation S-T, the XBRL-related information in Exhibit No. (101) to this Quarterly Report on Form 10-Q shall be deemed "furnished" and not "filed."

CERTIFICATIONS

I, Thomas J. Falk, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kimberly-Clark Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 7, 2010

/s/ Thomas J. Falk
Thomas J. Falk
Chief Executive Officer

CERTIFICATIONS

I, Mark A. Buthman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kimberly-Clark Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

May 7, 2010

/s/ Mark A. Buthman
Mark A. Buthman
Chief Financial Officer

Certification of Chief Executive Officer
Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code

I, Thomas J. Falk, Chief Executive Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

- (1) the Form 10-Q, filed with the Securities and Exchange Commission on May 7, 2010 ("accompanied report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Thomas J. Falk
Thomas J. Falk
Chief Executive Officer

May 7, 2010

Certification of Chief Financial Officer
Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code

I, Mark A. Buthman, Chief Financial Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

- (1) the Form 10-Q, filed with the Securities and Exchange Commission on May 7, 2010 (“accompanied report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Mark A. Buthman
Mark A. Buthman
Chief Financial Officer

May 7, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q/A
Amendment No. 1

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2010**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from.....to.....

Commission file number **1-225**

KIMBERLY-CLARK CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization) Identification

39-0394230

(I.R.S. Employer
No.)

P. O. Box 619100

Dallas, Texas

75261-9100

(Address of principal executive offices)
(Zip Code)

(972) 281-1200

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of April 30, 2010, there were 413,971,851 shares of the Corporation's common stock outstanding.

EXPLANATORY NOTE

The sole purpose of this amendment on Form 10-Q/A to Kimberly-Clark Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, filed with the Securities and Exchange Commission on May 7, 2010 (the "Form 10-Q"), is to furnish a corrected interactive data file formatted in XBRL (Extensible Business Reporting Language) on Exhibit 101 to the Form 10-Q, as required by Rule 405 of Regulation S-T. The corrected Exhibit 101 reflects changes to indicate the amounts in the consolidated income statement, condensed consolidated balance sheet, condensed consolidated cash flow statement and consolidated statement of comprehensive income are stated in millions.

No other changes have been made to the Form 10-Q. This Form 10-Q/A speaks as of the original filing date of the Form 10-Q, does not reflect events that may have occurred subsequent to the original filing date, and does not modify or update in any way disclosures made in the Form 10-Q.

Item 6. Exhibits.

(a) Exhibits.

Exhibit No. (3)a.* Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation's Current Report on Form 8-K dated May 1, 2009.

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* Previously filed or furnished with or incorporated by reference in Kimberly-Clark's Form 10-Q filed on May 7, 2010.

** In accordance with Regulation S-T, the XBRL-related information in Exhibit No. (101) to this Quarterly Report on Form 10-Q shall be deemed "furnished" and not "filed."

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KIMBERLY-CLARK CORPORATION
(Registrant)

By: /s/ Michael T. Azbell
Michael T. Azbell
Vice President and Controller
(principal accounting officer)

May 14, 2010

EXHIBIT INDEX

Exhibit No.	Description
(3)a.*	Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation's Current Report on Form 8-K dated May 1, 2009.
(3)b.*	By-Laws, as amended April 30, 2009, incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K dated May 1, 2009.
(4).	Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request.
(31)a.*	Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed herewith.
(31)b.*	Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, filed herewith.
(32)a.*	Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.
(32)b.*	Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.
(101).INS**	XBRL Instance Document
(101).SCH**	XBRL Taxonomy Extension Schema Document
(101).CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
(101).LAB**	XBRL Taxonomy Extension Label Linkbase Document
(101).PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

* Previously filed or furnished with or incorporated by reference in Kimberly-Clark's Form 10-Q filed on May 7, 2010.

** In accordance with Regulation S-T, the XBRL-related information in Exhibit No. (101) to this Quarterly Report on Form 10-Q shall be deemed "furnished" and not "filed."

EXHIBIT IV QUARTERLY REPORT OF THE ISSUER ON FORM 10-Q FOR THE SECOND
QUARTERLY PERIOD OF 2010 ENDED 30 JUNE 2010, FILED WITH THE SEC ON
9 AUGUST 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2010

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-225

KIMBERLY-CLARK CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

39-0394230
(I.R.S. Employer
Identification No.)

**P. O. Box 619100
Dallas, Texas
75261-9100**
(Address of principal executive offices)
(Zip Code)

(972) 281-1200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 30, 2010, there were 409,312,506 shares of the Corporation's common stock outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES CONSOLIDATED INCOME STATEMENT

(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2010	2009	2010	2009
<u>(Millions of dollars, except per share amounts)</u>				
Net Sales	\$ 4,857	\$ 4,727	\$9,692	\$9,220
Cost of products sold	3,213	3,154	6,401	6,193
Gross Profit	1,644	1,573	3,291	3,027
Marketing, research and general expenses	929	923	1,810	1,672
Other (income) and expense, net	4	41	105	118
Operating Profit	711	609	1,376	1,237
Interest income	6	6	11	14
Interest expense	(60)	(71)	(121)	(144)
Income Before Income Taxes and Equity Interests	657	544	1,266	1,107
Provision for income taxes	(181)	(158)	(422)	(322)
Income Before Equity Interests	476	386	844	785
Share of net income of equity companies	47	44	90	76
Net Income	523	430	934	861
Net income attributable to noncontrolling interests	(25)	(27)	(52)	(51)
Net Income Attributable to Kimberly-Clark Corporation	\$ 498	\$ 403	\$ 882	\$ 810
Per Share Basis:				
Net Income Attributable to Kimberly-Clark Corporation				
Basic	\$ 1.20	\$.97	\$ 2.12	\$ 1.95
Diluted	1.20	.97	2.11	1.95
Cash Dividends Declared	\$.66	\$.60	\$ 1.32	\$ 1.20

See Notes to Consolidated Financial Statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

(Millions of dollars)	June 30, 2010	December 31, 2009
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 585	\$ 798
Accounts receivable, net	2,390	2,566
Inventories	2,233	2,033
Other current assets	413	467
Total Current Assets	5,621	5,864
Property	16,871	16,934
Less accumulated depreciation	9,015	8,901
Net Property	7,856	8,033
Investments in Equity Companies	394	355
Goodwill	3,212	3,275
Long-Term Notes Receivable	609	607
Other Assets	1,021	1,075
	<u>\$18,713</u>	<u>\$ 19,209</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Debt payable within one year	\$ 1,157	\$ 610
Accounts payable	2,055	1,920
Accrued expenses	1,903	2,064
Other current liabilities	341	329
Total Current Liabilities	5,456	4,923
Long-Term Debt	4,442	4,792
Noncurrent Employee Benefits	1,762	1,989
Long-Term Income Taxes Payable	190	168
Deferred Income Taxes	336	377
Other Liabilities	188	218
Redeemable Preferred and Common Securities of Subsidiaries	1,052	1,052
Stockholders' Equity		
Kimberly-Clark Corporation	5,015	5,406
Noncontrolling interests	272	284
Total Stockholders' Equity	5,287	5,690
	<u>\$18,713</u>	<u>\$ 19,209</u>

See Notes to Consolidated Financial Statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
(Unaudited)

	Six Months Ended June 30	
(Millions of dollars)	2010	2009
Operating Activities		
Net income	\$ 934	\$ 861
Depreciation and amortization	402	367
Stock-based compensation	28	28
(Increase) decrease in operating working capital	(189)	886
Deferred income taxes	(9)	(63)
Net losses on asset dispositions	15	21
Equity companies' earnings in excess of dividends paid	(54)	(51)
Postretirement benefits	(173)	(354)
Other	97	(6)
Cash Provided by Operations	1,051	1,689
Investing Activities		
Capital spending	(363)	(396)
Acquisition of businesses, net of cash acquired	—	(165)
Proceeds from sales of investments	19	19
Proceeds from dispositions of property	3	2
Investments in time deposits	(95)	(139)
Maturities of time deposits	155	99
Other	(8)	(16)
Cash Used for Investing	(289)	(596)
Financing Activities		
Cash dividends paid	(525)	(488)
Net increase (decrease) in short-term debt	128	(86)
Proceeds from issuance of long-term debt	4	2
Repayments of long-term debt	(16)	(32)
Cash paid on redeemable preferred securities of subsidiary	(27)	(26)
Shares purchased from noncontrolling interests	—	(278)
Proceeds from exercise of stock options	36	23
Acquisitions of common stock for the treasury	(486)	(6)
Other	(26)	2
Cash Used for Financing	(912)	(889)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(63)	23
(Decrease) increase in Cash and Cash Equivalents	(213)	227
Cash and Cash Equivalents, beginning of year	798	364
Cash and Cash Equivalents, end of period	<u>\$ 585</u>	<u>\$ 591</u>

See Notes to Consolidated Financial Statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

(Millions of dollars)	Three Months Ended June 30		Six Months Ended June 30	
	2010	2009	2010	2009
Net Income	\$ 523	\$ 430	\$ 934	\$ 861
Other Comprehensive Income, Net of Tax:				
Unrealized currency translation adjustments	(325)	646	(351)	285
Employee postretirement benefits	17	145	53	177
Other	5	(9)	7	(15)
Total Other Comprehensive Income, Net of Tax	(303)	782	(291)	447
Comprehensive Income	220	1,212	643	1,308
Comprehensive income attributable to noncontrolling interests	10	62	43	53
Comprehensive Income Attributable to Kimberly-Clark Corporation	\$ 210	\$ 1,150	\$ 600	\$ 1,255

See Notes to Consolidated Financial Statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Accounting Policies

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation have been included.

For further information, refer to the Consolidated Financial Statements and footnotes included in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2009.

Note 2. Fair Value Measurements

The following fair value information is based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels in the hierarchy used to measure fair value are:

Level 1 – Unadjusted quoted prices in active markets accessible at the reporting date for identical assets and liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets. Quoted prices for identical or similar assets and liabilities in markets that are not considered active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are significant to the valuation and are unobservable.

During the second quarter of 2010, there were no significant transfers among level 1, 2, or 3 fair value determinations.

Set forth below are the assets and liabilities that are measured on a recurring basis at fair value as of June 30, 2010, together with the inputs used to develop those fair value measurements.

	<u>June 30,</u> <u>2010</u>	<u>Fair Value Measurements</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
		(Millions of dollars)		
Assets				
Company-owned life insurance (“COLI”)	\$ 42	\$ —	\$ 42	\$ —
Available-for-sale securities	17	12	—	5
Derivatives	68	—	68	—
Total	<u>\$ 127</u>	<u>\$ 12</u>	<u>\$ 110</u>	<u>\$ 5</u>
Liabilities				
Derivatives	<u>\$ 50</u>	<u>\$ —</u>	<u>\$ 50</u>	<u>\$ —</u>

Note 2. (Continued)

The COLI policies are a source of funding primarily for the Corporation's nonqualified employee benefits and are included in other assets. Available-for-sale securities are included in other current assets and other assets, as appropriate. The derivative assets and liabilities are included in other current assets, other assets, accrued expenses and other liabilities, as appropriate.

Level 1 Fair Values - The fair values of certain available-for-sale securities are based on quoted market prices in active markets for identical assets. Unrealized losses on these securities aggregating \$5 million are recorded in other comprehensive income until realized. The unrealized losses have not been recognized in earnings because the Corporation has both the intent and ability to hold the securities for a period of time sufficient to allow for an anticipated recovery of fair value to the cost of such securities.

Level 2 Fair Values - The fair value of the COLI policies is derived from investments in a mix of money market, fixed income and equity funds managed by unrelated fund managers. The fair values of derivatives used to manage interest rate risk and commodity price risk are based on LIBOR rates and interest rate swap curves and NYMEX price quotations, respectively. The fair value of hedging instruments used to manage foreign currency risk is based on quotations of spot currency rates and forward points, which are converted into implied forward currency rates. Additional information on the Corporation's use of derivative instruments is contained in Note 9.

Level 3 Fair Values - The fair value of certain available-for-sale securities acquired in the fourth quarter of 2009 is based on quoted market prices for the exchange-traded securities, adjusted to reflect the restrictions placed on the sale of these securities. There was no significant change in the fair value from the date of acquisition through June 30, 2010.

Fair Value Disclosures

The following table includes the fair value of the Corporation's financial instruments as of June 30, 2010, for which fair value disclosure is required:

<u>(Millions of dollars)</u>	<u>Carrying Amount</u>	<u>Estimated Fair Value</u>
Assets		
Cash and cash equivalents ^(a)	\$ 585	\$ 585
Time deposits (included in other current assets) ^(b)	124	124
Long-term notes receivable ^(c)	609	586
Liabilities and redeemable preferred and common securities of subsidiaries		
Short-term debt ^(d)	236	236
Monetization loan ^(c)	397	396
Long-term debt ^(e)	4,966	5,588
Redeemable preferred and common securities of subsidiaries ^(f)	1,052	1,146

^(a) Cash equivalents are comprised of certificates of deposit, time deposits and other interest-bearing investments with original maturity dates of 90 days or less, all of which are recorded at cost, which approximates fair value.

^(b) Time deposits are comprised of deposits with original maturities of more than 90 days but less than one year, all of which are recorded at cost, which approximates fair value.

Note 2. (Continued)

- (c) Long-term notes receivable represent held-to-maturity securities, which arose from the sale of nonstrategic timberlands and related assets. The notes are backed by irrevocable standby letters of credit issued by money center banks. A consolidated variable interest entity (“VIE”) has an outstanding long-term monetization loan secured by the related note held by this VIE (indicated by Note 1 and Loan 1 below). The following summarizes the terms of the notes and the monetization loan as of June 30, 2010 (millions of dollars):

Description	Face Value	Carrying Amount	Maturity	Interest Rate ⁽¹⁾
Note 1	\$397	\$ 392	09/30/2014	LIBOR
Note 2	220	217	07/07/2011	LIBOR minus 12.5 bps
Loan 1	397	397	01/31/2011	LIBOR plus 127 bps

⁽¹⁾ Payable quarterly, 3-month LIBOR

The difference between the carrying amount of the notes and their fair value represents an unrealized loss position for which an other-than-temporary impairment has not been recognized in earnings because the Corporation has both the intent and ability to hold the notes for a period of time sufficient to allow for an anticipated recovery of fair value to the carrying amount of the notes. Neither the notes nor the monetization loan is traded in active markets. Accordingly, their fair values were calculated using a floating rate pricing model that compared the stated spread to the fair value spread to determine the price at which each of the financial instruments should trade. The model used the following inputs to calculate fair values: face value, current LIBOR rate, fair value credit spread, stated spread, maturity date and interest payment dates.

- (d) Short-term debt is comprised of U.S. commercial paper with original maturities up to 90 days and other similar short-term debt issued by non-U.S. subsidiaries, all of which are recorded at cost, which approximates fair value.
- (e) Long-term debt includes long-term debt instruments and the portion payable within the next twelve months (\$524 million). Fair values were estimated based on quoted prices for financial instruments for which all significant inputs were observable, either directly or indirectly.
- (f) The redeemable preferred securities are not traded in active markets. Accordingly, their fair values were calculated using a pricing model that compares the stated spread to the fair value spread to determine the price at which each of the financial instruments should trade. The model used the following inputs to calculate fair values: face value, current benchmark rate, fair value spread, stated spread, maturity date and interest payment dates. The fair value and the carrying amount of the redeemable common securities of \$41 million were based on an independent third-party appraisal, adjusted for current market conditions.

Note 3. Highly Inflationary Accounting for Venezuelan Operations

In 2003, the Venezuelan government enacted currency restrictions which have affected the ability of the Corporation’s Venezuelan subsidiary (“K-C Venezuela”) to obtain U.S. dollars at the official exchange rate to pay for significant imports of U.S. dollar-denominated finished goods, raw materials and services to support its operations. For transactions that did not qualify for settlement at the official exchange rate, an unregulated market existed for the acquisition and exchange of bolivar- and U.S. dollar-denominated bonds, effectively resulting in a parallel market exchange rate substantially unfavorable to the official exchange rate.

Note 3. (Continued)

In instances during 2009 when the U.S. dollar-denominated imports did not receive government approval to be settled at the official exchange rate of 2.15 bolivars to the U.S. dollar, K-C Venezuela measured the transactions from U.S. dollars to bolivars at the exchange rate in the parallel market that was used to pay for these imports. In instances during 2009 when the U.S. dollar-denominated imports received government approval to be settled at the official exchange rate, K-C Venezuela measured the transactions from U.S. dollars to bolivars at the official exchange rate. During 2009, K-C Venezuela used the official rate to translate its operating results from the bolivar functional currency into U.S. dollars, based on its dividend remittance history at that rate. For the full year 2009, K-C Venezuela represented approximately 3 percent of consolidated net sales, and 1 percent of consolidated operating profit and net income attributable to the Corporation.

The cumulative inflation in Venezuela for the three years ended December 31, 2009 was more than 100 percent, based on the Consumer Price Index/National Consumer Price Index. As a result, effective January 1, 2010, K-C Venezuela began accounting for its operations as highly inflationary, as required by GAAP. Under highly inflationary accounting, K-C Venezuela's functional currency became the U.S. dollar, and its income statement and balance sheet are measured into U.S. dollars using both current and historical rates of exchange. The effect of changes in exchange rates on bolivar-denominated monetary assets and liabilities is reflected in earnings in other (income) and expense, net. As of June 30, 2010, K-C Venezuela had a bolivar-denominated net monetary asset position of \$50 million.

For the first quarter 2010, the Corporation determined that, under highly inflationary accounting, the parallel exchange rate was the appropriate exchange rate to measure K-C Venezuela's bolivar-denominated transactions into U.S. dollars as this was the rate at which K-C Venezuela had substantially converted the bolivars it generated from its operations during the first quarter of 2010 into U.S. dollars to pay for its imports.

As a result of the adoption of highly inflationary accounting, the Corporation recorded an after-tax charge of \$96 million in first quarter 2010 to remeasure K-C Venezuela's bolivar-denominated net monetary asset position into U.S. dollars at a parallel exchange rate of approximately 6 bolivars per U.S. dollar. In the Condensed Consolidated Cash Flow Statement, this non-cash charge was included in Other in Cash Provided by Operations. This charge was recorded in the following Consolidated Income Statement line items:

	Millions of dollars
Cost of products sold	\$ 19
Other (income) and expense, net	79
Provision for income taxes	(2)
Net charge	<u>\$ 96</u>

On May 18, 2010, the Venezuelan government enacted reforms to its currency exchange regulations to close the parallel market. On June 9, 2010, the Central Bank of Venezuela began a regulated currency exchange system (the "central bank system") that replaced the previous unregulated parallel market. Under the central bank system, entities domiciled in Venezuela (e.g., K-C Venezuela) are currently limited to convert bolivars into U.S. dollars at a volume of \$50 thousand per day, up to a maximum of \$350 thousand per month. This volume limitation is insufficient to convert K-C Venezuela's bolivar-denominated cash into U.S. dollars to pay for the historical levels of U.S. dollar-denominated imports to support its operations.

Note 3. (Continued)

As a result of the currency exchange regulations imposed on May 18, 2010, the Corporation determined that the central bank system rate of 5.4 bolivars per U.S. dollar was the appropriate exchange rate to measure K-C Venezuela's bolivar-denominated transactions into U.S. dollars during the period May 18, 2010 through June 30, 2010, as this was the rate at which K-C Venezuela was able to convert a limited amount of its bolivar-denominated cash into U.S. dollars under the central bank system. Consistent with the first quarter of 2010, for the period April 1, 2010 through May 17, 2010, the Corporation used the parallel exchange rate to measure its bolivar-denominated transactions into U.S. dollars.

At June 30, 2010, the Corporation's net investment in K-C Venezuela was \$140 million.

Note 4. Organization Optimization Initiative

In June 2009, the Corporation announced actions to reduce its worldwide salaried workforce by approximately 1,600 positions by the end of 2009. These actions resulted in cumulative pretax charges of \$128 million in 2009, including a pretax charge of \$110 million (\$78 million after-tax) recorded in the quarter ended June 30, 2009. Accrued expenses related to these actions have been substantially paid.

Costs of these actions were recorded at the business segment and corporate levels as follows:

<u>(Millions of dollars)</u>	<u>Three Months Ended June 30, 2009</u>
Personal Care	\$ 41
Consumer Tissue	42
K-C Professional & Other	14
Health Care	6
Corporate & Other	7
Total	<u>\$ 110</u>

On a geographic area basis, \$76 million of the charges were recorded in North America and \$34 million were recorded in Europe.

The charges were included in the following income statement captions:

<u>(Millions of dollars)</u>	<u>Three Months Ended June 30, 2009</u>
Cost of products sold	\$ 27
Marketing, research and general expenses	83
Provision for income taxes	(32)
Net charges	<u>\$ 78</u>

Note 5. Inventories

The following schedule presents inventories by major class:

<u>Summary of Inventories (Millions of dollars)</u>	<u>June 30, 2010</u>			<u>December 31, 2009</u>		
	<u>LIFO</u>	<u>Non-LIFO</u>	<u>Total</u>	<u>LIFO</u>	<u>Non-LIFO</u>	<u>Total</u>
At the lower of cost determined on the FIFO or weighted-average cost methods or market:						
Raw materials	\$ 151	\$ 346	\$ 497	\$ 137	\$ 282	\$ 419
Work in process	187	102	289	177	111	288
Finished goods	726	692	1,418	573	685	1,258
Supplies and other	—	278	278	—	277	277
	<u>1,064</u>	<u>1,418</u>	<u>2,482</u>	<u>887</u>	<u>1,355</u>	<u>2,242</u>
Excess of FIFO or weighted-average cost over LIFO cost	(249)	—	(249)	(209)	—	(209)
Total	<u>\$ 815</u>	<u>\$1,418</u>	<u>\$2,233</u>	<u>\$ 678</u>	<u>\$1,355</u>	<u>\$2,033</u>

The Corporation uses the LIFO method of valuing inventory for financial reporting purposes for most U.S. inventories. Interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs. An actual valuation of inventory under the LIFO method is made at the end of each year based on the inventory levels and costs at that time.

Note 6. Employee Postretirement Benefits

The table below presents benefit cost information for defined benefit plans and other postretirement benefit plans:

<u>(Millions of dollars)</u>	<u>Defined Benefit Plans</u>		<u>Other Postretirement Benefit Plans</u>	
	<u>Three Months Ended June 30</u>			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Service cost	\$ 13	\$ 17	\$ 3	\$ 3
Interest cost	77	77	10	11
Expected return on plan assets	(83)	(67)	—	—
Recognized net actuarial loss	24	25	—	—
Curtailment	—	21	—	—
Other	1	—	1	1
Net periodic benefit cost	<u>\$ 32</u>	<u>\$ 73</u>	<u>\$ 14</u>	<u>\$ 15</u>

Note 6. (Continued)

	Defined Benefit Plans		Other Postretirement Benefit Plans	
	Six Months Ended June 30			
(Millions of dollars)	2010	2009	2010	2009
Service cost	\$ 27	\$ 33	\$ 7	\$ 6
Interest cost	154	154	21	24
Expected return on plan assets	(167)	(132)	—	—
Recognized net actuarial loss	49	68	—	—
Curtailment	—	21	—	—
Other	4	1	2	2
Net periodic benefit cost	\$ 67	\$ 145	\$ 30	\$ 32

During the first and second quarters of 2010, the Corporation made cash contributions of \$176 million and \$52 million, respectively, to its pension trusts. During the first and second quarters of 2009, the Corporation made cash contributions of \$90 million and \$405 million, respectively, to its pension trusts. The Corporation currently anticipates contributing about \$240 million for the full year 2010 to its pension trusts.

For the U.S. pension plan, equity option strategies are used to reduce the volatility of returns on investments. Zero-cost equity collars are currently in place on the U.S. equity allocation which was about \$1.3 billion as of June 30, 2010.

In April 2009, the Corporation took action with respect to its U.S. defined benefit pension plan (other than for certain employees subject to collective bargaining agreements) and supplemental benefit plans, to provide that no future compensation and benefit service will be accrued under these plans for plan years after December 31, 2009 (“U.S. DB Pension Freeze”). The U.S. DB Pension Freeze resulted in a pension curtailment charge aggregating \$21 million in the second quarter of 2009 due to the write-off of applicable unamortized prior service costs. The Corporation also took action with respect to its Incentive Investment Plan (a 401(k) plan) and Retirement Contribution Plan (other than for certain employees subject to collective bargaining agreements) and Retirement Contribution Excess Benefit Program to discontinue all contributions to these plans for future plan years. These changes did not affect benefits earned by participants prior to January 1, 2010.

The Corporation adopted, effective January 1, 2010, a new 401(k) profit sharing plan, and amended its Retirement Contribution Excess Benefit Program, to provide for a matching contribution of 100 percent of a U.S. employee’s contributions to the plans, to a yearly maximum of four percent of eligible compensation, as well as a discretionary profit sharing contribution, in which contributions will be based on the Corporation’s profit performance. Except for certain employees subject to collective bargaining agreements, U.S. participants’ investment balances in the Corporation’s existing 401(k) plan and Retirement Contribution Plan were transferred to the new 401(k) plan.

Note 7. Earnings Per Share

There are no adjustments required to be made to net income for purposes of computing basic and diluted EPS. The average number of common shares outstanding is reconciled to those used in the basic and diluted EPS computations as follows:

(Millions of shares)	Average Common Shares Outstanding			
	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2010	2009	2010	2009
Average shares outstanding	412.7	414.1	414.5	413.9
Participating securities	1.0	1.5	1.1	1.7
Basic	413.7	415.6	415.6	415.6
Dilutive effect of stock options	1.0	.1	.8	.1
Dilutive effect of restricted share and restricted share unit awards	.9	.2	.9	.2
Diluted	415.6	415.9	417.3	415.9

Options outstanding during the three- and six-month periods ended June 30, 2010 to purchase 11.4 million and 14.4 million shares of common stock, respectively, were not included in the computation of diluted EPS because the exercise prices of the options were greater than the average market price of the common shares during the periods.

Options outstanding during the three- and six-month periods ended June 30, 2009 to purchase 26.3 million and 25.2 million shares of common stock, respectively, were not included in the computation of diluted EPS because the exercise prices of the options were greater than the average market price of the common shares during the periods.

The number of common shares outstanding as of June 30, 2010 and 2009 was 409.7 million and 414.3 million, respectively.

Note 8. Stockholders' Equity

Set forth below is a reconciliation of comprehensive income and stockholders' equity attributable to Kimberly-Clark Corporation and noncontrolling interests for the six months ended June 30, 2010 and 2009. Also reconciled for the same periods are the redeemable preferred and common securities of subsidiaries, which are required to be classified outside of stockholders' equity.

(Millions of dollars)	Comprehensive Income	Stockholders' Equity Attributable to		Redeemable Securities of Subsidiaries
		The Corporation	Noncontrolling Interests	
Balance at December 31, 2009		\$ 5,406	\$ 284	\$ 1,052
Comprehensive Income:				
Net income	\$ 934	882	24	28
Other comprehensive income, net of tax:				
Unrealized translation	(351)	(342)	(10)	1
Employee postretirement benefits	53	53	—	—
Other	7	7	—	—
Total Comprehensive Income	<u>\$ 643</u>			
Stock-based awards exercised or vested		31	—	—
Income tax benefits on stock-based compensation		1	—	—
Shares repurchased		(506)	—	—
Recognition of stock-based compensation		28	—	—
Dividends declared		(546)	(26)	(1)
Other		1	—	(1)
Return on redeemable preferred securities and noncontrolling interests		—	—	(27)
Balance at June 30, 2010		<u>\$ 5,015</u>	<u>\$ 272</u>	<u>\$ 1,052</u>

The net unrealized currency translation adjustments for the six months ended June 30, 2010 are primarily due to a strengthening of the U.S. dollar versus the Australian dollar, euro and British pound.

In the six months ended June 30, 2010, the Corporation repurchased 8.2 million shares for a total cost of \$500 million. The Corporation expects to repurchase \$700 million to \$800 million of its common stock in 2010.

Note 8. (Continued)

(Millions of dollars)	Comprehensive Income	Stockholders' Equity Attributable to		Redeemable Securities of Subsidiaries
		The Corporation	Noncontrolling Interests	
Balance at December 31, 2008		\$ 3,878	\$ 383	\$ 1,032
Comprehensive Income:				
Net income	\$ 861	810	23	28
Other comprehensive income, net of tax:				
Unrealized translation	285	299	(14)	—
Employee postretirement benefits	177	161	16	—
Other	(15)	(15)	—	—
Total Comprehensive Income	<u>\$ 1,308</u>			
Stock-based awards exercised or vested		20	—	—
Shares repurchased		(5)	—	—
Recognition of stock-based compensation		28	—	—
Dividends declared		(497)	(18)	—
Additional investment in subsidiary and other		(183)	(108)	12
Return on redeemable preferred securities and noncontrolling interests		—	(1)	(26)
Balance at June 30, 2009		<u>\$ 4,496</u>	<u>\$ 281</u>	<u>\$ 1,046</u>

Net unrealized currency gains or losses resulting from the translation of assets and liabilities of non-U.S. subsidiaries, except those in highly inflationary economies, are accumulated in a separate section of stockholders' equity. For these operations, changes in exchange rates generally do not affect cash flows; therefore, unrealized translation adjustments are recorded in stockholders' equity rather than income. Upon the sale or substantially complete liquidation of any of these subsidiaries, the applicable unrealized translation adjustment would be removed from stockholders' equity and reported as part of the gain or loss on the sale or liquidation.

Also included in stockholders' equity are the effects of foreign exchange rate changes on intercompany balances of a long-term investment nature and transactions designated as hedges of net foreign investments.

Note 8. (Continued)

The purchase of additional ownership in an already controlled subsidiary is recorded as an equity transaction with no gain or loss recognized in consolidated net income or comprehensive income. The following schedule reflects the effect of a change in ownership interest between the Corporation and a noncontrolling interest.

<u>(Millions of dollars)</u>	<u>Six Months Ended June 30 2009</u>
Net Income attributable to Kimberly-Clark Corporation	\$ 810
Decrease in Kimberly-Clark Corporation's additional paid-in capital for purchase of remaining shares in its Andean region subsidiary ^(a)	(133)
Change from net income attributable to Kimberly-Clark Corporation and transfers to noncontrolling interests	<u>\$ 677</u>

^(a) During the first quarter of 2009, the Corporation acquired the remaining 31 percent interest in its Andean region subsidiary, Colombiana Kimberly Colpapel S.A., for \$289 million. The acquisition was recorded as an equity transaction that reduced noncontrolling interests, accumulated other comprehensive income ("AOCI") and additional paid-in capital classified in stockholders' equity by \$278 million and increased investments in equity companies by \$11 million.

Note 9. Objectives and Strategies for Using Derivatives

As a multinational enterprise, the Corporation is exposed to risks, such as changes in foreign currency exchange rates, interest rates, commodity prices and investments of its defined benefit pension plans. A number of practices are employed to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. The Corporation's policies allow the use of derivatives for risk management purposes and prohibit their use for speculation. The Corporation's policies also prohibit the use of any leveraged derivative instrument. Foreign currency derivative instruments, interest rate swaps, equity collars and the majority of commodity hedging contracts are entered into with major financial institutions.

On the date the derivative contract is entered into, the Corporation formally designates certain derivatives as cash flow, fair value or net investment hedges (each discussed below), and establishes how the effectiveness of these hedges will be assessed and measured. This process links the derivatives to the transactions or financial balances they are hedging. Changes in the fair value of derivatives not designated as hedging instruments are recorded to earnings when they occur.

Set forth below is a summary of the fair values of the Corporation's derivative instruments as of June 30, classified by the risks they are used to manage:

<u>(Millions of dollars)</u>	<u>Assets</u>		<u>Liabilities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Foreign currency exchange risk	\$ 38	\$ 44	\$ 34	\$ 134
Interest rate risk	29	30	11	—
Commodity price risk	1	1	5	16
Total	<u>\$ 68</u>	<u>\$ 75</u>	<u>\$ 50</u>	<u>\$ 150</u>

Note 9. (Continued)

Foreign Currency Exchange Risk Management

The Corporation has a centralized U.S. dollar functional currency international treasury operation (“In-House Bank”) that manages foreign currency exchange risks by netting, on a daily basis, exposures to recorded non-U.S. dollar assets and liabilities and entering into derivative instruments with third parties whenever the net exposure in any single currency exceeds predetermined limits. These derivative instruments are not designated as hedging instruments. Changes in the fair value of these instruments are recorded in earnings when they occur. The In-House Bank also records the gain or loss on the remeasurement of its non-U.S. dollar-denominated monetary assets and liabilities in earnings. Consequently, the effect on earnings from the use of these non-designated derivatives is substantially neutralized by the recorded transactional gains and losses. The In-House Bank’s daily notional derivative positions with third parties averaged \$1.1 billion in the first six months of 2010 and its average net exposure for the period was \$900 million. The In-House Bank used eight counterparties for its foreign exchange derivative contracts.

The Corporation enters into derivative instruments to hedge a portion of the net foreign currency exposures of its non-U.S. operations, principally for their forecasted purchases of pulp, which are priced in U.S. dollars. The derivative instruments used to manage these exposures are designated and qualify as cash flow hedges. The Corporation also hedges a portion of the net foreign currency exposures of its non-U.S. operations for imported intercompany finished goods and work-in-process priced predominately in U.S. dollars and euros through the use of derivative instruments that are designated and qualify as cash flow hedges.

Gains and losses on these cash flow hedges, to the extent effective, are recorded in other comprehensive income net of related income taxes and released to earnings as the related finished goods inventory containing the pulp and imported intercompany purchases are sold to unaffiliated customers. As of June 30, 2010, outstanding derivative contracts of \$520 million notional value were designated as cash flow hedges for the forecasted purchases of pulp and intercompany finished goods and work-in-process.

The foreign currency exposure on intercompany balances managed outside the In-House Bank, primarily loans, is hedged with derivative instruments with third parties. At June 30, 2010, the notional amount of these predominately undesignated derivative instruments was \$610 million.

Foreign Currency Translation Risk Management

Translation adjustments result from translating foreign entities’ financial statements to U.S. dollars from their functional currencies. Translation exposure, which results from changes in translation rates between functional currencies and the U.S. dollar, generally is not hedged. However, consistent with other years, a portion of the Corporation’s net investment in its Mexican affiliate has been hedged. At June 30, 2010, the Corporation had in place net investment hedges of \$90 million for a portion of its investment in its Mexican affiliate. Changes in the fair value of net investment hedges are recognized in other comprehensive income to offset the change in value of the net investment being hedged. There was no significant ineffectiveness on these hedges as of June 30, 2010.

Note 9. (Continued)

Interest Rate Risk Management

Interest rate risk is managed using a portfolio of variable- and fixed-rate debt composed of short- and long-term instruments and interest rate swaps. The objective is to maintain a cost-effective mix that management deems appropriate. From time to time, interest rate swap contracts, which are derivative instruments, are entered into to facilitate the maintenance of the desired ratio of variable- and fixed-rate debt. These derivative instruments are designated and qualify as fair value hedges. At June 30, 2010, interest rate swap contracts with an aggregate notional value of \$700 million were in place.

From time to time, derivatives are used to hedge the anticipated issuance of fixed-rate debt. These exposures are hedged with forward-starting swaps or “treasury locks” (e.g., a 10-year “treasury lock” hedging the anticipated underlying U.S. Treasury interest rate related to issuance of 10-year debt). These swaps are designated as cash flow hedges. At June 30, 2010, outstanding forward-starting swaps with an aggregate notional value of \$400 million were in place.

Commodity Price Risk Management

The Corporation uses derivative instruments to hedge a portion of its exposure to market risk arising from changes in the price of natural gas. Hedging of this risk is accomplished by entering into forward swap contracts, which are designated as cash flow hedges of specific quantities of natural gas expected to be purchased in future months.

As of June 30, 2010, outstanding commodity forward contracts were in place to hedge forecasted purchases of about 20 percent of the Corporation’s estimated natural gas requirements for the balance of the current year and a lesser percentage for future periods.

Effect of Derivative Instruments on Results of Operations and Other Comprehensive Income

Fair Value Hedges

Derivative instruments that are designated and qualify as fair value hedges are predominately used to manage interest rate risk. The fair values of these instruments are recorded as an asset or liability, as appropriate, with the offset recorded in current earnings. The offset to the change in fair values of the hedged debt instruments also is recorded in current earnings. Any realized gain or loss on the derivatives that hedge interest rate risk is amortized to interest expense over the life of the related debt.

Fair value hedges resulted in no significant ineffectiveness in the three and six month periods ended June 30, 2010 and 2009. For the three and six month periods ended June 30, 2010 and 2009, no gain or loss was recognized in earnings as a result of a hedged firm commitment no longer qualifying as a fair value hedge.

Cash Flow Hedges

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is initially recorded in other comprehensive income, net of related income taxes, and recognized in earnings in the same period that the hedged exposure affects earnings.

Note 9. (Continued)

Cash flow hedges resulted in no significant ineffectiveness in the six-month periods ended June 30, 2010 and 2009. For the six-month periods ended June 30, 2010 and 2009, no gains or losses were reclassified into earnings as a result of the discontinuance of cash flow hedges due to the original forecasted transaction no longer being probable of occurring. At June 30, 2010, \$23 million of after-tax gains are expected to be reclassified from AOCI primarily to cost of sales during the next twelve months, consistent with the timing of the underlying hedged transactions. The maximum maturity of cash flow hedges in place at June 30, 2010 is July 2012.

Quantitative Information about the Corporation's Use of Derivative Instruments

The following tables display the location and amount of gains and losses reported in the Consolidated Income Statement and Statement of Other Comprehensive Income ("OCI") and the location and fair values of derivative instruments presented in the Consolidated Balance Sheet.

Effect of Derivative Instruments on the Consolidated Income Statement
for the Three Months Ended June 30, 2010 and 2009 – (millions of dollars)

<u>Foreign Exchange Contracts</u>	<u>Income Statement Classification</u>		<u>Gain or (Loss) Recognized in Income</u>	
			<u>2010</u>	<u>2009</u>
Fair Value Hedges	Other income and (expense), net		\$ 9	\$ 1
Undesignated Hedging Instruments	Other income and (expense), net ^(a)		\$ (62)	\$ (3)

	<u>Amount of Gain or (Loss) Recognized In AOCI</u>		<u>Income Statement Classification of Gain or (Loss) Reclassified from AOCI</u>		<u>Gain or (Loss) Reclassified from AOCI into Income</u>	
	<u>2010</u>	<u>2009</u>			<u>2010</u>	<u>2009</u>
Cash Flow Hedges						
Interest rate contracts	\$ (23)	\$ 19	Interest expense		\$ —	\$ 1
Foreign exchange contracts	28	(35)	Cost of products sold		3	2
Commodity contracts	3	2	Cost of products sold		(3)	(11)
Total	\$ 8	\$ (14)			\$ —	\$ (8)
Net Investment Hedges						
Foreign exchange contracts	\$ 2	\$ (5)			\$ —	\$ —

Effect of Derivative Instruments on the Consolidated Income Statement
for the Six Months Ended June 30, 2010 and 2009 – (millions of dollars)

<u>Foreign Exchange Contracts</u>	<u>Income Statement Classification</u>		<u>Gain or (Loss) Recognized in Income</u>	
			<u>2010</u>	<u>2009</u>
Fair Value Hedges	Other income and (expense), net		\$ 1	\$ (14)
Undesignated Hedging Instruments	Other income and (expense), net ^(a)		\$ (81)	\$ (79)

Note 9. (Continued)

	Amount of Gain or (Loss) Recognized In AOCI		Income Statement Classification of Gain or (Loss) Reclassified from AOCI	Gain or (Loss) Reclassified from AOCI into Income	
	2010	2009		2010	2009
Cash Flow Hedges					
Interest rate contracts	\$ (30)	\$ 26	Interest expense	\$ 1	\$ 1
Foreign exchange contracts	33	(17)	Cost of products sold	(8)	21
Commodity contracts	(7)	(20)	Cost of products sold	(6)	(23)
Total	\$ (4)	\$ (11)		\$ (13)	\$ (1)
Net Investment Hedges					
Foreign exchange contracts	\$ (2)	\$ (13)		\$ —	\$ —

^(a) Gains and (losses) on these instruments primarily relate to derivatives entered into with third parties to manage foreign currency exchange exposure on the remeasurement of non-U.S. dollar denominated monetary assets and liabilities. Consequently, the effect on earnings from the use of these undesignated derivatives is substantially neutralized by the recorded transactional gains and losses.

Fair Values of Derivative Instruments

	Asset Derivatives at June 30			
	2010		2009	
(Millions of dollars)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Interest rate contracts	Other current assets	\$ 6	Other current assets	\$ —
Interest rate contracts	Other assets	23	Other assets	30
Foreign exchange contracts	Other current assets	27	Other current assets	4
Commodity contracts	Other current assets	1	Other assets	1
Total		\$ 57		\$ 35
Undesignated derivatives:				
Foreign exchange contracts	Other current assets	\$ 11	Other current assets	\$ 40
Total asset derivatives		\$ 68		\$ 75

Note 9. (Continued)

Fair Values of Derivative Instruments

(Millions of dollars)	Liability Derivatives at June 30			
	2010		2009	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Interest rate contracts	Other liabilities	\$ 5	Other liabilities	\$ —
Foreign exchange contracts	Accrued expenses	5	Accrued expenses	42
Commodity contracts	Accrued expenses	5	Accrued expenses	15
Commodity contracts	Other liabilities	—	Other liabilities	1
Total		\$ 15		\$ 58
Undesignated derivatives:				
Interest rate contracts	Accrued expenses	\$ 6	Accrued expenses	\$ —
Foreign exchange contracts	Accrued expenses	27	Accrued expenses	92
Foreign exchange contracts	Other liabilities	2	Other liabilities	—
Total		\$ 35		\$ 92
Total liability derivatives		\$ 50		\$ 150

Note 10. Description of Business Segments

The Corporation is organized into operating segments based on product groupings. These operating segments have been aggregated into four reportable global business segments: Personal Care; Consumer Tissue; K-C Professional & Other; and Health Care. The reportable segments were determined in accordance with how the Corporation's executive managers develop and execute the Corporation's global strategies to drive growth and profitability of the Corporation's worldwide Personal Care, Consumer Tissue, K-C Professional & Other and Health Care operations. These strategies include global plans for branding and product positioning, technology, research and development programs, cost reductions including supply chain management, and capacity and capital investments for each of these businesses. Segment management is evaluated on several factors, including operating profit. Segment operating profit excludes other income and (expense), net.

The principal sources of revenue in each global business segment are described below:

- The Personal Care segment manufactures and markets disposable diapers, training and youth pants and swimpants; baby wipes; feminine and incontinence care products; and related products. Products in this segment are primarily for household use and are sold under a variety of brand names, including Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.
- The Consumer Tissue segment manufactures and markets facial and bathroom tissue, paper towels, napkins and related products for household use. Products in this segment are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Hakle, Page and other brand names.
- The K-C Professional & Other segment manufactures and markets facial and bathroom tissue, paper towels, napkins, wipers and a range of safety products for the away-from-home marketplace. Products in this segment are sold under the Kimberly-Clark, Kleenex, Scott, WypAll, Kimtech, KleenGuard, Kimcare and Jackson brand names.
- The Health Care segment manufactures and markets disposable health care products such as surgical drapes and gowns, infection control products, face masks, exam gloves, respiratory products, pain management products and other disposable medical products. Products in this segment are sold under the Kimberly-Clark, Ballard, ON-Q and other brand names.

Note 10. (Continued)

The following schedules present information concerning consolidated operations by business segment:

<u>(Millions of dollars)</u>	<u>Three Months Ended</u> <u>June 30</u>		<u>Six Months Ended</u> <u>June 30</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
NET SALES:				
Personal Care	\$ 2,181	\$ 2,122	\$4,318	\$4,099
Consumer Tissue	1,529	1,555	3,135	3,129
K-C Professional & Other	801	736	1,531	1,387
Health Care	344	335	711	633
Corporate & Other	13	14	25	27
Intersegment sales	(11)	(35)	(28)	(55)
Consolidated	<u>\$ 4,857</u>	<u>\$ 4,727</u>	<u>\$9,692</u>	<u>\$9,220</u>

<u>(Millions of dollars)</u>	<u>Three Months Ended</u> <u>June 30</u>		<u>Six Months Ended</u> <u>June 30</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
OPERATING PROFIT (reconciled to income before income taxes):				
Personal Care	\$ 443	\$ 394	\$ 915	\$ 836
Consumer Tissue	151	161	332	355
K-C Professional & Other	133	102	240	182
Health Care	42	62	99	110
Other income and (expense), net ^(a)	(4)	(41)	(105)	(118)
Corporate & Other ^(b)	(54)	(69)	(105)	(128)
Total Operating Profit	711	609	1,376	1,237
Interest income	6	6	11	14
Interest expense	(60)	(71)	(121)	(144)
Income Before Income Taxes	<u>\$ 657</u>	<u>\$ 544</u>	<u>\$1,266</u>	<u>\$1,107</u>

Note 10. (Continued)

Notes:

- (a) For the six months ended June 30, 2010, other income and (expense), net includes a \$79 million charge for the adoption of highly inflationary accounting in Venezuela effective January 1, 2010. See additional information in Note 3 to the Condensed Consolidated Financial Statements. In addition, other income and (expense), net includes the following amounts of foreign currency transaction losses:

	Three Months Ended June 30		Six Months Ended June 30	
	2010	2009	2010	2009
Other income and (expense), net	\$ (5)	\$ (20)	\$ (26)	\$ (96)

- (b) Included in Corporate & Other for the six months ended June 30, 2010, is a \$19 million charge related to the adoption of highly inflationary accounting in Venezuela effective January 1, 2010. See additional information in Note 3 to the Condensed Consolidated Financial Statements. The charges related to the business segments are as follows:

	Millions of dollars
Personal Care	\$ 11
Consumer Tissue	6
K-C Professional & Other	2
Total	<u>\$ 19</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introduction

This management's discussion and analysis of financial condition and results of operations is intended to provide investors with an understanding of the Corporation's recent performance, its financial condition and its prospects. The following will be discussed and analyzed:

- Overview of Second Quarter 2010 Results
- Results of Operations and Related Information
- Liquidity and Capital Resources
- Environmental Matters
- Business Outlook

Overview of Second Quarter 2010 Results

- Net sales increased 2.8 percent.
- Operating profit and net income attributable to Kimberly-Clark Corporation increased 16.7 percent and 23.6 percent, respectively.
- Cash provided by operations was \$587 million, a decrease of 41 percent compared to last year.

Results of Operations and Related Information

This section presents a discussion and analysis of the Corporation's second quarter and first six months of 2010 net sales, operating profit and other information relevant to an understanding of the results of operations.

Second Quarter of 2010 Compared With Second Quarter of 2009

Analysis of Net Sales

By Business Segment
(Millions of dollars)

<u>Net Sales</u>	<u>2010</u>	<u>2009</u>
Personal Care	\$2,181	\$2,122
Consumer Tissue	1,529	1,555
K-C Professional & Other	801	736
Health Care	344	335
Corporate & Other	13	14
Intersegment sales	(11)	(35)
Consolidated	<u>\$4,857</u>	<u>\$4,727</u>

Commentary:

	<u>Percent Change in Net Sales Versus Prior Year</u>				
	<u>Total Change</u>	<u>Changes Due To</u>			
		<u>Volume Growth</u>	<u>Net Price</u>	<u>Currency</u>	<u>Mix/ Other</u>
Consolidated	2.8	1	2	—	—
Personal Care	2.8	2	1	(1)	1
Consumer Tissue	(1.7)	(5)	2	—	1
K-C Professional & Other	8.8	4	4	—	1
Health Care	2.7	5	(3)	1	—

- Personal care net sales in North America increased 7 percent versus the second quarter of 2009. Sales volumes were up 3 percent and net selling prices rose 2 percent, driven by a lower level of promotional activity for Huggies diapers. In addition, changes in product mix and currency exchange rates each added 1 percent of growth. Feminine care sales volumes grew at a double-digit rate for the second consecutive quarter as a result of the U by Kotex line extension. Adult care volumes also increased double-digits, benefitting from recent innovations in the Poise and Depend brands and supporting marketing campaigns. In other areas of the business, sales volumes for the Corporation's child care brands advanced 2 percent, while volumes for Huggies baby wipes decreased 2 percent and volumes for Huggies diapers were down slightly.

In Europe, personal care net sales fell 5 percent in the quarter, including a negative currency effect of 2 percent. Changes in net selling prices and product mix each reduced sales by 1 percent. In addition, overall sales volumes were down 1 percent compared to a double-digit increase in the year-ago period.

In the Corporation's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, personal care net sales increased 3 percent despite an unfavorable currency impact of 3 percent. Sales volumes were up 5 percent, with growth in a number of markets, including Australia, China and most of Latin America. On the other hand, volumes fell significantly in Venezuela in a difficult foreign currency exchange environment. Overall net selling prices rose 1 percent, as increases in Venezuela were mostly offset by modest declines elsewhere.

- In North America, net sales of consumer tissue products decreased 5 percent compared to the year-ago period. Net selling prices improved 2 percent, primarily due to sheet count reductions on Cottonelle bathroom tissue, and changes in product mix benefited sales 2 percent. Sales volumes fell 9 percent in the quarter and were impacted by the sheet count reductions, consumer trade-down in paper towels and competitive promotional activity. By product category, bathroom tissue volumes decreased high-single digits, towel volumes declined at a double-digit rate and Kleenex facial tissue volumes were down slightly.

In Europe, consumer tissue net sales declined about 5 percent compared with the second quarter of 2009, including unfavorable currency effects of 2 percent. Sales volumes were off 2 percent in a continued difficult environment, while changes in product mix reduced sales 1 percent.

In the Corporation's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, consumer tissue net sales increased 6 percent, including a 1 percent benefit from currency effects. The growth in organic sales was due to higher net selling prices, while sales volumes and product mix were essentially even with the prior year.

- Net sales of K-C Professional (KCP) & other products increased 8.8 percent compared with the second quarter of 2009. The acquisition of Jackson Products, Inc. ("Jackson") added 4 percent of sales growth in the quarter. In addition, net selling prices increased more than 4 percent and product mix was slightly positive, reflecting the Corporation's continued focus on increasing net realized revenue. Organic sales volumes were even with year-ago levels. In North America, KCP net sales increased 11 percent, including an approximate 7 percent benefit from Jackson. Net selling prices rose 4 percent and changes in currency rates added 1 percent of sales growth, while organic sales volumes were down about 1 percent. Washroom product volumes declined in a continued difficult economic environment, while high-margin wiper and safety product volumes grew at a solid rate. In Europe, KCP's net sales rose 6 percent despite an unfavorable currency effect of 3 percent. Sales volumes increased about 10 percent compared to a double-digit decline in the year-ago period and favorable product mix benefited sales by 1 percent, while net selling prices were down 2 percent. In the Corporation's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, KCP's net sales increased 19 percent, including a 1 percent benefit from currency effects. The combined impact of higher net selling prices and improved product mix increased sales by 13 percent, and sales volumes were up 5 percent, with particular strength in Asia.

- Net sales of health care products increased 2.7 percent in the second quarter due to an 11 percent benefit from the acquisition of I-Flow Corporation (“I-Flow”) and a 1 percent increase from favorable currency exchange rates. However, organic sales volumes declined 6 percent and net selling prices fell 3 percent. The organic volume comparison was adversely affected by approximately 5 percent due to increased demand in 2009 for face masks as a result of the H1N1 flu virus. In addition, volumes in 2010 were impacted by unanticipated distributor and end-user inventory reductions. The Corporation believes that most of these reductions are now complete. Meanwhile, organic sales volumes for medical devices rose 9 percent in the quarter.

By Geography
(Millions of dollars)

<u>Net Sales</u>	<u>2010</u>	<u>2009</u>
North America	\$2,667	\$2,594
Outside North America	2,377	2,311
Intergeographic sales	(187)	(178)
Consolidated	<u>\$4,857</u>	<u>\$4,727</u>

Commentary:

- Net sales in North America increased 2.8 percent primarily due to higher net selling prices, improvements in product mix and favorable currency effects.
- Net sales outside North America increased 2.9 percent because higher sales volumes in a number of markets, including Australia, Korea, China and most of Latin America, and higher net selling prices, primarily in Venezuela, were partially offset by unfavorable currency effects.

Analysis of Operating Profit

By Business Segment
(Millions of dollars)

<u>Operating Profit^(a)</u>	<u>2010</u>	<u>2009</u>
Personal Care	\$443	\$394
Consumer Tissue	151	161
K-C Professional & Other	133	102
Health Care	42	62
Other income and (expense), net ^(b)	(4)	(41)
Corporate & Other	(54)	(69)
Consolidated	<u>\$711</u>	<u>\$609</u>

Notes:

- (a) In 2009, organization optimization initiative charges (as described in Note 4 to the Condensed Consolidated Financial Statements) were included in the business segments as follows:

	Millions of dollars
Personal Care	\$ 41
Consumer Tissue	42
K-C Professional & Other	14
Health Care	6
Corporate & Other	7
Total	<u>\$ 110</u>

- (b) 2010 includes \$5 million of currency transaction losses versus \$20 million of currency transaction losses in 2009.

Commentary:

	Percentage Change in Operating Profit Versus Prior Year					
	Total Change	Changes Due To				
		Volume	Net Price	Input Costs ^(a)	Currency	Other ^(b)
Consolidated	16.7	(4)	14	(39)	(11)	57
Personal Care	12.4	—	7	(20)	(8)	33
Consumer Tissue	(6.2)	(17)	22	(62)	(21)	72
K-C Professional & Other	30.4	(8)	30	(37)	(14)	59
Health Care	(32.3)	20	(15)	(30)	2	(9)

- (a) Includes inflation for key cost inputs.

- (b) Includes cost savings and the impact of the 2009 organization optimization initiative charges.

Consolidated operating profit increased 16.7 percent compared to the prior year. The benefits of higher net sales, cost savings of approximately \$105 million, lower pension expense of about \$40 million, and a \$35 million positive impact from increased manufacturing volumes as a result of production curtailment in the year-ago period, were partially offset by inflation in key cost inputs of about \$235 million and a \$40 million increase in strategic marketing investments. Current year comparisons were also favorably impacted by organization optimization initiative charges of \$110 million in 2009, and a current quarter benefit of \$35 million as a result of the initiative. Overall marketing, research and general expenses were similar to year-ago levels, as increases in 2010, in part related to I-Flow and strategic marketing, were essentially offset by the organization optimization initiative charges in 2009.

- Personal care segment operating profit increased 12.4 percent as the benefits from cost savings, higher net selling prices and a positive impact from increased manufacturing volumes as a result of production curtailment in the year-ago period, were partially offset by input cost inflation, higher marketing spending and unfavorable currency effects. In addition, current period comparisons benefited from the charges related to the organization optimization initiative in 2009. In North America, operating profit increased from the prior year as cost savings, higher net selling prices, and the positive impact from increased manufacturing volumes as a result of production curtailment in the year-ago period, were partially offset by inflation in key input costs. Operating profit in Europe increased because cost savings and a lower level of marketing and general expense due to the organization optimization initiative charges in 2009 were partially offset by inflation in key input costs. In K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, operating profit was essentially even as higher sales volumes, a positive impact from increased manufacturing volumes as a result of production curtailment in the year-ago period, and higher net selling prices were offset by unfavorable currency effects and higher marketing costs.
- Consumer tissue segment operating profit decreased 6.2 percent as higher net selling prices, cost savings, and a lower level of marketing, research and general expenses were more than offset by inflation in key input costs, unfavorable currency effects and lower sales volumes. In addition, current period comparisons benefited from the charges related to the organization optimization initiative in 2009. Operating profit in North America decreased as higher net selling prices and a lower level of marketing, research and general expenses were more than offset by inflation in key input costs and lower sales volumes. In Europe, operating profit increased as lower marketing, research and general expenses and cost savings were partially offset by inflation in key input costs. Operating profit in K-C's international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa, decreased because higher net selling prices were more than offset by unfavorable currency effects and inflation in key input costs.
- Operating profit for K-C Professional & Other products increased 30.4 percent due to higher net selling prices and cost savings, partially offset by inflation in key input costs.
- Health care segment operating profit decreased 32.3 percent because increased sales volumes and cost savings were more than offset by higher selling and general expenses, inflation in key input costs and lower net selling prices.

By Geography
(Millions of dollars)

<u>Operating Profit</u>	<u>2010</u>	<u>2009</u>
North America	\$499	\$499
Outside North America	270	220
Other income and (expense), net ^(a)	(4)	(41)
Corporate & Other	(54)	(69)
Consolidated	<u>\$711</u>	<u>\$609</u>

Notes:

^(a) 2010 includes \$5 million of currency transaction losses versus \$20 million of currency transaction losses in 2009.

Commentary:

- Operating profit in North America was even with the prior year as higher net selling prices, cost savings, the positive impact from increased manufacturing volumes as a result of production curtailment in the year-ago period, and favorable product mix were essentially offset by inflation in key cost inputs and lower sales volumes. In addition, the current year comparisons benefited from charges in 2009 related to the organization optimization initiative.
- Operating profit outside North America increased 22.7 percent as higher net selling prices, cost savings, the positive impact from increased manufacturing volumes as a result of production curtailment in the year-ago period, and higher sales volumes were partially offset by inflation in key cost inputs and unfavorable currency effects. In addition, the current year comparisons benefited from the organization optimization initiative charges in Europe in 2009.

Additional Income Statement Commentary

- Interest expense for the second quarter of 2010 was \$11 million lower than the prior year due to a lower average level of debt and lower interest rates.
- The Corporation's effective tax rate for the second quarter of 2010 was 27.5 percent compared to 29.0 percent in the prior year.
- The Corporation's share of net income of equity companies in the second quarter increased to \$47 million from \$44 million in 2009, mainly as a result of higher net income at Kimberly-Clark de Mexico, S.A.B. de C.V. ("KCM"). KCM achieved high single-digit growth in both organic sales and net income, and delivered improved gross margin.

First Six Months of 2010 Compared With First Six Months of 2009

Analysis of Net Sales

By Business Segment
(Millions of dollars)

<u>Net Sales</u>	<u>2010</u>	<u>2009</u>
Personal Care	\$4,318	\$4,099
Consumer Tissue	3,135	3,129
K-C Professional & Other	1,531	1,387
Health Care	711	633
Corporate & Other	25	27
Intersegment sales	(28)	(55)
Consolidated	<u>\$9,692</u>	<u>\$9,220</u>

Commentary:

	Percent Change in Net Sales Versus Prior Year				
	<u>Total Change</u>	<u>Changes Due To</u>			<u>Mix/ Other</u>
		<u>Volume Growth</u>	<u>Net Price</u>	<u>Currency</u>	
Consolidated	5.1	2	1	2	—
Personal Care	5.3	3	1	2	(1)
Consumer Tissue	0.2	(4)	1	2	1
K-C Professional & Other	10.4	4	3	2	1
Health Care	12.3	12	(1)	2	(1)

- Personal care net sales increased 5.3 percent due to higher sales volumes, favorable currency effects, primarily in Australia, Korea, and Brazil, and higher net selling prices.
- Consumer tissue net sales increased 0.2 percent because favorable currency effects, higher net selling prices and product mix were mostly offset by lower sales volumes. The favorable currency effects primarily occurred in the same countries as personal care.
- Net sales of K-C Professional & Other products increased 10.4 percent due to higher sales volumes as a result of the Jackson acquisition, higher net selling prices, and favorable currency effects, primarily in Australia, Europe and Canada.
- Health care net sales increased 12.3 percent due to higher sales volumes, primarily related to the I-Flow acquisition, and favorable currency effects, partially offset by lower net selling prices and unfavorable product mix.

By Geography
(Millions of dollars)

<u>Net Sales</u>	<u>2010</u>	<u>2009</u>
North America	\$5,314	\$5,133
Outside North America	4,741	4,416
Intergeographic sales	(363)	(329)
Consolidated	<u>\$9,692</u>	<u>\$9,220</u>

Commentary:

- Net sales in North America increased 3.5 percent due to higher net selling prices, favorable currency effects, higher sales volumes and improvements in product mix.
- Net sales outside North America increased 7.4 percent due to favorable currency effects, higher sales volumes, and higher net selling prices, primarily in most of Latin America, Australia and Korea.

Analysis of Operating Profit

By Business Segment
(Millions of dollars)

<u>Operating Profit^(a)</u>	<u>2010</u>	<u>2009</u>
Personal Care	\$ 915	\$ 836
Consumer Tissue	332	355
K-C Professional & Other	240	182
Health Care	99	110
Other income and (expense), net ^(b)	(105)	(118)
Corporate & Other ^(c)	(105)	(128)
Consolidated	<u>\$1,376</u>	<u>\$1,237</u>

Notes:

- ^(a) Organization optimization initiative charges of \$110 million are included in 2009 as described in Note 4 to the Condensed Consolidated Financial Statements.
- ^(b) Other income and (expense), net included a \$79 million charge for the adoption of highly inflationary accounting in Venezuela effective January 1, 2010. See additional information in Note 3 to the Condensed Consolidated Financial Statements. In addition, foreign currency transaction losses totaled \$26 million in 2010 and \$96 million in the prior year.
- ^(c) Included in Corporate & Other in 2010 is a \$19 million charge related to the adoption of highly inflationary accounting in Venezuela.

Commentary:

	Percentage Change in Operating Profit Versus Prior Year					
	Total Change	Changes Due To				
		Volume	Net Price	Input Costs ^(a)	Currency	Other ^(b)
Consolidated	11.2	1	10	(25)	1	24
Personal Care	9.4	2	5	(12)	(3)	17
Consumer Tissue	(6.5)	(11)	12	(35)	(10)	38
K-C Professional & Other	31.9	(2)	25	(31)	(4)	44
Health Care	(10.0)	39	(8)	(22)	3	(22)

^(a) Includes inflation of key cost inputs.

^(b) Includes cost savings and the impact of the 2009 organization optimization initiative charges. Consolidated also includes the charge related to the adoption of highly inflationary accounting in Venezuela.

Consolidated operating profit increased 11.2 percent compared with the prior year. For the first six months of 2010, factors contributing to the increase in operating profit included organic sales growth, cost savings of \$185 million, organization optimization initiative charges of \$110 million in 2009, lower pension expense of \$80 million, and increased manufacturing volumes as a result of production curtailment in the year-ago period improved comparisons by approximately \$65 million. These positive factors were partially offset by inflation in key cost inputs of about \$310 million and increased marketing, research and general expenses, including higher strategic marketing spending of about \$100 million and increases related to the I-Flow acquisition and to support future growth in K-C International.

In addition, the Corporation recorded charges in 2010 of \$19 million in cost of products sold, and \$79 million in other income and (expense), net related to the adoption of highly inflationary accounting in Venezuela effective January 1, 2010. In addition, other income and (expense), net included foreign currency transaction losses of \$26 million in the first six months of 2010 and \$96 million in the year-ago period.

- Personal care segment operating profit increased 9.4 percent as cost savings, higher net selling prices, a positive impact from increased manufacturing volumes as a result of production curtailment in the year-ago period, and higher sales volumes were partially offset by inflation in key input costs, unfavorable currency effects, and increased marketing, research and general expense, including strategic marketing spending.
- Consumer tissue segment operating profit declined 6.5 percent as cost savings, higher net selling prices, and the benefits from increased manufacturing volumes as a result of production curtailment in the year-ago period were more than offset by inflation in key input costs, lower sales volumes and unfavorable currency effects.
- Operating profit for K-C Professional & Other products increased 31.9 percent due to higher net selling prices and cost savings, partially offset by inflation in key input costs.

- Health care segment operating profit decreased 10.0 percent as higher sales volumes and cost savings were more than offset by increased selling and general expenses and inflation in key input costs.

By Geography
(Millions of dollars)

<u>Operating Profit</u>	<u>2010</u>	<u>2009</u>
North America	\$1,061	\$1,004
Outside North America	525	479
Other income and (expense), net ^(a)	(105)	(118)
Corporate & Other ^(b)	(105)	(128)
Consolidated	<u>\$1,376</u>	<u>\$1,237</u>

Notes:

- ^(a) Other income and (expense), net in 2010 includes a \$79 million charge for the adoption of highly inflationary accounting in Venezuela. In addition, foreign currency transaction losses totaled \$26 million in 2010 and \$96 million in 2009.
- ^(b) Included in Corporate and Other is a \$19 million charge related to the adoption of highly inflationary accounting in Venezuela.

Commentary:

- Operating profit in North America increased 5.7 percent as cost savings, higher net selling prices, and the positive impact from increased manufacturing volumes as a result of production curtailment in the year-ago period, were partially offset by inflation in key cost inputs and increases in marketing, research and general expenses.
- Operating profit outside North America increased 9.6 percent as cost savings, higher sales volumes, higher net selling prices, and the positive impact from increased manufacturing volumes as a result of production curtailment in the year-ago period, were partially offset by inflation in key cost inputs, unfavorable currency effects and increases in marketing, research and general expenses.

Additional Income Statement Commentary

- Interest expense for the first six months of 2010 was \$23 million lower than the prior year primarily due to a lower average level of debt and lower interest rates.

- For the first six months, the Corporation's effective tax rate was 33.3 percent in 2010 compared with 29.1 percent in 2009. The difference is driven primarily by the nondeductible currency losses resulting from the adoption of highly inflationary accounting in Venezuela and changes in tax law related to U.S. health care reform legislation, including a charge related to the Medicare Part D subsidy.
- The Corporation's share of net income of equity companies for the first six months of 2010 increased to \$90 million from \$76 million in 2009, principally due to higher net income at Kimberly-Clark de Mexico.

Liquidity and Capital Resources

- Cash provided by operations for the first six months of 2010 was \$1.1 billion, a decrease of approximately 38 percent from \$1.7 billion in the prior year. The decrease is primarily related to a modest increase in working capital compared to a significant decline in the prior year. On the other hand, pension plan contributions to the Corporation's defined benefit pension plans totaled approximately \$228 million in 2010 versus \$495 million in 2009.
- Capital spending for the first six months was \$363 million compared with \$396 million last year. The Corporation currently anticipates full year capital spending to be at the low end, or potentially slightly below, its target range of \$1.0 to \$1.1 billion in 2010.
- At June 30, 2010, total debt and redeemable securities was \$6.7 billion compared with \$6.5 billion at the end of 2009.
- During the second quarter of 2010, the Corporation repurchased approximately 5.7 million shares of its common stock at a cost of about \$350 million. Year-to-date, the Corporation has repurchased approximately 8.2 million shares for a total cost of \$500 million. As previously announced, the Corporation expects to repurchase \$700 million to \$800 million of its common stock in 2010.
- In 2003, the Venezuelan government enacted currency restrictions, which have affected the ability of K-C Venezuela to obtain U.S. dollars at the official exchange rate to pay for significant imports of finished goods, raw materials and services to support its operations. These exchange restrictions have negatively impacted K-C Venezuela because it has had to meet its foreign currency needs at rates which are substantially unfavorable to the official exchange rate. During the second quarter 2010, the Venezuelan government enacted reforms to its currency exchange regulations that include a volume limitation that is insufficient to convert K-C Venezuela's bolivar-denominated cash into U.S. dollars to pay for the historical levels of U.S. dollar-denominated imports to support its operations.

For the full year 2009, K-C Venezuela represented approximately 3 percent of consolidated net sales, and 1 percent of consolidated operating profit and net income attributable to the Corporation. However, the currency exchange limitations have negatively impacted K-C Venezuela's ability to import U.S. dollar-denominated finished goods and raw materials. While this has not had a material effect on the Corporation's 2010 earnings, second quarter sales volumes of K-C Venezuela were significantly lower than 2009 levels, a trend which is expected to continue in the second half of the year.

At June 30, 2010, the Corporation's net investment in K-C Venezuela was \$140 million.

See Note 3 to the Consolidated Financial Statements for more details about the accounting for K-C Venezuela's financial results and the previously discussed charge resulting from the January 1, 2010 adoption of highly inflationary accounting in Venezuela.

- Management believes that the Corporation's ability to generate cash from operations and its capacity to issue short-term and long-term debt are adequate to fund operations, capital spending, payment of dividends and other needs in the foreseeable future.

Environmental Matters

The Corporation has been named a potentially responsible party under the provisions of the federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statutes, at a number of waste disposal sites, none of which, individually or in the aggregate, in management's opinion, is likely to have a material adverse effect on the Corporation's business, financial condition, results of operations, or liquidity.

Business Outlook

The Corporation plans to continue to strengthen its brands, pursue targeted growth initiatives and invest for future growth. The Corporation has launched a number of innovations already this year and intends to bring more to market in the second half of the year. The Corporation continues to expect that strategic marketing spending will rise at a faster pace than sales in 2010, and is planning for higher input cost inflation than previously estimated, although it is expected that pulp prices will start to fall sequentially in the second half of the year. The Corporation also expects that sales volumes in the second half of the year will increase somewhat from second quarter levels. Management continues to focus on increasing revenue realization, generating incremental cost savings and controlling discretionary spending.

Information Concerning Forward-Looking Statements

Certain matters contained in this report concerning the business outlook, including anticipated raw material and energy costs, economic conditions, anticipated currency rates and exchange risk, anticipated impact of acquisitions, cost savings, distributor and end user purchases, product launches, cash flow and uses of cash, capital spending, marketing spending, anticipated financial and operating results, revenue realization strategies, contingencies and anticipated transactions of the Corporation constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the Corporation. There can be no assurance that these future events will occur as anticipated or that the Corporation's results will be as estimated. For a description of certain factors that could cause the Corporation's future results to differ materially from those expressed in any such forward-looking statements, see Item 1A of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2009 entitled "Risk Factors."

Item 4. Controls and Procedures.

As of June 30, 2010, an evaluation was performed under the supervision and with the participation of the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures. Based on that evaluation, the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Corporation's disclosure controls and procedures were effective as of June 30, 2010. There have been no significant changes during the quarter covered by this report in the Corporation's internal control over financial reporting or in other factors that could significantly affect internal control over financial reporting.

PART II – OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The Corporation repurchases shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. During 2010, the Corporation anticipates purchasing \$700 million to \$800 million of its common stock. All share repurchases by the Corporation during the first six months of 2010 were made through a broker in the open market.

The following table contains information for shares repurchased during the second quarter of 2010. None of the shares in this table were repurchased directly from any officer or director of the Corporation.

<u>Period (2010)</u>	<u>Total Number of Shares Purchased⁽¹⁾</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs</u>
April 1 to 30	1,160,000	\$ 61.52	21,641,411	28,358,589
May 1 to 31	2,155,000	61.56	23,796,411	26,203,589
June 1 to 30	2,356,000	61.88	26,152,411	23,847,589
Total	<u>5,671,000</u>			

⁽¹⁾ Share repurchases were made pursuant to a share repurchase program authorized by the Corporation's Board of Directors on July 23, 2007 that allows for the repurchase of 50 million shares in an amount not to exceed \$5 billion.

In addition, during April, the Corporation purchased 89,255 shares for a cost of \$5,440,515 from current or former employees in connection with the exercise of employee stock options and other awards.

Item 6. Exhibits.

(a) Exhibits.

Exhibit No. (3)a. Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation's Current Report on Form 8-K dated May 1, 2009.

Exhibit No. (3)b. By-Laws, as amended April 30, 2009, incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K dated May 1, 2009.

Exhibit No. (4). Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request.

Exhibit No. (10)n. Form of Award Agreements under 2001 Equity Participation Plan, filed herewith.

Exhibit No. (31)a. Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed herewith.

Exhibit No. (31)b. Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, filed herewith.

Exhibit No. (32)a. Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.

Exhibit No. (32)b. Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.

Exhibit No. (101).INS* XBRL Instance Document

Exhibit No. (101).SCH* XBRL Taxonomy Extension Schema Document

Exhibit No. (101).CAL* XBRL Taxonomy Extension Calculation Linkbase Document

Exhibit No. (101).DEF* XBRL Taxonomy Extension Definition Linkbase Document

Exhibit No. (101).LAB* XBRL Taxonomy Extension Label Linkbase Document

Exhibit No. (101).PRE* XBRL Taxonomy Extension Presentation Linkbase Document

* In accordance with Regulation S-T, the XBRL-related information in Exhibit No. (101) to this Quarterly Report on Form 10-Q shall be deemed "furnished" and not "filed."

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KIMBERLY-CLARK CORPORATION
(Registrant)

By: /s/ Mark A. Buthman

Mark A. Buthman
Senior Vice President and
Chief Financial Officer
(principal financial officer)

By: /s/ Michael T. Azbell

Michael T. Azbell
Vice President and Controller
(principal accounting officer)

August 9, 2010

EXHIBIT INDEX

Exhibit No.	Description
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(31)b.	Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, filed herewith.
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(32)b.	Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.
(101).INS*	XBRL Instance Document
(101).SCH*	XBRL Taxonomy Extension Schema Document
(101).CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
(101).DEF*	XBRL Taxonomy Extension Definition Linkbase Document
(101).LAB*	XBRL Taxonomy Extension Label Linkbase Document
(101).PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* In accordance with Regulation S-T, the XBRL-related information in Exhibit No. (101) to this Quarterly Report on Form 10-Q shall be deemed "furnished" and not "filed."

**KIMBERLY-CLARK CORPORATION
NONQUALIFIED STOCK OPTION
AWARD AGREEMENT**

This Award, granted on _____, by Kimberly-Clark Corporation, a Delaware corporation (hereinafter called the "Corporation"), to _____ (the "Employee") is subject to the terms and conditions of the 2001 Equity Participation Plan (the "Plan") and this Award Agreement, including any country-specific terms and conditions contained in Appendix A to this Award Agreement.

W I T N E S S E T H:

WHEREAS, the Corporation has adopted the 2001 Equity Participation Plan (the "Plan") to encourage those employees who materially contribute, by managerial, scientific or other innovative means, to the success of the Corporation or of an Affiliate, to acquire an ownership interest in the Corporation, thereby increasing their motivation for and interest in the Corporation's or the Affiliate's long-term success;

NOW, THEREFORE, it is agreed as follows:

1. Number of Shares Optioned; Option Price. The Corporation grants to the Employee the right and option to purchase in his own name, on the terms and conditions hereinafter set forth, all or any part of an aggregate of _____ shares of the \$1.25 par value common stock of the Corporation, and at the purchase price of \$_____ per share, as granted on the date set forth above and as reflected on the Merrill Lynch Benefits OnLine site, or any successor system, via the Grant Summary screen as the Options Granted and the Grant Price. This option shall not be an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").
2. Exercise of Option.
 - (a) Limitations on Exercise. This option shall be subject to forfeiture until the Employee becomes vested in such Awards according to the schedule set forth below. This option shall not be exercisable until at least one year has expired after the granting of this option, during which time the Employee shall have been in the continuous employ of the Corporation or an Affiliate; provided, however, that the option shall become exercisable immediately in the event of a Qualified Termination of Employment of the Employee, without regard to the limitations set forth below in this subsection. At any time during the period of this option after the end of the first year, the Employee may purchase up to 30 percent of the shares covered by this option; after the end of the second year, an additional 30 percent; and after the end of the third year, the remaining 40 percent of the total number of shares covered by the option, so that, upon the expiration of the third year, the Employee will have become entitled to purchase

all shares subject to this option; provided, however, that if the Employee's employment is terminated for any reason other than death, Retirement, or Total and Permanent Disability, this option shall only be exercisable for three months following such termination and only for the number of shares which were exercisable on the date of such termination. In no event, however, may this option be exercised more than ten (10) years after the date of its grant.

The above provisions of Section 2(a) notwithstanding, to the extent provided by rules of the Committee referred to in the Plan (hereinafter referred to as the "Committee"), this option is not exercisable during any period during which the Employee's right to make deposits to the Kimberly-Clark Corporation Salaried Employees Incentive Investment Plan is suspended pursuant to a provision of such plan or rules adopted thereunder to comply with regulations regarding hardship withdrawals promulgated by the Internal Revenue Service.

A termination of employment shall not be deemed to have occurred while an Employee is on military leave or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Employee retains a right to reemployment with the Corporation or an Affiliate under an applicable statute or by contract. For purposes of this subparagraph, a leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the Employee will return to perform services for the Corporation or an Affiliate. If the period of leave exceeds six months and the Employee does not retain a right to reemployment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six-month period. Notwithstanding the foregoing sentence, where a leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Employee to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a 29-month period of absence is substituted for such six-month period in determining whether a termination of employment shall be deemed to have occurred. A termination of employment with the Corporation or an Affiliate to accept immediate reemployment with the Corporation or an Affiliate likewise shall not be deemed to be a termination of employment for purposes of the Plan. An Employee who is classified as an intermittent employee shall be deemed to have a termination of employment for purposes of the Plan.

- (b) Exercise after Death, Retirement, or Disability. If the Employee dies, Retires or becomes Totally and Permanently Disabled without having exercised this option in full, the remaining portion of this option, determined without regard to the limitations in subsection 2(a), may be exercised within the earlier of (i) three years from the date of death or Total and Permanent Disability or five years from the date of Retirement, as the case may be, or (ii) the remaining period of this option. In the case of an Employee who dies, this option may be exercised by the person or persons to whom the Employee's rights under this option shall pass by will or by applicable law or, if no such person has such rights, by his executor or administrator.

Notwithstanding the above, if the Corporation receives an opinion of counsel that there has been a legal judgment and/or legal development in the Employee's jurisdiction that likely would result in the favorable Retirement treatment that applies to this option pursuant to this subsection (b) being deemed unlawful and/or discriminatory, then the Corporation will not apply the favorable Retirement treatment at the time of termination and this option will be treated as it would under the rules that apply if the Employee's employment is terminated for reasons other than death, Retirement or Total and Permanent Disability.

- (c) Method of Exercise. This option shall be exercised by delivering to Merrill Lynch, or other authorized agent of the Corporation, as set forth in their terms and conditions of exercise, written notice of the number of shares with respect to which option rights are being exercised and by paying in full the option price of the shares at the time being acquired. Payment may be made in cash or, for U.S. Employees only, in shares of the Corporation's common stock as set forth in the terms and conditions of exercise. The date of exercise shall be deemed to be the date of receipt of the written notice and payment for the shares being purchased. The Employee shall have none of the rights of a stockholder with respect to shares covered by such options until the Employee becomes record holder of such shares.
 - (d) Payment of Withholding Taxes. No shares of common stock may be purchased under this option, unless prior to or simultaneously with such purchase, (i) the Employee, (ii) in the event of his death, the person succeeding to his rights hereunder or, (iii) in the event of a transfer of an option under Section 8 hereof, either the Employee, the Immediate Family Members or the entity succeeding to his rights hereunder, shall pay to the Corporation such amount as the Corporation advises is required under applicable federal, state or local laws to withhold and pay over to governmental taxing authorities by reason of the purchase of such shares of common stock pursuant to this option. Other than a purchase of shares pursuant to an option which had previously been transferred under Section 8 hereof, payment of required withholding taxes may be made with shares of the Corporation's common stock which otherwise would be distributable upon exercise of the option, pursuant to the rules of the Committee.
3. Nontransferability. Except as may otherwise be provided by the Committee, this option shall be transferable only by will or by the laws of descent and distribution, and during the Employee's lifetime shall be exercisable only by him.
4. Compliance with Law. No shares of common stock may be purchased under this option, unless prior to the purchase thereof, the Corporation shall have received an opinion of counsel to the effect that the issuance and sale of such shares by the Corporation to the Employee will not constitute a violation of the Securities Act of 1933, as amended. As a condition of exercise, the Employee shall, if requested by the Corporation, submit a written statement in form satisfactory to counsel for the Corporation, to the effect that any shares of common stock purchased upon exercise of this option will be purchased for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended, and the Corporation shall have the right, in its discretion, to cause the certificates representing shares of common stock purchased hereunder to be appropriately legended to refer to such undertaking or to any legal restrictions imposed upon the transferability thereof by reason of such undertaking.

The option granted hereby is subject to the condition that if the listing, registration or qualification of the shares subject hereto on any securities exchange or under any state or federal law, or if the consent or approval of any regulatory body shall be necessary as a condition of, or in connection with, the granting of the option or the delivery or purchase of shares thereunder, such option may not be exercised in whole or in part unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained. The Corporation agrees to use its best efforts to obtain any such requisite listing, registration, qualification, consent or approval.

5. No Right of Continued Employment. The granting of this option does not confer upon the Employee any legal right to be continued in the employ of the Corporation or its Affiliates, and the Corporation and its Affiliates reserve the right to discharge the Employee whenever the interest of the Corporation or its Affiliates may so require without liability to the Corporation or its Affiliates, the Board of Directors of the Corporation or its Affiliates, or the Committee, except as to any rights which may be expressly conferred on the Employee under this option.
6. Discretion of the Corporation, Board of Directors and the Committee. Any decision made or action taken by the Corporation or by the Board of Directors of the Corporation or by the Committee arising out of or in connection with the construction, administration, interpretation and effect of this option shall be within the absolute discretion of the Corporation, the Board of Directors of the Corporation or the Committee, as the case may be, and shall be conclusive and binding upon all persons.
7. Amendments. The Committee may at any time alter or amend this option to the extent (1) permitted by law, (2) permitted by the rules of any stock exchange on which the common stock or any other security of the Corporation is listed, (3) permitted under applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended (including rule 16b-3 thereof), and (4) that such action would not result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section (including the rules and regulations promulgated thereunder). Notwithstanding anything to the contrary contained herein, the Committee may not take any action that would result in any amount payable under this option qualifying as “applicable employee remuneration” as so defined for purposes of section 162(m) of the Code.
8. Inalienability of Benefits and Interest. This option and the rights and privileges conferred hereby shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any such attempted action shall be void and no such benefit or interest shall be in any manner liable for or subject to debts, contracts, liabilities, engagements, or torts of the Employee.
9. Delaware Law to Govern. All questions pertaining to the construction, interpretation, regulation, validity and effect of the provisions of this option shall be determined in accordance with the laws of the State of Delaware.

10. Purchase of Common Stock. The Corporation and its Affiliates may, but shall not be required to, purchase shares of common stock of the Corporation for purposes of satisfying the requirements of this option. The Corporation and its Affiliates shall have no obligation to retain and shall have the unlimited right to sell or otherwise deal with for their own account, any shares of common stock of the Corporation purchased for satisfying the requirements of this option.
11. Notices. Any notice to be given to the Corporation under this option shall be addressed to the Corporation in care of its Treasurer located at the World Headquarters, and any notice to be given to the Employee under the terms of this option may be addressed to him at his address as it appears on the Corporation's records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be deemed to have been duly given if and when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, registered and deposited, postage and registry fee prepaid, in a post office or branch post office regularly maintained by the United States Government.
12. Changes in Capitalization. In the event there are any changes in the common stock or the capitalization of the Corporation through a corporate transaction, such as any merger, any acquisition through the issuance of capital stock of the Corporation, any consolidation, any separation of the Corporation (including a spin-off or other distribution of stock of the Corporation), any reorganization of the Corporation (whether or not such reorganization comes within the definition of such term in section 368 of the Code), or any partial or complete liquidation by the Corporation, recapitalization, stock dividend, stock split or other change in the corporate structure, appropriate adjustments and changes shall be made by the Committee in (a) the number of shares and the option price per share of stock subject to this option, and (b) such other provisions of this option as may be necessary and equitable to carry out the foregoing purposes, provided, however that no such adjustment or change may be made to the extent that such adjustment or change will result in the disallowance of a deduction to the Corporation under section 162(m) of the Code or any successor section.
13. Effect on Other Plans. All benefits under this option shall constitute special compensation and shall not affect the level of benefits provided to or received by the Employee (or the Employee's estate or beneficiaries) as part of any employee benefit plan of the Corporation or an Affiliate. This option shall not be construed to affect in any way the Employee's rights and obligations under any other plan maintained by the Corporation or an Affiliate on behalf of employees.
14. Successors. This option shall be binding upon and inure to the benefit of any successor or successors of the Corporation.
15. Defined Terms. Terms which are capitalized are defined herein or in the Plan and have the same meaning set forth in the Plan, unless the context indicates otherwise.
16. For U.S. Employees Only. A U.S. Employee who has not previously signed a noncompete agreement has until the end of the one hundred twenty (120) day period beginning from the Grant Date of this option to sign and return the Noncompete Agreement provided to such Employee. If the U.S. Employee does not sign and return the provided Noncompete Agreement on or before the end of such one hundred twenty (120) day period then the grant of the right and option to purchase the shares of common stock of the Corporation, as set forth in Section 1, shall not be binding on and shall be voidable by the Corporation, in which case it shall have no further force or effect.

17. **Acceptance of Option Terms and Conditions.** An Employee has until the end of the one hundred twenty (120) day period beginning from the Grant Date of this option to accept this Award Agreement. If the Employee does not accept this Award Agreement on or before the end of such one hundred twenty (120) day period, then the grant of the right and option to purchase the shares of common stock of the Corporation, as set forth in Section 1, shall not be binding on and shall be voidable by the Corporation, in which case it shall have no further force or effect.

Acknowledgment of Conditions

I understand, acknowledge and agree to the following conditions with respect to the Award granted to me under the Plan:

- The 2001 Equity Participation Plan (the “Plan”) is discretionary in nature and the Corporation may cancel or terminate it at any time. The grant of an option is a voluntary and occasional benefit and does not create any contractual or other right to receive a grant of options or benefits in lieu of options in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of option shares, vesting provisions and the exercise price.
- My participation in the Plan is voluntary. The value of this option and the shares of common stock covered by this option are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Corporation or my actual employer (the “Employer”), and which are outside the scope of my employment contract, if any, and are not intended to replace any pension rights or compensation. As such, the option is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension, retirement or welfare benefits or similar payments and in no event shall be considered as compensation for, or relating in any way to, past services for the Corporation, the Employer or any Affiliate.
- Vesting of any option shares ceases upon termination of active employment for any reason (whether or not in breach of local labor laws and except as may otherwise be explicitly provided in the Plan document or this Award Agreement), and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of “garden leave” or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when I am no longer actively employed for purposes of this option.
- No claim or entitlement to compensation or damages shall arise from termination of this option or diminution in value of this option resulting from termination of my employment by the Corporation or the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and, in consideration of the grant of this option, to which I am not otherwise entitled, I irrevocably agree never to institute any claim against the Corporation or the Employer, waive my ability, if any, to bring any such claim, and release the Corporation and the Employer from any such claim; if, notwithstanding the foregoing, any

such claim is allowed by a court of competent jurisdiction to have arisen, then, by participating in the Plan, I shall be deemed irrevocably to have agreed not to pursue such a claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims.

- The future value of the underlying shares is unknown and cannot be predicted with certainty. If the underlying shares do not increase in value, the option will have no value. If I exercise this option and obtain shares, the value of those shares acquired upon exercise may increase or decrease in value, even below the option price.
- Regardless of any action the Corporation or the Employer take with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding related to my participation in the Plan and legally applicable to me ("Tax-Related Items"), I acknowledge that the ultimate liability for all Tax-Related Items is and remains my responsibility and may exceed the amount actually withheld by the Corporation or the Employer. I further acknowledge that the Corporation and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this option, including, but not limited to, the grant, vesting or exercise of this option, the subsequent sale of shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of this option to reduce or eliminate my liability for Tax-Related Items or achieve any particular tax result. Furthermore, if I have become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, I acknowledge that the Corporation and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
- Prior to the relevant taxable or tax withholding event, as applicable, I shall pay or make adequate arrangements satisfactory to the Corporation and/or the Employer to satisfy or account for all Tax-Related Items. In this regard, I authorize the Corporation or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:
 - (1) withholding from my wages or other cash compensation paid to me by the Corporation and/or the Employer; or
 - (2) withholding from proceeds of the sale of shares acquired pursuant to the exercise of this option, either through a voluntary sale or through a mandatory sale arranged by the Corporation (on my behalf, pursuant to this authorization); or
 - (3) withholding in shares to be issued upon exercise of this option.
- To avoid negative accounting treatment, the Corporation may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in shares, I am deemed, for tax purposes, to have been issued the full number of shares subject to the portion of this option that is exercised, notwithstanding that a number of shares is held back solely for the purpose of paying Tax-Related Items due as a result of any aspect of my participation in the Plan.

- I shall pay to the Corporation or to the Employer any amount of Tax-Related Items that the Corporation or the Employer may be required to withhold or account for as a result of my participation in the Plan that cannot be satisfied by the means previously described. The Corporation may refuse to honor the exercise or deliver shares to me if I fail to comply with my obligation in connection with the Tax-Related Items as described herein.
- The Corporation is not providing any tax, legal or financial advice, nor is the Corporation making any recommendations regarding my participation in the Plan, or my acquisition or sale of the underlying shares. I am hereby advised to consult with my own personal tax, legal and financial advisors regarding my participation in the Plan before taking any action related to the Plan.
- **Data Privacy.** *I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this Agreement and any other this option grant materials by and among, as applicable, the Employer, the Corporation and its subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing my participation in the Plan.*

I understand that the Corporation and the Employer may hold certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Corporation, details of all options or any other entitlement to shares of common stock awarded, canceled, exercised, vested, unvested or outstanding in my favor, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).

I understand that Data will be transferred to a broker, or such other stock plan service provider as may be selected by the Corporation in the future, which is assisting the Corporation with the implementation, administration and management of the Plan. I understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than my country. I understand that I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the Corporation, the broker and any other possible recipients which may assist the Corporation (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the Plan. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. I understand, however, that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

- My option may not be assigned, sold, encumbered, or in any way transferred or alienated.

- The Plan is governed by and subject to U.S. law. Interpretation of the Plan and my rights under the Plan will be governed by provisions of U.S. law. For purposes of litigating any dispute that arises under this grant or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, U.S.A. and agree that such litigation shall be conducted in the federal courts for the United States for the Northern District of Texas, where this grant is made and/or to be performed.
- I understand that I am solely responsible for obtaining/providing whatever exchange control approvals, permits, licenses or notices, which may be necessary for me to exercise my option, acquire the shares or to hold or sell the shares subject to the option or restricted share unit award. Neither the Corporation nor its Affiliates will be responsible for obtaining such approvals, licenses or permits, or for making any such notices, nor will the Corporation or its Affiliates be liable for any fines or penalties I may incur for failure to obtain any required approvals, permits or licenses or to make any required notices.
- The provisions of this Award Agreement are severable and if one or more of the provisions of this Award Agreement shall be held invalid, illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nonetheless be binding and enforceable. To the extent that any provisions of this Award Agreement are held to be invalid or otherwise unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Award Agreement to be construed so as to foster the intent of this Award Agreement and the Plan.
- If I have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
- Notwithstanding any provisions in this Award Agreement, this option shall be subject to any special terms and conditions set forth in Appendix A to this Award Agreement for my country. Moreover, if I relocate to one of the countries included in Appendix A, the special terms and conditions for such country will apply to me, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix A constitutes part of this Award Agreement.
- The Corporation reserves the right to impose other requirements on my participation in the Plan, on this option and on any shares acquired under the Plan, to the extent that the Corporation determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require me to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
- The Corporation may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. I hereby consent to receive such documents by on-line delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Corporation or a third-party designated by the Corporation.

Conclusion and Acceptance

I accept this grant via electronic signature by clicking the “Accept” icon and certify that I have read, understand and agree to the terms and conditions of the 2001 Equity Participation Plan (the “Plan”), the provisions of the applicable agreements and all other applicable documents (including any country-specific terms for my country of residence). I hereby authorize my employer to furnish the Corporation (and any agent administering the Plan or providing recordkeeping services) with such information and data as it shall request in order to facilitate the grant of options and enable administration of the Plan and I understand that such information shall be used only as long and to the extent necessary to administer my participation in the Plan. I agree that my participation in the Plan and the awards granted to me under the Plan will be governed solely by provisions of U.S. law.

**KIMBERLY-CLARK CORPORATION
NONQUALIFIED STOCK OPTION
AWARD AGREEMENT**

APPENDIX A

This Appendix A includes additional terms and conditions that govern this option granted to the Employee under the Plan if the Employee resides in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix A have the meanings set forth in the Plan and/or the Award Agreement.

This Appendix A also includes information regarding exchange controls and certain other issues of which the Employee should be aware with respect to the Employee's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2010. Such laws are often complex and change frequently. As a result, the Corporation strongly recommends that the Employee not rely on the information noted herein as the only source of information relating to the consequences of the Employee's participation in the Plan because the information be out of date at exercise of this option or the subsequent sale of shares acquired under the Plan or receipt of any dividends.

In addition, the information is general in nature and may not apply to the Employee's particular situation, and the Corporation is not in a position to assure the Employee of any particular result. Accordingly, the Employee is advised to seek appropriate professional advice as to how the relevant laws in the Employee's country may apply to the Employee's situation.

Finally, if the Employee is a citizen or resident of a country other than the one in the Employee is currently working, transferred or transfers employment after the Grant Date or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to the Employee.

ARGENTINA

Securities Law Information

Neither this option nor the shares of common stock covered by this option are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information

Depending upon the method of exercise chosen for this option, the Employee may be subject to restrictions with respect to the purchase and/or transfer of U.S. dollars pursuant to Argentine currency exchange regulations. The Corporation reserves the right to restrict the methods of exercise if required under Argentine laws.

Under current regulations adopted by the Argentine Central Bank (the "BCRA"), the Employee may purchase and remit foreign currency with a value of up to US\$2,000,000 per month for the purpose of acquiring foreign securities, including shares of common stock, without prior approval from the BCRA. However, the Employee must register the purchase with the BCRA and execute and submit an affidavit to the entity selling the foreign currency confirming that the Employee has not purchased and remitted funds in excess of US\$2,000,000 during the relevant month.

In the event that the Employee transfers proceeds in excess of US\$2,000,000 from the sale of shares of common stock into Argentina in a single month, he or she will be required to place 30% of any proceeds in excess of US\$2,000,000 in a non-interest-bearing, dollar-denominated mandatory deposit account for a holding period of 365 days.

The Employee must comply with any and all Argentine currency exchange restrictions, approvals and reporting requirements in connection with the exercise of this option.

BAHRAIN

There are no country-specific provisions.

BELGIUM

Tax Considerations

This option must be accepted after 60 days of the offer.

Tax Reporting

The Employee is required to report any taxable income attributable to this option on his or her annual tax return. In addition, the Employee is required to report any bank accounts opened and maintained outside Belgium on his or her annual tax return.

BOLIVIA

There are no country-specific provisions.

BRAZIL

Compliance with Law

By accepting this option, the Employee acknowledges that he or she agrees to comply with applicable Brazilian laws and pay any and all applicable taxes associated with the exercise of this option, the receipt of any dividends, and the sale of shares of common stock acquired under the Plan.

Exchange Control Information

If the Employee is resident or domiciled in Brazil, he or she will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Assets and rights that must be reported include shares of common stock.

CANADA

Form of Payment

Due to regulatory considerations in Canada, the Employee is prohibited from surrendering shares of common stock that he or she already owns or attesting to the ownership of shares to pay the option price or any Tax-Related Items in connection with this option.

Securities Law Notice

The Employee is permitted to sell shares acquired through the Plan through the designated broker appointed under the Plan, if any, provided the resale of shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the shares are listed. The Corporation's shares are currently listed on New York Stock Exchange.

The following provisions apply if the Employee is a resident of Quebec:

Language Consent

The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Authorization to Release and Transfer Necessary Personal Information

The Employee hereby authorizes the Corporation and the Corporation's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Employee further authorizes the Corporation, any parent, subsidiary or Affiliate and the plan administrators to disclose and discuss the Plan with their advisors. The Employee further authorizes the Corporation and any parent, subsidiary or Affiliate to record such information and to keep such information in the Employee's employee file.

CHILE

Securities Law Information

Neither the Corporation nor the shares of common stock are registered with the Chilean Registry of Securities or under the control of the Chilean Superintendence of Securities.

Exchange Control Information

It is the Employee's responsibility to make sure that he or she complies with exchange control requirements in Chile when the value of his or her option exercise transaction is in excess of US\$10,000, regardless of whether the Employee exercises his or her option through a cash exercise or cashless method of exercise.

If the Employee uses the cash exercise method to exercise this option and the Employee remits funds in excess of US\$10,000 out of Chile, the remittance must be made through the Formal Exchange Market (*i.e.*, a commercial bank or registered foreign exchange office). In such case, the Employee must provide to the bank or registered foreign exchange office certain information regarding the remittance of funds (*e.g.*, destination, currency, amount, parties involved, etc.).

If the Employee exercises this option using a cashless exercise method and the aggregate value of the option price exceeds US\$10,000, the Employee must sign Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank within 10 days of the exercise date.

The Employee is not required to repatriate funds obtained from the sale of shares or the receipt of any dividends. However, if the Employee decides to repatriate such funds, the Employee must do so through the Formal Exchange Market if the amount of the funds exceeds US\$10,000. In such case, the Employee must report the payment to a commercial bank or registered foreign exchange office receiving the funds.

If the Employee's aggregate investments held outside of Chile exceeds US\$5,000,000 (including the investments made under the Plan), the Employee must report the investments annually to the Central Bank. Annex 3.1 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Please note that exchange control regulations in Chile are subject to change. The Employee should consult with his or her personal legal advisor regarding any exchange control obligations that the Employee may have prior to exercising this option or receiving proceeds from the sale of shares of common stock acquired under the Plan.

Annual Tax Reporting Obligation

The Chilean Internal Revenue Service ("CIRS") requires all taxpayers to provide information annually regarding: (i) the taxes paid abroad, which they will use as a credit against Chilean income taxes, and (ii) the results of foreign investments. These annual reporting obligations must be complied with by submitting a sworn statement setting forth this information before March 15 of each year. The forms to be used to submit the sworn statement are Tax Form 1853 "Annual Sworn Statement Regarding Credits for Taxes Paid Abroad" and Tax Form 1851 "Annual Sworn Statement Regarding Investments Held Abroad." If the Employee is not a Chilean citizen and has been a resident in Chile for less than three years, the Employee is exempt from the requirement to file Tax Form 1853. These statements must be submitted electronically through the CIRS website: www.sii.cl.

COLOMBIA

Exchange Control Information

Investments in assets located abroad (including shares of common stock) are subject to registration with the Bank of the Republic if the Employee's aggregate investments held abroad (as of December 31 of the applicable calendar year) equal or exceed US\$500,000.

If funds are remitted from Colombia through an authorized local financial institution, the authorized financial institution will automatically register the investment.

If the Employee does not remit funds through an authorized financial institution when exercising this option because a partial cashless exercise method is used (selling only enough shares of Stock to cover the grant price and any brokerage fees), then the Employee must register the investment himself or herself if the accumulated financial investments the Employee holds abroad at the year-end are equal to or exceed the equivalent of US\$500,000. The Employee must register by filing a Form No. 11 and submitting it to Señores, Banco de la República, Attn: Jefe Sección Inversiones, Departamento de Cambios Internacionales, Carrera 7 No. 14 - 18, Bogotá, Colombia by June 30 of the following year.

If the Employee uses the cashless sell-all method of exercise, then no registration is required because no funds are remitted from Colombia and no shares are held abroad.

COSTA RICA

There are no country-specific provisions.

CZECH REPUBLIC

Exchange Control Information

The Czech National Bank may require the Employee to fulfill certain notification duties in relation to the acquisition of shares of common stock and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, the Employee should consult with his or her personal legal advisor prior to the exercise of this option and the sale of common stock to ensure compliance with current regulations. It is the Employee's responsibility to comply with any applicable Czech exchange control laws.

DENMARK

Danish Stock Option Act

By accepting this option, the Employee acknowledges that he or she has received a Danish translation of an Employer Statement, which is being provided to comply with the Danish Stock Option Act.

Exchange Control Information

If the Employee establishes an account holding shares or an account holding cash outside Denmark, he or she must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank. (These obligations are separate from and in addition to the obligations described below.)

Securities/Tax Reporting Information

If the Employee holds shares of common stock acquired under the Plan in a brokerage account with a broker or bank outside Denmark, he or she is required to inform the Danish Tax Administration about the account. For this purpose, the Employee must file a Form V (*Erklaering V*) with the Danish Tax Administration. The Form V must be signed both by the Employee and by the applicable broker or bank where the account is held. By signing the Form V, the broker or bank undertakes to forward information to the Danish Tax Administration concerning the shares in the account without further request each year. By signing the Form V, the Employee authorizes the Danish Tax Administration to examine the account.

In addition, if the Employee opens a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, he or she is also required to inform the Danish Tax Administration about this account. To do so, the Employee must file a Form K (*Erklæring K*) with the Danish Tax Administration. The Form K must be signed both by the Employee and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the content of the account. By signing the Form K, the Employee authorizes the Danish Tax Administration to examine the account.

If the Employee uses the cashless method of exercise for this option, the Employee is not required to file a Form V because he or she will not hold any shares of common stock. However, if the Employee opens a deposit account with a foreign broker or bank to hold the cash proceeds, he or she is required to file a Form K as described above.

DOMINICAN REPUBLIC

There are no country-specific provisions.

ECUADOR

There are no country-specific provisions.

EL SALVADOR

There are no country-specific provisions.

FRANCE

Option Not Tax-Qualified

The Employee understands that this option is not intended to be French tax-qualified.

Consent to Receive Information in English

By accepting the Award Agreement providing for the terms and conditions of the Employee's grant, the Employee confirms having read and understood the documents relating to this grant (the Plan and the Award Agreement), which were provided in the English language. The Employee accepts the terms of those documents accordingly.

En acceptant le Contrat d'Attribution décrivant les termes et conditions de l'attribution d'options, l'employé confirme ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan U.S. et ce Contrat d'Attribution) qui ont été communiqués en langue anglaise. L'employé accepte les termes en connaissance de cause.

GERMANY

Exchange Control Information

Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Employee uses a German bank to transfer a cross-border payment in excess of €12,500 in connection with the sale of shares of common stock acquired under the Plan, the bank will make the report for the Employee. In addition, the Employee must report any receivables, payables, or debts in foreign currency exceeding an amount of €5,000,000 on a monthly basis.

GUATEMALA

Language Waiver

By participating in the Plan, the Employee acknowledges that he or she is proficient in reading and understanding English and fully understands the terms of the Plan, the Award Agreement and this Appendix A.

HONDURAS

There are no country-specific provisions.

HONG KONG

Securities Warning

The offer of this option and the shares of common stock covered by this option do not constitute a public offering of securities under Hong Kong law and are available only to Employees of the Corporation or its Affiliates participating in the Plan. The Employee should be aware that the contents of this Award Agreement have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong. Nor have the documents been reviewed by any regulatory authority in Hong Kong. This option is intended only for the personal use of each Employee and may not be distributed to any other person. The Employee is advised to exercise caution in relation to the offer. If the Employee is in any doubt about any of the contents of the Agreement, including this Appendix A, or the Plan, the Employee should obtain independent professional advice.

Sale of Shares

In the event that any portion of this option vests within six months of the Grant Date, the Employee agrees that he or she will not dispose of the shares acquired prior to the six-month anniversary of the Grant Date.

Occupational Retirement Schemes Ordinance Alert

The Corporation specifically intends that neither this option nor the Plan will be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance (“ORSO”).

INDONESIA

Method of Exercise

Notwithstanding anything to the contrary in the Award Agreement, due to regulatory requirements in Indonesia, the Employee must exercise this option using the cashless exercise method. To complete a full cashless exercise, the Employee should notify a licensed securities broker acceptable to the Corporation to: (i) sell all of the shares upon exercise; (ii) use the proceeds to pay the option price, brokerage fees and any applicable Tax-Related Items; and (iii) remit the balance in cash to the Employee. If the Employee does not complete this procedure, the Corporation may refuse to allow the Employee to exercise this option. The Corporation reserves the right to provide the Employee with additional methods of exercise depending on local developments.

Exchange Control Information

If the Employee remits funds into or out of Indonesia, the Indonesian bank through which the transaction is made will submit a report on the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a description of the transaction must be included in the report. Although the bank through which the transaction is made is required to make the report, the Employee must complete a "Transfer Report Form." The Transfer Report Form will be provided to the Employee by the bank through which the transaction is to be made.

ISRAEL

Securities Law Notification

The offer of this option does not constitute a public offering under the Securities Law, 1968.

Method of Exercise

Notwithstanding anything to the contrary in the Award Agreement, due to regulatory requirements in Israel, the Employee must exercise this option using the cashless exercise method. To complete a full cashless exercise, the Employee should notify a licensed securities broker acceptable to the Corporation to: (i) sell all of the shares upon exercise; (ii) use the proceeds to pay the option price, brokerage fees and any applicable Tax-Related Items; and (iii) remit the balance in cash to the Employee. If the Employee does not complete this procedure, the Corporation may refuse to allow the Employee to exercise this option. The Corporation reserves the right to provide the Employee with additional methods of exercise depending on local developments.

ITALY

Method of Exercise

Notwithstanding anything to the contrary in the Award Agreement, due to regulatory requirements in Italy, the Employee must exercise this option using the cashless exercise method. To complete a full cashless exercise, the Employee should notify a licensed securities broker acceptable to the Corporation to: (i) sell all of the shares upon exercise; (ii) use the proceeds to pay the option price, brokerage fees and any applicable Tax-Related

Items; and (iii) remit the balance in cash to the Employee. If the Employee does not complete this procedure, the Corporation may refuse to allow the Employee to exercise this option. The Corporation reserves the right to provide the Employee with additional methods of exercise depending on local developments.

Data Privacy Notice and Consent.

This provision replaces in its entirety the data privacy in the Award Agreement:

The Employee understands that the Employer, the Corporation and any Affiliate hold certain personal information about him or her, including, but not limited to, the Employee's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any shares of common stock or directorships held in the Corporation or any Affiliate, details of all options, or any other entitlement to shares of common stock awarded, cancelled, exercised, vested, unvested or outstanding in the Employee's favor, for the exclusive purpose of implementing, managing and administering the Plan ("Data"). The Employee is aware that providing the Corporation with Data is necessary for the performance of the Plan and that his or her refusal to provide such Data would make it impossible for the Corporation to perform its contractual obligations and may affect the Employee's ability to participate in the Plan.

The Controller of personal data processing is Kimberly-Clark Corporation with registered offices at 351 Phelps Drive, Irving, Texas 75038, United States of America, and, pursuant to Legislative Decree no. 196/2003, its representative in Italy is Kimberly-Clark s.r.l. at Via Della Rocca, 49, Torino, Italy.

The Employee understands that Data may be transferred to the Corporation or any of its Affiliates, or to any third parties assisting in the implementation, management and administration of the Plan, including any transfer required to a broker or other third party with whom shares of common stock acquired under the Plan or cash from the sale of such shares may be deposited. Furthermore, the recipients that may receive, possess, use, retain, and transfer such Data may be located in Italy or elsewhere, including outside the European Union, and the recipients' country (e.g., the United States) may have different data privacy laws and protections than Italy.

The processing activity, including transfer of Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require the Employee's consent thereto as the processing is necessary to performance of contractual obligations related to implementation, administration, and management of the Plan. The Employee understands that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The Employee understands that Data will be held only as long as is required by law or as necessary to implement, administer and manage the Employee's participation in the Plan. The Employee understands that, pursuant to Section 7 of the Legislative Decree no. 196/2003, he or she has the right to, including but not limited to, access, delete, update, correct, or terminate, for legitimate reason, the Data processing. Furthermore, the Employee is aware that Data will not be used for direct marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting the Employee's local human resources representative.

Plan Document Acknowledgment

In accepting the grant of this option, the Employee acknowledges that he or she has received a copy of the Plan and the Award Agreement and has reviewed the Plan and the Award Agreement, including this Appendix A, in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement, including this Appendix A.

The Employee acknowledges that he or she has read and specifically and expressly approves the following sections of the Award Agreement: Section 2(d) on Payment of Withholding Taxes; Section 5 on No Right of Continued Employment; Section 9 on Delaware Law to Govern; the section on Acknowledgment of Conditions; and the Data Privacy Notice and Consent section included in this Appendix A.

Exchange Control Information

The Employee is required to report in his or her annual tax return: (a) any transfers of cash or shares of common stock to or from Italy exceeding €10,000 or the equivalent amount in U.S. dollars; and (b) any foreign investments or investments (including proceeds from the sale of shares of common stock acquired under the Plan) held outside of Italy exceeding €10,000 or the equivalent amount in U.S. dollars, if the investment may give rise to income in Italy. The Employee is exempt from the formalities in (a) if the investments are made through an authorized broker resident in Italy, as the broker will comply with the reporting obligation on the Employee's behalf.

JAPAN

Exchange Control Information

If the Employee acquires shares of common stock valued at more than ¥100,000,000 in a single transaction, the Employee must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days of the purchase of the shares.

In addition, if the Employee pays more than ¥30,000,000 in a single transaction for the purchase of shares when the Employee exercises this option, the Employee must file a Payment Report with the Ministry of Finance through the Bank of Japan by the 20th day of the month following the month in which the payment was made. The precise reporting requirements vary depending on whether or not the relevant payment is made through a bank in Japan.

A Payment Report is required independently from a Securities Acquisition Report. Therefore, if the total amount that the Employee pays upon a one-time transaction for exercising this option and purchasing shares of common stock exceeds ¥100,000,000, then the Employee must file both a Payment Report and a Securities Acquisition Report.

KOREA

Exchange Control Information

To remit funds out of Korea to exercise this option by paying the option price in cash, the Employee must obtain a confirmation of the remittance by a foreign exchange bank in Korea. This is an automatic procedure (*i.e.*, the bank does not need to approve the remittance and the process should not take more than a day). The Employee likely will need to present supporting documentation evidencing the nature of the remittance to the bank processing the transaction. Furthermore, if the Employee receives US\$500,000 or more from the sale of shares of common stock, Korean exchange control laws require the Employee to repatriate the proceeds to Korea within 18 months of the sale.

MALAYSIA

Insider Trading Notification

The Employee should be aware of the Malaysian insider trading rules, which may impact the Employee's acquisition or disposal of shares of common stock or this option under the Plan. Under Malaysian insider trading rules, the Employee is prohibited from acquiring or selling shares of common stock or rights to shares (*e.g.*, an option) when in possession of information that is not generally available and that the Employee knows or should know will have a material effect on the price of shares of common stock once such information is generally available.

Director Notification Obligation

If the Employee is a director of the Corporation's Malaysian Affiliate, the Employee is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when the Employee receives or disposes of an interest (*e.g.*, an option or shares of common stock) in the Corporation or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Corporation or any related company.

MEXICO

Modification

By accepting this option, the Employee understands and agrees that any modification of the Plan or the Award Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Acknowledgment of Grant

In accepting this option, the Employee acknowledges that the Employee has received a copy of the Plan and the Award Agreement, including this Appendix A, has reviewed the Plan and the Award Agreement, including this Appendix A, in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement, including this Appendix A. The Employee further acknowledges that the Employee has read and specifically and expressly approves the Acknowledgment of Conditions section of the Award Agreement, in which the following is clearly described and established:

- (1) The Employee's participation in the Plan does not constitute an acquired right.

- (2) The Plan and the Employee's participation in the Plan are offered by the Corporation on a wholly discretionary basis.
- (3) The Employee's participation in the Plan is voluntary.
- (4) Neither the Corporation nor any Affiliate is responsible for any decrease in the value of this option and/or shares of common stock acquired under the Plan.

Labor Law Acknowledgment and Policy Statement

In accepting the grant of this option, the Employee expressly recognizes that Kimberly-Clark Corporation, with registered offices at 351 Phelps Drive, Irving, Texas 75038, U.S.A., is solely responsible for the administration of the Plan and that the Employee's participation in the Plan and acquisition of shares of common stock do not constitute an employment relationship between the Employee and the Corporation since the Employee is participating in the Plan on a wholly commercial basis and his or her sole Employer is Kimberly-Clark de Mexico, S.A. de C.V. ("KCC-Mexico"). Based on the foregoing, the Employee expressly recognizes that the Plan and the benefits that he or she may derive from participating in the Plan do not establish any rights between the Employee and the Employer, KCC-Mexico and do not form part of the employment conditions and/or benefits provided by KCC-Mexico, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Employee's employment.

The Employee further understands that his or her participation in the Plan is as a result of a unilateral and discretionary decision of the Corporation; therefore, the Corporation reserves the absolute right to amend and/or discontinue the Employee's participation at any time without any liability to the Employee.

Finally, the Employee hereby declares that he or she does not reserve to himself or herself any action or right to bring any claim against Kimberly-Clark Corporation for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and the Employee therefore grants a full and broad release to the Corporation, its shareholders, officers, agents, or legal representatives or Affiliates with respect to any claim that may arise.

Spanish Translation

Modificación

Al aceptar el otorgamiento de la opción de Compra de Acciones, el Empleado entiende y acuerda que cualquier modificación al Plan o al Acuerdo o su terminación, no cambiará o disminuirá los términos y condiciones de empleo.

Reconocimiento del Otorgamiento

Al aceptar el otorgamiento de la opción de Compra de Acciones, el Empleado está de acuerdo en haber recibido una copia del Plan, del Acuerdo incluyendo el presente Anexo "A" y ha revisado el Plan y el Acuerdo, incluyendo este Anexo "A" en su totalidad y comprende y acepta todas las disposiciones previstas en el Plan, en el Acuerdo, incluyendo el presente Anexo "A". Asimismo, el Empleado reconoce que ha leído y manifiesta su específica y expresa conformidad con los términos y condiciones establecidos del Acuerdo, en el cual claramente se describe y establece lo siguiente:

- (1) *La participación del Empleado en el Plan no constituye un derecho adquirido.*

- (2) *El Plan y la participación del Empleado en el Plan se ofrecen por la Compañía de forma completamente discrecional.*
- (3) *La participación del Empleado en el Plan es voluntaria.*
- (4) *Ni la Compañía ni sus Afiliadas son responsables por la reducción del valor de la opción de Compra de Acciones emitida bajo el Plan.*

Reconocimiento de la Legislación Laboral y Declaración de la Política

Al aceptar el otorgamiento de la opción de Compra de Acciones, el Empleado expresamente reconoce que Kimberly-Clark Corporation con oficinas registradas en 351 Phelps Drive, Irving, Texas 75038, U.S.A., es la única responsable por la administración del Plan y que la participación del Empleado en el Plan y en su caso la adquisición de las Opciones de Compra de Acciones o Acciones no constituyen ni podrán interpretarse como una relación de trabajo entre el Empleado y Kimberly-Clark Corporation, ya que el Empleado participa en el Plan en un marco totalmente comercial y su único Patrón lo es Kimberly-Clark de Mexico, S.A. de C.V. con domicilio en Kimberly-Clark de Mexico, S.A. de C.V. Mexico. Derivado de lo anterior, el Empleado expresamente reconoce que el Plan y los beneficios que pudieran derivar de la participación en el Plan no establecen derecho alguno entre el Empleado y el Patrón, Kimberly-Clark de Mexico, S.A. de C.V. y no forma parte de las condiciones de trabajo y/o las prestaciones otorgadas por Kimberly-Clark de Mexico, S.A. de C.V. y que cualquier modificación al Plan o su terminación no constituye un cambio o impedimento de los términos y condiciones de la relación de trabajo del Empleado.

Asimismo, el Empleado reconoce que su participación en el Plan es resultado de una decisión unilateral y discrecional de Kimberly-Clark Corporation por lo tanto, Kimberly-Clark Corporation se reserva el absoluto derecho de modificar y/o terminar la participación del Empleado en cualquier momento y sin responsabilidad alguna frente al Empleado.

Finalmente, el Empleado por este medio declara que no se reserva derecho o acción alguna que ejercitar en contra de Kimberly-Clark Corporation por cualquier compensación o daño en relación con las disposiciones del Plan o de los beneficios derivados del Plan y por lo tanto, el Empleado otorga el más amplio finiquito que en derecho proceda a Kimberly-Clark Corporation, sus afiliadas, subsidiarias, oficinas de representación, sus accionistas, funcionarios, agentes o representantes legales en relación con cualquier demanda que pudiera surgir.

NETHERLANDS

Consent to Comply with Dutch Securities Law

The Employee has been granted this option under the Plan, pursuant to which the Employee may acquire shares of common stock. Employees who are residents of the Netherlands should be aware of the Dutch insider trading rules, which may impact the sale of such shares. In particular, the Employee may be prohibited from effectuating certain share transactions if the Employee has insider information regarding the Corporation.

Below is a discussion of the applicable restrictions. The Employee is advised to read the discussion carefully to determine whether the insider rules apply to the Employee. If it is uncertain whether the insider rules apply, the Corporation recommends that the Employee consult with his or her personal legal advisor. Please note that the Corporation cannot be held liable if the Employee violates the Dutch insider rules. The Employee is responsible for ensuring compliance with these rules.

By entering into the Award Agreement and participating in the Plan, the Employee acknowledges having read and understood the notification below and acknowledges that it is his or her own responsibility to comply with the Dutch insider trading rules, as discussed herein.

Prohibition Against Insider Trading

Dutch securities laws prohibit insider trading. Under Article 46 of the Act on the Supervision of the Securities Trade 1995, anyone who has “inside information” related to the Corporation is prohibited from effectuating a transaction in securities in or from the Netherlands. “Inside information” is knowledge of a detail concerning the issuer to which the securities relate that is not public and which, if published, would reasonably be expected to affect the share price, regardless of the actual effect on the price. The insider could be any employee of the Corporation or its Dutch Affiliate who has inside information as described above.

Given the broad scope of the definition of inside information, certain Employees of the Corporation working at its Dutch Affiliate may have inside information and thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when he or she had such inside information.

NEW ZEALAND

Securities Law Notice

The Employee will receive the following documents (in addition to this Appendix A) in connection with this option from the Corporation:

1. an Award Agreement, which sets forth the terms and conditions of the option grant;
2. a copy of the Corporations’ most recent annual report and most recent financial reports have been made available to enable the Employee to make informed decisions concerning this option; and
3. a copy of the description of the Kimberly-Clark Corporation 2001 Equity Participation Plan (“Description”) (*i.e.*, the Corporation’s Form S-8 Plan Prospectus under the U.S. Securities Act of 1933, as amended), and the Corporation will provide any attachments or documents incorporated by reference into the Description upon written request. The documents incorporated by reference into the Description are updated periodically. Should the Employee request copies of the documents incorporated by reference into the Description, the Corporation will provide the Employee with the most recent documents incorporated by reference.

NICARAGUA

There are no country-specific provisions.

PANAMA

Securities Law Information

Neither this option nor any shares that the Employee may acquire at exercise of this option constitute a public offering of securities, as they are available only to Employees of the Corporation and its Affiliates.

PARAGUAY

There are no country-specific provisions.

PERU

There are no country-specific provisions.

POLAND

Exchange Control Information

If the Employee holds foreign securities (including shares of common stock) and maintains accounts abroad, the Employee may be required to file certain reports with the National Bank of Poland. Specifically, if the value of securities and cash held in such foreign accounts exceeds €15,000, the Employee must file reports on the transactions and balances of the accounts on a quarterly basis by the 20th day of the month following the end of each quarter and an annual report by no later than January 30 of the following calendar year. Such reports are filed on special forms available on the website of the National Bank of Poland.

PORTUGAL

Exchange Control Information

If the Employee acquires shares of common stock under the Plan and does not hold the shares of common stock with a Portuguese financial intermediary, he or she may need to file a report with the Portuguese Central Bank. If the shares of common stock are held by a Portuguese financial intermediary, it will file the report for the Employee.

PUERTO RICO

There are no country-specific provisions.

RUSSIA

U.S. Transaction

The Employee understands that this option shall be valid and this Award Agreement shall be concluded and become effective only when the Employee's acceptance of the Award Agreement is received by the Corporation in the United States. Upon exercise of this option, any shares of common stock to be issued to the Employee shall be delivered to the Employee through a bank or brokerage account in the United States.

Securities Law Notice

This Award Agreement, the Plan and all other materials the Employee may receive regarding participation in the Plan do not constitute advertising or an offering of securities in Russia. The issuance of shares of common stock under the Plan has not and will not be registered in Russia and hence the shares described in any Plan-related documents may not be offered or placed in public circulation in Russia.

Please note that, under the Russian law, the Employee is not permitted to sell the Corporation's shares directly to other Russian individuals and the Employee is not permitted to bring share certificates into Russia.

SINGAPORE

Securities Law Information

This option is being granted pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Employee should note that this option is subject to section 257 of the SFA and the Employee will not be able to make (i) any subsequent sale of the shares of common stock in Singapore or (ii) any offer of such subsequent sale of the shares of common stock in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2006 Ed.).

Director Notification Obligation

If the Employee is a director, associate director or shadow director of the Corporation's Singapore Affiliate, the Employee is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Corporation's Singapore Affiliate in writing when the Employee receives an interest (*e.g.*, an option or shares) in the Corporation or any Affiliate. In addition, the Employee must notify the Corporation's Singapore Affiliate when he or she sells shares of the Corporation or of any Affiliate (including when the Employee sells shares acquired upon exercise of this option). These notifications must be made within two days of acquiring or disposing of any interest in the Corporation or any Affiliate. In addition, a notification of the Employee's interests in the Corporation or any Affiliate must be made within two days of becoming a director.

SOUTH AFRICA

Exchange Control Information

To participate in the Plan, the Employee must comply with exchange control regulations and rulings (the "Exchange Control Regulations") in South Africa. Currently, the Exchange Control Department of the South African Reserve Bank ("Exchange Control") requires that approval be sought for the purchase of securities by South African residents pursuant to foreign share incentive schemes, such as the exercise of options under the Plan. The Corporation is in the process of obtaining such approval.

The Employee is subject to an overall offshore investment allowance of ZAR4,000,000. This is a cumulative allowance, and his or her ability to remit funds for the purchase of shares will be reduced if Employee's foreign investment limit is utilized to make a transfer of funds offshore that is unrelated to the Plan. If he or she exercises this option with cash, the funds used to pay the option price may not be counted against the ZAR4,000,000 because of the approval from Exchange Control that the Corporation is seeking with respect to the Plan. If the option price is counted against the ZAR4,000,000 limit, the Employee may still transfer funds for the exercise of this option; however, the shares obtained from the exercise must be sold immediately and the full proceeds repatriated to South Africa.

If the Employee exercise this option using either the cashless sell-all exercise method or the cashless sell-to-cover method, it is not necessary to obtain a Tax Clearance Certificate (as described below) or a transfer of funds application form. In addition, under a cashless sell-to-cover method, the Employee may acquire and hold shares up to any amount, even in excess of ZAR4,000,000. The value of the shares acquired using a cashless sell-to-cover exercise method will not be counted against the ZAR4,000,000 limit. The sale proceeds of such shares may be held offshore and will not count against the investment limit.

Because the Exchange Control Regulations change frequently and without notice, the Employee understands that he or she should consult a legal advisor prior to the purchase or sale of shares under the Plan to ensure compliance with current regulations. The Employee understands that it is his or her responsibility to comply with South African exchange control laws, and neither the Corporation nor the Employer will be liable for any fines or penalties resulting from failure to comply with applicable laws.

Tax Acknowledgment

By accepting this option, the Employee agrees to notify the Employer of the amount of any gain realized upon exercise of this option. If the Employee fails to advise the Employer of the gain realized upon exercise, the Employee may be liable for a fine. The Employee will be responsible for paying any difference between the actual tax liability and the amount withheld.

If the Employee uses cash to exercise this option and purchase shares, rather than a cashless exercise method, the Employee must first obtain a "Tax Clearance Certificate (in Respect of Foreign Investment)" from the South African Reserve Service. The Employee must also complete a transfer of funds application form to transfer the funds. The Tax Clearance Certificate should be presented to a dealer of the Exchange Control Department of the South Africa Reserve Bank (it is likely that the Employee's bank will qualify as such a dealer), together with a completed application form to transfer funds. No transfer of funds may be completed unless the original Tax Clearance Certificate bears the official stamp and signature of the Office of Receiver of Revenue of the South African Reserve Service.

SPAIN

Termination of Employment

For purposes of this option, a termination of employment includes a termination that is deemed an "unfair dismissal" or a "constructive dismissal."

Labor Law Acknowledgment

By accepting this option, the Employee acknowledges that he or she understands and agrees to participation in the Plan and that he or she has received a copy of the Plan.

The Employee understands that the Corporation has unilaterally, gratuitously and discretionally decided to grant Options under the Plan to individuals who may be employees of the Corporation or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Corporation or any of its Affiliates on an ongoing basis. Consequently, the Employee understands that any grant is given on the assumption and condition that it shall not become a part of any employment contract (either with the Corporation or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, the Employee understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from any gratuitous and discretionary grant since the future value of this option and the underlying shares is unknown and unpredictable. In addition, the Employee understands that this grant would not be made but for the assumptions and conditions referred to above; thus, the Employee understands, acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then this option shall be null and void.

Further, the Employee understands that this option is a conditional right. The Employee shall forfeit any unvested portion of this option upon termination of employment unless such termination is due to a Qualified Termination of Employment. In addition, if the Employee's employment is terminated for any reason other than death, Retirement, or Total and Permanent Disability, this option shall be exercisable only to the extent provided in Section 2(a) of the Award Agreement. The terms of this paragraph apply even if the Employee is considered to be unfairly dismissed without good cause.

SWITZERLAND

Securities Law Notification

The options offered by the Corporation are considered a private offering in Switzerland; therefore, such offer is not subject to registration in Switzerland.

TAIWAN

Exchange Control Information

The Employee may acquire and remit foreign currency (including proceeds from the sale of shares of common stock) into and out of Taiwan up to US\$5,000,000 per year. If the transaction amount is TWD500,000 or more in a single transaction, the Employee must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank.

If the transaction amount is US\$500,000 or more, the Employee may be required to provide additional supporting documentation to the satisfaction of the remitting bank. The Employee should consult his or her personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

THAILAND

Exchange Control Information

When the shares of common stock covered by this option are sold, the Employee must repatriate all cash proceeds to Thailand and then convert such proceeds to Thai Baht within 360 days of repatriation. If the amount of the Employee's proceeds is US\$20,000 or more, the Employee must specifically report the inward remittance to the Bank of Thailand on a foreign exchange transaction form. If the Employee fails to comply with these obligations, then the Employee may be subject to penalties assessed by the Bank of Thailand.

The Employee should consult his or her personal advisor prior to taking any action with respect to remittance of cash proceeds into Thailand. The Employee is responsible for ensuring compliance with all exchange control laws in Thailand.

TRINIDAD & TOBAGO

There are no country-specific provisions.

TURKEY

Exchange Control Information

Exchange control regulations require Turkish residents to purchase securities through financial intermediary institutions that are approved under the Capital Market Law (i.e., banks licensed in Turkey). Therefore, if the Employee exercises this option using a cash exercise method, the funds must be remitted through a bank or other financial institution licensed in Turkey. A wire transfer of funds by a Turkish bank will satisfy this requirement. This requirement does not apply to a cashless exercise, as no funds are remitted out of Turkey.

UNITED KINGDOM

Tax Acknowledgment

The following information supplements the information regarding Tax-Related Items in the Acknowledgment of Conditions section of the Award Agreement:

If payment or withholding of the income tax due is not made within 90 days of the event giving rise to the Tax-Related Items or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "Due Date"), the amount of any uncollected Tax-Related Items shall constitute a loan owed by the Employee to the Employer, effective on the Due Date. The Employee agrees that the loan will bear interest at the then-current Her Majesty's Revenue and Customs official rate; it will be immediately due and repayable. Notwithstanding the foregoing, if the Employee is an officer or executive director (as within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of this provision will not apply to the Employee. In the event that the Employee is an officer or director, as defined above, and Tax-Related Items are not collected from or paid by the Employee by the Due Date, the amount of any uncollected Tax-Related Items may constitute a benefit to the Employee on which additional income tax and National Insurance Contributions may be payable. The Employee acknowledges the Corporation or the Employer may recover it at any time thereafter by any of the means referred to in the Award Agreement. The Employee authorizes the Corporation to withhold the transfer of any shares unless and until the loan is repaid in full.

URUGUAY

There are no country-specific provisions.

VENEZUELA

Exchange Control Information

The Employee should consult his or her personal advisor prior to repatriating the proceeds of the sale of shares of common stock as described above to ensure compliance with the applicable exchange control regulations in Venezuela, as such regulations are subject to frequent change. The Employee is responsible for ensuring compliance with all exchange control laws in Venezuela.

**KIMBERLY-CLARK CORPORATION
PERFORMANCE RESTRICTED STOCK UNIT
AWARD AGREEMENT**

This Award, granted on _____, by Kimberly-Clark Corporation, a Delaware corporation (hereinafter called the "Corporation"), to _____ (the "Participant") is subject to the terms and conditions of the 2001 Equity Participation Plan (the "Plan") and the Award Agreement, including any country-specific terms and conditions contained in Appendix A to this Award Agreement.

W I T N E S S E T H:

WHEREAS, the Corporation has adopted the Plan to encourage those employees who materially contribute, by managerial, scientific or other innovative means, to the success of the Corporation or of an Affiliate, to acquire an ownership interest in the Corporation, thereby increasing their motivation for and interest in the Corporation's or the Affiliate's long-term success;

NOW, THEREFORE, it is agreed as follows:

1. Number of Share Units Granted. The Corporation hereby grants to the Participant Performance Restricted Stock Units ("PRSUs") at the target level of _____ (the "Target Level"), subject to the terms, conditions and restrictions set forth herein and in the Plan, and the Corporation's attainment of the Performance Goals established by the Committee as set forth on Appendix A-1. The actual number of PRSUs earned by the Participant at the end of the Restricted Period may range from 0 to 200% of the Target Level.
2. Transferability Restrictions.
 - (a) Restricted Period. During the Restricted Period, the Participant may not sell, assign, transfer, or otherwise dispose of, or mortgage, pledge or otherwise encumber the Award. Except as provided under paragraph 2, the Award, including any accrued dividend equivalents, shall be subject to forfeiture until the end of the Restricted Period. Participant becomes 100% vested in the number of PRSUs earned based on attainment of the Performance Goal at the end of the Restricted Period as approved and authorized by the Committee.

The Restricted Period shall begin on the date of the granting of this Award, and shall end on April 28, 2013. Holders of Awards shall have none of the rights of a shareholder with respect to such shares including, but not limited to, any right to receive dividends in cash or other property or other distribution or rights in respect of such shares except as otherwise provided in this Agreement, nor to vote such shares as the record owner thereof.

During each year in the Restricted Period, the Participant will not be paid dividend equivalents on the unvested PRSUs but the Participant will receive a credit equal to dividends declared on the Corporation's Common Stock which will be reinvested in additional PRSUs at the then fair market value of the Corporation's Common Stock on the date dividends are paid, and the additional PRSUs will be accumulated and paid if and when the PRSUs vest, based on the actual number of PRSUs that vest. In the case of dividends paid in property other than cash, the amount of the dividend shall be deemed to be the fair market value of the property at the time of the payment of the dividend, as determined in good faith by the Corporation. The Corporation shall not be required to segregate any cash or other property of the Corporation.

- (b) Termination of Employment. Participant shall forfeit any unvested Award, including any accrued dividend equivalents, upon termination of employment unless such termination (i) is due to a Qualified Termination of Employment, or (ii) if more than six months after the Grant Date, due to death, Retirement, Total and Permanent Disability, or the shutdown or divestiture of a business unit. A termination of employment shall not be deemed to have occurred while a Participant is on military leave or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Participant retains a right to reemployment with the Corporation or an Affiliate under an applicable statute or by contract. For purposes of this subparagraph, a leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Corporation or an Affiliate. If the period of leave exceeds six months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six-month period. Notwithstanding the foregoing sentence, where a leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a 29-month period of absence is substituted for such six-month period in determining whether a termination of employment shall be deemed to have occurred. A termination of employment with the Corporation or an Affiliate to accept immediate reemployment with the Corporation or an Affiliate likewise shall not be deemed to be a termination of employment for purposes of the Plan. A Participant who is classified as an intermittent employee shall be deemed to have a termination of employment for purposes of the Plan. Notwithstanding anything in this Plan to the contrary, a termination of employment with respect to any Restricted Share Units that are required to meet the requirements of Section 409A of the Code and the regulations thereunder shall not be deemed to be a termination of employment for purposes of the Plan if it is anticipated that the level of bona fide services the Participant would perform after such date would continue at a rate equal to more than 20 percent of the average level of bona fide services performed over the immediately preceding 36-month period (or the full period of services to the Corporation or an Affiliate if the Participant has been providing such services less than 36 months).

- (c) Death, Retirement, or Total and Permanent Disability. In the event that more than six months after the Grant Date the Participant's termination of employment is due to death or Total and Permanent Disability, it shall result in pro rata vesting in the number of PRSUs earned. This pro rata vesting shall be determined based on the Target Level of PRSUs (including any accrued dividend equivalents accumulated pursuant to Section 2(a)) (1) prorated for the number of full months of employment during the Restricted Period prior to the Participant's termination of employment, multiplied by (2) the Performance Goal percentage as approved and authorized by the Committee at the end of the Restricted Period. Any fractional share of the Company resulting from such a prorated award shall be rounded to the nearest whole share and shall be paid within 70 days following the end of the Restricted Period. In the event that more than six months after the Grant Date the Participant's termination of employment is due to Retirement it shall result in 100% vesting in the number of PRSUs earned based on attainment of the Performance Goal at the end of the Restricted Period as approved and authorized by the Committee, and such Award shall be paid within 70 days following the end of the Restricted Period.

Notwithstanding this Section 2(c), if the Corporation receives an opinion of counsel that there has been a legal judgment and/or legal development in the Participant's jurisdiction that would likely result in the favorable Retirement treatment that applies to the PRSUs under this Section 2(c) being deemed unlawful and/or discriminatory, then the Corporation will not apply the favorable Retirement treatment and PRSUs will be treated as they would under the rules that apply if the Participant's employment with the Corporation or an Affiliate ends for any other reason, as applicable.

- (d) Shutdown or Divestiture. In the event that more than six months after the Grant Date the Participant's termination of employment is due to the shutdown or divestiture of the Corporation's or its Affiliate's business it shall result in pro rata vesting in the number of PRSUs earned. This pro rata vesting shall be determined based on the Target Level of PRSUs (including any accrued dividend equivalents accumulated pursuant to Section 2(a)) (1) prorated for the number of full years of employment during the Restricted Period prior to the Participant's termination of employment, multiplied by (2) the Performance Goal percentage as approved and authorized by the Committee at the end of the Restricted Period. Any fractional share of the Company resulting from such a prorated award shall be rounded to the nearest whole share and shall be paid within 70 days following the end of the Restricted Period.
- (e) Qualified Termination of Employment. In the event of a Qualified Termination of Employment all restrictions will lapse and the shares will become fully vested and the number of shares that shall be considered to vest shall be the greater of the Target Level or the number of shares which would have vested based on the attainment of the Performance Goal as of the end of the prior calendar year and shall be paid within 10 days following the last day of employment of the Participant with the Corporation. Notwithstanding anything in this Agreement to the contrary, the payment of an Award to a Key Employee who has separated from service due to a Qualified Termination of Employment shall be made at the earlier of the first day of the seventh month following the date of separation from service or the end of the Restricted Period. A Key Employee is any Participant who meets the definition of a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code and the regulations promulgated thereunder.

- (f) Payment of Awards. The payment of the Award, including any accrued dividend equivalents accumulated pursuant to Section 2(a), shall be made in shares of Common Stock. Except as may otherwise be provided in subparagraph 2(e), the payment of an Award shall be made within 70 days following the end of the Restricted Period.
 - (g) Payment of Withholding Taxes. No shares of Common Stock, nor any cash payment, may be delivered under this Award, unless prior to or simultaneously with such issuance, the Participant or, in the event of his death, the person succeeding to his rights hereunder, shall pay to the Corporation such amount as the Corporation advises is required under applicable federal, state or local laws to withhold and pay over to governmental taxing authorities by reason of the delivery of such shares of Common Stock and any cash payment pursuant to this Award. The Corporation may, in its discretion, withhold payment of required withholding taxes with cash or shares of Common Stock which otherwise would be delivered following the date of vesting of the Award under this paragraph 2.
3. Nontransferability. Neither the Award nor the Participant's right to receive payment for vested Awards may be assigned or transferred except upon the death of the Participant (i) by will, (ii) by the laws of descent and distribution or (iii) for Participants residing in the U.S., pursuant to a designation by the Participant of a beneficiary or beneficiaries, provided that no such designation shall be effective unless filed with the Committee prior to the death of such Participant.
4. Compliance with Law. No payment may be made under this Award, unless prior to the issuance thereof, the Corporation shall have received an opinion of counsel to the effect that this Award by the Corporation to the Participant will not constitute a violation of the Securities Act of 1933, as amended. As a condition of this Award, the Participant shall, if requested by the Corporation, submit a written statement in form satisfactory to counsel for the Corporation, to the effect that any shares received under this Award shall be for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended, and the Corporation shall have the right, in its discretion, to cause the certificates representing shares hereunder to be appropriately legended to refer to such undertaking or to any legal restrictions imposed upon the transferability thereof by reason of such undertaking.

The Award granted hereby is subject to the condition that if the listing, registration or qualification of the shares subject hereto on any securities exchange or under any state or federal law, or if the consent or approval of any regulatory body shall be necessary as a condition of, or in connection with, the granting of the Award or the delivery of shares thereunder, such shares may not be delivered unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained. The Corporation agrees to use its best efforts to obtain any such requisite listing, registration, qualification, consent or approval.

The Participant is solely responsible for obtaining/providing whatever exchange control approvals, permits, licenses, or notices, which may be necessary for the Participant to hold the Award, or to receive any payment of cash or shares or to hold or sell the shares subject to the Award, if any. Neither the Corporation nor its Affiliates will be responsible for obtaining any such approvals, licenses or permits, or for making any such notices, nor will the Corporation or its Affiliates be liable for any fines or penalties the Participant may incur for failure to obtain any required approvals, permits or licenses or to make any required notices.

5. No Right of Continued Employment. The granting of this Award does not confer upon the Participant any legal right to be continued in the employ of the Corporation or its Affiliates, and the Corporation and its Affiliates reserve the right to discharge the Participant whenever the interest of the Corporation or its Affiliates may so require without liability to the Corporation or its Affiliates, the Board of Directors of the Corporation or its Affiliates, or the Committee, except as to any rights which may be expressly conferred on the Participant under this Award.
6. Discretion of the Corporation, Board of Directors and the Committee. Any decision made or action taken by the Corporation or by the Board of Directors of the Corporation or by the Committee arising out of or in connection with the construction, administration, interpretation and effect of this Award shall be within the absolute discretion of the Corporation, the Board of Directors of the Corporation or the Committee, as the case may be, and shall be conclusive and binding upon all persons.
7. Inalienability of Benefits and Interest. This Award and the rights and privileges conferred hereby shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any such attempted action shall be void and no such benefit or interest shall be in any manner liable for or subject to debts, contracts, liabilities, engagements, or torts of the Participant.
8. Delaware Law to Govern. The Plan is governed by and subject to the laws of the United States of America. All questions pertaining to the construction, interpretation, regulation, validity and effect of the provisions of this Award and any rights under the Plan shall be determined in accordance with the laws of the State of Delaware.
9. Purchase of Common Stock. The Corporation and its Affiliates may, but shall not be required to, purchase shares of Common Stock of the Corporation for purposes of satisfying the requirements of this Award. The Corporation and its Affiliates shall have no obligation to retain and shall have the unlimited right to sell or otherwise deal with for their own account, any shares of Common Stock of the Corporation purchased for satisfying the requirements of this Award.
10. Notices. Any notice to be given to the Corporation under this Award shall be addressed to the Corporation in care of its Director of Compensation located at the World Headquarters, and any notice to be given to the Participant under the terms of this Award may be addressed to him at his address as it appears on the Corporation's records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be deemed to have been duly given if and when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, registered and deposited, postage and registry fee prepaid, in a post office or branch post office regularly maintained by the United States Government.

11. Changes in Capitalization. In the event there are any changes in the Common Stock or the capitalization of the Corporation through a corporate transaction, such as any merger, any acquisition through the issuance of capital stock of the Corporation, any consolidation, any separation of the Corporation (including a spin-off or other distribution of stock of the Corporation), any reorganization of the Corporation (whether or not such reorganization comes within the definition of such term in section 368 of the Code), or any partial or complete liquidation by the Corporation, recapitalization, stock dividend, stock split or other change in the corporate structure, appropriate adjustments and changes shall be made by the Committee in (a) the number of shares subject to this Award, and (b) such other provisions of this Award as may be necessary and equitable to carry out the foregoing purposes.
12. Effect on Other Plans. All benefits under this Award shall constitute special compensation and shall not affect the level of benefits provided to or received by the Participant (or the Participant's estate or beneficiaries) as part of any employee benefit plan of the Corporation or an Affiliate. This Award shall not be construed to affect in any way the Participant's rights and obligations under any other plan maintained by the Corporation or an Affiliate on behalf of employees.
13. Discretionary Nature of Award. The grant of an Award is a one-time benefit and does not create any contractual or other right to receive a grant of Awards or benefits in lieu of Awards in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of PRSUs and vesting provisions. The value of the Award is an extraordinary item of compensation outside the scope of the Participant's employment contract, if any. As such, the Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.
14. Data Privacy. The Participant hereby authorizes their employer to furnish the Corporation (and any agent of the Corporation administering the Plan or providing Plan recordkeeping services) with such information and data as it shall request in order to facilitate the grant of Awards and administration of the Plan and the Participant waives any data privacy rights such Participant might otherwise have with respect to such information.
15. Conflict with Plan. This Award is awarded pursuant to and subject to the Plan. This Agreement is intended to supplement and carry out the terms of the Plan. It is subject to all terms and provisions of the Plan and, in the event of a conflict, the Plan shall prevail.
16. Successors. This Award shall be binding upon and inure to the benefit of any successor or successors of the Corporation.
17. Amendments. The Committee may at any time alter or amend this Award to the extent (1) permitted by law, (2) permitted by the rules of any stock exchange on which the Common Stock or any other security of the Corporation is listed, and (3) permitted under applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended (including rule 16b-3 thereof).

18. Defined Terms. Terms which are capitalized are defined herein or in the Plan and have the same meaning set forth in the Plan, unless the context indicates otherwise.
19. For U.S. Participants Only. A U.S. Participant who has not previously signed a noncompete agreement has until the end of the one hundred twenty (120) day period beginning from the Grant Date of this Award to sign and return the Noncompete Agreement provided to such Participant. If the U.S. Participant does not sign and return the provided Noncompete Agreement on or before the end of such one hundred twenty (120) day period then the grant of the Award, as set forth in Section 1, shall not be binding on and shall be voidable by the Corporation, in which case it shall have no further force or effect.
20. Acceptance of Award Terms and Conditions. A Participant has until the end of the one hundred twenty (120) day period beginning from the Grant Date of this Award to accept this Award Agreement. If the Participant does not accept this Award Agreement on or before the end of such one hundred twenty (120) day period then the grant of the Award, as set forth in Section 1, shall not be binding on and shall be voidable by the Corporation, in which case it shall have no further force or effect.

Acknowledgment of Conditions

I understand, acknowledge and agree to the following conditions with respect to the Award granted to me under the Plan:

- The Plan is established voluntarily by the Corporation, is discretionary in nature and may be modified, amended, suspended, cancelled or terminated at any time. The grant of an Award is a voluntary and occasional benefit and does not create any contractual or other right to receive an Award or benefits in lieu of an Award in the future, even if the Awards have been granted repeatedly in the past. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of Awards, vesting provisions and the exercise price.
- My participation in the Plan is voluntary. Participation in the Plan will not create a right to further employment with my actual employer (the "Employer") and shall not interfere with the ability of the Employer to terminate my employment relationship at any time. Further, the Award and my participation in the Plan will not be interpreted to form an employment contract or relationship with the Corporation or any Affiliate.
- The Award and the shares of Common Stock subject to the Award are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Corporation or the Employer, and which are outside the scope of my employment contract, if any, and are not intended to replace any pension rights or compensation. As such, the Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension, retirement or welfare benefits or similar payments and in no event shall be considered as compensation for, or relating in any way to, past services for the Corporation, the Employer or any Affiliate.
- The future value of the underlying shares is unknown and cannot be predicted with certainty.

- No claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of my employment by the Corporation or the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and in consideration of the grant of the Award, to which I am otherwise not entitled, I irrevocably agree never to institute any claim against the Corporation or the Employer, waive my ability, if any, to bring any such claim, and release the Corporation and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, I shall be deemed irrevocably to have agreed not to pursue such a claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims.
- In the event of termination of my employment (whether or not in breach of local labor laws and except as otherwise explicitly provided in the Award Agreement of the Plan), my right to receive PRSUs and vest in the Award under the Plan, if any, will terminate effective as of the date that I am no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of “garden leave” or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when I am no longer actively employed for purposes of the Award.
- The Corporation is not providing any tax, legal or financial advice, nor is the Corporation making any recommendations regarding participation in the Plan, or my acquisition or sale of the underlying shares of Common Stock. Further, I have been advised to consult with my own advisors regarding participation in the Plan before taking any action related to the Plan.
- Regardless of any action the Corporation or the Employer takes with respect to any or all income tax (including federal, state and local taxes), social insurance, payroll tax, payment on account or other tax-related items related to my participation in the Plan and legally applicable to me (“Tax-Related Items”), I acknowledge that the ultimate liability for all Tax-Related Items is and remains my responsibility and may exceed the amount actually withheld by the Corporation or the Employer. I further acknowledge that the Corporation and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the PRSUs, the vesting of PRSUs, the conversion of the PRSUs into shares or the receipt of an equivalent cash payment, the subsequent sale of any shares acquired at vesting and the receipt of any dividends or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the my liability for Tax-Related Items or achieve any particular tax result. Further, if I have become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, I acknowledge that the Corporation and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
- Prior to the relevant taxable or tax withholding event, as applicable, I shall pay or make adequate arrangements satisfactory to the Corporation and/or the Employer to satisfy or account for all Tax-Related Items. In this regard, I authorize the Corporation or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:
 - (1) withholding from my wages or other cash compensation paid to me by the Corporation and/or the Employer; or

- (2) withholding from proceeds of the sale of shares acquired upon vesting of the Award either through a voluntary sale or through a mandatory sale arranged by the Corporation (on my behalf, pursuant to this authorization); or
 - (3) withholding in shares to be issued upon vesting of the Award.
- To avoid negative accounting treatment, the Corporation may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in shares, for tax purposes, I am deemed to have been issued the full number of shares subject to the Award, notwithstanding that a number of shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of my participation in the Plan.
 - I shall pay to the Corporation or to the Employer any amount of Tax-Related Items that the Corporation or the Employer may be required to withhold or account for as a result of my participation in the Plan that cannot be satisfied by the means previously described. The Corporation may refuse to deliver shares or the proceeds of the sale of shares to me if I fail to comply with my obligations in connection with the Tax-Related Items.
 - *I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this Award Agreement by and among, as applicable, my Employer, the Corporation, and its Affiliates for the exclusive purpose of implementing, administering and managing my participation in the Plan.*
 - *I understand that the Corporation and my Employer may hold certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Corporation, details of all Awards or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in my favor, for the purpose of implementing, administering and managing the Plan ("Data").*
 - *I understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in my country, or elsewhere, and that my country may have different data privacy laws and protections than my country. I understand that I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing my participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares received upon vesting of the PRSUs may be deposited. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in*

writing my local human resources representative. I understand that refusal or withdrawal of consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

- The Plan and the Award are governed by and subject to U.S. law. Interpretation of the Plan and my rights under the Plan will be governed by provisions of U.S. law. For purposes of litigating any dispute that arises under this Award or Award Agreement, the parties submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the federal courts for the United States for the Northern District of Texas and no other courts.
- I understand that I am solely responsible for obtaining/providing whatever exchange control approvals, permits, licenses or notices, which may be necessary for my Award, to acquire the shares or to hold or sell the shares subject to the PRSU award. Neither the Corporation nor its Affiliates will be responsible for obtaining such approvals, licenses or permits, or for making any such notices, nor will the Corporation or its Affiliates be liable for any fines or penalties I may incur for failure to obtain any required approvals, permits or licenses or to make any required notices.
- The provisions of this Award Agreement are severable and if one or more of the provisions of this Award Agreement shall be held invalid, illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nonetheless be binding and enforceable. To the extent that any provisions of this Award Agreement are held to be invalid or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Award Agreement to be construed so as to foster the intent of this Award Agreement and the Plan.
- If I have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
- Notwithstanding any provisions in this Award Agreement, the Award shall be subject to any special terms and conditions set forth in Appendix A to this Award Agreement for my country. Moreover, if I relocate to one of the countries included in Appendix A, the special terms and conditions for such country will apply to me, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix A constitutes part of this Award Agreement.
- The Corporation reserves the right to impose other requirements on my participation in the Plan, on the Award and on any shares acquired under the Plan, to the extent the Corporation determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require me to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
- The Corporation may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. I hereby consent to receive such documents by on-line delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Corporation or a third-party designated by the Corporation.

Conclusion and Acceptance

I accept this grant via electronic signature by clicking the “Accept” icon and certify that I have read, understand and agree to the terms and conditions of the 2001 Equity Participation Plan (the “Plan”), the provisions of the applicable Award Agreement and all other applicable documents (including any country-specific terms applicable to my grant). I hereby authorize my Employer to furnish the Corporation (and any agent administering the Plan or providing recordkeeping services) with such information and data as it shall request in order to facilitate the grant of Awards and enable administration of the Plan and I understand that such information shall be used only as long and to the extent necessary to administer my participation in the Plan. I agree that my participation in the Plan and the Awards granted to me under the Plan will be governed solely by provisions of U.S. law.

**KIMBERLY-CLARK CORPORATION
PERFORMANCE RESTRICTED STOCK UNIT
AWARD AGREEMENT**

APPENDIX A

This Appendix A includes additional terms and conditions that govern the Award granted to the Participant under the Plan if the Participant resides in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix A have the meanings set forth in the Plan and/or the Award Agreement.

This Appendix A also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2010. Such laws are often complex and change frequently. As a result, the Corporation strongly recommends that the Participant not rely on the information noted herein as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at vesting of the Award or the subsequent sale of the shares or receipt of any dividends or dividend equivalents.

In addition, the information is general in nature and may not apply to the Participant's particular situation, and the Corporation is not in a position to assure the Participant of any particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to the Participant's situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which the Participant is currently working, transferred or transfers employment after the Award is granted or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to the Participant.

ARGENTINA

Securities Law Information

Neither the PRSUs nor the shares of Common Stock subject to the PRSUs are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information

In the event that the Participant transfers proceeds in excess of US\$2,000,000 from the sale of shares of Common Stock into Argentina in a single month, he or she will be required to place 30% of any proceeds in excess of US\$2,000,000 in a non-interest bearing, dollar-denominated mandatory deposit account for a holding period of 365 days.

The Participant must comply with any and all Argentine currency exchange restrictions, approvals and reporting requirements in connection with the vesting of the PRSUs and the subsequent sale of any shares acquired at vesting.

AUSTRALIA

Securities Law Notice

If the Participant acquires shares of the Corporation's Common Stock pursuant to this Award and the Participant offers his or her shares of the Corporation's Common Stock for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. *The Participant should obtain legal advice on his or her disclosure obligations prior to making any such offer.*

Award Payable Only in Shares

Awards granted to Participants in Australia shall be paid in shares of Common Stock only and do not provide any right for Participant to receive a cash payment.

Award Forfeited on Termination of Employment for Any Reason

Notwithstanding any provision in the Award Agreement, Participant shall forfeit any unvested Award, including any accrued dividend equivalents, upon any termination of employment including, but not limited to any termination that is due to a Qualified Termination of Employment, death, Retirement, Total and Permanent Disability, or the shutdown or divestiture of a business unit.

BAHRAIN

There are no country-specific provisions.

BELGIUM

Tax Reporting

The Participant is required to report any taxable income attributable to the Award on his or her annual tax return. In addition, the Participant is required to report any bank accounts opened and maintained outside Belgium on his or her annual tax return.

BOLIVIA

There are no country-specific provisions.

BRAZIL

Compliance with Law

By accepting the Award, the Participant acknowledges that he or she agrees to comply with applicable Brazilian laws and pay any and all applicable taxes associated with the vesting of the PRSUs, the conversion of the PRSUs into shares or the receipt of an equivalent cash payment, the receipt of any dividends, and the sale of shares of Common Stock acquired under the Plan.

Exchange Control Information

If the Participant is resident or domiciled in Brazil, he or she will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Assets and rights that must be reported include shares of Common Stock.

CANADA

Award Payable Only in Shares

Awards granted to Participants in Canada shall be paid in shares of the Corporation's Common Stock only and do not provide any right for Participant to receive a cash payment.

Securities Law Notice

The Participant is permitted to sell shares acquired through the Plan through the designated broker appointed under the Plan, if any, provided the resale of shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the shares are listed. The Corporation's shares are currently listed on New York Stock Exchange.

The following provisions apply if the Participant is a resident of Quebec:

Language Consent

The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Authorization to Release and Transfer Necessary Personal Information

The Participant hereby authorizes the Corporation and the Corporation's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Corporation, any parent, subsidiary or Affiliate and the plan administrators to disclose and discuss the Plan with their advisors. The Participant further authorizes the Corporation and any parent, subsidiary or Affiliate to record such information and to keep such information in the Participant's employee file.

CHILE

Securities Law Information

Neither the Corporation nor its shares of Common Stock are registered with the Chilean Registry of Securities or under the control of the Chilean Superintendence of Securities.

Exchange Control Information

The Participant is not required to repatriate funds obtained from the sale of shares or the receipt of any dividends. However, if the Participant decides to repatriate such funds, the Participant must do so through the Formal Exchange Market if the amount of the funds exceeds US\$10,000. In such case, the Participant must report the payment to a commercial bank or registered foreign exchange office receiving the funds.

If the Participant's aggregate investments held outside of Chile exceeds US\$5,000,000 (including the investments made under the Plan), the Participant must report the investments annually to the Central Bank. Annex 3.1 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Please note that exchange control regulations in Chile are subject to change. The Participant should consult with his or her personal legal advisor regarding any exchange control obligations that the Participant may have prior to receiving proceeds from the sale of shares of Common Stock acquired under the Plan.

Annual Tax Reporting Obligation

The Chilean Internal Revenue Service ("CIRS") requires all taxpayers to provide information annually regarding: (i) the taxes paid abroad, which they will use as a credit against Chilean income taxes, and (ii) the results of foreign investments. These annual reporting obligations must be complied with by submitting a sworn statement setting forth this information before March 15 of each year. The forms to be used to submit the sworn statement are Tax Form 1853 "Annual Sworn Statement Regarding Credits for Taxes Paid Abroad" and Tax Form 1851 "Annual Sworn Statement Regarding Investments Held Abroad." If the Participant is not a Chilean citizen and has been a resident in Chile for less than three years, the Participant is exempt from the requirement to file Tax Form 1853. These statements must be submitted electronically through the CIRS website: www.sii.cl.

COLOMBIA

There are no country-specific provisions.

COSTA RICA

There are no country-specific provisions.

CZECH REPUBLIC

Exchange Control Information

The Czech National Bank may require the Participant to fulfill certain notification duties in relation to the acquisition of shares of Common Stock and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, the Participant should consult with his or her personal legal advisor prior to the vesting of the PRSUs and the sale of Common Stock to ensure compliance with current regulations. It is the Participant's responsibility to comply with any applicable Czech exchange control laws.

DENMARK

Danish Stock Option Act

By accepting this Award, the Participant acknowledges that he or she has received a Danish translation of an Employer Statement, which is being provided to comply with the Danish Stock Option Act.

Exchange Control Information

If the Participant establishes an account holding shares or an account holding cash outside Denmark, he or she must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank. (These obligations are separate from and in addition to the obligations described below.)

Securities/Tax Reporting Information

If the Participant holds shares of Common Stock acquired under the Plan in a brokerage account with a broker or bank outside Denmark, he or she is required to inform the Danish Tax Administration about the account. For this purpose, the Participant must file a Form V (*Erklaering V*) with the Danish Tax Administration. The Form V must be signed both by the Participant and by the applicable broker or bank where the account is held. By signing the Form V, the broker or bank undertakes to forward information to the Danish Tax Administration concerning the shares in the account without further request each year. By signing the Form V, the Participant authorizes the Danish Tax Administration to examine the account.

In addition, if the Participant opens a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, he or she is also required to inform the Danish Tax Administration about this account. To do so, the Participant must file a Form K (*Erklaering K*) with the Danish Tax Administration. The Form K must be signed both by the Participant and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the content of the account. By signing the Form K, the Participant authorizes the Danish Tax Administration to examine the account.

DOMINICAN REPUBLIC

There are no country-specific provisions.

ECUADOR

There are no country-specific provisions.

EL SALVADOR

There are no country-specific provisions.

FRANCE

PRSUs Not Tax-Qualified

The Participant understands that this Award is not intended to be French tax-qualified.

Consent to Receive Information in English

By accepting the Award Agreement providing for the terms and conditions of the Participant's option grant, the Participant confirms having read and understood the documents relating to this grant (the Plan and this Award Agreement) which were provided in English language. The Participant accepts the terms of those documents accordingly.

En acceptant le Contrat d'Attribution décrivant les termes et conditions de l'attribution d'options, le participant confirme ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan U.S. et ce Contrat d'Attribution) qui ont été communiqués en langue anglaise. Le participant accepte les termes en connaissance de cause.

GERMANY

Exchange Control Information

Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Participant uses a German bank to transfer a cross-border payment in excess of €12,500 in connection with the sale of shares of Common Stock acquired under the Plan, the bank will make the report for the Participant. In addition, the Participant must report any receivables, payables, or debts in foreign currency exceeding an amount of €5,000,000 on a monthly basis.

GUATEMALA

Language Waiver

By participating in the Plan, the Participant acknowledges that he or she is proficient in reading and understanding English and fully understands the terms of the Plan, the Award Agreement and this Appendix A.

HONDURAS

There are no country-specific provisions.

HONG KONG

Securities Warning

The offer of this Award and the shares of Common Stock subject to this Award do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Corporation or its Affiliates participating in the Plan. The Participant should be aware that the contents of this Award Agreement have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. Nor have the documents been reviewed by

any regulatory authority in Hong Kong. This Award is intended only for the personal use of each Participant and may not be distributed to any other person. The Participant is advised to exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of the Agreement, including this Appendix A, or the Plan, the Participant should obtain independent professional advice.

Award Payable Only in Shares

Awards granted to Participants in Hong Kong shall be paid in shares of Common Stock only and do not provide any right for the Participant to receive a cash payment.

Sale of Shares

In the event the Award vests within six months of the Grant Date, the Participant agrees that he or she will not dispose of the shares acquired prior to the six-month anniversary of the Grant Date.

Occupational Retirement Schemes Ordinance Alert

The Corporation specifically intends that neither the Award nor the Plan will be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance (“ORSO”).

INDIA

Awards Payable in Cash Only

Awards granted to Participants in India shall be paid in cash only and do not provide any right for the Participant to receive shares of Common Stock.

Exchange Control Documentation

The Participant understands that he or she must repatriate the cash payment acquired under the Plan to India and convert the proceeds into local currency within 90 days of receipt. The Participant will receive a foreign inward remittance certificate (“FIRC”) from the bank where the foreign currency is deposited. The Participant should maintain the FIRC as evidence of the repatriation of funds in the event that the Reserve Bank of India, the Employer or the Corporation requests proof of repatriation.

INDONESIA

Exchange Control Information

If the Participant remits funds into Indonesia, the Indonesian bank through which the transaction is made will submit a report on the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a description of the transaction must be included in the report. Although the bank through which the transaction is made is required to make the report, the Participant must complete a “Transfer Report Form.” The Transfer Report Form will be provided to the Participant by the bank through which the transaction is to be made.

ISRAEL

Securities Law Notification

The offer of this Award does not constitute a public offering under the Securities Law, 1968.

Immediate Sale Requirement

The Participant understands and agrees that, due to tax considerations in Israel, upon vesting of the Award, the shares of Common Stock acquired at vesting of the Award will be sold immediately. The Participant further agrees that the Corporation is authorized to instruct its designated broker to assist with any mandatory sale of such shares (on the Participant's behalf pursuant to this authorization) and expressly authorizes the Corporation's designated broker to complete the sale of such shares. Upon any such sale of shares, the sale proceeds, less any Tax-Related Items and broker's fees or commissions, will be remitted to the Participant in accordance with any applicable exchange control laws and regulations.

ITALY

Data Privacy Notice and Consent.

This provision replaces in its entirety the data privacy section in the Award Agreement:

The Participant understands that the Employer, the Corporation and any Affiliate hold certain personal information about him or her, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Corporation or any Affiliate, details of all Awards, or any other entitlement to shares of Common Stock awarded, cancelled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, managing and administering the Plan ("Data"). The Participant is aware that providing the Corporation with Data is necessary for the performance of the Plan and that his or her refusal to provide such Data would make it impossible for the Corporation to perform its contractual obligations and may affect the Participant's ability to participate in the Plan.

The Controller of personal data processing is Kimberly-Clark Corporation with registered offices at 351 Phelps Drive, Irving, Texas 75038, United States of America, and, pursuant to Legislative Decree no. 196/2003, its representative in Italy is Kimberly-Clark s.r.l. at Via Della Rocca, 49, Torino, Italy.

The Participant understands that Data may be transferred to the Corporation or any of its Affiliates, or to any third parties assisting in the implementation, management and administration of the Plan including any transfer required to a broker or other third party with whom shares acquired pursuant to the vesting of the Award or cash from the sale of such shares may be deposited. Furthermore, the recipients that may receive, possess, use, retain, and transfer such Data may be located in Italy or elsewhere, including outside the European Union, and that recipients' country (e.g., the United States) may have different data privacy laws and protections than Italy.

The processing activity, including transfer of Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require the Participant's consent thereto as the processing is necessary to performance of contractual obligations related to implementation, administration, and management of the Plan. The Participant understands that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The Participant understands that Data will be held only as long as is required by law or as necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that, pursuant to Section 7 of the Legislative Decree no. 196/2003, he or she has the right to, including but not limited to, access, delete, update, correct, or terminate, for legitimate reason, the Data processing. Furthermore, the Participant is aware that Data will not be used for direct marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting the Participant's local human resources representative.

Plan Document Acknowledgment

In accepting the grant of this Award, the Participant acknowledges that he or she has received a copy of the Plan and the Award Agreement and has reviewed the Plan and the Award Agreement, including this Appendix A, in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement, including this Appendix A.

The Participant acknowledges that he or she has read and specifically and expressly approves the following sections of the Award Agreement: Section 2(6) on Payment of Withholding Taxes; Section 5 on No Right of Continued Employment; Section 8 on Delaware Law to Govern; the section on Acknowledgment of Conditions; and the Data Privacy Notice and Consent section included in this Appendix A.

Exchange Control Information

The Participant is required to report in his or her annual tax return: (a) any transfers of cash or shares of Common Stock to or from Italy exceeding €10,000 or the equivalent amount in U.S. dollars; and (b) any foreign investments or investments (including proceeds from the sale of shares of Common Stock acquired under the Plan) held outside of Italy exceeding €10,000 or the equivalent amount in U.S. dollars, if the investment may give rise to income in Italy. The Participant is exempt from the formalities in (a) if the investments are made through an authorized broker resident in Italy, as the broker will comply with the reporting obligation on the Participant's behalf.

JAPAN

There are no country-specific provisions.

KOREA

Exchange Control Information

If the Participant receives US\$500,000 or more from the sale of shares of Common Stock, Korean exchange control laws require the Participant to repatriate the proceeds to Korea within 18 months of the sale.

MALAYSIA

Insider Trading Notification

The Participant should be aware of the Malaysian insider trading rules, which may impact the Participant's acquisition or disposal of shares acquired under the Plan. Under Malaysian insider trading rules, the Participant is prohibited from acquiring or selling shares or rights to shares (*e.g.*, an Award) when in possession of information that is not generally available and that the Participant knows or should know will have a material effect on the price of shares once such information is generally available.

Director Notification Obligation

If the Participant is a director of the Corporation's Malaysian Affiliate, the Participant is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when the Participant receives or disposes of an interest (*e.g.*, an Award or shares) in the Corporation or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Corporation or any related company.

MEXICO

Modification

By accepting the Award, the Participant understands and agrees that any modification of the Plan or the Award Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Acknowledgement of the Grant

In accepting the Award, the Participant acknowledges that the Participant has received a copy of the Plan and the Award Agreement, including this Appendix A, has reviewed the Plan and the Award Agreement, including this Appendix A, in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement, including this Appendix A. The Participant further acknowledges that the Participant has read and specifically and expressly approves the Acknowledgement of Conditions section of the Award Agreement, in which the following is clearly described and established:

- (1) The Participant's participation in the Plan does not constitute an acquired right.
- (2) The Plan and the Participant's participation in the Plan are offered by the Corporation on a wholly discretionary basis.
- (3) The Participant's participation in the Plan is voluntary.

- (4) Neither the Corporation nor any Affiliates are responsible for any decrease in the value of the Award granted and/or shares of Common Stock issued under the Plan.

Labor Acknowledgment and Policy Statement

In accepting the grant of this Award, the Participant expressly recognizes that Kimberly-Clark Corporation, with registered offices at 351 Phelps Drive, Irving, Texas 75038, U.S.A., is solely responsible for the administration of the Plan and that the Participant's participation in the Plan and acquisition of shares of Common Stock do not constitute an employment relationship between the Participant and the Corporation since the Participant is participating in the Plan on a wholly commercial basis and his or her sole Employer is Kimberly-Clark de Mexico, S.A. de C.V. ("KCC-Mexico"). Based on the foregoing, the Participant expressly recognizes that the Plan and the benefits that he or she may derive from participating in the Plan do not establish any rights between the Participant and the Employer, KCC-Mexico and do not form part of the employment conditions and/or benefits provided by KCC-Mexico, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment.

The Participant further understands that his or her participation in the Plan is as a result of a unilateral and discretionary decision of the Corporation; therefore, Kimberly-Clark Corporation reserves the absolute right to amend and/or discontinue the Participant's participation at any time without any liability to the Participant.

Finally, the Participant hereby declares that he or she does not reserve to him- or herself any action or right to bring any claim against Kimberly-Clark Corporation for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and the Participant therefore grants a full and broad release to the Corporation, its Affiliates, branches, representation offices, its shareholders, officers, agents, or legal representatives with respect to any claim that may arise.

Spanish Translation

Modificación

Al aceptar el Premio, el Participante entiende y acuerda que cualquier modificación al Plan o al Acuerdo o su terminación, no cambiará o disminuirá los términos y condiciones de empleo.

Reconocimiento del Otorgamiento

Al aceptar el Premio, el Participante está de acuerdo en haber recibido una copia del Plan, del Acuerdo incluyendo el presente Anexo "A" y ha revisado el Plan y el Acuerdo, incluyendo este Anexo "A" en su totalidad y comprende y acepta todas las disposiciones previstas en el Plan, en el Acuerdo, incluyendo el presente Anexo "A". Asimismo, el Participante reconoce que ha leído y manifiesta su específica y expresa conformidad con los términos y condiciones establecidos del Acuerdo, en el cual claramente se describe y establece lo siguiente:

- (1) La participación del Participante en el Plan no constituye un derecho adquirido.*
- (2) El Plan y la participación del Participante en el Plan se ofrecen por la Compañía de forma completamente discrecional.*
- (3) La participación del Participante en el Plan es voluntaria.*

- (4) *Ni la Compañía ni sus Afiliadas son responsables por la reducción del valor del Premio y/o Acciones Ordinarias emitidas bajo el Plan.*

Reconocimiento de la Legislación Laboral y Declaración de la Política

Al aceptar el otorgamiento de este Premio, el Participante expresamente reconoce que Kimberly-Clark Corporation con oficinas registradas en 351 Phelps Drive, Irving, Texas 75038, U.S.A., es la única responsable por la administración del Plan y que la participación del Participante en el Plan y en su caso la adquisición de las Opciones de Compra de Acciones o Acciones no constituyen ni podrán interpretarse como una relación de trabajo entre el Participante y Kimberly-Clark Corporation, ya que el Participante participa en el Plan en un marco totalmente comercial y su único Patrón lo es Kimberly-Clark de Mexico, S.A. de C.V., con domicilio en Kimberly-Clark de Mexico, S.A. de C.V. Mexico. Derivado de lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que pudieran derivar de la participación en el Plan no establecen derecho alguno entre el Participante y el Patrón, Kimberly-Clark de Mexico, S.A. de C.V. y no forma parte de las condiciones de trabajo y/o las prestaciones otorgadas por Kimberly-Clark de Mexico, S.A. de C.V. y que cualquier modificación al Plan o su terminación no constituye un cambio o impedimento de los términos y condiciones de la relación de trabajo del Participante.

Asimismo, el Participante reconoce que su participación en el Plan es resultado de una decisión unilateral y discrecional de Kimberly-Clark Corporation por lo tanto, Kimberly-Clark Corporation se reserva el absoluto derecho de modificar y/o terminar la participación del Participante en cualquier momento y sin responsabilidad alguna frente el Participante.

Finalmente, el Participante por este medio declara que no se reserva derecho o acción alguna que ejercitar en contra de Kimberly-Clark Corporation por cualquier compensación o daño en relación con las disposiciones del Plan o de los beneficios derivados del Plan y por lo tanto, el Participante otorga el más amplio finiquito que en derecho proceda a Kimberly-Clark Corporation, sus afiliadas, subsidiarias, oficinas de representación, sus accionistas, funcionarios, agentes o representantes legales en relación con cualquier demanda que pudiera surgir.

NETHERLANDS

Consent to Comply with Dutch Securities Law

The Participant has been granted Awards under the Plan, pursuant to which the Participant may acquire shares. Participants who are residents of the Netherlands should be aware of the Dutch insider trading rules, which may impact the sale of such shares. In particular, the Participant may be prohibited from effecting certain share transactions if the Participant has insider information regarding the Corporation.

Below is a discussion of the applicable restrictions. The Participant is advised to read the discussion carefully to determine whether the insider rules apply to the Participant. If it is uncertain whether the insider rules apply, the Corporation recommends that the Participant consult with his or her personal legal advisor. Please note that the Corporation cannot be held liable if the Participant violates the Dutch insider rules. The Participant is responsible for ensuring compliance with these rules.

By entering into the Award Agreement and participating in the Plan, the Participant acknowledges having read and understood the notification below and acknowledges that it is his or her own responsibility to comply with the Dutch insider trading rules, as discussed herein.

Prohibition Against Insider Trading

Dutch securities laws prohibit insider trading. Under Article 46 of the Act on the Supervision of the Securities Trade 1995, anyone who has “inside information” related to the Corporation is prohibited from effectuating a transaction in securities in or from the Netherlands. “Inside information” is knowledge of a detail concerning the issuer to which the securities relate that is not public and which, if published, would reasonably be expected to affect the share price, regardless of the actual effect on the price. The insider could be any employee of the Corporation or its Dutch Affiliate who has inside information as described above.

Given the broad scope of the definition of inside information, certain employees of the Corporation working at its Dutch Affiliate may have inside information and thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when he or she had such inside information.

NEW ZEALAND

There are no country-specific provisions.

NICARAGUA

There are no country-specific provisions.

PANAMA

Securities Law Information

Neither this Award nor any shares of Common Stock that the Participant may acquire at vesting of this Award constitute a public offering of securities, as they are available only to eligible employees of the Corporation and its Affiliates.

PARAGUAY

There are no country-specific provisions.

PERU

There are no country-specific provisions.

PHILIPPINES

Awards Payable in Cash Only

Awards granted to Participants in the Philippines shall be paid in cash only and do not provide any right for the Participant to receive shares of Common Stock.

POLAND

There are no country-specific provisions.

PORTUGAL

Exchange Control Information

If the Participant receives shares of Common Stock upon vesting of the Award, the acquisition of the shares should be reported to the Banco de Portugal for statistical purposes. If the shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on the Participant's behalf. If the shares are not deposited with a commercial bank or financial intermediary in Portugal, the Participant is responsible for submitting the report to the Banco de Portugal.

PUERTO RICO

There are no country-specific provisions.

RUSSIA

U.S. Transaction

The Participant understands that this Award shall be valid and this Award Agreement shall be concluded and become effective only when the Participant's acceptance of the Award Agreement is received by the Corporation in the United States. Upon vesting of this Award, any shares of Common Stock to be issued to the Participant shall be delivered to the Participant through a bank or brokerage account in the United States.

Securities Law Notice

This Award Agreement, the Plan and all other materials the Participant may receive regarding participation in the Plan do not constitute advertising or an offering of securities in Russia. Absent any requirement under local law, the issuance of shares of Common Stock under the Plan has not and will not be registered in Russia and hence the shares described in any Plan-related documents may not be offered or placed in public circulation in Russia.

Please note that, under the Russian law, the Participant is not permitted to sell the Corporation's shares directly to other Russian individuals and the Participant is not permitted to bring share certificates into Russia. All shares issued upon vesting of the Award will be maintained on the Participant's behalf in the United States.

SINGAPORE

Securities Law Information

The Award is being made pursuant to the “Qualifying Person” exemption” under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the Award is subject to section 257 of the SFA and the Participant will not be able to make (i) any subsequent sale of the shares of Common Stock in Singapore or (ii) any offer of such subsequent sale of the shares of Common Stock subject to the Award in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2006 Ed.).

Director Notification Obligation

If the Participant is a director, associate director or shadow director of the Corporation’s Singapore Affiliate, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Corporation’s Singapore Affiliate in writing when the Participant receives an interest (*e.g.*, an Award or shares) in the Corporation or any Affiliate. In addition, the Participant must notify the Corporation’s Singapore Affiliate when he or she sells shares of the Corporation or of any Affiliate (including when the Participant sells shares issued upon vesting and settlement of the Award). These notifications must be made within two days of acquiring or disposing of any interest in the Corporation or any Affiliate. In addition, a notification of the Participant’s interests in the Corporation or any Affiliate must be made within two days of becoming a director.

SOUTH AFRICA

Exchange Control Information

To participate in the Plan, the Participant must comply with exchange control regulations and rulings (the “Exchange Control Regulations”) in South Africa. Currently, the Exchange Control Department of the South African Reserve Bank (“Exchange Control”) requires that approval be sought for the purchase of securities by South African residents pursuant to foreign share incentive schemes, such as the acquisition of shares of Common Stock under the Plan. The Corporation is in the process of obtaining such approval.

Because the Exchange Control Regulations change frequently and without notice, the Participant understands that he or she should consult a legal advisor prior to the acquisition or sale of shares under the Plan to ensure compliance with current regulations. The Participant understands that it is his or her responsibility to comply with South African exchange control laws, and neither the Corporation nor the Employer will be liable for any fines or penalties resulting from failure to comply with applicable laws.

Tax Acknowledgment

By accepting the Award, the Participant agrees to notify the Employer of the amount of any gain realized upon vesting of the Award. If the Participant fails to advise the Employer of the gain realized upon vesting, the Participant may be liable for a fine. The Participant will be responsible for paying any difference between the actual tax liability and the amount withheld.

SPAIN

Termination of Employment

For purposes of this Award, a termination of employment includes a termination that is deemed an “unfair dismissal” or a “constructive dismissal.”

Labor Law Acknowledgment

By accepting the Award, the Participant acknowledges that he or she understands and agrees to participation in the Plan and that he or she has received a copy of the Plan.

The Participant understands that the Corporation has unilaterally, gratuitously and discretionally decided to grant Awards under the Plan to individuals who may be employees of the Corporation or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Corporation or any of its Affiliates on an ongoing basis. Consequently, the Participant understands that any grant is given on the assumption and condition that it shall not become a part of any employment contract (either with the Corporation or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, the Participant understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from any gratuitous and discretionary grant since the future value of the Award and the underlying shares is unknown and unpredictable. In addition, the Participant understands that this grant would not be made but for the assumptions and conditions referred to above; thus, the Participant understands, acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the Award shall be null and void.

Further, the Participant understands that the Award is a conditional right. Participant shall forfeit any unvested Award upon termination of employment unless such termination is (i) due to a Qualified Termination of Employment, or (ii) if more than six months after the Grant Date, due to death, Retirement, Total and Permanent Disability, or the shutdown or divestiture of a business unit. The terms of this paragraph apply even if the Participant is considered to be unfairly dismissed without good cause.

SWITZERLAND

Securities Law Notification

The Awards offered by the Corporation are considered a private offering in Switzerland; therefore, such offer is not subject to registration in Switzerland.

TAIWAN

Exchange Control Information

The Participant may acquire and remit foreign currency (including proceeds from the sale of shares of Common Stock) into and out of Taiwan up to US\$5,000,000 per year. If the transaction amount is TWD500,000 or more in a single transaction, the Participant must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank.

If the transaction amount is US\$500,000 or more, the Participant may be required to provide additional supporting documentation to the satisfaction of the remitting bank. The Participant should consult his or her personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

THAILAND

Exchange Control Information

When any shares of Common Stock received at vesting are sold or an equivalent cash payment at vesting is received, the Participant must repatriate all cash proceeds to Thailand and then convert such proceeds to Thai Baht within 360 days of repatriation. If the amount of the Participant's proceeds is US\$20,000 or more, the Participant must specifically report the inward remittance to the Bank of Thailand on a foreign exchange transaction form. If the Participant fails to comply with these obligations, then the Participant may be subject to penalties assessed by the Bank of Thailand.

The Participant should consult his or her personal advisor prior to taking any action with respect to remittance of cash proceeds into Thailand. The Participant is responsible for ensuring compliance with all exchange control laws in Thailand.

TRINIDAD & TOBAGO

There are no country-specific provisions.

TURKEY

There are no country-specific provisions.

UKRAINE

Awards Payable in Cash Only

Awards granted to Participants in Ukraine shall be paid in cash only and do not provide any right for the Participant to receive shares of Common Stock.

UNITED KINGDOM

Tax Acknowledgment

The following information supplements the information regarding Tax-Related Items in the Acknowledgment of Conditions section of the Award Agreement:

If payment or withholding of the income tax due is not made within 90 days of the event giving rise to the Tax-Related Items or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the “Due Date”), the amount of any uncollected Tax-Related Items shall constitute a loan owed by the Participant to the Employer, effective on the Due Date. The Participant agrees that the loan will bear interest at the then-current Her Majesty’s Revenue and Customs official rate; it will be immediately due and repayable. Notwithstanding the foregoing, if the Participant is an officer or executive director (as within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of this provision will not apply to the Participant. In the event that the Participant is an officer or director, as defined above, and Tax-Related Items are not collected from or paid by the Participant by the Due Date, the amount of any uncollected Tax-Related Items may constitute a benefit to the Participant on which additional income tax and National Insurance Contributions may be payable. The Participant acknowledges the Corporation or the Employer may recover it at any time thereafter by any of the means referred to in the Award Agreement. The Participant authorizes the Corporation to withhold the transfer of any shares unless and until the loan is repaid in full.

URUGUAY

There are no country-specific provisions.

VENEZUELA

Exchange Control Information

The Participant should consult his or her personal advisor prior to repatriating the proceeds of the sale of shares of Common Stock to ensure compliance with the applicable exchange control regulations in Venezuela, as such regulations are subject to frequent change. The Participant is responsible for ensuring compliance with all exchange control laws in Venezuela.

VIETNAM

Awards Payable in Cash Only

Awards granted to Participants in Vietnam shall be paid in cash only and do not provide any right for the Participant to receive shares of Common Stock.

KIMBERLY-CLARK CORPORATION
TIME-VESTED RESTRICTED STOCK UNIT
AWARD AGREEMENT

This Award, granted on _____, _____, by Kimberly-Clark Corporation, a Delaware corporation (hereinafter called the "Corporation"), to _____ (the "Participant") is subject to the terms and conditions of the 2001 Equity Participation Plan (the "Plan") and this Award Agreement, including any country-specific terms and conditions contained in Appendix A to this Award Agreement.

W I T N E S S E T H:

WHEREAS, the Corporation has adopted the Plan to encourage those employees who materially contribute, by managerial, scientific or other innovative means, to the success of the Corporation or of an Affiliate, to acquire an ownership interest in the Corporation, thereby increasing their motivation for and interest in the Corporation's or the Affiliate's long-term success;

NOW, THEREFORE, it is agreed as follows:

1. Number of Share Units Granted. The Corporation hereby grants to the Participant the right to receive all or any part of _____ Time-Vested Restricted Stock Units ("RSUs") of the \$1.25 par value Common Stock of the Corporation, subject to the terms, conditions and restrictions set forth herein and in the Plan.
2. Transferability Restrictions.
 - (a) Restricted Period. During the Restricted Period, the Participant may not sell, assign, transfer, or otherwise dispose of, or mortgage, pledge or otherwise encumber the Award. The RSUs, including any accrued dividend equivalents, shall be subject to forfeiture until the Participant becomes vested in such Awards on the date that was approved on the Grant Date and as reflected on the Merrill Lynch Benefits OnLine site, or any successor system, via the Grant Summary screen as the Future Lapsing table.

The Restricted Period shall begin on the date of the granting of this Award, and shall end upon the vesting of the Award according to the schedule set forth above. Holders of Awards shall have none of the rights of a shareholder with respect to such shares including, but not limited to, any right to receive dividends in cash or other property or other distribution or rights in respect of such shares except as otherwise provided in this Agreement, nor to vote such shares as the record owner thereof.

During each year in the Restricted Period, the Participant will not be paid dividend equivalents on the unvested RSUs but the Participant will receive a credit equal to dividends declared on the Corporation's Common Stock which will be reinvested in additional RSUs at the then fair market value of the Corporation's Common Stock on the date dividends are paid, and the additional

RSUs will be accumulated and paid if and when the RSUs vest, based on the actual number of RSUs that vest. In the case of dividends paid in property other than cash, the amount of the dividend shall be deemed to be the fair market value of the property at the time of the payment of the dividend, as determined in good faith by the Corporation. The Corporation shall not be required to segregate any cash or other property of the Corporation.

- (b) Termination of Employment. Participant shall forfeit any unvested Award, including any accrued dividend equivalents, upon termination of employment unless such termination is (i) due to a Qualified Termination of Employment, or (ii) due to death, Total and Permanent Disability, or the shutdown or divestiture of a business unit. An authorized leave of absence shall not be deemed to be a termination of employment if the period of such leave does not exceed six months, or if longer, so long as the Participant retains a right to reemployment with the Corporation or an Affiliate under an applicable statute or by contract. For purposes of this subparagraph, a leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Corporation or an Affiliate. If the period of leave exceeds six months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six-month period. Notwithstanding the foregoing, where a leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a 29-month period of absence is substituted for such six-month period in determining whether a termination of employment shall be deemed to have occurred. A termination of employment with the Corporation or an Affiliate to accept immediate reemployment with the Corporation or an Affiliate likewise shall not be deemed to be a termination of employment if the level of bona fide services the Participant would perform after such date would permanently decrease to no more than 20 percent of the average level of bona fide services performed over the immediately preceding 36-month period (or the full period of services to the Corporation or an Affiliate if the Participant has been providing such services less than 36 months). A Participant who is classified as an intermittent employee shall be deemed to have a termination of employment for purposes of the Plan if the level of bona fide services the Participant would perform after such date would permanently decrease to less than 50 percent of the average level of bona fide services performed over the immediately preceding 36-month period (or the full period of services to the Corporation or an Affiliate if the Participant has been providing such services less than 36 months).
- (c) Death or Total and Permanent Disability. If the Participant's termination of employment is due to death or Total and Permanent Disability, it shall result in pro rata vesting, as determined by the Committee, and the number of shares that are considered to vest shall be prorated for the number of full months of employment during the Restricted Period prior to the Participant's termination of employment, and shall be paid 90 days following the Participant's termination of employment.

- (d) Shutdown or Divestiture. In the event that after the Grant Date the Participant's termination of employment is due to the shutdown or divestiture of the Corporation's or its Affiliate's business, it shall result in pro rata vesting, as determined by the Committee, and the number of shares that are considered to vest shall be determined at the end of the Restricted Period, prorated for the number of full years of employment during the Restricted Period prior to the Participant's termination of employment, and shall be paid within 90 days following the end of the Restricted Period.
 - (e) Qualified Termination of Employment. In the event of a Qualified Termination of Employment all restrictions will lapse and the shares will become fully vested and shall be paid within 10 days following the last day of employment of the Participant with the Corporation or an Affiliate.
 - (f) Payment of Awards. The payment of the Award shall be made in shares of Common Stock. The payment of an Award shall be made within 90 days following the end of the Restricted Period.
 - (g) Payment of Withholding Taxes. No shares of Common Stock, nor any cash payment, may be delivered under this Award, unless prior to or simultaneously with such issuance, the Participant or, in the event of his death, the person succeeding to his rights hereunder, shall pay to the Corporation such amount as the Corporation advises is required under applicable federal, state or local laws to withhold and pay over to governmental taxing authorities by reason of the delivery of such shares of Common Stock and any cash payment pursuant to this Award. The Corporation may, in its discretion, withhold payment of required withholding taxes with cash or shares of Common Stock which otherwise would be delivered following the date of vesting of the Award under this paragraph 2.
3. Nontransferability. Neither the Award nor the Participant's right to receive payment for vested Awards may be assigned or transferred except upon the death of the Participant (i) by will, (ii) by the laws of descent and distribution or (iii) for Participants residing in the U.S. pursuant to a designation by the Participant of a beneficiary or beneficiaries, provided that no such designation shall be effective unless filed with the Committee prior to the death of such Participant.
4. Compliance with Law. No payment may be made under this Award, unless prior to the issuance thereof, the Corporation shall have received an opinion of counsel to the effect that this Award by the Corporation to the Participant will not constitute a violation of the Securities Act of 1933, as amended. As a condition of this Award, the Participant shall, if requested by the Corporation, submit a written statement in form satisfactory to counsel for the Corporation, to the effect that any shares received under this Award shall be for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended, and the Corporation shall have the right, in its discretion, to cause the certificates representing shares hereunder to be appropriately legended to refer to such undertaking or to any legal restrictions imposed upon the transferability thereof by reason of such undertaking.

The Award granted hereby is subject to the condition that if the listing, registration or qualification of the shares subject hereto on any securities exchange or under any state or federal law, or if the consent or approval of any regulatory body shall be necessary as a condition of, or in connection with, the granting of the Award or the delivery of shares thereunder, such shares may not be delivered unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained. The Corporation agrees to use its best efforts to obtain any such requisite listing, registration, qualification, consent or approval.

The Participant is solely responsible for obtaining/providing whatever exchange control approvals, permits, licenses, or notices, which may be necessary for the Participant to hold the Award, or to receive any payment of cash or shares or to hold or sell the shares subject to the Award, if any. Neither the Corporation nor its Affiliates will be responsible for obtaining any such approvals, licenses or permits, or for making any such notices, nor will the Corporation or its Affiliates be liable for any fines or penalties the Participant may incur for failure to obtain any required approvals, permits or licenses or to make any required notices.

5. No Right of Continued Employment. The granting of this Award does not confer upon the Participant any legal right to be continued in the employ of the Corporation or its Affiliates, and the Corporation and its Affiliates reserve the right to discharge the Participant whenever the interest of the Corporation or its Affiliates may so require without liability to the Corporation or its Affiliates, the Board of Directors of the Corporation or its Affiliates, or the Committee, except as to any rights which may be expressly conferred on the Participant under this Award.
6. Discretion of the Corporation, Board of Directors and the Committee. Any decision made or action taken by the Corporation or by the Board of Directors of the Corporation or by the Committee arising out of or in connection with the construction, administration, interpretation and effect of this Award shall be within the absolute discretion of the Corporation, the Board of Directors of the Corporation or the Committee, as the case may be, and shall be conclusive and binding upon all persons.
7. Inalienability of Benefits and Interest. This Award and the rights and privileges conferred hereby shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any such attempted action shall be void and no such benefit or interest shall be in any manner liable for or subject to debts, contracts, liabilities, engagements, or torts of the Participant.
8. Delaware Law to Govern. The Plan is governed by and subject to the laws of the United States of America. All questions pertaining to the construction, interpretation, regulation, validity and effect of the provisions of this Award and any rights under the Plan shall be determined in accordance with the laws of the State of Delaware.
9. Purchase of Common Stock. The Corporation and its Affiliates may, but shall not be required to, purchase shares of Common Stock of the Corporation for purposes of satisfying the requirements of this Award. The Corporation and its Affiliates shall have no obligation to retain and shall have the unlimited right to sell or otherwise deal with for their own account, any shares of Common Stock of the Corporation purchased for satisfying the requirements of this Award.
10. Notices. Any notice to be given to the Corporation under this Award shall be addressed to the Corporation in care of its Director of Compensation located at the World Headquarters, and any notice to be given to the Participant under the terms of this Award may be addressed to him at his address as it appears on the Corporation's

records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be deemed to have been duly given if and when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, registered and deposited, postage and registry fee prepaid, in a post office or branch post office regularly maintained by the United States Government or by a foreign government.

11. Changes in Capitalization. In the event there are any changes in the Common Stock or the capitalization of the Corporation through a corporate transaction, such as any merger, any acquisition through the issuance of capital stock of the Corporation, any consolidation, any separation of the Corporation (including a spin-off or other distribution of stock of the Corporation), any reorganization of the Corporation (whether or not such reorganization comes within the definition of such term in section 368 of the Code), or any partial or complete liquidation by the Corporation, recapitalization, stock dividend, stock split or other change in the corporate structure, appropriate adjustments and changes shall be made by the Committee in (a) the number of shares subject to this Award, and (b) such other provisions of this Award as may be necessary and equitable to carry out the foregoing purposes.
12. Effect on Other Plans. All benefits under this Award shall constitute special compensation and shall not affect the level of benefits provided to or received by the Participant (or the Participant's estate or beneficiaries) as part of any employee benefit plan of the Corporation or an Affiliate. This Award shall not be construed to affect in any way the Participant's rights and obligations under any other plan maintained by the Corporation or an Affiliate on behalf of employees.
13. Discretionary Nature of Award. The grant of an Award is a one-time benefit and does not create any contractual or other right to receive a grant of Awards or benefits in lieu of Awards in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs and vesting provisions. The value of the Award is an extraordinary item of compensation outside the scope of the Participant's employment contract, if any. As such, the Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.
14. Data Privacy. The Participant hereby authorizes their employer to furnish the Corporation (and any agent of the Corporation administering the Plan or providing Plan recordkeeping services) with such information and data as it shall request in order to facilitate the grant of Awards and administration of the Plan and the Participant waives any data privacy rights such Participant might otherwise have with respect to such information.
15. Conflict with Plan. This Award is awarded pursuant to and subject to the Plan. This Agreement is intended to supplement and carry out the terms of the Plan. It is subject to all terms and provisions of the Plan and, in the event of a conflict, the Plan shall prevail.
16. Successors. This Award shall be binding upon and inure to the benefit of any successor or successors of the Corporation.

17. Amendments. The Committee may at any time alter or amend this Award to the extent (1) permitted by law, (2) permitted by the rules of any stock exchange on which the Common Stock or any other security of the Corporation is listed, and (3) permitted under applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended (including rule 16b-3 thereof).
18. Defined Terms. Terms which are capitalized are defined herein or in the Plan and have the same meaning set forth in the Plan, unless the context indicates otherwise.
19. For U.S. Participants Only. A U.S. Participant who has not previously signed a noncompete agreement has until the end of the one hundred twenty (120) day period beginning from the Grant Date of this Award to sign and return the Noncompete Agreement provided to such Participant. If the U.S. Participant does not sign and return the provided Noncompete Agreement on or before the end of such one hundred twenty (120) day period then the grant of the Award, as set forth in Section 1, shall not be binding on and shall be voidable by the Corporation, in which case it shall have no further force or effect.
20. Acceptance of Award Terms and Conditions. A Participant has until the end of the one hundred twenty (120) day period beginning from the Grant Date of this Award to accept this Award Agreement. If the Participant does not accept this Award Agreement on or before the end of such one hundred twenty (120) day period then the grant of the Award, as set forth in Section 1, shall not be binding on and shall be voidable by the Corporation, in which case it shall have no further force or effect.

Acknowledgment of Conditions

I understand, acknowledge and agree to the following conditions with respect to the Award granted to me under the Plan:

- The Plan is established voluntarily by the Corporation, is discretionary in nature and may be modified, amended, suspended, cancelled or terminated at any time. The grant of an Award is a voluntary and occasional benefit and does not create any contractual or other right to receive an Award or benefits in lieu of an Award in the future, even if the Awards have been granted repeatedly in the past. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of Awards, vesting provisions and the exercise price.
- My participation in the Plan is voluntary. Participation in the Plan will not create a right to further employment with my actual employer (the "Employer") and shall not interfere with the ability of the Employer to terminate my employment relationship at any time. Further, the Award and my participation in the Plan will not be interpreted to form an employment contract or relationship with the Corporation or any Affiliate.
- The Award and the shares of Common Stock subject to the Award are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Corporation or the Employer, and which are outside the scope of my employment contract, if any, and are not intended to replace any pension rights or compensation. As such, the Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension, retirement or welfare benefits or similar payments and in no event shall be considered as compensation for, or relating in any way to, past services for the Corporation, the Employer or any Affiliate.

- The future value of the underlying shares is unknown and cannot be predicted with certainty.
- No claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of my employment by the Corporation or the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and in consideration of the grant of the Award, to which I am otherwise not entitled, I irrevocably agree never to institute any claim against the Corporation or the Employer, waive my ability, if any, to bring any such claim, and release the Corporation and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, I shall be deemed irrevocably to have agreed not to pursue such a claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims.
- In the event of termination of my employment (whether or not in breach of local labor laws and except as otherwise explicitly provided in the Award Agreement of the Plan), my right to receive RSUs and vest in the Award under the Plan, if any, will terminate effective as of the date that I am no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of “garden leave” or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when I am no longer actively employed for purposes of the Award.
- The Corporation is not providing any tax, legal or financial advice, nor is the Corporation making any recommendations regarding participation in the Plan, or my acquisition or sale of the underlying shares of Common Stock. Further, I have been advised to consult with my own advisors regarding participation in the Plan before taking any action related to the Plan.
- Regardless of any action the Corporation or the Employer takes with respect to any or all income tax (including federal, state and local taxes), social insurance, payroll tax, payment on account or other tax-related items related to my participation in the Plan and legally applicable to me (“Tax-Related Items”), I acknowledge that the ultimate liability for all Tax-Related Items is and remains my responsibility and may exceed the amount actually withheld by the Corporation or the Employer. I further acknowledge that the Corporation and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the RSUs, the vesting of RSUs, the conversion of the RSUs into shares or the receipt of an equivalent cash payment, the subsequent sale of any shares acquired at vesting and the receipt of any dividends or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the my liability for Tax-Related Items or achieve any particular tax result. Further, if I have become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, I acknowledge that the Corporation and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

- Prior to the relevant taxable or tax withholding event, as applicable, I shall pay or make adequate arrangements satisfactory to the Corporation and/or the Employer to satisfy or account for all Tax-Related Items. In this regard, I authorize the Corporation or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:
 - (1) withholding from my wages or other cash compensation paid to me by the Corporation and/or the Employer; or
 - (2) withholding from proceeds of the sale of shares acquired upon vesting of the Award either through a voluntary sale or through a mandatory sale arranged by the Corporation (on my behalf, pursuant to this authorization); or
 - (3) withholding in shares to be issued upon vesting of the Award.
- To avoid negative accounting treatment, the Corporation may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in shares, for tax purposes, I am deemed to have been issued the full number of shares subject to the Award, notwithstanding that a number of shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of my participation in the Plan.
- I shall pay to the Corporation or to the Employer any amount of Tax-Related Items that the Corporation or the Employer may be required to withhold or account for as a result of my participation in the Plan that cannot be satisfied by the means previously described. The Corporation may refuse to deliver shares or the proceeds of the sale of shares to me if I fail to comply with my obligations in connection with the Tax-Related Items.
- *I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this Award Agreement by and among, as applicable, my Employer, the Corporation, and its Affiliates for the exclusive purpose of implementing, administering and managing my participation in the Plan.*
- *I understand that the Corporation and my Employer may hold certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Corporation, details of all Awards or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in my favor, for the purpose of implementing, administering and managing the Plan ("Data").*
- *I understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in my country, or elsewhere, and that my country may have different data privacy laws and protections than my country. I understand that I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing my participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares received upon vesting of the RSUs may be deposited. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan.*

I understand that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. I understand that refusal or withdrawal of consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

- The Plan and the Award are governed by and subject to U.S. law. Interpretation of the Plan and my rights under the Plan will be governed by provisions of U.S. law. For purposes of litigating any dispute that arises under this Award or Award Agreement, the parties submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the federal courts for the United States for the Northern District of Texas and no other courts.
- I understand that I am solely responsible for obtaining/providing whatever exchange control approvals, permits, licenses or notices, which may be necessary for my Award, to acquire the shares or to hold or sell the shares subject to the RSU award. Neither the Corporation nor its Affiliates will be responsible for obtaining such approvals, licenses or permits, or for making any such notices, nor will the Corporation or its Affiliates be liable for any fines or penalties I may incur for failure to obtain any required approvals, permits or licenses or to make any required notices.
- The provisions of this Award Agreement are severable and if one or more of the provisions of this Award Agreement shall be held invalid, illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nonetheless be binding and enforceable. To the extent that any provisions of this Award Agreement are held to be invalid or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Award Agreement to be construed so as to foster the intent of this Award Agreement and the Plan.
- If I have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
- Notwithstanding any provisions in this Award Agreement, the Award shall be subject to any special terms and conditions set forth in Appendix A to this Award Agreement for my country. Moreover, if I relocate to one of the countries included in Appendix A, the special terms and conditions for such country will apply to me, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix A constitutes part of this Award Agreement.
- The Corporation reserves the right to impose other requirements on my participation in the Plan, on the Award and on any shares acquired under the Plan, to the extent the Corporation determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require me to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

- The Corporation may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. I hereby consent to receive such documents by on-line delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Corporation or a third-party designated by the Corporation.

Conclusion and Acceptance

I accept this grant via electronic signature by clicking the “Accept” icon and certify that I have read, understand and agree to the terms and conditions of the 2001 Equity Participation Plan (the “Plan”), the provisions of the applicable Award Agreement and all other applicable documents (including any country-specific terms applicable to my grant). I hereby authorize my Employer to furnish the Corporation (and any agent administering the Plan or providing recordkeeping services) with such information and data as it shall request in order to facilitate the grant of Awards and enable administration of the Plan and I understand that such information shall be used only as long and to the extent necessary to administer my participation in the Plan. I agree that my participation in the Plan and the Awards granted to me under the Plan will be governed solely by provisions of U.S. law.

**KIMBERLY-CLARK CORPORATION
TIME-VESTED RESTRICTED STOCK UNIT
AWARD AGREEMENT**

APPENDIX A

This Appendix A includes additional terms and conditions that govern the Award granted to the Participant under the Plan if the Participant resides in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix A have the meanings set forth in the Plan and/or the Award Agreement.

This Appendix A also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2010. Such laws are often complex and change frequently. As a result, the Corporation strongly recommends that the Participant not rely on the information noted herein as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at vesting of the Award or the subsequent sale of the shares or receipt of any dividends or dividend equivalents.

In addition, the information is general in nature and may not apply to the Participant's particular situation, and the Corporation is not in a position to assure the Participant of any particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to the Participant's situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which the Participant is currently working, transferred or transfers employment after the Award is granted or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to the Participant.

ARGENTINA

Securities Law Information

Neither the RSUs nor the shares of Common Stock subject to the RSUs are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information

In the event that the Participant transfers proceeds in excess of US\$2,000,000 from the sale of shares of Common Stock into Argentina in a single month, he or she will be required to place 30% of any proceeds in excess of US\$2,000,000 in a non-interest bearing, dollar-denominated mandatory deposit account for a holding period of 365 days.

The Participant must comply with any and all Argentine currency exchange restrictions, approvals and reporting requirements in connection with the vesting of the RSUs and the subsequent sale of any shares acquired at vesting.

AUSTRALIA

Securities Law Notice

If the Participant acquires shares of the Corporation's Common Stock pursuant to this Award and the Participant offers his or her shares of the Corporation's Common Stock for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. *The Participant should obtain legal advice on his or her disclosure obligations prior to making any such offer.*

Award Payable Only in Shares

Awards granted to Participants in Australia shall be paid in shares of Common Stock only and do not provide any right for the Participant to receive a cash payment.

BAHRAIN

There are no country-specific provisions.

BELGIUM

Tax Reporting

The Participant is required to report any taxable income attributable to the Award on his or her annual tax return. In addition, the Participant is required to report any bank accounts opened and maintained outside Belgium on his or her annual tax return.

BOLIVIA

There are no country-specific provisions.

BRAZIL

Compliance with Law

By accepting the Award, the Participant acknowledges that he or she agrees to comply with applicable Brazilian laws and pay any and all applicable taxes associated with the vesting of the RSUs, the conversion of the RSUs into shares or the receipt of an equivalent cash payment, the receipt of any dividends, and the sale of shares of Common Stock acquired under the Plan.

Exchange Control Information

If the Participant is resident or domiciled in Brazil, he or she will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Assets and rights that must be reported include shares of Common Stock.

CANADA

Award Payable Only in Shares

Awards granted to Participants in Canada shall be paid in shares of the Corporation's Common Stock only and do not provide any right for Participant to receive a cash payment.

Securities Law Notice

The Participant is permitted to sell shares acquired through the Plan through the designated broker appointed under the Plan, if any, provided the resale of shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the shares are listed. The Corporation's shares are currently listed on New York Stock Exchange.

The following provisions apply if the Participant is a resident of Quebec:

Language Consent

The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Authorization to Release and Transfer Necessary Personal Information

The Participant hereby authorizes the Corporation and the Corporation's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Corporation, any parent, subsidiary or Affiliate and the plan administrators to disclose and discuss the Plan with their advisors. The Participant further authorizes the Corporation and any parent, subsidiary or Affiliate to record such information and to keep such information in the Participant's employee file.

CHILE

Securities Law Information

Neither the Corporation nor its shares of Common Stock are registered with the Chilean Registry of Securities or under the control of the Chilean Superintendence of Securities.

Exchange Control Information

The Participant is not required to repatriate funds obtained from the sale of shares or the receipt of any dividends. However, if the Participant decides to repatriate such funds, the Participant must do so through the Formal Exchange Market if the amount of the funds exceeds US\$10,000. In such case, the Participant must report the payment to a commercial bank or registered foreign exchange office receiving the funds.

If the Participant's aggregate investments held outside of Chile exceeds US\$5,000,000 (including the investments made under the Plan), the Participant must report the investments annually to the Central Bank. Annex 3.1 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Please note that exchange control regulations in Chile are subject to change. The Participant should consult with his or her personal legal advisor regarding any exchange control obligations that the Participant may have prior to receiving proceeds from the sale of shares of Common Stock acquired under the Plan.

Annual Tax Reporting Obligation

The Chilean Internal Revenue Service ("CIRS") requires all taxpayers to provide information annually regarding: (i) the taxes paid abroad, which they will use as a credit against Chilean income taxes, and (ii) the results of foreign investments. These annual reporting obligations must be complied with by submitting a sworn statement setting forth this information before March 15 of each year. The forms to be used to submit the sworn statement are Tax Form 1853 "Annual Sworn Statement Regarding Credits for Taxes Paid Abroad" and Tax Form 1851 "Annual Sworn Statement Regarding Investments Held Abroad." If the Participant is not a Chilean citizen and has been a resident in Chile for less than three years, the Participant is exempt from the requirement to file Tax Form 1853. These statements must be submitted electronically through the CIRS website: www.sii.cl.

COLOMBIA

There are no country-specific provisions.

COSTA RICA

There are no country-specific provisions.

CZECH REPUBLIC

Exchange Control Information

The Czech National Bank may require the Participant to fulfill certain notification duties in relation to the acquisition of shares of Common Stock and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, the Participant should consult with his or her personal legal advisor prior to the vesting of the RSUs and the sale of Common Stock to ensure compliance with current regulations. It is the Participant's responsibility to comply with any applicable Czech exchange control laws.

DENMARK

Danish Stock Option Act

By accepting this Award, the Participant acknowledges that he or she has received a Danish translation of an Employer Statement, which is being provided to comply with the Danish Stock Option Act.

Exchange Control Information

If the Participant establishes an account holding shares or an account holding cash outside Denmark, he or she must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank. (These obligations are separate from and in addition to the obligations described below.)

Securities/Tax Reporting Information

If the Participant holds shares of Common Stock acquired under the Plan in a brokerage account with a broker or bank outside Denmark, he or she is required to inform the Danish Tax Administration about the account. For this purpose, the Participant must file a Form V (*Erklaering V*) with the Danish Tax Administration. The Form V must be signed both by the Participant and by the applicable broker or bank where the account is held. By signing the Form V, the broker or bank undertakes to forward information to the Danish Tax Administration concerning the shares in the account without further request each year. By signing the Form V, the Participant authorizes the Danish Tax Administration to examine the account.

In addition, if the Participant opens a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, he or she is also required to inform the Danish Tax Administration about this account. To do so, the Participant must file a Form K (*Erklaering K*) with the Danish Tax Administration. The Form K must be signed both by the Participant and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the content of the account. By signing the Form K, the Participant authorizes the Danish Tax Administration to examine the account.

DOMINICAN REPUBLIC

There are no country-specific provisions.

ECUADOR

There are no country-specific provisions.

EL SALVADOR

There are no country-specific provisions.

FRANCE

RSUs Not Tax-Qualified

The Participant understands that this Award is not intended to be French tax-qualified.

Consent to Receive Information in English

By accepting the Award Agreement providing for the terms and conditions of the Participant's grant, the Participant confirms having read and understood the documents relating to this grant (the Plan and this Award Agreement) which were provided in English language. The Participant accepts the terms of those documents accordingly.

En acceptant le Contrat d'Attribution décrivant les termes et conditions de l'attribution, le participant confirme ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan U.S. et ce Contrat d'Attribution) qui ont été communiqués en langue anglaise. Le participant accepte les termes en connaissance de cause.

GERMANY

Exchange Control Information

Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Participant uses a German bank to transfer a cross-border payment in excess of €12,500 in connection with the sale of shares of Common Stock acquired under the Plan, the bank will make the report for the Participant. In addition, the Participant must report any receivables, payables, or debts in foreign currency exceeding an amount of €5,000,000 on a monthly basis.

GUATEMALA

Language Waiver

By participating in the Plan, the Participant acknowledges that he or she is proficient in reading and understanding English and fully understands the terms of the Plan, the Award Agreement and this Appendix A.

HONDURAS

There are no country-specific provisions.

HONG KONG

Securities Law Warning

The offer of this Award and the shares of Common Stock subject to this Award do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Corporation or its Affiliates participating in the Plan. The Participant should be aware that the contents of this Award Agreement have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. Nor have the documents been reviewed by any regulatory authority in Hong Kong. This Award is intended only for the personal use of each Participant and may not be distributed to any other person. The Participant is advised to exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of the Agreement, including this Appendix A, or the Plan, the Participant should obtain independent professional advice.

Award Payable Only in Shares

Awards granted to Participants in Hong Kong shall be paid in shares of Common Stock only and do not provide any right for the Participant to receive a cash payment.

Sale of Shares

In the event the Award vests within six months of the Grant Date, the Participant agrees that he or she will not dispose of the shares acquired prior to the six-month anniversary of the Grant Date.

Occupational Retirement Schemes Ordinance Alert

The Corporation specifically intends that neither the Award nor the Plan will be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance (“ORSO”).

INDIA

Awards Payable in Cash Only

Awards granted to Participants in India shall be paid in cash only and do not provide any right for the Participant to receive shares of Common Stock.

Exchange Control Documentation

The Participant understands that he or she must repatriate the cash payment acquired under the Plan to India and convert the proceeds into local currency within 90 days of receipt. The Participant will receive a foreign inward remittance certificate (“FIRC”) from the bank where the foreign currency is deposited. The Participant should maintain the FIRC as evidence of the repatriation of funds in the event that the Reserve Bank of India, the Employer or the Corporation requests proof of repatriation.

INDONESIA

Exchange Control Information

If the Participant remits funds into Indonesia, the Indonesian bank through which the transaction is made will submit a report on the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a description of the transaction must be included in the report. Although the bank through which the transaction is made is required to make the report, the Participant must complete a “Transfer Report Form.” The Transfer Report Form will be provided to the Participant by the bank through which the transaction is to be made.

ISRAEL

Securities Law Notification

The offer of this Award does not constitute a public offering under Securities Law, 1968.

Immediate Sale Requirement

The Participant understands and agrees that, due to tax considerations in Israel, upon vesting of the Award, the shares of Common Stock acquired at vesting of the Award will be sold immediately. The Participant further agrees that the Corporation is authorized to instruct its designated broker to assist with any mandatory sale of such shares (on the Participant’s

behalf pursuant to this authorization) and expressly authorizes the Corporation's designated broker to complete the sale of such shares. Upon any such sale of shares, the sale proceeds, less any Tax-Related Items and broker's fees or commissions, will be remitted to the Participant in accordance with any applicable exchange control laws and regulations.

ITALY

Data Privacy Notice and Consent.

This provision replaces in its entirety the data privacy section in the Award Agreement:

The Participant understands that the Employer, the Corporation and any Affiliate hold certain personal information about him or her, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Corporation or any Affiliate, details of all Awards, or any other entitlement to shares of Common Stock awarded, cancelled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, managing and administering the Plan ("Data"). The Participant is aware that providing the Corporation with Data is necessary for the performance of the Plan and that his or her refusal to provide such Data would make it impossible for the Corporation to perform its contractual obligations and may affect the Participant's ability to participate in the Plan.

The Controller of personal data processing is Kimberly-Clark Corporation with registered offices at 351 Phelps Drive, Irving, Texas 75038, United States of America, and, pursuant to Legislative Decree no. 196/2003, its representative in Italy is Kimberly-Clark s.r.l. at Via Della Rocca, 49, Torino, Italy.

The Participant understands that Data may be transferred to the Corporation or any of its Affiliates, or to any third parties assisting in the implementation, management and administration of the Plan including any transfer required to a broker or other third party with whom shares acquired pursuant to the vesting of the Award or cash from the sale of such shares may be deposited. Furthermore, the recipients that may receive, possess, use, retain, and transfer such Data may be located in Italy or elsewhere, including outside the European Union, and that recipients' country (e.g., the United States) may have different data privacy laws and protections than Italy.

The processing activity, including transfer of Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require the Participant's consent thereto as the processing is necessary to performance of contractual obligations related to implementation, administration, and management of the Plan. The Participant understands that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The Participant understands that Data will be held only as long as is required by law or as necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that, pursuant to Section 7 of the Legislative Decree no. 196/2003,

he or she has the right to, including but not limited to, access, delete, update, correct, or terminate, for legitimate reason, the Data processing. Furthermore, the Participant is aware that Data will not be used for direct marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting the Participant's local human resources representative.

Plan Document Acknowledgment

In accepting the grant of this Award, the Participant acknowledges that he or she has received a copy of the Plan and the Award Agreement and has reviewed the Plan and the Award Agreement, including this Appendix A, in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement, including this Appendix A.

The Participant acknowledges that he or she has read and specifically and expressly approves the following sections of the Award Agreement: Section 2(6) on Payment of Withholding Taxes; Section 5 on No Right of Continued Employment; Section 8 on Delaware Law to Govern; the section on Acknowledgment of Conditions; and the Data Privacy Notice and Consent section included in this Appendix A.

Exchange Control Information

The Participant is required to report in his or her annual tax return: (a) any transfers of cash or shares of Common Stock to or from Italy exceeding €10,000 or the equivalent amount in U.S. dollars; and (b) any foreign investments or investments (including proceeds from the sale of shares of Common Stock acquired under the Plan) held outside of Italy exceeding €10,000 or the equivalent amount in U.S. dollars, if the investment may give rise to income in Italy. The Participant is exempt from the formalities in (a) if the investments are made through an authorized broker resident in Italy, as the broker will comply with the reporting obligation on the Participant's behalf.

JAPAN

There are no country-specific provisions.

KOREA

Exchange Control Information

If the Participant receives US\$500,000 or more from the sale of shares of Common Stock, Korean exchange control laws require the Participant to repatriate the proceeds to Korea within 18 months of the sale.

MALAYSIA

Insider Trading Notification

The Participant should be aware of the Malaysian insider trading rules, which may impact the Participant's acquisition or disposal of shares acquired under the Plan. Under Malaysian insider trading rules, the Participant is prohibited from acquiring or selling shares or rights to shares (e.g., an Award) when in possession of information that is not generally available and that the Participant knows or should know will have a material effect on the price of shares once such information is generally available.

Director Notification Obligation

If the Participant is a director of the Corporation's Malaysian Affiliate, the Participant is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when the Participant receives or disposes of an interest (*e.g.*, an Award or shares) in the Corporation or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Corporation or any related company.

MEXICO

Modification

By accepting the Award, the Participant understands and agrees that any modification of the Plan or the Award Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Acknowledgment of the Grant

In accepting the Award, the Participant acknowledges that the Participant has received a copy of the Plan and the Award Agreement, including this Appendix A, has reviewed the Plan and the Award Agreement, including this Appendix A, in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement, including this Appendix A. The Participant further acknowledges that the Participant has read and specifically and expressly approves the Acknowledgement of Conditions section of the Award Agreement, in which the following is clearly described and established:

- (1) The Participant's participation in the Plan does not constitute an acquired right.
- (2) The Plan and the Participant's participation in the Plan are offered by the Corporation on a wholly discretionary basis.
- (3) The Participant's participation in the Plan is voluntary.
- (4) Neither the Corporation nor any Affiliates are responsible for any decrease in the value of the Award granted and/or shares of Common Stock issued under the Plan.

Labor Acknowledgment and Policy Statement

In accepting the grant of this Award, the Participant expressly recognizes that the Corporation, with registered offices at 351 Phelps Drive, Irving, Texas 75038, U.S.A., is solely responsible for the administration of the Plan and that the Participant's participation in the Plan and acquisition of shares of Common Stock do not constitute an employment relationship between the Participant and the Corporation since the Participant is participating in the Plan on a wholly commercial basis and his or her sole Employer is Kimberly-Clark de Mexico, S.A. de C.V. ("KCC-Mexico"). Based on the foregoing, the Participant expressly recognizes that the Plan and the benefits that he or she may derive from participating in the Plan do not establish any rights between the Participant and the Employer, KCC-Mexico and do not form part of the employment conditions and/or benefits provided by KCC-Mexico, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment.

The Participant further understands that his or her participation in the Plan is as a result of a unilateral and discretionary decision of the Corporation; therefore, the Corporation reserves the absolute right to amend and/or discontinue the Participant's participation at any time without any liability to the Participant.

Finally, the Participant hereby declares that he or she does not reserve to him- or herself any action or right to bring any claim against the Corporation for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and the Participant therefore grants a full and broad release to the Corporation, its Affiliates, branches, representation offices, its shareholders, officers, agents, or legal representatives with respect to any claim that may arise.

Spanish Translation

Modificación

Al aceptar el Premio, el Participante entiende y acuerda que cualquier modificación al Plan o al Acuerdo o su terminación, no cambiará o disminuirá los términos y condiciones de empleo.

Reconocimiento del Otorgamiento

Al aceptar el Premio, el Participante está de acuerdo en haber recibido una copia del Plan, del Acuerdo incluyendo el presente Anexo "A" y ha revisado el Plan y el Acuerdo, incluyendo este Anexo "A" en su totalidad y comprende y acepta todas las disposiciones previstas en el Plan, en el Acuerdo, incluyendo el presente Anexo "A". Asimismo, el Participante reconoce que ha leído y manifiesta su específica y expresa conformidad con los términos y condiciones establecidos del Acuerdo, en el cual claramente se describe y establece lo siguiente:

- (1) La participación del Participante en el Plan no constituye un derecho adquirido.*
- (2) El Plan y la participación del Participante en el Plan se ofrecen por la Compañía de forma completamente discrecional.*
- (3) La participación del Participante en el Plan es voluntaria.*
- (4) Ni la Compañía ni sus Afiliadas son responsables por la reducción del valor del Premio y/o Acciones Ordinarias emitidas bajo el Plan.*

Reconocimiento de la Legislación Laboral y Declaración de la Política

Al aceptar el otorgamiento de este Premio, el Participante expresamente reconoce que Kimberly-Clark Corporación con oficinas registradas en 351 Phelps Drive, Irving, Texas 75038, EE.UU., es la única responsable por la administración del Plan y que la participación del Participante en el Plan y en su caso la adquisición de las Opciones de Compra de Acciones o Acciones no constituyen ni podrán interpretarse como una relación de trabajo entre el Participante y Kimberly-Clark Corporación, ya que el Participante participa en el Plan en un marco totalmente comercial y su único Patrón lo es Kimberly-Clark de México, S.A. de C.V., con domicilio en Kimberly-Clark de México, S.A. de C.V. México. Derivado de lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que pudieran derivar de la participación en el Plan no establecen derecho alguno entre el Participante y el

Patrón, Kimberly-Clark de México, S.A. de C.V. y no forma parte de las condiciones de trabajo y/o las prestaciones otorgadas por Kimberly-Clark de México, S.A. de C.V. y que cualquier modificación al Plan o su terminación no constituye un cambio o impedimento de los términos y condiciones de la relación de trabajo del Participante.

Asimismo, el Participante reconoce que su participación en el Plan es resultado de una decisión unilateral y discrecional de Kimberly-Clark Corporación por lo tanto, Kimberly-Clark Corporación se reserva el absoluto derecho de modificar y/o terminar la participación del Participante en cualquier momento y sin responsabilidad alguna frente el Participante.

Finalmente, el Participante por este medio declara que no se reserva derecho o acción alguna que ejercitar en contra de Kimberly-Clark Corporación por cualquier compensación o daño en relación con las disposiciones del Plan o de los beneficios derivados del Plan y por lo tanto, el Participante otorga el más amplio finiquito que en derecho proceda a Kimberly-Clark Corporación, sus afiliadas, subsidiarias, oficinas de representación, sus accionistas, funcionarios, agentes o representantes legales en relación con cualquier demanda que pudiera surgir.

NETHERLANDS

Consent to Comply with Dutch Securities Law

The Participant has been granted Awards under the Plan, pursuant to which the Participant may acquire shares. Participants who are residents of the Netherlands should be aware of the Dutch insider trading rules, which may impact the sale of such shares. In particular, the Participant may be prohibited from effecting certain share transactions if the Participant has insider information regarding the Corporation.

Below is a discussion of the applicable restrictions. The Participant is advised to read the discussion carefully to determine whether the insider rules apply to the Participant. If it is uncertain whether the insider rules apply, the Corporation recommends that the Participant consult with his or her personal legal advisor. Please note that the Corporation cannot be held liable if the Participant violates the Dutch insider rules. The Participant is responsible for ensuring compliance with these rules.

By entering into the Award Agreement and participating in the Plan, the Participant acknowledges having read and understood the notification below and acknowledges that it is his or her own responsibility to comply with the Dutch insider trading rules, as discussed herein.

Prohibition Against Insider Trading

Dutch securities laws prohibit insider trading. Under Article 46 of the Act on the Supervision of the Securities Trade 1995, anyone who has “inside information” related to the Corporation is prohibited from effectuating a transaction in securities in or from the Netherlands. “Inside information” is knowledge of a detail concerning the issuer to which the securities relate that is not public and which, if published, would reasonably be expected to affect the share price, regardless of the actual effect on the price. The insider could be any employee of the Corporation or its Dutch Affiliate who has inside information as described above.

Given the broad scope of the definition of inside information, certain employees of the Corporation working at its Dutch Affiliate may have inside information and thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when he or she had such inside information.

NEW ZEALAND

There are no country-specific provisions.

NICARAGUA

There are no country-specific provisions.

PANAMA*Securities Law Information*

Neither this Award nor any shares of Common Stock that the Participant may acquire at vesting of this Award constitute a public offering of securities, as they are available only to eligible employees of the Corporation and its Affiliates.

PARAGUAY

There are no country-specific provisions.

PERU

There are no country-specific provisions.

PHILIPPINES*Awards Payable in Cash Only*

Awards granted to Participants in the Philippines shall be paid in cash only and do not provide any right for the Participant to receive shares of Common Stock.

POLAND

There are no country-specific provisions.

PORTUGAL*Exchange Control Information*

If the Participant receives shares of Common Stock upon vesting of the Award, the acquisition of the shares should be reported to the Banco de Portugal for statistical purposes. If the shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on the Participant's behalf. If the shares are not deposited with a commercial bank or financial intermediary in Portugal, the Participant is responsible for submitting the report to the Banco de Portugal.

PUERTO RICO

There are no country-specific provisions.

RUSSIA

U.S. Transaction

The Participant understands that this Award shall be valid and this Award Agreement shall be concluded and become effective only when the Participant's acceptance of the Award Agreement is received by the Corporation in the United States. Upon vesting of this Award, any shares of Common Stock to be issued to the Participant shall be delivered to the Participant through a bank or brokerage account in the United States.

Securities Law Notice

This Award Agreement, the Plan and all other materials the Participant may receive regarding participation in the Plan do not constitute advertising or an offering of securities in Russia. Absent any requirement under local law, the issuance of shares of Common Stock under the Plan has not and will not be registered in Russia and hence the shares described in any Plan-related documents may not be offered or placed in public circulation in Russia.

Please note that, under the Russian law, the Participant is not permitted to sell the Corporation's shares directly to other Russian individuals and the Participant is not permitted to bring share certificates into Russia. All shares issued upon vesting of the Award will be maintained on the Participant's behalf in the United States.

SINGAPORE

Securities Law Information

The Award is being made pursuant to the "Qualifying Person" exemption" under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the Award is subject to section 257 of the SFA and the Participant will not be able to make (i) any subsequent sale of the shares of Common Stock in Singapore or (ii) any offer of such subsequent sale of the shares of Common Stock subject to the Award in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2006 Ed.).

Director Notification Obligation

If the Participant is a director, associate director or shadow director of the Corporation's Singapore Affiliate, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Corporation's Singapore Affiliate in writing when the Participant receives an interest (*e.g.*, an Award or shares) in the Corporation or any Affiliate. In addition, the Participant must notify the Corporation's Singapore Affiliate when he or she sells shares of the Corporation or of any Affiliate (including when the Participant sells shares issued upon vesting and settlement of the Award). These notifications must be made within two days of acquiring or disposing of any interest in the Corporation or any Affiliate. In addition, a notification of the Participant's interests in the Corporation or any Affiliate must be made within two days of becoming a director.

SOUTH AFRICA

Exchange Control Information

To participate in the Plan, the Participant must comply with exchange control regulations and rulings (the “Exchange Control Regulations”) in South Africa. Currently, the Exchange Control Department of the South African Reserve Bank (“Exchange Control”) requires that approval be sought for the purchase of securities by South African residents pursuant to foreign share incentive schemes, such as the acquisition of shares of Common Stock under the Plan. The Corporation is in the process of obtaining such approval.

Because the Exchange Control Regulations change frequently and without notice, the Participant understands that he or she should consult a legal advisor prior to the acquisition or sale of shares under the Plan to ensure compliance with current regulations. The Participant understands that it is his or her responsibility to comply with South African exchange control laws, and neither the Corporation nor the Employer will be liable for any fines or penalties resulting from failure to comply with applicable laws.

Tax Acknowledgment

By accepting the Award, the Participant agrees to notify the Employer of the amount of any gain realized upon vesting of the Award. If the Participant fails to advise the Employer of the gain realized upon vesting, the Participant may be liable for a fine. The Participant will be responsible for paying any difference between the actual tax liability and the amount withheld.

SPAIN

Termination of Employment

For purposes of this Award, a termination of employment includes a termination that is deemed an “unfair dismissal” or a “constructive dismissal.”

Labor Law Acknowledgment

By accepting the Award, the Participant acknowledges that he or she understands and agrees to participation in the Plan and that he or she has received a copy of the Plan.

The Participant understands that the Corporation has unilaterally, gratuitously and discretionally decided to grant Awards under the Plan to individuals who may be employees of the Corporation or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Corporation or any of its Affiliates on an ongoing basis. Consequently, the Participant understands that any grant is given on the assumption and condition that it shall not become a part of any employment contract (either with the Corporation or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, the Participant understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from any gratuitous and discretionary grant since the future value of the Award and the underlying shares is unknown and unpredictable. In addition, the Participant understands that this grant

would not be made but for the assumptions and conditions referred to above; thus, the Participant understands, acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the Award shall be null and void.

Further, the Participant understands that the Award is a conditional right. Participant shall forfeit any unvested Award upon termination of employment unless such termination is (i) due to a Qualified Termination of Employment, or (ii) if more than six months after the Grant Date, due to death, Total and Permanent Disability, or the shutdown or divestiture of a business unit. The terms of this paragraph apply even if the Participant is considered to be unfairly dismissed without good cause.

SWITZERLAND

Securities Law Notification

The Awards offered by the Corporation are considered a private offering in Switzerland; therefore, such offer is not subject to registration in Switzerland.

TAIWAN

Exchange Control Information

The Participant may acquire and remit foreign currency (including proceeds from the sale of shares of Common Stock) into and out of Taiwan up to US\$5,000,000 per year. If the transaction amount is TWD500,000 or more in a single transaction, the Participant must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank.

If the transaction amount is US\$500,000 or more, the Participant may be required to provide additional supporting documentation to the satisfaction of the remitting bank. The Participant should consult his or her personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

THAILAND

Exchange Control Information

When any shares of Common Stock received at vesting are sold or an equivalent cash payment at vesting is received, the Participant must repatriate all cash proceeds to Thailand and then convert such proceeds to Thai Baht within 360 days of repatriation. If the amount of the Participant's proceeds is US\$20,000 or more, the Participant must specifically report the inward remittance to the Bank of Thailand on a foreign exchange transaction form. If the Participant fails to comply with these obligations, then the Participant may be subject to penalties assessed by the Bank of Thailand.

The Participant should consult his or her personal advisor prior to taking any action with respect to remittance of cash proceeds into Thailand. The Participant is responsible for ensuring compliance with all exchange control laws in Thailand.

TRINIDAD & TOBAGO

There are no country-specific provisions.

TURKEY

There are no country-specific provisions.

UKRAINE

Awards Payable in Cash Only

Awards granted to Participants in Ukraine shall be paid in cash only and do not provide any right for the Participant to receive shares of Common Stock.

UNITED KINGDOM

Tax Acknowledgment

The following information supplements the information regarding Tax-Related Items in the Acknowledgment of Conditions section of the Award Agreement:

If payment or withholding of the income tax due is not made within 90 days of the event giving rise to the Tax-Related Items or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the “Due Date”), the amount of any uncollected Tax-Related Items shall constitute a loan owed by the Participant to the Employer, effective on the Due Date. The Participant agrees that the loan will bear interest at the then-current Her Majesty’s Revenue and Customs official rate; it will be immediately due and repayable. Notwithstanding the foregoing, if the Participant is an officer or executive director (as within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of this provision will not apply to the Participant. In the event that the Participant is an officer or director, as defined above, and Tax-Related Items are not collected from or paid by the Participant by the Due Date, the amount of any uncollected Tax-Related Items may constitute a benefit to the Participant on which additional income tax and National Insurance Contributions may be payable. The Participant acknowledges the Corporation or the Employer may recover it at any time thereafter by any of the means referred to in the Award Agreement. The Participant authorizes the Corporation to withhold the transfer of any shares unless and until the loan is repaid in full.

URUGUAY

There are no country-specific provisions.

VENEZUELA

Exchange Control Information

The Participant should consult his or her personal advisor prior to repatriating the proceeds of the sale of shares of Common Stock to ensure compliance with the applicable exchange control regulations in Venezuela, as such regulations are subject to frequent change. The Participant is responsible for ensuring compliance with all exchange control laws in Venezuela.

VIETNAM*Awards Payable in Cash Only*

Awards granted to Participants in Vietnam shall be paid in cash only and do not provide any right for the Participant to receive shares of Common Stock.

CERTIFICATIONS

I, Thomas J. Falk, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kimberly-Clark Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

August 9, 2010

/s/ Thomas J. Falk

Thomas J. Falk
Chief Executive Officer

CERTIFICATIONS

I, Mark A. Buthman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kimberly-Clark Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

August 9, 2010

/s/ Mark A. Buthman

Mark A. Buthman
Chief Financial Officer

Certification of Chief Executive Officer
Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code

I, Thomas J. Falk, Chief Executive Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

- (1) the Form 10-Q, filed with the Securities and Exchange Commission on August 6, 2010 (“accompanied report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Thomas J. Falk

Thomas J. Falk

Chief Executive Officer

August 9, 2010

Certification of Chief Financial Officer
Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code

I, Mark A. Buthman, Chief Financial Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

- (1) the Form 10-Q, filed with the Securities and Exchange Commission on August 6, 2010 (“accompanied report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Mark A. Buthman

Mark A. Buthman
Chief Financial Officer

August 9, 2010

EXHIBIT V KIMBERLY-CLARK SHAREPLUS PLAN, FILED WITH THE SEC ON 18
SEPTEMBER 2009 AS EXHIBIT 4.3.1 OF FORM S-8

KIMBERLY CLARK CORP

FORM S-8

(Securities Registration: Employee Benefit Plan)

Filed 09/18/09

Address	351 PHELPS DRIVE IRVING, TX 75038
Telephone	9722811200
CIK	0000055785
Symbol	KMB
SIC Code	2670 - Converted Paper And Paperboard Products, Except
Industry	Paper & Paper Products
Sector	Basic Materials
Fiscal Year	04/30

As Filed with the Securities and Exchange Commission on September 18, 2009

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form S-8

Registration Statement Under The Securities Act of 1933

Kimberly-Clark Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction
of Incorporation or Organization)

39-0394230

(I.R.S. Employer
Identification Number)

P.O. Box 619100

Dallas, Texas

(Address of Principal Executive Offices)

75261-9100

(Zip Code)

Kimberly-Clark Shareplus

Trust Deed and Rules of Kimberly-Clark Shareplus UK

Trust Deed of the Kimberly-Clark Employee Share Trust (Jersey)

Trust Deed of the Kimberly-Clark Employee Share Trust (UK)

(Full Title of the Plans)

THOMAS J. MIELKE

**Senior Vice President — Law and Government Affairs
and Chief Compliance Officer**

P.O. Box 619100

Dallas, Texas 75261-9100

(972) 281-1200

(Name, Address and Telephone Number, Including Area Code, of Agent for Service)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$1.25 par value	500,000 shares	\$58.18(1)	\$29,090,000(1)	\$1,623.22

(1) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act of 1933, as amended, pursuant to Rule 457(c) thereunder, based on \$58.18, the average of the high and low prices of the Common Stock on September 14, 2009, as reported in the consolidated reporting system.

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PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents previously filed by the Registrant with the Securities and Exchange Commission ("SEC") are incorporated herein by reference:

1. Annual Report on Form 10-K for the year ended December 31, 2008;
2. Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2009 and June 30, 2009;
3. Current Reports on Form 8-K filed on March 4, 2009, April 22, 2009, May 1, 2009, May 29, 2009 and September 2, 2009 (in each case only to the extent filed and not furnished);
4. Description of the Registrant's Common Stock contained in the Prospectus constituting a part of the Registrant's Registration Statement on Form S-3 (Registration No. 333-144828) filed on July 24, 2007.

All documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), subsequent to the date hereof and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold shall be deemed to be incorporated by reference herein and to be a part hereof from the dates of filing of such reports and documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or deemed to be incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 6. Indemnification of Directors and Officers.

The Registrant's By-laws (the "By-Laws") provide, among other things, that the Registrant shall (i) indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is a party or witness, or is threatened to be made a party or witness, or is otherwise involved in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Registrant) by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the Registrant, or is or was serving at the request of the Registrant as a director or officer of another corporation, partnership, joint venture, trust or other enterprise (including service with respect to employee benefit plans), against all liability, loss suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Registrant, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, and (ii) indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is a party or witness, or is threatened to be made a party or witness, or is otherwise involved in, any threatened, pending or completed action or suit by or in the right of the Registrant to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the Registrant, or is or was serving at the request of the Registrant as a director or officer of another corporation, partnership, joint venture, trust or other enterprise (including service with respect to employee benefit plans) against all liability, loss suffered and expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Registrant and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Registrant unless and only to the extent that the Court of Chancery or the court in which such action, suit or proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper. Notwithstanding

the foregoing, the Registrant is not required to indemnify any director or officer of the Registrant in connection with an action, suit or proceeding (or part thereof) initiated by such director or officer against the Registrant or any directors, officers or employees thereof unless (i) the initiation of such proceeding (or portion thereof) was authorized by the Board of Directors of the Registrant or (ii) notwithstanding the lack of such authorization, the person seeking indemnification is successful on the merits.

The By-Laws further provide that (i) expenses (including attorneys' fees) incurred by any current or former officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Registrant, to the fullest extent permitted by applicable law, in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Registrant and (ii) the indemnification and advancement of expenses provided therein shall not be deemed exclusive of any other rights to which those seeking indemnification shall be entitled, or may thereafter acquire, under any statute, provision of the Registrant's Certificate of Incorporation, the By-Laws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

The By-Laws further provide that any repeal or modification of the indemnification provisions of the By-Laws will not adversely affect any right or protection thereunder of a director or officer of the Registrant in respect of any action, suit or proceeding (regardless of when such proceeding is first threatened, commenced or completed) arising out of or relating to any acts or omissions occurring prior to such repeal or modification, and the rights to indemnification and advancement of expenses pursuant to the indemnification provisions of the By-Laws will vest at the time any such person becomes a director or officer of the Registrant.

Section 145 of the General Corporation Law of the State of Delaware authorizes indemnification by the Registrant of directors and officers under the circumstances provided in the provisions of the By-Laws described above, and requires such indemnification for expenses actually and reasonably incurred to the extent a director or officer is successful in the defense of any action, or any claim, issue or matter therein.

The Registrant has purchased insurance which purports to insure the Registrant against certain costs of indemnification which may be incurred by it pursuant to the By-Laws and to insure the officers and directors of the Registrant, and of its subsidiary companies, against certain liabilities incurred by them in the discharge of their functions as such officers and directors except for liabilities resulting from their own malfeasance.

Item 8. Exhibits.

See the Exhibit Index, which is incorporated herein by reference. The Registrant agrees to furnish supplementally a copy of any omitted schedule to the SEC upon request.

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with

the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the Registrant pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Irving, State of Texas, on September 18, 2009.

KIMBERLY-CLARK CORPORATION

By: /s/ Thomas J. Falk

Thomas J. Falk
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

<u>/s/ Thomas J. Falk</u> Thomas J. Falk	Chairman of the Board and Chief Executive Officer and Director (principal executive officer)	September 18, 2009
<u>/s/ Mark A. Buthman</u> Mark A. Buthman	Senior Vice President and Chief Financial Officer (principal financial officer)	September 18, 2009
<u>/s/ Randy J. Vest</u> Randy J. Vest	Vice President and Controller (principal accounting officer)	September 18, 2009

Directors

John R. Alm
Dennis R. Beresford
John F. Bergstrom
Abelardo E. Bru
Robert W. Dechard
Mae C. Jemison

James M. Jenness
Ian C. Read
Linda Johnson Rice
Marc J. Shapiro
G. Craig Sullivan

By: /s/ Thomas J. Mielke

Thomas J. Mielke, Attorney-in-Fact

September 18, 2009

EXHIBIT INDEX

The following is a list of Exhibits included as part of this Registration Statement. Items marked with an asterisk are filed herewith.

- | | |
|--------|---|
| 4.1 | Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation's Current Report on Form 8-K dated May 1, 2009. |
| 4.2 | By-Laws, as amended April 30, 2009, incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K dated May 1, 2009. |
| 4.3.1* | Kimberly-Clark Shareplus. |
| 4.3.2* | Trust Deed and Rules of Kimberly-Clark Shareplus UK. |
| 4.3.3* | Trust Deed of the Kimberly-Clark Employee Share Trust (Jersey). |
| 4.3.4* | Trust Deed of the Kimberly-Clark Employee Share Trust (UK). |
| 23* | Consent of Deloitte & Touche LLP. |
| 24* | Powers of Attorney. |

EXHIBIT 4.3.1

KIMBERLY-CLARK

KIMBERLY-CLARK

SHAREPLUS

**BACON & WOODROW
ACTUARIES & CONSULTANTS**

KIMBERLY-CLARK

SHAREPLUS

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KIMBERLY-CLARK SHAREPLUS

This Plan entitled 'Kimberly-Clark Shareplus' is designed for operation in European countries and is amended by a schedule attached to the Plan making the variations which apply in particular European countries. Where no schedule is attached for a particular country, the Rules of the Plan apply without amendments.

1 DEFINITIONS

In these Rules the following words and expressions shall, where the context so permits, have the meanings set forth below:

"ACQUISITION DATE"	the date on which Partnership Shares are acquired on behalf of Participants in accordance with Rule 3 of the Plan;
"AWARD DATE"	(1) in relation to Matching Shares, the date on which Matching Shares are awarded to Participants in accordance with Rule 5 of the Plan; and (2) in relation to Dividend Shares, the date on which the Dividend Shares are awarded to Participants in accordance with Rule 8 of the Plan;
"CALCULATION DATE"	the date, being either 1 July or 1 January (or such other date as may be determined by the Directors) following the successive monthly acquisitions of Partnership Shares by the Trustee on behalf of Participants using Partnership Share Money;
"CHANGE OF CONTROL"	means an event deemed to have taken place if: (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, acquire Shares of the Corporation having 20% or more of the total number of votes that may be cast for the

	election of Directors of the Company; or (ii) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a "Transaction"), the persons who were directors of the Company before the Transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company;
"THE COMPANY"	Kimberly-Clark Corporation registered in the State of Delaware U.S.A;
"CONTROL"	in relation to a corporate body, the power of a person to secure by the holding of shares or the possession of voting power that the affairs of that corporate body are conducted in accordance with the wishes of that person;
"DEALING DAY"	a day on which the New York Stock Exchange is open for the transaction of business;
"THE DIRECTORS"	the Shareplus Management Committee including the European HR Policy Council;
"DIVIDEND SHARES"	Shares which are awarded to Participants under Rule 8.1 and held by the Trustee upon the terms of the Plan;
"ELIGIBLE EMPLOYEE"	any person who is a full-time or part-time employee of a Participating Company including persons who have been temporarily transferred to work in another country but continue to be paid by the Participating Company;
"GROUP"	the Participating Company by which the Participant is employed and any other Participating Company;

"HOLDING PERIOD"	in relation to Partnership Shares, the period of twelve months commencing on the appropriate Calculation Date;
"JOINTLY OWNED COMPANY"	a company of which 50% of the issued share capital is owned by the Company and 50% is owned by another company and which is not under the Control of either company; this expression includes a company which is controlled by a Jointly Owned Company;
"MARKET VALUE"	in relation to a Share on any date, if and so long as the Shares are listed on the New York Stock Exchange, its middle market quotation on the immediately preceding Dealing Day;
"MATCHING SHARES"	Shares which are awarded to an Eligible Employee under Rule 5 and held by the Trustee upon the terms of the Plan;
"MINIMUM MONTHLY SUBSCRIPTION"	in relation to any invitation, the local currency equivalent of \$15 (calculated at the closing exchange rate quoted in the Financial Times on the date of deduction) or such other amount as the Directors may determine in the event of a significant change in exchange rates;
"NOTICE OF AWARD"	a notice of award of Partnership, Matching or Dividend Shares in such form as determined by the Trustee.
"PARTICIPANT"	an Eligible Employee who has entered into a Partnership Share Agreement to participate in the Plan;

"PARTICIPATING COMPANY"	any Subsidiary or Jointly Owned Company which has been designated by the Directors as a Participating Company;
"PARTNERSHIP SHARES"	Shares which are acquired by or on behalf of Eligible Employees under Rule 3 and held by the Trustee on the terms of the Plan;
"PARTNERSHIP SHARE AGREEMENT"	An agreement included in the application form as determined by the Directors from time to time;
"PARTNERSHIP SHARE MONEY"	the deduction made from a Participant's Salary in accordance with the Partnership Share Agreement before it is used to acquire Partnership Shares on his behalf;
"PLAN"	Kimberly-Clark Shareplus in its present form, or as from time to time altered in accordance with its Rules;
"PLAN SHARES"	Shares held by the Trustees upon the terms of the Plan on behalf of the Participants comprising Partnership, Matching and Dividend Shares;
"RULES"	the rules of the Plan (and "Rule" shall be construed accordingly) including the Schedules;
"SALARY"	basic pay as defined in the country in which the Eligible Employee is employed, but excluding bonuses and employee benefits;
"SHARE"	a share (including for the avoidance of doubt a fraction of a share) of common stock in the Company;

"SUBSIDIARY"	a company which is under the Control of the Company;
"TRUST"	the Kimberly-Clark Employee Share Trust (Jersey) or the Kimberly-Clark Employee Share Trust (UK) as determined by the Directors;
"TRUSTEE"	the Trustees of the Kimberly-Clark Employee Share Trust (Jersey) or the Trustees of the Kimberly-Clark Employee Share Trust (UK) as the case may be;

References to any statutory provision are to that provision as amended or re-enacted from time to time and, unless the context otherwise requires, words in the singular include the plural (and vice versa) and words importing the masculine shall include the feminine (and vice versa).

PART ONE - PARTNERSHIP SHARES

2 INVITATIONS TO ACQUIRE PARTNERSHIP SHARES

2.1 When the Directors have decided to operate the Plan by inviting Eligible Employees to acquire Partnership Shares, an invitation shall be issued to each Eligible Employee inviting him to enter into an agreement with the Company by signing and returning as directed the accompanying Partnership Share Agreement duly completed and signed.

An employee who starts employment with a Participating Company will be given an invitation as soon as administratively possible after the date of commencement of his employment.

The invitation shall specify:

- 2.1.1 whether the Directors have determined to offer Matching Shares to Eligible Employees who enter into a Partnership Share Agreement; and

2.1.2 the basis on which such Matching Shares will be awarded;

2.2 The Company may specify the maximum number of Shares to be included in an offer of Partnership Shares.

- 2.2.1 The Partnership Share Agreement shall contain an undertaking by the Company to notify each Eligible Employee of any restriction on the number of Shares to be included in an offer. This notification shall be given before the deduction of the Partnership Share Money relating to the offer.

2.3 A Partnership Share Agreement entered into in accordance with this Rule 2 shall form the binding agreement between the Eligible Employee and the Company:

- 2.3.1 to permit the Company to deduct from his net Salary (i.e. after deduction of tax and social security contributions) each month an amount which is not less than the Minimum Monthly Subscription nor more than 4% of his gross Salary;

PROVIDED THAT if the Minimum Monthly Subscription is more than 4% of the gross salary of the Eligible Employee, the deduction from his Salary will be the amount of the Minimum Monthly Subscription.
- 2.3.2 to permit the Company to transfer to the Trustee the sum deducted under rule 2.3.1.
- 2.3.3 to permit the Trustee to use the sum in rule 2.3.1 to acquire Partnership Shares on behalf of the Eligible Employee and to hold them in accordance with the Rules.

2.4 A Partnership Share Agreement shall include a provision allowing the Participant, by written notice to the Company, to stop the deductions from his Salary with effect from a date specified in the notice. Following such a notice, the Participant may direct the Company to re-start the deductions from his

Salary, provided that the deductions that have been missed in the interim period may not be made up.

2.5 A Partnership Share Agreement may provide for Participants to vary the amount deducted from Salary.

2.6 A maximum of two events under rules 2.4 and 2.5 (stopping, restarting and varying contributions) is permitted in each calendar year, unless the Company in its absolute discretion decides to permit additional applications of rules 2.4 or 2.5.

3 ACQUISITION OF PARTNERSHIP SHARES

3.1 All Partnership Share Money deducted by the Company in accordance with the Partnership Share Agreement entered into under Rule 2.1 shall be transferred directly to the Trustees. Within 30 days after the Partnership Share Money was deducted from Participants' Salaries the Trustees shall use it in the purchase of, allocation or subscription for Partnership Shares on behalf of Participants. The Trustees will send at least once in every calendar year a Notice of Award to each Participant showing the number of Shares acquired for him.

3.2 The number of Partnership Shares to be acquired on behalf of each Participant shall be determined in accordance with the Market Value of the Partnership Shares on the Acquisition Date.

3.3 If any Partnership Share Money remains after the acquisition, it may be retained by the Trustees to the Participant's account and added to the next amount of Partnership Share Money deducted from his Salary.

3.4 If the Trustees deposit the Partnership Share Money in an interest-bearing account, any interest earned will not become the entitlement of the Participant but will be used to defray the expenses of the Trust.

3.5 A Participant may withdraw any or all of his Partnership Shares from the Plan at any time. He may direct the Trustees to transfer to him the legal ownership

of the Partnership Shares; he may also direct the Trustees to transfer to him any Partnership Share Money held on his behalf. If before the end of the Holding Period he sells or withdraws from the Plan the Partnership Shares, he will lose any entitlement to receive any corresponding Matching Shares unless Rule 4.3 or 4.4 applies.

4 CESSATION OF EMPLOYMENT

4.1 In the event of a Participant ceasing to be employed by the Group in any circumstances the Directors shall ensure that his Partnership Shares and any Partnership Share Money held by the Trustee on his behalf are transferred to him by the Trustee as soon as practicable after such cessation; or he may ask the Trustee to sell his Shares and send him the cash proceeds after deducting the expenses of sale.

4.2 Unless Rule 4.3 or 4.4 applies, in the event of a Participant ceasing to be employed in the Group before the end of the Holding Period he will lose any entitlement to receive any corresponding Matching Shares. In the event of a Participant ceasing to be employed in the Group for any reason before the Calculation Date, he will lose any entitlement to receive any corresponding Matching Shares.

4.3 In the event of a Participant ceasing to be employed by the Group during the Holding Period by reason of:

- 4.3.1 injury or disability, (in each case as defined in the country in which the Participant is employed); or
- 4.3.2 redundancy or its equivalent in accordance with the laws and practices of the country in which the Participant is employed, and as determined by the Company
- 4.3.3 a change of Control or other circumstances resulting in the Participating Company ceasing to be a member of the Group; or
- 4.3.4 the sale of a business or part of a business of a Participating Company in such circumstances that employees retain their existing employment

- rights in accordance with the legislation in their country of residence; or
- 4.3.5 retirement in accordance with the laws and practices of the country in which the Participant is employed; or
- 4.3.6 death

the Holding Period will come to an end on the date of cessation and he will receive the corresponding Matching Shares on that date in accordance with Rule 5.2.

4.4 In the event of a Participant ceasing to be employed by a Participating Company in such circumstances that he then commences employment with the Company or a Subsidiary in another country, the Holding Period will come to an end on the date of cessation and at the discretion of the Directors he will receive the corresponding Matching Shares on that date in accordance with Rule 5.2.

4.5 When a Participant receives Matching Shares in the circumstances set out in Rules 4.3 or 4.4, he must immediately remove them from the Plan.

PART TWO - MATCHING SHARES

5 AWARD OF MATCHING SHARES

5.1 When the Directors have decided to operate the Plan by awarding Matching Shares on the same terms to Eligible Employees who enter into a Partnership Share Agreement under Rule 2, the invitation issued to each Eligible Employee under Rule 2 shall contain information about such decision, including the number of Matching Shares that will be appropriated for each Partnership Share.

5.2 On the day following the end of the Holding Period, the Directors will award to Participants on whose behalf the Trustees hold Partnership Shares,

Matching Shares on the basis set out in the invitation. The Matching Shares awarded will then form part of the Plan Shares.

5.3 Where Matching Shares are awarded under this Rule 5 the Trustees will send at least once in every calendar year a Notice of Award to each Participant to whom such Shares have been awarded.

6 TRANSFER OF MATCHING SHARES

6.1 In accordance with the Partnership Share Agreement entered into between a Participant and the Company under Rule 2, a Participant may direct the Trustee to transfer the legal ownership of his Matching Shares to him at any date after the end of the Holding Period.

6.2 The Participating Company will be entitled to withhold and the Participant will be obligated to pay, the amount of tax or any social security contributions or other regulatory payments which may be payable by or on behalf of such Participant in connection with the transfer of Plan Shares. The Trustees may establish appropriate procedures to provide for any such payment including, in lieu of transferring some or all of the Shares to which a Participant is entitled, the sale of such proportion thereof as shall equate to the amount of the liability, the payment of such amount to the relevant authority and the transfer of the resulting number of Shares to the Participant.

6.3 Any direction given by a Participant under Rule 6.1 must be in the form as notified by the Trustee, adapted as appropriate. The Trustee will transfer the relevant Matching Shares as soon as practicable after the receipt of the direction.

7 CESSATION OF EMPLOYMENT AND WITHDRAWAL OF MATCHING SHARES FROM THE PLAN

7.1 In the event of a Participant ceasing to be employed by the Group in any circumstances, he must either (a) ask the Trustee to forward to him the Share Certificate in respect of his Matching Shares; or (b) he may ask the Trustee to sell his Matching Shares and send him the cash proceeds after deducting the expenses of sale.

PART THREE - DIVIDEND SHARES

8 REINVESTMENT OF DIVIDENDS

8.1 All dividends payable in respect of Plan Shares shall be paid by the Company directly to the Trustee. The Trustee shall, within 30 days of their receipt of such dividends net of any taxes which may be due under U.S. law on the dividends, use them to acquire further Shares for awarding to Participants as Dividend Shares.

8.2 For the purposes of Rule 8.1 'acquire' shall mean subscribe for, allocate or purchase.

8.3 Where Dividend Shares have been acquired under Rule 8.1 the Trustee will send a Notice of Award to each Participant to whom such Dividend Shares have been awarded at least once in every calendar year.

9 TRANSFER OF DIVIDEND SHARES

9.1 In accordance with the Partnership Share Agreement entered into between a Participant and the Company under Rule 2.1 a Participant may direct the Trustee to transfer the legal ownership of his Dividend Shares to him at any time.

9.2 Any direction given by a Participant under Rule 9.1 must be in the form as notified by the Trustee, adapted as appropriate. The Trustee will transfer the relevant Dividend Shares as soon as practicable after receipt of the direction.

10 CESSATION OF EMPLOYMENT AND WITHDRAWAL OF DIVIDEND SHARES FROM THE PLAN

10.1 In the event of a Participant ceasing to be employed by a Participating Company in any circumstances, he must either (a) ask the Trustees to forward to him the Share Certificate in respect of his Shares; or (b) ask the Trustees to sell his Dividend Shares and send him the cash proceeds after deducting the expenses of sale.

PART FOUR - GENERAL

11 ACQUISITION OF SHARES FOR AWARD

11.1 The Trustee may upon the direction of the Directors, purchase Shares on the Acquisition Date or from time to time until the Dealing Day preceding the relevant Award Date. Such Shares may be purchased on the New York Stock Exchange.

11.2 The Trustee, at the direction of the Directors, may subscribe for Shares for awarding to Eligible Employees under the Plan on the relevant Award Date and the price per Share at which the Trustees shall subscribe for such Shares shall be the Market Value of a Share on the date of subscription.

11.3 Contributions to be made by the Company and each Participating Company to the Trustee to support any purchase of or subscription for Shares to be made by the Trustee for award on any Award Date shall be paid not later than the Dealing Day immediately prior to the relevant Award Date.

11.4 Certificates shall be issued by the Company in respect of Plan Shares and shall be delivered to or to the order of the Trustee.

12 ISSUE OF SHARES AND DIVIDENDS

12.1 All Shares issued under the Plan shall as to voting, dividend, transfer and other rights (including those arising on a liquidation) rank equally in all respects with the Shares then in issue.

12.2 The Participant will receive all rights as to voting, dividend transfer and other rights in respect of Partnership Shares from the Acquisition Date and in respect of Matching Shares and Dividend Shares on the respective Award Date.

12.3 If the Trustees receive any foreign cash dividend in respect of Plan Shares, they shall give the Participant notice of the amount of any foreign tax already deducted.

13 TAKEOVERS

13.1 In the event of a Change of Control of the Company, the Directors will give notice to all participants as soon as practicable.

13.2 A Participant may then direct the Trustees to accept an offer of shares for any of his Plan Shares to the intent that, if the offer is accepted, the new holding of shares in the acquiring company equates to the original holding of Plan Shares.

14 TAX AND SOCIAL SECURITY

If

(a) the receipt of Matched Shares and/or Dividend Shares or

(b) the sale of Plan Shares

results in a liability to income tax, capital gains tax or social security contributions (or the local equivalent of these) in the Participant's country of employment and the legislation in that country requires tax or social security contributions to be withheld, the Participating Company will make the appropriate deductions. If there is no such requirement in that country it is the responsibility of the Participant to settle these liabilities with the appropriate authorities.

15 STAMP DUTY

Any stamp duty or other expenses involved in any transfer of Shares by the Trustee shall be payable by the Participant concerned or the purchaser from the Participant concerned.

16 DISPUTES

The decision of the Directors in any dispute or question affecting any Eligible Employee or Participant under the Plan shall be final and conclusive.

17 RIGHTS ON TERMINATION OF EMPLOYMENT

In no circumstances shall any person who has ceased to be an employee of the Company or any Subsidiary or any member of the Group by reason of dismissal or otherwise howsoever or who is under notice of termination of his employment be entitled to claim as against any Participating Company or Subsidiary or the Group or the Trustee any compensation for or in respect of any consequential loss he may suffer by reason of the operation of the terms of the Plan.

18 ADMINISTRATION AND ALTERATIONS

18.1 The Directors shall have power from time to time to make and vary such regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan as it thinks fit.

18.2 The Directors shall have power from time to time exercisable by resolution to agree that any Subsidiary and any Jointly Owned Company shall become a Participating Company for the purposes of the Plan. Any such member of the Group shall cease to be a Participating Company as from such date as the Directors may by resolution determine and shall be deemed not to be a Participating Company as from the date on which it ceases to be a Subsidiary or Jointly Owned Company.

18.3 In the event of any dispute as to whether a person is or is not an Eligible Employee or as to any rights or obligations of any person hereunder or any question concerning the construction or effect hereto or any other question in connection with the Plan, the Directors shall determine the same (other than in the case of a matter to be certified by the auditors in accordance with these Rules) and such determination shall be final and binding on all persons.

18.4 The Directors may resolve to alter the Rules as may be necessary or desirable to take account of relevant overseas legislation to acquire or maintain beneficial tax treatment.

18.5 The Rules of the Plan may be altered by resolution of the Directors provided that:

- 18.5.1 no alteration which would adversely affect the rights of any Participant in respect of Plan Shares already awarded to him or acquired on his behalf shall be effective; and
- 18.5.2 no alteration may be made which would alter the fundamental purpose of the Plan.

18.6 The cost of the preparation and operation of the Plan shall be borne by the Company.

19 ERRORS AND OMISSIONS

19.1 The Company, the relevant Participating Company and where appropriate the Trustee may do all such acts and things as they may agree to rectify any error or omission, including any error or omission as a result of which any Eligible Employee is not accounted for on the award of Plan Shares notwithstanding that such action may fall outside the time limits or otherwise conflict with the provisions of the Rules provided always that the limits set out in Rule 1 would not thereby be exceeded.

20 NOTICES

20.1 Save as otherwise provided herein, any notice or communication to be given by the Company or the Trustee to any Eligible Employee or Participant may be given by personal delivery or by sending the same by ordinary post to his last known address and where a notice or communication is sent by post it shall be deemed to have been received 72 hours after the same was put into the post properly addressed and stamped. All notifications, documents, option or

share certificates and other communications sent by post as aforesaid will be sent at the risk of the Eligible Employee or Participant concerned and the Company, its Subsidiaries, any Jointly Owned Company, any other employing company and the Trustee shall have no liability whatsoever to any Eligible Employee or Participant in respect of any notification, document, option or share certificate or other communication so given, sent or made and nor shall the Company, any of its Subsidiaries any other employing company or the Trustee be concerned to see that any Eligible Employee or Participant actually receives it.

20.2 Save as otherwise provided herein, any notice or communication given by an Eligible Employee or a Participant to the Company or the Trustee shall be delivered or sent to the Company or the Trustee at its registered office (or at such other place or places as the Directors or the Trustee may from time to time determine and notify to Eligible Employees and Participants) and be effective upon receipt.

21 GENERAL

21.1 The Directors may decide from time to time to suspend or cease operation of the Plan. Benefits awarded under the Plan do not constitute remuneration or an entitlement to future participation in the Plan.

21.2 The Plan shall continue for a period of ten years commencing on the date of the Trust Deed unless terminated earlier by resolution of the Directors.

22 GOVERNING LAW

The Plan is governed by and shall be construed in accordance with the laws of England.

KIMBERLY-CLARK SHAREPLUS ("THE PLAN")

SCHEDULE - BELGIUM

The Plan shall be modified in respect of Matching Shares awarded to or to be awarded to a person resident for tax purposes in Belgium as provided for in this Schedule.

Words and phrases in the Plan shall bear the same meaning in this Schedule except as otherwise provided.

In Rule 6.1, delete the wording and replace with:

"6.1 "In accordance with the Partnership Share Agreement entered into between a Participant and the Company under Rule 2, the Participant agrees that the Trustees will hold his Matching Shares until the expiration of two years following the date on which the Matching Shares were awarded to him."

KIMBERLY-CLARK SHAREPLUS ("THE PLAN")

SCHEDULE - ITALY

The Plan shall be modified in respect of Rule 21.2 and the definition of "Market Value" in respect of Matching Shares awarded to or to be awarded to a person resident for tax purposes in Italy as provided for in this Schedule.

Words and phrases in the Plan shall bear the same meaning in this Schedule except as otherwise provided.

In Rule 1, the definition of "Market Value" shall be varied as follows:

Delete "its middle market quotation on the immediately preceding Dealing Day" and replace with "the average price of the immediately preceding thirty Dealing Days".

Rules 21.2 shall be renumbered Rule 21.3 and a new Rule 21.2 shall be inserted as follows:

"21.2 "The number of Matching Shares awarded to participants under the Plan has been calculated taking into consideration the influence of the said amount over the employment economic figures provided by their employment and, in particular, the severance payments including the end-of service allowance (TFR). Participants will not be entitled to claim any additional payments or a different calculation of the above-mentioned figures."

KIMBERLY-CLARK SHAREPLUS ("THE PLAN")

SCHEDULE - UK TOP-UP

The Plan shall be modified in respect of the definition of "Eligible Employee" in respect of a person resident for tax purposes in the UK, as provided for in this Schedule.

Words and phrases in the Plan shall bear the same meaning in this Schedule except as otherwise provided.

In Rule 1, the definition of "Eligible Employee" shall be varied as follows:

Delete the wording in shareplus and replace with:

- | | |
|-------|--|
| " (a) | any person who is a full-time or part-time employee of a Participating Company including persons who have been temporarily transferred to work in another country but continue to be paid by the Participating Company; or |
| (b) | has participated or has agreed to participate in shareplus UK by saving the maximum amount permitted under that Plan as defined in its Rules under "Partnership Share Limit". |

In Rule 4.3.5 delete the wording and replace with:

"retirement on or after reaching age 50".

EXHIBIT VI TRUST DEED AND RULES OF KIMBERLY-CLARK SHAREPLUS UK, FILED
WITH SEC ON 18 SEPTEMBER 2009 AS EXHIBIT 4.3.2 OF FORM S-8

EXHIBIT 4.3.2

DATED 15 MAY 2002

(1) KIMBERLY-CLARK HOLDING LIMITED

(2) MOURANT ECS TRUSTEES LTD

TRUST DEED AND RULES

OF

KIMBERLY-CLARK SHAREPLUS UK

ADOPTED BY THE BOARD OF DIRECTORS OF THE COMPANY

ON 9 MAY 2002

AND APPROVED BY THE INLAND REVENUE

UNDER THE FINANCE ACT 2000

ON 16 MAY 2002 UNDER REFERENCE A1513

TRUST DEED AND RULES OF KIMBERLY-CLARK SHAREPLUS UK

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THIS DEED is made the 15th day of May 2002
BETWEEN:

- (1) KIMBERLY-CLARK HOLDING LIMITED whose registered office is at 1 Tower View, Kings Hill, West Malling, Kent ME19 4HA (hereinafter called "the Company")
- (2) MOURANT ECS TRUSTEES LTD whose registered office is at 4th Floor 35 New Bridge Street, London EC2V 6BW ("the Trustees")

RECITALS:

(A) The Company was incorporated on 20 November 1985 with limited liability under the Companies Act 1985 under registration number 1961889

(B) The Company wishes to establish a share incentive plan to be approved in accordance with the provisions of the Schedule and constituting an employees' share scheme as defined in Section 743 of the Companies Act 1985 (hereinafter called "the Plan") for the purposes of providing funds to the Trustees to enable Shares in the capital of the Parent to be acquired by the Trustees and to be appropriated to employees of the Participating Companies (as hereinafter defined) and to enable the Trustees to acquire further Shares in the capital of the Parent on behalf of Participants using Partnership Share Money (as defined in Schedule One) and dividends in accordance with the rules of the Plan

(C) The Board of Directors of the Company resolved to adopt the Plan on 9 May 2002

(D) The Trustees have agreed to be the first Trustees of the Plan

THIS DEED PROVIDES as follows:

1 DEFINITIONS

1.1 Unless the context otherwise requires words and expressions defined in Schedule One shall have the same meaning in the other parts of this Deed and references to "Clauses" shall mean clauses of this Deed and references to "Rules" in this Deed and in Schedule One shall mean the rules set out in Schedule One

1.2 References to the Plan shall mean the Plan constituted by this Deed and Schedule One

1.3 References to any statutory provision are to that provision as amended or re-enacted from time to time and unless the context otherwise requires words in the singular shall include the plural (and vice versa) and words importing the masculine shall include the feminine (and vice versa)

2 TRUSTS OF THE PLAN

2.1 The Company hereby covenants with the Trustees to pay and to procure that each Participating Company pays to the Trustees in accordance with and subject to the provisions of the Plan the amounts due from it or them for the purposes of the subscription for or purchase of Shares by the Trustees to be appropriated under the Plan as Free Shares and/or Matching Shares to prospective Participants employed by it or them (as appropriate) together with any other amounts required to cover any costs charges and expenses incurred in such subscription or purchase and any other expenses and charges incurred by the Trustees in the establishment operation and determination of the Plan

2.2 The Company hereby covenants with the Trustees to pay and procure that each Participating Company pays to the Trustees as soon as practicable in accordance

with and subject to the provisions of the Plan the amounts due from Participants under deduction from salary for the purposes of the subscription for or purchase of Shares by the Trustees to be acquired under the Plan as Partnership Shares for Participants employed by it or them (as appropriate)

2.3 The Trustees shall keep any Partnership Share Money in an account with:

- a) an institution authorised under the Banking Act 1987;
- b) a building society; or
- c) a relevant European institution.

The Trustees shall be under no obligation to place monies in an interest bearing account, but if Partnership Share Money is held in an interest bearing account the Trustees must account to the Participants for it.

2.4 The Company hereby covenants with the Trustees to pay and procure that each Participating Company pays to the Trustees in accordance with and subject to the provisions of the Plan any cash dividends in respect of Plan Shares held on behalf of Participants for the purposes of the subscription for or purchase of further Shares by the Trustees as Dividend Shares for Participants in accordance with Rule 12.1

2.5 Subject as hereinafter provided the Trustees hereby covenant with the Company, each Participating Company and each Participant to apply the monies received pursuant to Clauses 2.1, 2.2 and 2.4 in the subscription for or purchase of Shares and to hold the same once appropriated and all other trust property deriving therefrom UPON TRUST for the Participants respectively entitled thereto subject to the Rules of the Plan and shall appropriate the Shares so acquired to the Participants in accordance with the Rules of the Plan

2.6 The Trustees shall be entitled to rely on information supplied by the Company and each Participating Company in respect of the eligibility of any person to become or remain a Participant in the Plan

2.7 The Trustees shall, as soon as practicable after the first award of Shares and thereafter on at least one occasion in a calendar year notify each Participant of the following:

- 2.7.1 where Shares are purchased or subscribed for in accordance with Clauses 2.1 and 2.4:
- the number and description of Shares appropriated;
 - the Market Value of those Shares on the Appropriation Day;
 - the Holding Period in respect of those Shares; and
 - in relation to Clause 2.4, the amount carried forward under the provisions of paragraph 58 of the Schedule; and

- 2.7.2 where Shares are purchased or subscribed for in accordance with Clause 2.2:
- the number and description of Shares so acquired;
 - the amount of the contributions made by the Participant in acquiring the Shares and the basis on which the number of Shares was determined;
 - the Market Value of the Shares on the Acquisition Date

except that where the Directors have decided that an Accumulation Period shall apply, such notice need be given on only one occasion in a Year of Assessment following the appropriation of Shares

2.8 If prior to the appropriation of any Shares under the Plan the Trustees become entitled in respect of those Shares to any rights to be allotted or to subscribe for further securities (other than an issue of bonus shares of the same class as Shares then held by the Trustees pending any such appropriation which bonus shares shall be retained by the Trustees and shall form part of the Shares to be appropriated among the Participants on the relevant Appropriation Day) the Trustees may exercise those rights or sell those rights for the best consideration in money reasonably obtainable at the time

- 2.9 The Trustees shall hold:
- 2.9.1 the net proceeds of any sale made pursuant to Clause 2.12;
 - 2.9.2 any income therefrom; and
 - 2.9.3 any Capital Receipt of less than Pound Sterling³ otherwise distributable to a particular Participant;

UPON TRUST to apply the same in or towards any reasonable expenses of administering and determining the Plan (including any provision for taxation for which the Trustees are liable) and the Trustees shall notify the Company on request of the amounts so held by them and the Trustees shall not be under any duty to invest any monies of which they stand possessed under this Clause

2.10 The Trustees may, with the agreement of the Participant, carry forward any surplus Partnership Share Money remaining after the acquisition of Shares pursuant to Clause 2.2 for the Participant but in any other case must pay the surplus Partnership Share Money to the Participant. However, where a Participant withdraws from a Partnership Share Agreement, any Partnership Share Money held on his behalf shall be paid over to him in accordance with Rule 7

2.11 Every Free Share Agreement and Partnership Share Agreement shall provide that if the Participant;

- a) ceases to hold Relevant Employment (otherwise than in any of the circumstances mentioned in Rules 4.1, or 11.1);
- b) withdraws the Free or Matching Shares from the Plan; or
- c) in the case of Matching Shares, withdraws the corresponding Partnership Shares from the Plan;

at any time within a period not exceeding one year beginning with an Appropriation Date, he shall thereupon forfeit his beneficial interest in:

- a) such Free or Matching Shares, as the case may be, appropriated to him on that Appropriation Date; and
- b) all other shares or other securities except Dividend Shares acquired by such Participant for no consideration by virtue or in consequence of his holding of such Free and Matching Shares.

2.12 Upon the termination of the Plan for whatever reason the Trustees shall sell all unappropriated Shares and thereupon account (so far as practicable) to the Company and to any Participating Companies for any monies held by them so far as practicable in the same proportions as they were provided or as may otherwise be appropriate and shall pay any cash balances held under Clause 2.10 to which a Participant may be entitled to him as soon as practicable and in any event within 60 days of termination of the Plan (subject to Clause 14).

3 DIVIDENDS AND OTHER DISTRIBUTIONS

As soon as practicable following their receipt of any dividends or other distributions in respect of Plan Shares the Trustees shall deal with them in accordance with the Rules of the Plan.

4 GROUP COMPANIES

4.1 The Plan may with the consent of the Directors and after notification to the Inland Revenue be extended to any Subsidiary not a party to this Deed by the adherence of such Subsidiary to the provisions of the Plan by a deed supplemental hereto in the form of Schedule Eight amended as may be thought necessary by the Company and the Trustees and thereupon the provisions of the Plan and of this Deed shall apply to such Subsidiary as though it were a party to this Deed.

4.2 The Plan shall cease to apply to any Participating Company

other than the Company at any time when:

- 4.2.1 such company ceases to be a Subsidiary; or
- 4.2.2 a notice is served by the Company upon the Trustees that the Plan shall cease to apply to such company provided that the conditions specified in paragraphs 60-67 of the Schedule continue to be satisfied.

4.3 If and so long as the Plan applies to any Subsidiary such Subsidiary shall provide the Trustees with all information required from it for the purposes of the administration and determination of the Plan and shall do so in such form as the Trustees shall reasonably require and the Trustees shall in good faith rely on such information without further enquiry.

4.4 If and so long as the Plan applies to any Subsidiary the powers and discretions exercisable by such Subsidiary in relation to the Plan shall be exercisable by resolution of its board of directors or a duly appointed committee of such board and a minute of any resolution of such board signed by the secretary or a director of such Subsidiary shall be sufficient authority for the Trustees to act.

5 ACQUISITION OF SHARES

5.1 Shares to be used pursuant to the Plan may be acquired by the Trustees by way of:

- 5.1.1 subscription; or
- 5.1.2 purchase (including from Participants and any other trust); or
- 5.1.3 a rights or capitalisation issue in respect of Shares which have been acquired by the Trustees and have not been appropriated under the Plan; or
- 5.1.4 forfeiture under the provisions of Clause 2.11;

and any Shares acquired in accordance with Clauses 5.1.1 and 5.1.2 above may also be acquired for an amount which is below the market value as defined in Part VIII of the Taxation of Chargeable Gains Act 1992.

5.2 The Trustees shall have the power to borrow funds to acquire Shares for the purposes of the Plan so long as the Shares are readily convertible assets within the meaning of Section 203F of the Act.

5.3 Any sums paid by a Participating Company to the Trustees pursuant to Clause 2.1 shall if not applied for the purposes of the Plan within nine months from the date of such payment be used to cover the Trustees' incidental costs and expenses or be repaid promptly to that company.

6 ISSUE OF SHARES

6.1 All Shares subscribed for by the Trustees pursuant to the Plan shall as to voting, dividend, transfer and other rights (including those arising on a liquidation) rank pari passu with the Shares then in issue except that they will not rank for any dividend or other rights declared by reference to a record date preceding the date of such subscription.

6.2 If and so long as the Shares which are to be issued are of the same class as shares which are listed on the New York Stock Exchange the Company shall use its best endeavours to procure that as soon as practicable after the allotment of any shares to the Trustees pursuant to the Plan application shall be made to the New York Stock Exchange for admission of the shares to the Exchange.

7 RETENTION OF SHARES

7.1 The Trustees shall not dispose of any Plan Shares held on behalf of a Participant during the applicable Holding Period except:

- 7.1.1 in accordance with a direction of such Participant (or his personal representatives) in the event of a Reconstruction or Take-over affecting such Shares;
- 7.1.2 to raise funds to subscribe for rights issues (subject to Clause 10);

7.1.3 to dispose of Shares to meet PAYE obligations under paragraph 73 of the Schedule.

7.2 After the applicable Holding Period nothing shall prevent a Participant from instructing the Trustees to sell his beneficial interest in his Plan Shares, including a sale to the Trustees for the same consideration as would be required to be obtained on a sale of such Shares to a third party.

7.3 Subject to Rule 21, when a Participant ceases to be in Relevant Employment the Trustees must within 90 days remove any Shares of his from the Trust by:

- 7.3.1 transferring the Plan Shares to the Participant or to another person at his direction; or
- 7.3.2 disposing of the Plan Shares and accounting (or holding themselves ready to account) for the proceeds to the Participant or to another person at his direction.

Where the Participant has died the references in Clauses 7.3.1 and 7.3.2 to the Participant shall be read as references to his personal representatives.

8 VOTING RIGHTS

8.1 In respect of any Plan Shares the Trustees shall upon any matter in relation to which at a general meeting of the Relevant Company or at any class meeting they are entitled to exercise any voting rights attaching thereto invite the relevant Participants to direct them as to such exercise. The Trustees shall not be entitled in respect of any Plan Shares to vote on a show of hands unless all directions received from the Participants concerned in respect of the particular resolution are identical and shall not in any circumstances be under an obligation to call for a poll. In the event of any poll the Trustees shall vote only in accordance with the directions of Participants who have given such directions. The Trustees shall not exercise any voting rights in respect of any unappropriated Shares acquired by them pursuant to the Plan.

8.2 The Trustees shall not be bound to act upon any instructions given by a Participant in respect of Plan Shares unless such instructions are received by the Trustees in writing signed by the Participant.

9 NOTICES AND CIRCULARS

9.1 Notices or documents which the Trustees are required or may desire to give to any Eligible Employee or Participant shall be delivered to him by hand or electronically or sent to him by first-class post pre-paid at his last known home or business address according to information provided by him to the relevant Participating Company. Notices sent by first class post shall be deemed to have been given on the day following the date of posting.

9.2 The Parent shall send or make available to Participants copies of all circulars and documents sent by it to the holders of its Shares and if and for so long as the Parent is not the Relevant Company shall use all reasonable endeavours to procure that all circulars and documents sent by the Relevant Company to its ordinary shareholders shall be sent or made available to Participants.

10 RIGHTS ISSUES

10.1 Whenever any rights to acquire shares or other securities or other rights of any nature are granted by the Relevant Company in respect of Plan Shares each Participant shall be notified by the Trustees of the rights (determined in accordance with Clause 13) attaching to his Plan Shares and he may instruct the Trustees

10.1.1 (subject to the provision by him of funds) to take up the rights; or

10.1.2 to sell the rights (in whole or in part); or

10.1.3 to allow the rights to lapse.

10.2 The Trustees shall act upon such instructions received by them not less than five Dealing Days before the expiry of the period allowed for the exercise of any such rights. If any Participant has not prior to five Dealing Days before the expiry of the period allowed for the exercise of any such rights given instructions to the Trustees with regard thereto and provided any funds necessary for the purpose the Trustees shall allow such rights to lapse. The Trustees shall deal with any payment received in consequence of allowing any rights to lapse in respect of any Plan Shares as a Capital Receipt (provided that any Capital Receipt of less than Pound Sterling3 otherwise distributable to a particular Participant may be retained by the Trustees).

10.3 Any Plan Shares (within the meaning of paragraph 116(1) of the Schedule) taken up by the Trustees on behalf of any Participant under this Clause shall, subject to Clause 13, form part of the Participant's Plan Shares and shall be deemed to have been acquired or appropriated at the same time as the Plan Shares to which they relate.

10.4 Nothing in this Clause shall require the Trustees to act in any manner whereby they would be involved in any liability unless indemnified to their satisfaction by the Participant in question against such liability. In the exercise of any discretion conferred upon them the Trustees shall not be liable for any loss to any Participant arising by reason of any matter or thing other than wilful fraud or wrongdoing or in the case of Trustees engaged in the business of providing a trustee service for a fee negligence on the part of the relevant trustee sought to be made liable.

11 CAPITALISATION ISSUES

Where the Relevant Company allots any new shares (within the meaning of paragraph 115(3) of the Schedule) by way of capitalisation to the Trustees in respect of any Plan Shares held by them such new shares shall subject to and in accordance with Clause 13 form part of such Plan Shares and shall be deemed to have been acquired or appropriated at the same time as the Plan Shares in respect of which they are allotted.

12 RECONSTRUCTIONS AND TAKE-OVERS

12.1 Participants shall be notified of any Reconstruction or Take-over and any Participant may give notice in writing to the Trustees instructing them in respect of any of his Plan Shares (and where appropriate exercising any right to elect to receive any particular form of consideration available thereunder).

12.2 To the extent the consideration received by virtue of any Reconstruction or Take-over consists of cash it shall be treated as the proceeds of a disposal under Clause 7.1 and so far as it consists of new shares (within the meaning of paragraph 115(3) of the Schedule) it shall be held by the Trustees as Plan Shares subject to the terms of this Deed and the Rules mutatis mutandis as if the same were the Plan Shares in respect of which they are issued or which they otherwise represent.

13 ENTITLEMENTS

13.1 Where in respect of Shares of the same class as the Plan Shares an offer or invitation is made conferring rights to acquire against payment additional securities in the Relevant Company or where new securities by way of capitalisation are to be allotted by such company the Trustees shall allocate such rights or securities amongst the Participants concerned on a proportionate basis and the Trustees shall use their best endeavours to sell any rights or securities which are not allocated and distribute the net proceeds of sale (after deducting therefrom any expenses of sale and any taxation which may be payable by the Trustees in respect thereof) among the Participants whose allocation was rounded down. Such proceeds which derive from Plan Shares will be treated as a Capital Receipt in accordance with paragraph 79(2) of the Schedule provided that any sum of less than L.3 otherwise distributable to a particular Participant may be retained by the Trustees.

13.2 In any circumstances in which the Trustees receive new securities which are deemed to form part of a holding of Plan Shares the Trustees shall allocate the

securities to the Participant by reference to the relevant dates of appropriation of the Plan Shares to which they relate.

14 INFORMATION AND ACCOUNTING FOR INCOME TAX

14.1 The Trustees and each Participating Company must maintain such records as may be necessary for the purposes of:

- 14.1.1 informing Participants of their PAYE and National Insurance liabilities under the Plan; and
- 14.1.2 enabling the Participating Company to make and account for a PAYE (and National Insurance Contributions) deduction in respect of any asset transferred to a Participant when a liability to Schedule E income tax arises and the asset is a readily convertible asset within the meaning of Section 203F of the Act.

14.2 If the Trustees are obliged to operate PAYE in accordance with the provisions of paragraph 95 of the Schedule, they may dispose of the asset or part thereof on behalf of the Participating Company and account to the Inland Revenue for so much of the proceeds of disposal as would be required if there had in fact been a payment of assessable income, and to the Participant for the balance or they may allow the Participant to pay to the Trustee a sum equal to the amount required to discharge the obligation.

15 TRUSTEES' POWERS OF DELEGATION

15.1 In the exercise of their discretions and the performance of their duties hereunder the Trustees may employ and pay a registrar solicitor broker actuary accountant banker or other adviser and may appoint any such person as their agent to transact all or any business and may act on the advice or opinion of any such solicitor, broker, actuary, accountant, banker or other adviser and shall not be responsible for

anything done or omitted to be done or suffered in good faith in reliance on such advice or opinion.

15.2 Except as otherwise provided by Part IX of the Schedule the Trustees may delegate any of their powers and duties hereunder or any business including the exercise of any discretion to any person or company including the Company or any Subsidiary.

15.3 The Trustees may at any time and shall if so directed by the Company revoke any delegation or arrangement made under this Clause and require any trust property held by another person to be returned to the Trustees.

15.4 The Trustees may execute or sign and (if and so long as there is more than one Trustee) may authorise the execution or signature by any one of their number as their agent (and any corporate trustee may similarly authorise any of its directors officers or employees on its behalf) to effect the execution or signature of any deeds documents cheques or other instruments by the impression of any signature on behalf of or as witness of any sealing by the Trustees in writing printing lithography photocopying or any other mode of representing or reproducing words in a visible form. Any such signature or sealing shall be as valid as if given by all the Trustees.

15.5 The Trustees may at any time cause any part of the trust property to be deposited for safekeeping with any Trustee or any other person on behalf of the Trustees and may pay any expenses in connection therewith.

16 ADMINISTRATION

16.1 Subject to and in accordance with the provisions of this Deed including Schedule One the Trustees may make such regulations as they consider appropriate relating to the administration of the Plan.

16.2 If and so long as there is more than one Trustee the Trustees shall meet together as may be necessary for the administration of the trusts hereof and all decisions taken by a majority (or as a result of the casting vote of any chairman appointed by the

Trustees present at the meeting) of the Trustees present at any meeting of the Trustees of which notice has been given to all of them present in the United Kingdom (provided at least two Trustees shall be present) shall be as effective for all purposes as if such decisions had been unanimous decisions of all the Trustees. A written resolution signed by all the Trustees arrived at without any meeting shall be effective for all purposes. Nothing herein shall preclude a sole corporate trustee from acting on its own.

16.3 The Trustees shall arrange for the relevant Participating Companies to account to the Inland Revenue or other authority concerned for any amounts deducted from payments made pursuant to the Plan in respect of PAYE or any other deductions required in accordance with paragraph 73 of the Schedule.

17 PROVISIONS RELATING TO THE TRUSTEES

17.1 The Company shall pay to or reimburse the Trustees upon demand for all charges and expenses reasonably incurred by them in the course of the administration and determination of the trusts of this Deed and of the Plan and shall keep their estates and effects fully indemnified and saved harmless against all actions, claims, losses, demands, proceedings, charges, expenses, costs, damages, taxes, duties and other liabilities arising out of anything done or caused to be done by them or suffered or incurred by them in the exercise or purported exercise of any of the powers and discretions vested in them by this Deed and the Plan or otherwise howsoever arising out of or in connection with the preparation administration operation or termination of the Plan but so that no Trustee shall be indemnified or exonerated in respect of any fraud or wilful default or in the case of Trustees engaged in the business of providing a trustee service for a fee negligence on his part and in addition the Trustees shall have the benefit of all indemnities conferred upon trustees generally by law and by the Trustee Act 1925.

17.2 A person shall not be disqualified from acting as a Trustee hereof or exercising any power vested in the Trustees by reason of the fact that he is or has been a director or employee of any Participating Company or any Subsidiary or is participating in

or has participated in the Plan or for any remuneration or other benefit received thereby or in connection therewith.

17.3 Any bank which is banker to the Company or any Subsidiary may act as Trustee without being required to account for any profit resulting therefrom.

17.4 Any person acting as a Trustee in the course of any profession or business carried on by him may charge and be paid such reasonable remuneration charges or disbursements whether in connection with the Plan or otherwise as shall from time to time be agreed between him and the Company.

17.5 No Trustee (and no director or officer of a body corporate or a trust corporation acting as a Trustee) shall on his own account be precluded from acquiring, holding or dealing with any debentures, debenture stock shares or securities whatsoever of the Company or any Subsidiary or any other company in the shares of which the Company or any Subsidiary may be interested or from entering into any contract or other transaction with the Company or any Subsidiary or any such other company or from being interested in any such contract or transaction and nor shall he be in any way liable to account to the Company or any Subsidiary or any Participant in the Plan for any profits made, fees, commissions, shares of brokerage discounts allowed or advantages obtained by him from or in connection with such acquisition, holding, dealing contract or transaction whether or not in connection with his duties hereunder.

17.6 The Trustees shall be entitled in the absence of manifest error to rely without further enquiry on information supplied to them by the Company for the purposes of the Plan and shall also be entitled to rely in the absence of manifest error on any direction notice or document purporting to be given or executed by or with the authority of the Company or by any Participant in the Plan as having been so given or executed.

18 APPOINTMENT REMOVAL AND RETIREMENT OF TRUSTEES

18.1 The Company may at any time by writing under the hand of a person duly authorised by a resolution of the Directors:

- 18.1.1 appoint a new Trustee including a corporate Trustee;
and
- 18.1.2 remove a Trustee from office (but not so as to leave
in office less than two Trustees unless a corporate
Trustee) without assigning any reason therefore and
shall give one month's notice after which such
removal shall (in the absence of any other date
specified in the notice) take place forthwith.

18.2 All powers of appointment and removal shall be vested in the Trustees in the event that the Company ceases to exist otherwise than in consequence of a reconstruction or amalgamation.

18.3 A Trustee may retire by giving to the Company written notice of his desire to retire and such notice shall take effect at the expiry of three months (or such other period as may be agreed with the Company) from the date of such notice. The Trustee shall not be obliged to pay and shall not be responsible for any costs occasioned by such retirement but shall execute all such documents and do all such things as may be necessary to give proper effect to such retirement.

18.4 Forthwith upon his removal or retirement a Trustee shall transfer all trust property held by him and deliver all documents in his possession relating to the Plan to the remaining Trustees (if any) or otherwise as the Company may direct.

18.5 The provisions of Sections 37 and 39 of the Trustee Act 1925 shall apply hereto as if any references therein to a trust corporation were references to any corporation.

19 RESIDENCE AND NUMBER OF TRUSTEES

The number of Trustees should be not less than two persons unless a company is appointed as sole Trustee. The Trustees shall at all times be resident in the United

Kingdom for United Kingdom tax purposes. If there is only one Trustee it shall be a body corporate (which in accordance with Clause 18.5 above need not be a trust corporation) at all times resident in the United Kingdom for United Kingdom tax purposes.

20 ALTERATIONS

The Company may at any time (with the concurrence of the Trustees) by deed supplemental hereto alter any of the provisions of this Deed (including the Schedules hereto) subject to the provisions of Rule 22.

21 TERMINATION

The trusts established by this Trust Deed shall (subject to the power of the Directors to terminate the Plan under Rule 23.1) continue for a period of eighty years commencing on the date of this Trust Deed and shall thereupon be wound up in accordance with Rule 23.3.

22 GENERAL

22.1 This Deed shall be governed by and construed in accordance with the laws of England.

22.2 Schedule One shall have effect as part of this Deed.

IN WITNESS whereof the parties hereto have caused this Deed to be executed the day and year first before written

THE COMMON SEAL OF)
KIMBERLY-CLARK HOLDING LIMITED)
was hereunto affixed)
in the presence of)
Director	/s/ RODNEY S. OLSEN
Secretary	/s/ MARK MAURICE-JONES
SIGNED AS A DEED)
MOURANT ECS TRUSTEES LIMITED)
was hereunto affixed)
in the presence of)
Director	/s/ DOMINIC JONES
Authorized Signatory	/s/ ADRIAN GIBBS

SCHEDULE ONE
RULES OF KIMBERLY-CLARK SHAREPLUS UK

1 DEFINITIONS

In these Rules the following words and expressions shall, where the context so permits, have the meanings set forth below:

"ACCUMULATION PERIOD"	such period as the Directors shall determine under Rule 5.1.4 which shall begin no later than the date on which the first deduction of Partnership Share Money is made from a Participant's salary and end no later than twelve months after it began and which shall be the same for all Participants in the Plan;
"THE ACT"	the Income and Corporation Taxes Act 1988;
"ACQUISITION DATE"	the date on which Partnership Shares are acquired on behalf of Participants in accordance with Rule 6 of the Plan;
"APPROPRIATION DATE"	<p>(1) in relation to Free Shares, a date determined by the Directors (and agreed in advance with the Trustees) as the date on which Free Shares are to be appropriated to Participants in accordance with Rule 2 of the Plan; and</p> <p>(2) in relation to Matching Shares, the date on which Matching Shares are to be appropriated to Participants in accordance with Rule 9 of the Plan; and</p>

	(3) in relation to Dividend Shares, the date on which the Dividend Shares are appropriated to Participants in accordance with Rule 12 of the Plan;
"ASSOCIATED COMPANY"	has the meaning in paragraph 126 of the Schedule;
"THE AUDITORS"	the auditors for the time being of the Company acting as experts and not as arbitrators;
"CAPITAL RECEIPT"	in relation to Plan Shares held on behalf of a Participant, any money or money's worth which the Trustees or the Participant become entitled to receive, save to the extent that it is disregarded pursuant to the provisions of paragraph 79(3) of the Schedule;
"THE COMPANY"	KIMBERLY-CLARK HOLDING LIMITED registered in England under number 1961889;
"CONNECTED COMPANY"	has the same meaning as in paragraph 16 (4) of the Schedule;
"CONTINUOUS EMPLOYMENT"	the meaning ascribed by Chapter I of Part XIV of the Employment Rights Act 1996;
"CONTROL"	the meaning ascribed by Section 840 of the Act;
"DEALING DAY"	a day on which the New York Stock Exchange is open for the transaction of business;

"THE DEED"	the Trust Deed constituting, inter alia, the Plan as amended from time to time;
"THE DIRECTORS"	the Shareplus Management Committee including the European HR Policy Council;
"DIVIDEND SHARES"	Shares which satisfy the requirements of paragraph 55 of the Schedule and are appropriated to Participants under Rule 12 and held by the Trustees upon the terms of the Plan;
"DIVIDEND SHARE LIMIT"	the limit specified in paragraph 54 of the Schedule from time to time;
"ELIGIBLE EMPLOYEE"	<p>any person who on the applicable Appropriation Date or the date of the deduction of Partnership Share Money relating to the award or where an Accumulation Period applies the date of the first deduction of Partnership Share Money relating to the award is an employee of the Company (or any Participating Company); and</p> <p>(1) is chargeable to tax in respect of his employment under Case I of Schedule E; and</p> <p>(2) any other employee who the Directors in their absolute discretion may permit to participate in the Plan</p>

PROVIDED THAT

(1) a person who is ineligible to participate by virtue of paragraph 15 of the

Schedule shall not be treated as an Eligible Employee; and

(2) a person shall not be eligible to receive an appropriation of Free Shares in a Year of Assessment if in that Year of Assessment:

(a) shares have been appropriated to him under an approved profit sharing scheme established by the Company or a Connected Company and approved under Schedule 9 of the Act; or

(b) he has participated or is to participate or would have participated but for his failure to obtain an appropriation based on a performance related formula in another share incentive plan established by the Company or a Connected Company and approved under the Schedule

and

(3) a person shall not be eligible to participate in an award of Partnership Shares or Matching Shares in a Year of Assessment if in that Year of Assessment he has participated or is to participate in an award of shares under another

employee share incentive
plan established by the
Company or a Connected
Company and approved under
the Schedule;

"FORFEITURE PERIOD"	in relation to Free Shares and Matching Shares the period beginning on the applicable Appropriation Date and ending on such date as the Directors shall determine being no later than the third anniversary of such Appropriation Date which shall apply to all Free Shares and Matching Shares in the same appropriation;
"FREE SHARES"	Shares which are appropriated to an Eligible Employee under Rule 2 and held by the Trustees upon the terms of the Plan;
"FREE SHARE AGREEMENT"	An agreement in the form (or substantially in the form) of Schedule Three, adapted as appropriate;
"FREE SHARE LIMIT"	a US dollar equivalent of L.3,000 or such other amount as may be specified in paragraph 24 of the Schedule from time to time;
"GROUP"	the Company, any Subsidiary and any Associated Company of the Company from time to time;
"HOLDING PERIOD"	in relation to Free Shares, Matching Shares and Dividend Shares the period beginning on the applicable Appropriation Date and ending

on:

- (1) in the case of Free Shares and Matching Shares such date as the Directors shall determine being no earlier than the third anniversary nor later than the fifth anniversary of such date; and
- (2) in the case of Dividend Shares the third anniversary of such date;

and which period shall not be increased in respect of Free Shares, Matching Shares and Dividend Shares already awarded under the Plan.

"INITIAL MARKET VALUE"

in relation to a Share on any date:

- (1) save as mentioned in (2) below, its Market Value on the Appropriation Date, Acquisition Date or where the Directors have determined that an Accumulation Period applies the first day of the Accumulation Period or the Acquisition Date in accordance with Rule 6.2 (as appropriate); or
- (2) if and so long as the Shares are listed on the New York Stock Exchange, its Market Value on the Appropriation Date, Acquisition Date or where the Directors have determined that

	an Accumulation Period applies the first day of the Accumulation Period or the Acquisition Date in accordance with Rule 6.2;
"KEY FEATURE"	a feature of the Plan which is a provision which is necessary in order to meet the requirements of the Schedule;
"JOINTLY OWNED COMPANY"	a company which satisfies the provisions of paragraph 127 of the Schedule;
"LETTER OF OFFER"	a letter in the form (or substantially in the form) of Schedule Two, adapted as appropriate;
"MARKET VALUE"	in relation to a Share on any date: <ul style="list-style-type: none"> (1) save as mentioned in (2) below, its market value as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance with Inland Revenue Shares Valuation; or (2) if and so long as the Shares are listed on the New York Stock Exchange; <ul style="list-style-type: none"> (a) if, and only if, all the Shares acquired for allocation to Participants on an Acquisition Date or

an Appropriation Date are purchased and allocated to all Participants on the same day, the average of the prices paid by the Trustees for those shares

or

- (b) if all the Shares acquired for Participants are not purchased and awarded to all Participants on the same day, its average quoted price on the New York Stock Exchange on the immediately preceding Dealing Day.

"MATCHING SHARES"

Shares which satisfy the requirements of paragraph 50 of the Schedule and are appropriated to an Eligible Employee under Rule 9 and held by the Trustees upon the terms of the Plan;

"PARENT"

Kimberly-Clark Corporation, a corporation registered in the State of Delaware U.S.A.;

"PARTICIPANT"

an Eligible Employee who has entered into a Free Share Agreement or Partnership Share Agreement to participate in the Plan;

"PARTICIPATING COMPANY"

the Company and any Jointly Owned Company, and any Subsidiary which is

	under the Control of the Company, designated by the Directors as a Participating Company which has executed a suitable deed of adherence;
"PARTNERSHIP SHARES"	Shares which are acquired by or on behalf of Eligible Employees under Rule 6 and held by the Trustees upon the terms of the Plan;
"PARTNERSHIP SHARE AGREEMENT"	An agreement in the form (or substantially in the form) of Schedule Four, adapted as appropriate;
"PARTNERSHIP SHARE LIMIT"	the lower of L.125 per month and 4% of an Eligible Employee's Salary (or such other amounts as may be determined by the Directors from time to time which do not exceed the amounts specified in paragraph 36 of the Schedule);
"PARTNERSHIP SHARE MONEY"	if the Directors determine that an Accumulation Period will apply the aggregate amount of all deductions, otherwise the deduction made from a Participant's Salary in accordance with the Partnership Share Agreement before it is used to acquire Partnership Shares on his behalf;
"PLAN"	Kimberly-Clark shareplus UK in its present form, or as from time to time altered in accordance with its Rules;

"PLAN SHARES"

Shares held by the Trustees upon the terms of the Plan on behalf of the Participants comprising Free, Partnership, Matching and Dividend Shares and shares in relation to which paragraph 115(5) of the Schedule applies;

"RECONSTRUCTION OR TAKE-OVER"

a transaction affecting any Plan Shares which:

- (1) is an offer for those Plan Shares which, if accepted, would result in a new holding of shares being equated with such Plan Shares for the purposes of capital gains tax; or
- (2) is a transaction mentioned in Chapter II of Part V of the Taxation of Chargeable Gains Act 1992 which would result in a new holding being equated with such Plan Shares for the purposes of capital gains tax were it not for the fact that what would be the new holding consists of or includes a qualifying corporate bond (within the meaning of Section 117 of the Taxation of Chargeable Gains Act 1992); or
- (3) is entered into pursuant to a scheme of arrangement or a

compromise applicable to or affecting:

(a) all the issued ordinary share capital of the Relevant Company or, as the case may be, all of it that is of the class in question; or

(b) all the shares, or shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in an employee share incentive plan approved by the Inland Revenue under the Schedule;

or

(4) is an offer of cash (with or without other assets) where the offer forms part of a general offer which is made to the holders of shares of the same class in the Relevant Company and which is made in the first instance on a condition such that if it is satisfied the offeror will have Control of the Relevant Company;

"THE RELEASE DATE"	<p>(1) in relation to Free Shares, Matching Shares and Dividend Shares, the day following the last day of the applicable Holding Period;</p> <p>(2) in relation to Partnership Shares, the period beginning on the applicable Acquisition Date and ending on the third anniversary of such date;</p>
"RELEVANT COMPANY"	the Parent or any other company whose shares are, as a result of a Reconstruction or Take-over, Plan Shares;
"RELEVANT EMPLOYMENT"	employment by the Company, a Participating Company or any Associated Company of the Company;
"RETIREMENT AGE"	age 50;
"RULES"	the rules of the Plan (and "Rule" shall be construed accordingly);
"SALARY"	the meaning ascribed by paragraph 48 of the Schedule;
"THE SCHEDULE"	Schedule 8 to the Finance Act 2000;

"SHARE"	a share (including for the avoidance of doubt a fraction of a share) of common stock in the Parent satisfying paragraphs 60 to 67 inclusive of the Schedule;
"SUBSIDIARY"	the meaning ascribed by Section 736 of the Companies Act 1985;
"TAX FREE DATE"	<p>(1) In relation to Free Shares, Partnership Shares and Matching Shares, the fifth anniversary of their Appropriation Date or Acquisition Date (as appropriate); and</p> <p>(2) in relation to Dividend Shares, the third anniversary of their Appropriation Date;</p>
"TERMINATION PERIOD"	the period of three months commencing on the day on which a plan termination notice is sent out under Rule 23.2;
"TRUSTEES"	the Trustees referred to in the Deed, or such other person or persons who is or are the trustee or trustees from time to time of the Plan;
"T.U.P.E TRANSFER"	a transfer to which the Transfer of Undertakings (Protection of Employment) Regulations 1981 applies;
"US DOLLAR EQUIVALENT OF"	means in relation to a pounds sterling amount on any date the equivalent of that

amount expressed in US dollars calculated by reference to the selling rate for UK sterling against US dollars as quoted by HSBC Bank or such other bank as may be selected by the Board at the relevant date;

"YEAR OF ASSESSMENT"

a year beginning on any 6 April and ending on the following 5 April.

References to any statutory provision are to that provision as amended or re-enacted from time to time and, unless the context otherwise requires, words in the singular include the plural (and vice versa) and words importing the masculine shall include the feminine (and vice versa).

PART ONE - FREE SHARES

2 APPROPRIATION OF FREE SHARES

2.1 When the Directors have determined to operate the Plan by offering Free Shares on the same terms to Eligible Employees, a Letter of Offer shall be issued to each Eligible Employee asking him to consent to the appropriation of Free Shares on the proposed Appropriation Date by signing and returning as directed the accompanying Free Share Agreement duly completed and signed. The Letter of Offer shall specify the Holding Period which the Directors have determined will apply to the Free Shares appropriated on the Appropriation Date and any Forfeiture Period that will apply to the Free Shares.

2.2 A Free Share Agreement entered into in accordance with this Rule 2 shall bind the relevant Eligible Employee in contract with the Company:

- 2.2.1 to permit the Free Shares appropriated to him to remain in the hands of the Trustees throughout the applicable Holding Period; and
- 2.2.2 not to assign, charge or otherwise dispose of his beneficial interest in those Free Shares during the applicable Holding Period; and
- 2.2.3 if the Company in accordance with Rule 4.2 directs the Trustees to transfer the legal ownership of any Free Shares to the Eligible Employee at any time before the applicable Release Date, to pay to the Trustees before such transfer takes place, or to allow the Trustees to sell some or all of his Free Shares in order to raise, a sum equal to income tax at the appropriate rate on the Market Value of such Free Shares at the time of such transfer together with any Primary Class I National Insurance liability which may arise; and
- 2.2.4 if he or the Company in accordance with Rule 4.2 directs the Trustees to transfer the legal ownership of any Free Shares to the Eligible Employee at any time after the applicable Release Date but before the applicable Tax Free Date, to pay to the Trustees before such transfer takes place or to allow the Trustees to sell some or all of his Free Shares in order to raise a sum equal to income tax at the appropriate rate on the lesser of:
 - (a) the Initial Market Value of the Free Shares; and
 - (b) the Market Value of the Free Shares at the time of such transfertogether with any Primary Class I National Insurance liability which may arise.

2.3 Free Shares shall be appropriated on an Appropriation Date amongst Eligible Employees who have entered into a Free Share Agreement in

accordance with such one or more of the methods set out in Rules 2.3.1, 2.3.2, 2.3.3, 2.3.4 or 2.3.5 as the Directors shall determine. Every Eligible Employee who does participate must do so on the same terms.

- 2.3.1 Eligible Employees shall receive Free Shares having an Initial Market Value equal to such percentage of their annual Salary as the Directors shall determine; and/or
- 2.3.2 Eligible Employees shall receive a number of Free Shares per year of Continuous Employment with one or more Participating Companies and/or Subsidiaries; and/or
- 2.3.3 Eligible Employees shall receive a number of Free Shares according to the number of hours worked per week with their employing company; and/or
- 2.3.4 Eligible Employees shall receive a fixed number of Shares or a number of Shares with a Market Value equal to a fixed sum; and/or
- 2.3.5 such other formula relating to the performance of the Eligible Employee, the Company or the Eligible Employee's business unit to be determined by the Directors (the "Performance Related Formula")
PROVIDED THAT if a Performance Related Formula is selected, either 2.3.5.1 or 2.3.5.2 will apply;
 - 2.3.5.1 (a) at least 20% of the Free Shares appropriated on the Appropriation Date must be appropriated in accordance with Rules 2.3.1, 2.3.2, 2.3.3 and/or 2.3.4 without reference to the Performance Related Formula; and
 - (b) the appropriation of Free Shares with the highest Initial Market Value to any Eligible Employee on any Appropriation Date under the Performance Related Formula may not exceed

- four times the highest Initial Market Value of Free Shares appropriated to any Eligible Employee under any of the formulae set out under Rules 2.3.1, 2.3.2, 2.3.3 and 2.3.4; or
- 2.3.5.2 (a) some or all of the Free Shares must be appropriated according to a Performance Related Formula which must be comparable in terms of the likelihood of being met by each of the performance units to which it applies; and
- (b) Free Shares appropriated to members of the same performance unit must satisfy Rules 2.3.1, 2.3.2, 2.3.3 or 2.3.4.
- 2.4 Where a Performance Related Formula is selected:
- 2.4.1 the same method as set out in either Rule 2.3.5.1 or Rule 2.3.5.2 shall be used for all Eligible Employees who take part in an appropriation;
- 2.4.2 the Letter of Offer issued to Eligible Employees under Rule 2.1 shall include notification of the Performance Related Formula as it applies to each Eligible Employee; and
- 2.4.3 a notice describing the Performance Related Formula in general terms must be [put on display for all employees of the Group] [sent to all employees in the Group] before the beginning of the period to which the Performance Related Formula will relate.

2.5 Where Free Shares have been appropriated under this Rule 2 the Trustees will send a Notice of Appropriation to each Participant to whom such Shares have been appropriated in accordance with Clause 2.7 of the Deed.

2.6 The aggregate of the Market Value of all Free Shares which may be appropriated to any Participant in any Year of Assessment shall not exceed the Free Share Limit.

3 TRANSFER OF FREE SHARES

3.1 In accordance with the Free Share Agreement entered into between a Participant and the Company under Rule 2, a Participant may direct the Trustees to transfer the legal ownership of his Free Shares to him at any time on or after the Release Date that applies to them.

3.2 Any direction given by a Participant under Rule 3.1 must be in the form (or substantially in the form) of Schedule Six, adapted as appropriate. The Trustees will transfer the relevant Free Shares as soon as practicable after receipt of the direction.

4 CESSATION OF EMPLOYMENT AND WITHDRAWAL OF FREE SHARES FROM THE PLAN

4.1 In the event of a Participant ceasing to be employed by the Group at any time by reason of:

- 4.1.1 injury, disability, redundancy (within the meaning of the Employment Rights Act 1996); or
- 4.1.2 a T.U.P.E transfer; or
- 4.1.3 a change of Control or other circumstances ending the Associated Company status of the company by which he is employed; or
- 4.1.4 retirement on or after reaching Retirement Age; or
- 4.1.5 death

the Directors shall procure that his Free Shares are transferred to him or his personal representatives by the Trustees as soon as practicable after such cessation.

4.2 In the event of a Participant ceasing to be employed by the Group in any circumstances other than those set out in Rule 4.1 or otherwise instructs the Trustees to transfer his Free Shares to him:

- 4.2.1 on or after the applicable Release Date but before the applicable Tax Free Date, the Directors shall procure that his Free Shares are transferred to him by the Trustees, subject to the disposal by the Trustees of sufficient Free Shares to enable them to meet their PAYE liabilities or payment to the Trustees by the Participant of a sum equal to income tax at the appropriate rate on the lesser of:
- a) the Initial Market Value of such Free Shares; and
 - b) the Market Value of such Free Shares on the date of his cessation of employment;
- together with any Primary Class I National Insurance liability that may arise in accordance with the Free Share Agreement that relates to them, as soon as practicable (and in any event within 30 days) after such cessation; or
- 4.2.2 in relation to cessation of employment only, after the Forfeiture Period and before the applicable Release Date, the Directors shall procure that his Free Shares are transferred to him by the Trustees, subject to the disposal by the Trustees of sufficient Free Shares to enable them to meet their PAYE liabilities or payment to the Trustees by the Participant of a sum equal to income tax at the appropriate rate on the Market Value of such Free Shares together with any Primary Class I National Insurance liability that may arise, in accordance with the Free

Share Agreement that relates to them, as soon as practicable (and in any event within 30 days) after such cessation.

4.3 In the event of a Participant ceasing to be employed by the Group in any circumstances other than those set out in Rule 4.1 before the end of the applicable Forfeiture Period he will forfeit his Free Shares and thereafter have no further entitlement to them.

4.4 TAKEOVERS

- 4.4.1 A Participant may during the Holding Period direct the Trustees:
 - 4.4.1.1 to accept an offer for any of his Free Shares if the acceptance or agreement will result in a new holding being equated with those Shares for the purposes of capital gains tax; or
 - 4.4.1.2 to accept an offer of a qualifying corporate bond (whether alone or with other assets or cash or both) for his Free Shares if the offer forms part of such a general offer as is mentioned in paragraph 32(c) of the Schedule; or
 - 4.4.1.3 to accept an offer of cash, with or without other assets, for his Free Shares if the offer forms part of a general offer which is made to holders of shares of the same class as his Shares, or to holders of shares in the same company and which is made in the first instance on a condition such that if it is satisfied the person making the offer shall have control of that company, within the meaning of section 416 of the Act; or
 - 4.4.1.4 to agree to a transaction affecting his Free Shares or such of them as are of a particular class, if the

transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting:

(a) all of the ordinary share capital of the Parent or, as the case may be, all the shares of the class in question; or

(b) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a plan approved under the Schedule.

PART TWO - PARTNERSHIP SHARES

5 INVITATIONS TO ACQUIRE PARTNERSHIP SHARES

5.1 When the Directors have determined to operate the Plan by inviting Eligible Employees to acquire Partnership Shares on the same terms, a Letter of Offer shall be issued to each Eligible Employee inviting him to enter into an agreement with the Company by signing and returning as directed the accompanying Partnership Share Agreement duly completed and signed by such date at least 14 days after the date of the Letter of Offer as shall be specified in the Letter of Offer. The Letter of Offer shall specify:

- 5.1.1 whether the Directors have determined to offer Matching Shares to Eligible Employees who enter into a Partnership Share Agreement; and
- 5.1.2 the basis on which such Matching Shares will be appropriated; and

- 5.1.3 any Forfeiture Period that will apply to the Matching Shares; and
- 5.1.4 the starting date and length of the Accumulation Period (as determined by the Directors).

5.2 The Company may specify the maximum number of Shares to be included in an offer of Partnership Shares.

- 5.2.1 The Partnership Share Agreement shall contain an undertaking by the Company to notify each Eligible Employee of any restriction on the number of Shares to be included in an offer.
- 5.2.2 The notification in Rule 5.2.1 shall be given:
 - a) If there is no Accumulation Period, before the deduction of the Partnership Share Money relating to the offer; and
 - b) If there is an Accumulation Period, before the beginning of the Accumulation Period relating to the offer.

5.3 A Partnership Share Agreement entered into in accordance with this Rule 5 shall bind the relevant Eligible Employee in contract with the Company:

- 5.3.1 to permit the Company to deduct from his Salary each month an amount neither less than L.10 nor exceeding the Partnership Share Limit; and
- 5.3.2 to permit the Company to use the amount deducted under Rule 5.3.1 above to acquire (or to arrange the acquisition of) Partnership Shares on behalf of the Eligible Employee and to hold them in accordance with the Rules of the Plan; and
- 5.3.3 if he directs the Trustees to transfer the legal ownership of any Partnership Shares to him at any time before the applicable Release Date, to pay to the Trustees before such transfer takes place or to allow the Trustees to sell some or all of his Partnership Shares in order to raise a sum equal to income tax

at the appropriate rate on the Market Value of such Partnership Shares at the time of such transfer together with any Primary Class I National Insurance liability that may arise; and

5.3.4 if he directs the Trustees to transfer the legal ownership of any Partnership Shares to him at any time on or after the applicable Release Date but before the applicable Tax Free Date, to pay to the Trustees before such transfer takes place or to allow the Trustees to sell some or all of his Partnership Shares in order to raise a sum equal to income tax at the appropriate rate on the lesser of:

- a) the Partnership Share Money used to acquire the Partnership Shares; and
- b) the Market Value of the relevant Partnership Shares at the time of such transfer

together with any Primary Class I National Insurance liability that may arise.

5.4 A Partnership Share Agreement entered into under Rule 5.1 above will not be valid unless it contains a notice as prescribed by paragraph 38 of the Schedule.

5.5 Where Partnership Shares have been acquired on behalf of Participants the Trustees will send a Notice of Acquisition to each Participant on whose behalf such Shares have been acquired in accordance with the provisions of Clause 2.7 of the Deed.

5.6 A Partnership Share Agreement shall include a provision allowing the Participant, by written notice to the Company, to stop the deductions from his Salary with effect from a date specified in the notice. Following such a notice, the Participant may, by further notice in writing, direct the Company to re-start the deductions from his Salary,

provided that the deductions that have been missed in the interim period may not be made up.

- 5.7 A Partnership Share Agreement shall include a provision allowing the Participant, by written notice to the Company, to elect to change the level of deductions from Salary on two occasions in each calendar year.
- 5.8 A Partnership Share Agreement shall include a provision allowing the Participant, by written notice to the Company, to withdraw from the Partnership Share Agreement at any time.

6 ACQUISITION OF PARTNERSHIP SHARES

The Directors shall determine whether an Accumulation Period shall apply.

- 6.1 Where the Directors have determined that an Accumulation Period shall not apply to an offer of Partnership Shares:
 - 6.1.1 All Partnership Share Money deducted by the Company in accordance with the Partnership Share Agreement entered into under Rule 5.1 shall be transferred directly to the Trustees. Within 30 days after the Partnership Share Money was deducted from Participants' Salaries the Trustees shall use it in the acquisition of Partnership Shares on behalf of Participants. For the purpose of this Rule 6.1 'acquisition' shall mean subscription for, purchase of or allocation of Shares already held by the Trustees which are not Free Shares, Partnership Shares, Matching Shares or Dividend Shares.
 - 6.1.2 The number of Partnership Shares to be acquired on behalf of each Participant shall be determined in accordance with the Market Value of the Partnership Shares on the Acquisition Date.

6.2 Where the Directors have determined that an Accumulation Period shall apply:

- 6.2.1 All Partnership Share Money deducted by the Company during the Accumulation Period shall be transferred to the Trustees within 30 days of its deduction from Participants' Salaries. The Trustees will then hold the Partnership Share Money until the end of the Accumulation Period. Within 30 days after the end of the Accumulation Period the Trustees shall use the Partnership Share Money in the acquisition of Partnership Shares on behalf of Participants.
- 6.2.2 The number of Partnership Shares to be acquired on behalf of each Participant shall be determined by reference to the lower of:
 - a) the Market Value of Shares on the first day of the Accumulation Period; and
 - b) the Market Value of Shares on the Acquisition Date.

6.3 Any amount deducted in excess of that allowed by rule 6.1.1 or 6.2.1 shall be paid over to the employee subject to the deduction of income tax under PAYE and in addition any liability to Primary National Insurance Contributions which may arise.

6.4 If the account opened under Clause 2.3 of the Deed earns interest, the Trustees must pay any interest earned to the Participant.

6.5 If the Company receives applications for Partnership Shares exceeding the maximum determined by the Directors on that occasion then the following steps shall be taken in sequence until the excess is eliminated.

- 6.5.1 the excess of the monthly deduction chosen by each application over L.10 shall be reduced pro rata;

- 6.5.2 all monthly deductions shall be reduced to L.10;
- 6.5.3 applications shall be selected by lot, each based on a monthly deduction of L.10.

Each application shall be deemed to have been modified or withdrawn in accordance with the foregoing provisions, and each Eligible Employee who has applied for Partnership Shares shall be notified of the change.

7 TRANSFER OF PARTNERSHIP SHARES

7.1 In accordance with a Partnership Share Agreement entered into between a Participant and the Company under Rule 5, a Participant may withdraw from the Partnership Share Agreement at any time by notice in writing to the Company, which notice shall take effect 30 days after its receipt, or on such later date as may be specified in the notice. The Participant may then:

- a) direct the Trustees to transfer to him any Partnership Share Money held on his behalf at any time; and/or
- b) direct the Trustees to transfer the legal ownership of his Partnership Shares at any time.

7.2 A Participant may withdraw any or all of his Partnership Shares from the Plan at any time.

7.3 The transfer of any Partnership Share Money and/or Partnership Shares shall be subject to the withholding of the amount necessary to pay income tax at the appropriate rate together with any Primary Class I National Insurance liability that may arise in accordance with the Partnership Share Agreement relating to them. The Trustees will transfer the relevant Partnership Share Money and/or Partnership Shares to the Participant as soon as practicable after receipt of the direction and in any event within 30 days thereof.

7.4 If Matching Shares have been appropriated to a Participant in relation to Partnership Shares that have been acquired on his behalf in accordance with a Partnership Share Agreement, any request to the Trustees to transfer those Partnership Shares to him under Rule 7.1 or any transfer of those Partnership Shares to him under Rule 8 before the end of the Forfeiture Period for the Matching Shares will cause him to forfeit the corresponding Matching Shares and he will thereafter have no further entitlement to them.

7.5 Where an Accumulation Period applies, in accordance with a Partnership Share Agreement entered into between a Participant and the Company under Rule 5, a Participant may by notice in writing to the Company (which notice shall take effect 30 days after its receipt unless a later date is specified in the notice) direct the Company to stop making deductions from his Salary under the terms of the Partnership Share Agreement. Where such notice is given by a Participant he may at a later date during the Accumulation Period by notice in writing to the Company, which notice shall take effect within 30 days after its receipt (unless a later date is specified in the notice) direct the Company to resume making deductions from his Salary under the terms of the Partnership Share Agreement until the end of the Accumulation Period.

8 CESSATION OF EMPLOYMENT

8.1 In the event of a Participant ceasing to be employed by the Group in any circumstances the Directors shall, subject to Rule 8.2, procure that his Partnership Shares and any Partnership Share Money held by the Trustees on his behalf are transferred to him by the Trustees as soon as practicable after such cessation.

8.2 Unless Rule 8.3 applies, if the cessation of the Participant's employment occurs before the Tax Free Date applicable to his Partnership Shares or while Partnership Share Money is held on his

behalf, the transfer of those Partnership Shares and that Partnership Share Money to him by the Trustees shall be subject both to the withholding of the amount necessary to pay income tax at the appropriate rate in accordance with the provisions of Rules 5.3.3 and/or 5.3.4 and to the withholding of the amount necessary to pay income tax at the appropriate rate on such Partnership Share Money, in each case in accordance with the Partnership Share Agreement that relates to them and together with any Primary Class I National Insurance liability that may arise.

8.3 In the event of a Participant ceasing to be employed by the Group at any time by reason of:

- 8.3.1 injury, disability, redundancy (within the meaning of the Employment Rights Act 1996); or
- 8.3.2 a T.U.P.E transfer; or
- 8.3.3 a change of Control or other circumstances ending the Associated Company status of the company by which he is employed; or
- 8.3.4 retirement on or after reaching Retirement Age; or
- 8.3.5 death

the Directors shall procure that his Partnership Shares and Partnership Share Money are transferred to him or his personal representatives as soon as practicable after such cessation.

PART THREE - MATCHING SHARES

9 APPROPRIATION OF MATCHING SHARES

9.1 When the Directors have determined to operate the Plan by appropriating Matching Shares on the same terms to Eligible Employees who enter into a Partnership Share Agreement under Rule 5, the Letter of Offer issued to each Eligible Employee under Rule 5 shall contain information about such determination, including the number of Matching Shares that will be appropriated for each Partnership Share (being not more than two for one).

9.2 Where the Directors have determined to appropriate Matching Shares to Eligible Employees who enter into a Partnership Share Agreement under Rule 5, the Partnership Share Agreement will bind the relevant Eligible Employee in contract with the Company:

- 9.2.1 to permit the Matching Shares appropriated to him to remain in the hands of the Trustees throughout the applicable Holding Period; and
- 9.2.2 not to assign, charge or otherwise dispose of his beneficial interest in those Matching Shares during the applicable Holding Period; and
- 9.2.3 if the Company in accordance with Rule 11.2 directs the Trustees to transfer the legal ownership of any Matching Shares to the Participant before the applicable Release Date, to pay to the Trustees before such transfer takes place or to allow the Trustees to sell some or all of his Matching Shares in order to raise a sum equal to income tax at the appropriate rate on the Market Value of such Matching Shares at the time of such transfer together with any Primary Class I National Insurance liability that may arise; and

- 9.2.4 if he or the Company in accordance with Rule 11.2 directs the Trustees to transfer the legal ownership of any Matching Shares to him at any time on or after the applicable Release Date but before the applicable Tax Free Date, to pay to the Trustees before such transfer takes place or to allow the Trustees to sell some or all of his Matching Shares in order to raise a sum equal to income tax at the appropriate rate on the lesser of:
- a) the Initial Market Value of the Matching Shares; and
 - b) the Market Value of the Matching Shares at the time of such transfer together with any Primary Class I National Insurance liability that may arise.

9.3 Where Matching Shares are appropriated under this Rule 9 the Trustees will send a Notice of Acquisition/Appropriation to each Participant to whom such Shares have been appropriated in accordance with the provisions of Clause 2.7 of the Deed.

10 TRANSFER OF MATCHING SHARES

10.1 In accordance with the Partnership Share Agreement entered into between a Participant and the Company under Rule 5, a Participant may direct the Trustees to transfer the legal ownership of his Matching Shares to him at any date on or after the Release Date that applies to them.

10.2 Any direction given by a Participant under Rule 10.1 must be in the form (or substantially the form) of Schedule Six, adapted as appropriate. The Trustees will transfer the relevant Matching Shares as soon as practicable after the receipt of the direction.

11 CESSATION OF EMPLOYMENT AND WITHDRAWAL OF MATCHING SHARES FROM THE PLAN

11.1 In the event of a Participant ceasing to be employed by the Group at any time by reason of:

- 11.1.1 injury, disability, redundancy (within the meaning of the Employment Rights Act 1996); or
- 11.1.2 a T.U.P.E. transfer or;
- 11.1.3 a change of Control or other circumstances ending the Associated Company status of the company by which he is employed; or
- 11.1.4 retirement on or after reaching Retirement Age; or
- 11.1.5 death

the Directors shall procure that his Matching Shares are transferred to him or his personal representatives by the Trustees as soon as practicable after such cessation.

11.2 In the event of a Participant ceasing to be employed by the Group in any circumstances other than those set out in Rule 11.1 or otherwise instructing the Trustees to transfer his Matching Shares to him:

- 11.2.1 on or after the applicable Release Date but before the applicable Tax Free Date the Directors shall procure that his Matching Shares are transferred to him by the Trustees, subject to the disposal by the Trustees of sufficient Matching Shares to enable them to meet their PAYE liabilities or payment to the Trustees by the Participant of a sum equal to income tax at the appropriate rate on the lesser of:
 - a) the Initial Market Value of such Matching Shares; and
 - b) the Market Value of such Matching Shares on the date of his cessation of employment

together with any Primary Class I National Insurance liability that may arise in accordance with the Partnership Share Agreement that relates to them, as soon as practicable (and in any event within 30 days) after such cessation; or

- 11.2.2 In relation to cessation of employment only, after the Forfeiture Period and before the applicable Release Date the Directors shall procure that his Matching Shares are transferred to him by the Trustees, subject to the disposal by the Trustees of sufficient Matching Shares to enable them to meet their PAYE liabilities or payment to the Trustees by the Participant of a sum equal to income tax at the appropriate rate on the Market Value of such Matching Shares together with any Primary Class I National Insurance liability that may arise, in accordance with the Partnership Share Agreement that relates to them.
- 11.2.3 In the event of a Participant ceasing to be employed by the Group in any circumstances other than those set out in Rule 11.1 before the end of the Forfeiture Period he will forfeit his Matching Shares and thereafter have no further entitlement to them.

11.3 TAKEOVERS:

- 11.3.1 A Participant may during the Holding Period direct the Trustees:
 - 11.3.1.1 to accept an offer for any of his Matching Shares if the acceptance or agreement will result in a new holding being equated with those Shares for the purposes of capital gains tax; or

11.3.1.2 to accept an offer of a qualifying corporate bond (whether alone or with other assets or cash or both) for his Matching Shares if the offer forms part of such a general offer as is mentioned in paragraph 32(c) of the Schedule; or

11.3.1.3 to accept an offer of cash, with or without other assets, for his Matching Shares if the offer forms part of a general offer which is made to holders of shares of the same class as his Shares, or to holders of shares in the same company and which is made in the first instance on a condition such that if it is satisfied the person making the offer shall have control of that company, within the meaning of section 416 of the Act; or

11.3.1.4 to agree to a transaction affecting his Matching Shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting:

(a) all of the ordinary share capital of the Parent or, as the case may be, all the shares of the class in question; or

(b) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a plan approved under the Schedule.

PART FOUR - DIVIDEND SHARES

12 REINVESTMENT OF DIVIDENDS

12.1 If the Directors have so determined all dividends payable in respect of Plan Shares shall be paid by the Company directly to the Trustees. The Trustees shall, within 30 days of their receipt of such dividends, use them to acquire further Shares for appropriation to Participants as Dividend Shares. In exercising their powers to acquire Dividend Shares the Trustees must treat Participants fairly and equally.

12.2 For the purposes of Rule 12.1 'acquire' shall mean subscribe for purchase or allocate Shares already held by the Trustees which are not Free Shares, Partnership Shares, Matching Shares or Dividend Shares.

12.3 The number of Dividend Shares to be appropriated to each Participant shall be determined in accordance with the Market Value of the Shares on the Appropriation Date.

12.4 The Free Share Agreement and/or Partnership Share Agreement entered into by each Participant in accordance with Rules 2 and/or 5 shall bind the relevant Participant in contract with the Company:

- 12.4.1 to permit the Dividend Shares appropriated to him to remain in the hands of the Trustees throughout the applicable Holding Period; and
- 12.4.2 not to assign, charge or otherwise dispose of his beneficial interest in the Dividend Shares during the applicable Holding Period; and
- 12.4.3 if the Company in accordance with Rule 14.2 directs the Trustees to transfer the legal ownership of any Dividend Shares to the Eligible Employee at any time before the applicable Tax Free Date, to pay to the Trustees before such transfer takes place or to allow the Trustees to sell some or all of his

Dividend shares in order to raise a sum equal to income tax at the appropriate rate on the cash amount of the dividend used to acquire those Dividend Shares less the aggregate amount of tax paid on any Capital Receipt in respect of those Dividend Shares that has already been subject to income tax.

12.5 Where Dividend Shares have been appropriated under Rule 12.1 the Trustees will send a Notice of Appropriation to each Participant to whom such Dividend Shares have been appropriated as soon as practicable after the Appropriation Date (and in any event within 30 days of the applicable Appropriation Date).

12.6 The cash amount used by the Trustees to acquire Dividend Shares for appropriation to any Participant must not exceed the Dividend Share Limit. Any cash amount remaining in the Trustees' hands after the Dividend Share Limit has been applied shall be paid by the Trustees to the Participant as soon as practicable (and in any event within 30 days of the applicable Appropriation Date).

13 TRANSFER OF DIVIDEND SHARES

13.1 In accordance with the Free Share Agreement and/or Partnership Share Agreement entered into between a Participant and the Company under Rules 2 and/or 5 a Participant may direct the Trustees to transfer the legal ownership of his Dividend Shares to him at any time on or after the Release Date that applies to them.

13.2 Any direction given by a Participant under Rule 13.1 must be in the form (or substantially in the form) of Schedule Six, adapted as appropriate. The Trustees will transfer the relevant Dividend Shares as soon as practicable after receipt of the direction.

14 CESSATION OF EMPLOYMENT

14.1 In the event of a Participant ceasing to be employed by the Group at any time by reason of:

- 14.1.1 injury, disability, redundancy (within the meaning of the Employment Rights Act 1996); or
- 14.1.2 a T.U.P.E transfer; or
- 14.1.3 a change of control or other circumstances ending the Associated Company status of the company by which he is employed; or
- 14.1.4 retirement on or after reaching Retirement Age; or
- 14.1.5 death

the Directors shall procure that his Dividend Shares are transferred to him or his personal representatives by the Trustees as soon as practicable after such cessation.

14.2 In the event of a Participant ceasing to be employed by the Group in any circumstances other than those set out in Rule 14.1 before the applicable Tax Free Date the Directors shall procure that his Dividend Shares are transferred to him by the Trustees, subject to the disposal by the trustees of sufficient Free Shares to enable them to meet their PAYE liabilities or payment to the Trustees by the Participant of a sum equal to income tax at the appropriate rate on the cash amount of the dividends used to acquire those Dividend Shares less the aggregate amount of any tax paid on any Capital Receipt in respect of those Dividend Shares that has already been subject to income tax, in accordance with the Free Share Agreement and/or Partnership Share Agreement that relates to them, as soon as practicable (and in any event within 30 days) after such cessation.

14.3 TAKEOVERS

A Participant may during the Holding Period direct the Trustees:

- 14.3.1 to accept an offer for any of his Dividend Shares if the acceptance or agreement will result in a new holding being equated with those Shares for the purposes of capital gains tax; or
- 14.3.2 to accept an offer of a qualifying corporate bond (whether alone or with other assets or cash or both) for his Dividend Shares if the offer forms part of such a general offer as is mentioned in paragraph 32(c) of the Schedule; or
- 14.3.3 to accept an offer of cash, with or without other assets, for his Free Shares if the offer forms part of a general offer which is made to holders of shares of the same class as his Shares, or to holders of shares in the same company and which is made in the first instance on a condition such that if it is satisfied the person making the offer shall have control of that company, within the meaning of section 416 of the Act; or
- 14.3.4 to agree to a transaction affecting their Dividend Shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting:
 - a) all of the ordinary share capital of the Parent or, as the case may be, all the shares of the class in question; or
 - b) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a plan approved under the Schedule.

PART FIVE - GENERAL

15 ACQUISITION OF SHARES FOR APPROPRIATION

15.1 The Trustees may upon the direction of the Directors, purchase Shares from time to time until the Dealing Day preceding the relevant Appropriation Date/Acquisition Date. Such Shares may be purchased on the New York Stock Exchange or privately (provided that any such private purchase made at the time when the Shares are listed is made at a price which is equivalent to the middle market quotation for such Shares on the New York Stock Exchange for the Dealing Day preceding the day in question).

15.2 The Trustees, at the direction of the Directors, may subscribe for Shares for appropriation/acquisition on behalf of Eligible Employees under the Plan on the relevant Appropriation Date or Acquisition Date as appropriate, and the price per Share at which the Trustees subscribe for such Shares shall be the greater of:

15.2.1 the nominal value of a Share on the date of subscription; and

15.2.2 the Market Value of a Share.

15.3 Contributions to be made by the Company and each Participating Company to the Trustees to support any purchase of or subscription for Shares to be made by the Trustees for appropriation on any Appropriation Date shall be paid not later than the Dealing Day immediately prior to the relevant Appropriation Date.

15.4 Where the Trustees on an Appropriation Date/Acquisition Date appropriate/acquire on behalf of Eligible Employees Shares a proportion of which rank for any dividend or other rights by reference to a record date preceding the relevant Appropriation Date/Acquisition Date and a proportion of which do not, then the Shares to be

appropriated to each Eligible Employee/acquired on behalf of each Eligible Employee shall as far as practicable be in the same proportions thereto.

15.5 Where Shares are transferred to the Trustees:

- a. by the trustees of an employee share ownership trust; and
- b. the transfer qualifies under S.69 (3AA) Finance Act 1989;

those Shares

- 15.5.1 must not be awarded to Participants as Partnership Shares; and
- 15.5.2 must be included in any appropriation of Free Shares or Matching Shares in precedence to any other Shares.

16 ISSUE OF SHARES AND DIVIDENDS

16.1 All Shares issued under the Plan shall as to voting, dividend, transfer and other rights (including those arising on a liquidation) rank pari passu in all respects with the Shares then in issue.

16.2 If and so long as the Shares are listed on the New York Stock Exchange the Company shall use its best endeavours to procure that as soon as practicable after the allotment or any Shares pursuant to the Plan application shall be made to the New York Stock Exchange for admission to the Exchange.

16.3 Unless the Directors have determined that dividends shall be reinvested in accordance with Rule 12.1, all dividends payable in respect of Plan Shares shall be paid in cash by the Company to the Trustees who will then distribute such dividends to each Participant

according to the number of Plan Shares held by the Trustees on his behalf.

16.4 Where the value of dividends paid in respect of the Plan Shares held on behalf of any Participant in any Year of Assessment exceeds the Dividend Share Limit such dividends in excess of the Dividend Share Limit shall be paid in accordance with Rule 16.3 notwithstanding any election by a Participant.

16.5 If the Trustees receive any foreign cash dividend in respect of Plan Shares, they shall give the Participant notice of the amount of any foreign tax already deducted.

17 DISPOSALS AND PAYMENT

17.1 The Trustees shall not dispose of any Plan Shares which have been appropriated to a Participant (whether to the Participant concerned or otherwise) except in accordance with Clause 7 of the Deed.

17.2 Upon receipt of a sum of money being (or being part of) the proceeds of any disposal or Capital Receipt in respect of any Plan Shares, the Trustees shall (subject to compliance with the provisions of the Act) account to the Participant for any balance remaining in their hands and relating to such Plan Shares, provided that any Capital Receipt of less than L.3 distributable to a particular Participant may be retained by the Trustees.

17.3 Upon receipt of any money or money's worth in respect of or by reference to any Plan Shares, the Trustees shall pay it over to the Participant as soon as possible.

18 STAMP DUTY

18.1 No stamp duty on any transfer of Shares by the Trustees shall be payable in the case of a transfer into the name of the Participant.

18.2 In the case of any other transfer, stamp duty shall be payable by the Participant or the purchaser from the Participant.

19 DISPUTES

The decision of the Directors in any dispute or question affecting any Eligible Employee or Participant under the Plan shall be final and conclusive subject to the concurrence of the Auditors whenever required under the provisions hereof.

20 RIGHTS ON TERMINATION OF EMPLOYMENT

In no circumstances shall any person who has ceased to be an employee of the Company or any Subsidiary by reason of dismissal or otherwise howsoever or who is under notice of termination of his employment be entitled to claim as against any Participating Company or Subsidiary or the Trustees any compensation for or in respect of any consequential loss he may suffer by reason of the operation of the terms of the Plan or of the provisions of the Act, including in respect of any liability to Income Tax or National Insurance Contributions.

21 DUTY TO ACCOUNT FOR PAYE ETC

21.1 Where the Trustees receive a sum of money which constitutes (or forms part of):

21.1.1 the proceeds of a disposal of Shares; or

21.1.2 a Capital Receipt; or

then, if required by and in accordance with the provisions of paragraphs 94, 95 and 96 of the Schedule they shall pay to the relevant Participating Company out of that sum of money an amount equal to that on which income tax is payable and the relevant Participating Company shall then pay over that amount to the Participant in question but in so doing shall make a PAYE deduction unless such Participant shall have ceased to be employed by the Participating Company when the Trustees receive such sum as referred to in Rule 18.2, in which case the Trustees shall pay over the amount to the Participant but in so doing shall deduct United Kingdom income tax at the appropriate rate for the time being in force on an amount equal to that on which income tax is payable together with a deduction of any Primary Class I National Insurance liability which may arise.

21.2 Where the Trustees receive from a Participant who has directed them to transfer the ownership of his Plan Shares to him at any time before the Tax Free Date the sum calculated in accordance with either Rule 2.2 or Rule 6.2 or Rule 9.2 that sum shall be treated as a PAYE deduction by the Trustees as well as a deduction of any Primary Class I National Insurance liability required.

21.3 The Trustees shall maintain such records as may be necessary to enable them to carry out their obligations under paragraphs 95 and 96 of the Schedule, including records of all payments to the Company and all sums deducted by the Trustees falling within Rule 21.1 and all sums received from Participants falling within Rule 21.2.

21.4 The Trustees shall inform each Participant in writing of any facts relevant to determining the liability (if any) of that Participant to income tax under Schedule E or F or Case V of Schedule D or to Primary Class I National Insurance by reason of an occurrence of an event under the Plan in relation to his Plan Shares.

22 ALTERATIONS

Subject to the concurrence of the Trustees evidenced in a deed supplemental hereto, the Rules of the Plan may be altered in accordance with the following provisions of this Rule PROVIDED that no purported alteration shall be effective if, as a result, the Plan would cease to be an employees' share scheme. Any such alterations shall be binding on all Participating Companies.

22.1 The Directors may, prior to the approval of the Plan under the provisions of the Schedule by the Inland Revenue, alter the Rules of the Plan as may be necessary in order to obtain such approval.

22.2 Subject to Rule 22.3, after the date on which the Plan is approved by the Inland Revenue under the provisions of the Schedule, the Directors may in their discretion alter the Rules provided that so long as the Plan remains approved by the Inland Revenue no such alteration of a Key Feature shall be effective until approved by the Inland Revenue.

22.3 Where any alteration under Rule 22.2 is to the advantage of Participants (present or future), it will not be effective unless either:

- 22.3.1 it is made with the prior sanction of an ordinary resolution of the Company in general meeting; or
- 22.3.2 it is a minor amendment which the Directors consider necessary or desirable in order to benefit the administration of the Plan; or
- 22.3.3 it is an amendment which the Directors consider necessary or desirable to take account or advantage of a change in the Act, the Schedule or any other legislation or to obtain or maintain favourable tax, exchange control, or regulatory treatment for Participants (present or future) or any Participating Company.

22.4 No alteration which purports to enlarge the obligations or restrict the rights of any Participant in respect of Plan Shares already appropriated to him or acquired on his behalf shall be effective.

23 GENERAL

23.1 The Plan shall continue for a period of ten years commencing on the date of the Trust Deed unless terminated earlier by resolution of the Directors, in which case Rule 23.2 shall apply.

23.2 In the event of the termination of the Plan by resolution of the Directors in accordance with Rule 23.1 the Directors shall ensure that a plan termination notice is sent without delay to:

23.2.1 the Inland Revenue;

23.2.2 the Trustees; and

23.2.3 each Participant,

and the date on which such plan termination notice is sent shall be the first day of the Termination Period.

23.3 Once the Termination Period has begun;

23.3.1 no further shares may be awarded to Eligible Employees;

23.3.2 the Trustees must (as soon as is practicable after the later of the end of the Termination Period or the first date on which the shares may be removed from the Plan without giving rise to a

charge to Income Tax on the Participant on whose behalf they are held) either transfer all Plan Shares held by them to the Participant on whose behalf they are held (or, at his direction, to another person or, if appropriate to his personal representatives) or dispose of such Plan Shares and account to each such Participant (or, at his direction, to another person or, if appropriate to his personal representatives) for the proceeds;

- 23.3.3 the Trustees must, as soon as practicable, ensure that any Partnership Share Money (or other money) held on behalf of a Participant is paid to him;
- 23.3.4 the Trustees must ensure that any cash dividend that has not been reinvested pursuant to Clause 2.4 of the Trust Deed is paid over to each Participant.

24 GOVERNING LAW

The Plan is governed by and shall be construed in accordance with the laws of England.

SCHEDULE TWO
KIMBERLY-CLARK shareplus UK

Letter of Offer
[DATE]

Dear []

KIMBERLY-CLARK SHAREPLUS UK
("THE PLAN")

The Directors of the Company would like to offer you the opportunity to participate in the Plan. The basis of your participation on this occasion is as follows:

[1] You are entitled to be appropriated Free Shares in the Parent with a value of [L.] in accordance with the terms set out in Part A of the appendix to this letter [; and]

[2] You are entitled to be appropriated Free Shares in the Parent in accordance with the terms set out in Part A of the appendix to this letter. The value of the Free Shares that will be appropriated to you depends on the satisfaction of the Performance Related Formula. This formula applies to you as part of the
[division/team] and is as follows [insert formula applicable to participant].

[3] You are also entitled to acquire Partnership Shares in the Parent up to the value of [L.125 per month] but not more than 10% of your salary [which will be matched by the Company on a [] basis as described in Part C of the appendix to this letter] in accordance with Part B of the appendix to this letter.]

In order to consent to being included in this appropriation you must complete the Agreement which is enclosed and return it to [] no later than [date:
dependent on type of shares being offered. See Rules 2.1 and 5.1].

Yours faithfully

APPENDIX TO LETTER OF OFFER

PART A

This offer is the offer of Free Shares to Eligible Employees in accordance with the Rules of the Plan. The terms of the offer are as follows:

1. The offer is made to all employees of [the Company] [the Participating Companies] [who had been so employed on [] for a period of []];
2. An Eligible Employee must have returned the completed Free Share Agreement as directed by [];
3. The terms upon which the Free Shares are held will be as follows:
 - (a) Free Shares will be registered in the name of the Trustees;
 - (b) the Trustees shall not dispose of any Free Shares (except in accordance with the terms of the Plan);
 - (c) the Holding Period applicable to the Free Shares is [] years from [Appropriation Date]. After being held by the Trustees until the Release Date, [], the Trustees shall, if the Participant so requests, transfer the Free Shares to him or any other person of whom they have received notice in writing that the beneficial ownership of the Free Shares is vested. If no such request is made the Free Shares shall remain held by the Trustees until the Participant ceases to be employed [by the Company];
 - (d) if the Participant ceases to be employed by [the Group] the Free Shares will be dealt with according to Rule [4] of the Plan.

[PART B

This offer is the offer to Eligible Employees to purchase Partnership Shares in accordance with the Rules of the Plan. The terms of the offer are as follows:

1. The offer is made to all employees of [the Company] [the Participating Companies] [who had been so employed on [] for a period of [];
2. An Eligible Employee may apply to purchase Partnership Shares by returning the completed Agreement as directed by [];
3. Eligible Employees may purchase Partnership Shares up to a maximum of [L.] [but not more than 10% of their salary] and a minimum value of [L.] by authorising the Company to make deductions from their salary each [week/month];
4. The terms upon which the Partnership Shares are held will be as follows:
 - (a) Partnership Shares will be purchased using the deductions from Eligible Employees' salaries; [timing of purchase; accumulation period]
 - (b) Partnership Shares will be registered in the name of the Trustees;
 - (c) the Trustees shall not dispose of any Partnership Shares (except in accordance with the terms of the Plan);
 - (d) the Trustees shall, if the Participant so requests at any time transfer the Partnership Shares to him or any other person of whom they have received notice in writing that the beneficial ownership of the Partnership Shares is vested;
 - (e) [if the Participant requests the Trustees to transfer his Partnership Shares to him or any other person before the Release Date, [] , the Matching Shares appropriated to the Participant that relate to those Partnership Shares shall be forfeited in accordance with the Rules of the Plan.]

[PART C

This offer is the offer of Matching Shares to Eligible Employees in accordance with the Rules of the Plan. The terms of the offer are as follows:

1. The offer is made to all employees of [the Company] [the Participating Companies] [who had been so employed on [] for a period of []];
2. Eligible Employees must have applied to purchase Partnership Shares by returning the completed Partnership Share Agreement as directed by [];
3. The Trustees will appropriate to each such Eligible Employee/Participant [two] Matching Shares for each Partnership Share purchased by the Eligible Employee;
4. The terms upon which the Matching Shares are held will be as follows:
 - (a) Matching Shares will be registered in the name of the Trustees;
 - (b) the Trustees shall not dispose of any Matching Shares (except in accordance with the terms of the Plan);
 - (c) the Holding Period applicable to the Matching Shares is [] years from [Appropriation Date]. After being held by the Trustees until the Release Date, [], the Trustees shall, if the Participant so requests, transfer the Matching Shares to him or any other person of which they have received notice in writing that the beneficial ownership of the Matching Shares is vested. If no such request is made the Matching Shares shall remain held by the Trustees until the Participant ceases to be employed by [the Company];
 - (d) if the Participant ceases to be employed by [the Group] the Matching Shares will be dealt with according to the Rule [10] of the Plan;
 - [(e) if the Participant requests the Trustees to transfer his Partnership Shares to him or to any other person before [] he will forfeit his Matching Shares in accordance with the Rules of the Plan:]]

NOTE: Defined Terms have the same meanings as in the Trust Deed and Rules relating to the Plan.

SCHEDULE THREE

KIMBERLY-CLARK SHAREPLUS UK

FREE SHARE AGREEMENT

**PLEASE USE BLOCK CAPITALS AND READ THE WHOLE OF THE AGREEMENT
BEFORE SIGNING BELOW**

THIS FREE SHARE AGREEMENT IS BETWEEN:

PARTICIPANT ("THE PARTICIPANT")

Name:

Home Address:

Payroll Number:

COMPANY ("THE COMPANY")

Name:

Registered Address:

Registered Number:

THIS FREE SHARE AGREEMENT SETS OUT THE TERMS ON WHICH THE PARTICIPANT AGREES TO TAKE PART IN KIMBERLY-CLARK SHAREPLUS UK (THE "PLAN") AND IS SUBJECT TO THE RULES OF THE PLAN. THE DEFINITIONS IN THE PLAN RULES APPLY TO THIS FREE SHARE AGREEMENT:

PARTICIPANT

1. I confirm that I am eligible to participate in the Plan.
2. I agree to accept the Free Shares in Kimberly-Clark Corporation appropriated to me under the Plan.
3. I agree to leave the Free Shares in the hands of the Trustees, and not to assign, charge or otherwise dispose of my beneficial interest in the shares for the whole of the Holding Period, which will end on [insert date].

4. I have read this Free Share Agreement and agree to be bound by it and by the Rules of the Plan

5. [I agree that all dividends paid on my Free Shares will be used by the Trustees to buy more shares in Kimberly-Clark Corporation ("Dividend Shares") for me in accordance with the Rules of the Plan.]

6. I agree to leave the Dividend Shares in the hands of the Trustees, and not to assign, charge or otherwise dispose of my beneficial interest in the Dividend Shares for the whole of the Holding Period of 3 years.

COMPANY

8. The Company agrees to arrange for shares in Kimberly-Clark Corporation to be appropriated to me, according to the Rules of the Plan.

9. The Company has decided that the value of Free Shares appropriated to each Eligible Employee will be based on [Insert the method chosen from Rule 2.3 for determining the value of Free Shares to be appropriated and, if applicable, either an explanation of the Performance Related Formula or a cross reference to it].

RIGHTS AND OBLIGATIONS

1. I agree that taking part in the Plan does not affect my rights, entitlements and obligations under my contract of employment, and does not give me any rights or additional rights to compensation or damages if my employment ceases.

2. I can at any time withdraw from this agreement, by writing to my employer.

3. I agree that withdrawal from this agreement will not affect the terms on which I agreed to accept any shares that have already been appropriated to me under the Rules of the Plan.

4. I may ask the Trustees for my Free Shares [and Dividend Shares] at any time after the end of the Holding Period, but I may have to pay income tax and National Insurance Contributions when they are taken out of the Plan.

5. I agree to allow the Trustees to sell some or all of my Free Shares [and Dividend Shares] to pay any income tax and National Insurance Contributions in respect of my Free Shares [and Dividend Shares] ceasing to be subject to the Plan, unless I provide them in advance with sufficient funds to pay these amounts.

6. [I understand that I will lose my Free Shares if I cease to be in Relevant Employment before the end of the Forfeiture Period of [] years unless the employment ceased for one of the following reasons:

a) injury or disability

b) redundancy

c) transfer of employment to which the Transfer of Undertaking Protection of Employment) Regulations 1981 apply

d) retirement on or after reaching Retirement Age

e) death

f) change of control or other circumstances ending the Associated Company status of my employing company.]

7. If there is a rights issue, I agree to allow the Trustees to sell some of the rights attached to my shares in the Plan, in order to fund the exercise of the rights attached to other shares held by me in the Plan.

[DIVIDEND REINVESTMENT

8. Cash dividends will be used to buy more shares ("Dividend Shares") for me.

9. Any amount over L.1,500 in each tax year will be paid to me.

10. Any amount below L.1,500 not used to buy shares shall be carried forward and added to the next cash dividend to be reinvested.]

Signature: Date / /

SCHEDULE FOUR

KIMBERLY-CLARK SHAREPLUS UK

PARTNERSHIP SHARE AGREEMENT

**PLEASE USE BLOCK CAPITALS AND READ THE WHOLE OF THE AGREEMENT
BEFORE SIGNING BELOW**

THIS PARTNERSHIP SHARE AGREEMENT IS BETWEEN:

PARTICIPANT ("THE
PARTICIPANT")
Name:
Home Address:

COMPANY ("THE
COMPANY")
Name:
Registered Address:

TRUSTEES ("THE
TRUSTEES")
Name:
Registered Address [if any]

Payroll Number

Registered Number:

THIS PARTNERSHIP SHARE AGREEMENT SETS OUT THE TERMS ON WHICH THE PARTICIPANT AGREES TO BUY SHARES UNDER THE KIMBERLY-CLARK SHAREPLUS UK (THE "PLAN") AND IS SUBJECT TO THE RULES OF THE PLAN. THE DEFINITIONS IN THE PLAN RULES APPLY TO THIS PARTNERSHIP SHARE AGREEMENT.

NOTICE TO PARTICIPANT ABOUT POSSIBLE EFFECT ON BENEFITS

Deductions from your pay to buy Partnership Shares under this agreement may affect your entitlement to, or the level of, some contributory social security benefits, statutory maternity pay and statutory sick pay. They may also have a similar effect in respect of some contributory social security benefits paid to your wife or husband. With this agreement you should have been given information on the effect of deductions from your pay to buy

Partnership Shares on entitlement to social security benefits, statutory sick pay and statutory maternity pay. The effect is particularly significant if your earnings are brought below the lower earnings limit for National Insurance purposes, and is explained in the information: it is therefore important that you read it. If you have not been given a copy, ask your employer for it. Otherwise a copy may be obtained from any office of the Inland Revenue, the Department of Social Security, or, in Northern Ireland, the Department for Social Development. You should take the information you have been given into account in deciding whether to buy Partnership Shares.

PARTICIPANT

1. I confirm that I am eligible to participate in the Plan.

2. I agree to allow my employer to deduct the following amount per [week/month] from my Salary:

[L.] [insert amount between
[L.10] and L.125 [per month] and not more than 10% of Salary

3. [I agree that these deductions will be used to buy Partnership Shares in Kimberly-Clark Corporation for me] OR

[I agree that the Trustees will accumulate my deductions from [Company to specify beginning and end of Accumulation Period] and buy Partnership Shares in Kimberly-Clark Corporation for me after the end of the Accumulation Period.]

4. I understand that shares may fall in value as well as rise.

5. I have read this Partnership Share Agreement and agree to be bound by it and by the Rules of the Plan.

6. [I agree that all dividends paid on my shares will be used by the Trustees to buy more shares in Kimberly-Clark Corporation ("Dividend Shares") for me in accordance with the Rules of the Plan. I agree to accept the Dividend Shares bought for me and leave

them in the hands of the Trustees, and not to assign, charge or otherwise dispose of my beneficial interest in the shares for the whole of the whole of the Holding Period of 3 years.

7. [I agree to accept Matching Shares in Kimberly-Clark Corporation appropriated to me under the Plan and leave them in the hands of the Trustees, and not to assign, charge or otherwise dispose of my beneficial interest in the shares for the whole of the Holding Period applicable to them.]

COMPANY

8. The Company agrees to arrange for shares in Kimberly-Clark Corporation to be bought for me, according to the Rules of the Plan.

9. The Company agrees to provide [insert number] Matching Share(s) for every [insert number] Partnership Share(s) bought for me.

10. The Company undertakes to notify me of any restriction on the number of Partnership Shares available.

TRUSTEES

11. The Trustees agree to keep my Salary deductions in [insert name of bank/building society] until they are used to buy shares in Kimberly-Clark Corporation for me.

Signature: Date //

RIGHTS AND OBLIGATIONS

1. I agree that taking part in the Plan does not affect my rights, entitlements and obligations under my contract of employment, and does not give me any rights or additional rights to compensation or damages if my employment ceases.
2. I may stop the deductions at any time, or begin them again, by writing to my employer, but I may not make up any amounts missed when deductions were stopped.
3. I agree that the deductions from my salary, or the number of shares that I receive may be scaled down if the limit on the number of shares set by the Company available is exceeded.
4. I can at any time withdraw from this agreement by writing to my employer. Any unused deductions will be returned to me after the deduction of any necessary income tax or National Insurance Contributions.
5. I agree that withdrawal from this agreement will not affect the terms on which I agreed to buy shares already held for me under the Plan.
6. I may ask the Trustees for my Partnership Shares at any time, but I may have to pay income tax and National Insurance Contributions when they are taken out of the Plan.
7. I agree to allow the Trustees to sell some or all of my shares to pay any income tax and National Insurance Contributions in respect of my shares ceasing to be subject to the Plan, unless I provide them in advance with sufficient funds to pay these amounts.
8. I agree that any deductions not used to buy shares will at the discretion of the Trustees be repaid to me after the deduction of any necessary income tax or National Insurance Contributions, or will be carried forward and added to the next deduction or Accumulation Period.

9. If there is a rights issue, I agree to allow the Trustees to sell some of the rights attaching to my shares in the Plan, in order to fund the exercise of the rights attached to other shares held by me in the Plan.

[ACCUMULATION PERIOD]

10. The Accumulation Period shall come to an end when [specify nature of event(s)], but this agreement shall continue until terminated by any party giving notice to the others.

11. I may only restart deductions once in every [insert number] months.]

[MATCHING SHARES[AND DIVIDEND SHARES]]

12. The ratio of Matching Shares to Partnership Shares is [insert ratio - not more than 2:1] and may be varied by the Company. The circumstances and manner in which the ratio may be varied are [company to specify details here].

13. If the ratio varies, the Company will notify me before the Partnership Shares are bought for me.

14. I agree to leave the Matching Shares in the hands of the Trustees, and not to assign, charge or otherwise dispose of my beneficial interest in the Matching Shares for the whole of the Holding Period applicable to them.

15. I may ask the Trustees for my Matching Shares [and Dividend Shares] at any time after the end of the Holding Period, but I may have to pay income tax and National Insurance Contributions when they are taken out of the Plan.

16. I agree to allow the Trustees to sell some or all of my Matching Shares [and Dividend Shares] to pay any income tax and National Insurance Contributions in respect of my Matching Shares [and Dividend Shares] ceasing to be subject to the Plan, unless I provide them in advance with sufficient funds to pay these amounts.

17. If there is a rights issue, I agree to allow the Trustees to sell some of the rights attached to my shares in the Plan to exercise the rights attached to other shares held by me in the Plan.

[I will lose my Matching Shares if I withdraw the Partnership Shares in respect of which the Matching Shares were appropriated before the end of the Forfeiture Period of [] years applicable to the Matching Shares.]

[I will lose my Matching Shares if I cease to be in Relevant Employment before the end of the Forfeiture Period of [] years, unless the employment ceased for one of the following reasons:

a) injury or disability

b) redundancy

c) transfer of employment to which the Transfer of Undertaking (Protection of Employment) Regulations 1981 apply

d) retirement on or after reaching Retirement Age

e) death

f) change of control or other circumstances ending the Associated Company status of my employing company.]

PARTNERSHIP SHARE MONEY HELD BY TRUSTEES

18. The Trustees are under no obligation to keep the deductions in an interest-bearing account, but if they do, they will pay the interest to me.

[DIVIDEND REINVESTMENT

19. Cash dividends will be used to buy more shares ("Dividend Shares") for me.

20. Any amount over L.1500 in each tax year will be paid to me.

21. Any amount below L.1500 not used to buy shares shall be carried forward and added to the next cash dividend to be reinvested.]

SCHEDULE FIVE

KIMBERLY-CLARK shareplus UK

Notice of Appropriation

To: [Name] Appropriation Date:
[Address]

From: The Trustees of the Kimberly-Clark shareplus UK

The Trustees of the Plan have today made an appropriation to you of []
[ordinary] shares of []p each in Kimberly-Clark under the Plan (Free Shares).

Their Market Value on the Appropriation Date is [] per share.

The Holding Period in respect of these shares is [] years.

Yours faithfully

for and on behalf of
[]

SCHEDULE SIX

KIMBERLY-CLARK shareplus UK

Direction to transfer Shares

To: The Trustees of Kimberly-Clark shareplus UK

A. FREE SHARES

This notice applies to the Free Shares that were appropriated to me on [Appropriation Date]. The Release Date applicable to those shares was [Release Date] and the Tax Free Date applicable to them is [Tax Free Date].

I hereby direct you to transfer the legal ownership of [] Free Shares to [me][other] as soon as practicable, in accordance with the Rules of the Plan.

I understand that if the Tax Free Date has not yet been reached you will withhold the amount necessary to pay income tax on my behalf on the appropriate value of the Free Shares as well as any amount necessary to satisfy any Primary Class I National Insurance liability that may arise, in accordance with the terms of the Agreement that relates to them.

B. PARTNERSHIP SHARES

This notice applies to the Partnership Shares that were acquired by you on my behalf on [Acquisition Date]. The Release Date applicable to them is [Release Date] and the Tax Free Date applicable to them is [Tax Free Date].

I hereby direct you to transfer the legal ownership of [] Partnership Shares to [me][other] as soon as practicable, in accordance with the Rules of the Plan.

I understand that if the Tax Free Date has not yet been reached you will withhold the amount necessary to pay income tax on the appropriate value of the Partnership Shares as

well as any amount necessary to satisfy any Primary Class I National Insurance liability that may arise, in accordance with the terms of the Agreement that relates to them.

[I understand that if the Release Date has not yet been reached the Matching Shares that were appropriated to me on [Appropriation Date] will be forfeited by this direction and that I shall have no further entitlement to them.]

C. MATCHING SHARES

This notice applies to the Matching Shares that were appropriated to me on [Appropriation Date]. The Release Date applicable to those shares was [Release Date] and the Tax Free Date applicable to them is [Tax Free Date].

I hereby direct you to transfer the legal ownership of [] Matching Shares to [me][other] as soon as practicable, in accordance with the Rules of the Plan.

I understand that if the Tax Free Date has not yet been reached you will withhold the amount necessary to pay income tax on the appropriate value of the Matching Shares as well as any amount necessary to satisfy any Primary Class I National Insurance liability that may arise, in accordance with the terms of the Agreement that relates to them.

D. DIVIDEND SHARES

This notice applies to the Dividend Shares that were appropriated to me on [Appropriation Date]. The Release Date applicable to those shares was [Release Date] and the Tax Free Date applicable to them is [Tax Free Date].

I hereby direct you to transfer the legal ownership of [] Dividend Shares to [me][other] as soon as practicable, in accordance with the Rules of the Plan.

I understand that if the Tax Free Date has not yet been reached you will withhold the amount necessary to pay income tax on the Market Value of the Dividend Shares as well as any amount necessary to satisfy any Primary Class I National Insurance liability that may arise, in accordance with the terms of the agreement that relates to them.

Signed: Date:

SCHEDULE SEVEN

KIMBERLY-CLARK shareplus UK Notice of Acquisition[/Appropriation]

To: [Name] Acquisition[/Appropriation] Date:
[Address]

From: The Trustees of Kimberly-Clark shareplus UK

The Trustees of the Plan have today acquired on your behalf [] [ordinary] shares of []p each in Kimberly-Clark Corporation under the Plan (Partnership Shares). In their acquisition of the above shares the Trustees used [] of your Partnership Share Money, leaving [].

The Market Value of the Partnership Shares on the Acquisition Date is [] per share. There is no Holding Period in respect of these shares.

[In addition, the Trustees have today made an appropriation to you of [] [ordinary] shares of []p each in Kimberly-Clark Corporation under the Plan (Matching Shares). Their Market Value on the Appropriation Date is [] per share.] The Holding Period in respect of these shares is [] years.

Yours faithfully

for and on behalf of

SCHEDULE EIGHT

Deed of Adherence

THIS DEED is made the day of 20

BETWEEN

- (1) KIMBERLY-CLARK HOLDING LTD whose registered office is at [] ("the Company")
- (2) [Trustee Limited] whose registered office is at [] ("the Trustees"); and
- (3) [] whose registered office is at [] ("the New Participating Company")

RECITALS

(A) This Deed is supplemental to a Deed dated [] and made between the Company and the Trustees (hereinafter called the "Principal Deed") whereby the Company established Kimberly-Clark shareplus UK (hereinafter called "the Plan").

(B) The New Participating Company is controlled by the Company within the meaning of Section 840 of the Income and Corporation Taxes Act 1988 and is a subsidiary of the Company within the meaning of Section 736 of the Companies Act 1985.

(C) In pursuance of the power contained in Clause 4 of the Principal Deed, the Company has agreed that subject to its entering into this Deed of Adherence, the New Participating Company may become a Participating Company for the purposes of the Plan.

THIS DEED PROVIDES as follows:

1. The Company hereby agrees that the New Participating Company shall be a Participating Company for the purposes of the Plan.

2. The New Participating Company hereby covenants with the Company and with the Trustees that it will observe and perform all covenants, conditions and provisions contained in the Principal Deed and all the provisions of the Plan applicable to Participating Companies.

IN WITNESS whereof the parties hereto have caused this Deed to be executed the day and year first before written

THE COMMON SEAL OF)
KIMBERLY-CLARK HOLDING LTD)
was hereunto affixed in)
the presence of:)

Director

Secretary
SIGNED as a DEED)
by [])
Limited)
ACTING by)

Director

Secretary
THE COMMON SEAL OF)
[the New Participating)
Company] was)
hereunto affixed in the)
presence of:)

Director

Secretary

SCHEDULE NINE

KIMBERLY-CLARK shareplus UK

Notice of Performance Related Formula

For the attention of ALL employees of Kimberly-Clark

SCHEDULE TEN

KIMBERLY-CLARK shareplus UK

Notice of Appropriation - Dividend Shares

To: [Name] Appropriation Date:
[Address]

From: The Trustees of the Kimberly-Clark Share Incentive Plan

The Trustees of the Plan have today acquired on your behalf [] [ordinary] shares of []p in Kimberly-Clark Corporation under the Plan (Dividend Shares). Their Market Value on the Appropriation Date is [] per share. The Holding Period in respect of these shares is [] years.

The amount of the cash dividend which is insufficient to acquire a share is
L..... This sum is held by the Trustees and carried forward to your account. Yours faithfully

For and on behalf of
[]

EXHIBIT VII TRUST DEED OF THE KIMBERLY-CLARK EMPLOYEE SHARE TRUST
(JERSEY), FILED WITH THE SEC ON 18 SEPTEMBER 2009 AS EXHIBIT 4.3.3 OF
FORM S-8

DATED

11 June 2002

Kimberly-Clark Corporation
-and-
Mourant & Co Trustees Limited

TRUST DEED
of the
KIMBERLY-CLARK
EMPLOYEE SHARE TRUST (JERSEY)

BACON & WOODROW
Actuaries & Consultants
St Olaf House
London Bridge City
London SE1 2PE

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1. DEFINITIONS

1.1. Specific Terms

In this Deed the following expressions shall where the context permits have the following meanings:

“Beneficiaries”	the <i>bona fide</i> Employees and Former Employees from time to time of the Company or any Relevant Subsidiary and the wives husbands widows widowers and children and stepchildren under the age of eighteen of such Employees or Former Employees save that any person resident in Jersey shall not be a Beneficiary
“Employee”	any person employed by the Company or any Relevant Subsidiary and “Former Employee” shall be construed accordingly
“Relevant Subsidiary”	any Subsidiary which has any employees or former employees participating in any of the Share Schemes
“Shares”	shares of common stock in the capital of the Company or such other shares as may be appropriate for the purposes of the Share Schemes from time to time as the result of any take-over reconstruction amalgamation or other event affecting the Company and its shares

“Share Schemes”	the employees’ share schemes (within the meaning of Section 743 of the Companies Act 1985) which have been or will be established and operated by the Company and/or any of the Relevant Subsidiaries as altered by the Company and/or any of the Relevant Subsidiaries from time to time
“Subsidiary”	any subsidiary from time to time of the Company within the meaning of Section 736 of the Companies Act 1985 (as amended)
“Trust”	the Kimberley-Clark Employee Share Trust (Jersey), as constituted by this Deed (as amended from time to time)
“Trust Fund”	the said sum of Five Hundred Pounds and all property at any time added to it by way of further settlement accumulation capital accretion or otherwise by the Company or any Relevant Subsidiary or otherwise and all property from time to time representing the same held by or on behalf of the Trustees on trust under the terms of this Deed
“Trust Period”	the period of eighty years beginning with the date of this Deed (which period shall be the perpetuity period applicable) or such shorter period commencing on the date of this Deed

and ending on such date as the Trustees may by deed determine

1.2. General

In this Deed

- (a) references to any statutory provision are to that provision or any part of it as amended and re-enacted from time to time and
- (b) references to any deed agreement document or instrument (including this Deed) shall be construed as a reference to such deed agreement document or instrument as from time to time amended supplemented or varied and
- (c) where the context permits words of the masculine gender shall include the feminine and *vice versa* and words in the singular shall include the plural and *vice versa* and
- (d) Clause headings in this Deed are included for reference purposes only and do not affect its interpretation

2. TRUST FOR SALE

Subject to Clause 7 the Trustees shall during the Trust Period hold the Trust Fund upon trust as to investments or property other than money in their absolute discretion to sell call in and convert the same into money with power to postpone such sale calling in and conversion and to permit the same to remain as invested and upon trust as to money in their absolute discretion to invest the same in their names or under their control in any of the investments authorized by this Deed or by law in their absolute discretion from time to time to vary or transpose any such investments for others so authorised

3. ADDITIONS TO THE TRUST FUND

The Trustees may at any time receive any money or other property from any person or company to be held by them as an addition to the Trust Fund and any such additions which shall be accepted and received by the Trustees shall (in the absence of any contradictory direction) be held by the Trustees upon trust on the terms of this Deed

4. DUTY OF CARE

In the exercise of their powers under clauses 9.1, 9.4, 9.5, 9.8 and 9.13, the Trustees much show such skill and care as is reasonable in the circumstances making allowance for his or her special knowledge, experience or professional status

5. DISCRETIONARY TRUST

5.1. Power of Appointment

During the Trust Period (and subject to the rule against perpetuities) the Trustees shall hold the Trust Fund and its income upon such trusts in favour or for the benefit of any one or more of the Beneficiaries at such ages or times in such shares and manner as the Trustees shall during the Trust Period appoint

5.2. Requirement to Notify the Company

Notification of any proposed appointment made by the Trustees under Clause 5.1 shall be given by the Trustees to the Company in writing not less than seven days before that appointment, unless the Company agrees in any particular case to a shorter period or waives its right to notice under this Clause

5.3. Power to Accumulate Income

Pending the exercise of their power of appointment under Clause 5.1 the Trustees may accumulate all or any of the income of the Trust Fund and add it to the Trust Fund

6. TRUSTS AT THE EXPIRY OF THE TRUST PERIOD

Subject to the provisions of Clause 5 the Trustees shall hold the capital and income of the Trust Fund at the expiry of the Trust Period UPON TRUST for such of the Beneficiaries as shall then be living and if more than one Beneficiary is still living in equal shares absolutely or if there are no such Beneficiaries then living then UPON TRUST for such Charity or Charities as the Trustees shall in their absolute discretion determine

7. PURCHASE OF SHARES AND FUNDING

7.1. Provisions of Funds by the Company and Relevant Subsidiaries

The Company hereby covenants with the Trustees

- 7.1.1.** to pay or procure to be paid to the Trustees and the Trustees hereby covenant to accept from the Company and from Relevant Subsidiaries such amounts (whether by way of loan or gift or loan procured (and guaranteed if appropriate) by the Company or any Relevant Subsidiary) as the Company or a Relevant Subsidiary (as the case may be) so provides and
- 7.1.2.** to grant options to the Trustees and the Trustees hereby covenant to accept any options that may be granted from time to time ((subject to Clause 7.4 for the purpose (in particular but without limitation) of the subscription for or purchase of Shares by the Trustees to be held on trust under the terms of this Deed together with any costs charges and expenses incurred, including the payment of interest on loans made to the Trustees

7.2. Loans to Trustee

Any loan made by the Company or any Relevant Subsidiary to the Trustees shall be on such terms as the Company or such Relevant Subsidiary and the Trustees may agree

7.3. Notification of Amendments

The Company shall ensure that the Trustees are notified as soon as any changes are made to the terms of any of the Share Schemes pursuant to which any Shares are or may be held by the Trustees including the

adoption by the Company or any Relevant Subsidiary (as the case may be) of any new Share Schemes

7.4. Constitution as Employees' Share Scheme

If and so long as the Trust Fund includes Shares or any portion to acquire Shares this Trust and the Share Schemes shall together constitute an employees' share scheme of the Company within the meaning of Section 743 of the Companies Act 1985 and neither the Trustees nor the Company nor any Relevant Subsidiary (as the case may be) shall take any action which would cause the Trust together with the Share Schemes to cease to be such an employees' share scheme

7.5. Constitution as a Trust for the Benefit of Employees

This Trust shall constitute a trust for the benefit of employees within the meaning of Section 86 of the Inheritance Tax Act of 1984 and neither the Trustees nor the Company nor any Relevant Subsidiary (as the case may be) shall take any action which would cause the Trust to cease to be such a trust for the benefit of employees

8. LIMITATIONS: MAXIMUM PERCENTAGE SHAREHOLDING

- 8.1.** The maximum number of Shares which may be held in the name of the Trustees subject to the trusts hereof at any time (excluding Shares which have been appointed to a Beneficiary or which are subject to any option granted under any of the Share Schemes) may not exceed five per cent of the issued Shares of the Company
- 8.2.** The Trustees shall subscribe for Shares pursuant to this Trust only if the terms of such subscription have received prior approval of the shareholders of the Company in general meeting

9. POWERS OF TRUSTEES

9.1. Power to invest

The Trustees shall have power:

- 9.1.1.** With the consent in writing of the Company to invest the whole or any part of the Trust fund in the acquisition (either by the Trustees alone or jointly with any other person) of any property whether or not involving liability or producing an income or upon such personal credit (with or without security) as the Trustees in their absolute discretion think fit
- 9.1.2.** To invest the whole or any part of the Trust Fund in Shares or rights to acquire Shares or securities convertible into Shares without being required to diversify or consider the diversification of investments

9.2. To enter into agreements

The Trustees shall have power to enter into any agreement with the Company or any associated company or any third party

9.3. To take up and grant options

The Trustees shall have power to take up any option on any real or personal property on such terms and conditions as they shall in their absolute discretion think fit and to grant any option for the purchase of any real or personal property for the time being subject to the terms of this Deed or the acquisition of any such property on such terms and conditions as they shall in their absolute discretion think fit provided this does not cause the Trust to constitute a collective investment scheme within the meaning of Section 75(i) of the Financial Services Act 1986

9.4. To borrow

The Trustees shall have power at any time to borrow or raise money on the security of the Trust Fund or any part of it or on personal security only for any purpose for which moneys may be applied under this Deed including the purpose of investment only and to mortgage charge or pledge any part of the Trust Fund as security for any moneys so raised and on such terms as to the payment of interest (if any) and as to repayment as the Trustees shall in their absolute discretion think fit PROVIDED THAT where the Trustees propose to borrow moneys they shall have regard to the terms of any loan offered by the Company or any Subsidiary to enable the Trustees to acquire Shares in the Company but shall not be bound to accept any such loan

9.5. To lend and give guarantees

The Trustees shall have power

- 9.5.1.** To lend money or property to any one or more of the Beneficiaries either free of interest or on such terms as to payment of interest and generally as the Trustees shall in their absolute discretion think fit PROVIDED THAT it shall be a condition of this power being exercised in favour of a Beneficiary on anything other than terms under which the Trustees receive full consideration in money or money's worth in return for any such loan that such Beneficiary is entitled to a beneficial interest in possession in the part of the Trust Fund from which the loan derives
- 9.5.2.** To guarantee the payment of money and the performance of obligations in respect of any existing or future borrowings by any one or more of the Beneficiaries from third parties or guarantees indemnities or other commitments of like nature given to third parties by any one or more of the Beneficiaries including (but without limitation) the power to pledge the whole or any part of the assets of the Trust Fund in support of any such guarantee PROVIDED THAT this power may only be exercised in favour of a Beneficiary who is entitled to a beneficial interest in possession in the part of the Trust Fund set aside to support such guarantee or indemnity

9.6. To Distribute or Accumulate Income

- 9.6.1.** During the Trust Period the Trustees may accumulate the whole or any part of the income of the Trust Fund either as an addition to the capital of the Trust Fund or as a separate fund

9.6.2. Alternatively the Trustees may pay or apply the income of the Trust Fund to or for the benefit of all or any one or more of the Beneficiaries in such manner and in such shares as the Trustees think fit

9.7. To Make Rules for the Administration of the Trust

Except as otherwise provided the Trustees may in their discretion make rules for the constitution and regulation of their meetings and the keeping of minutes and otherwise conduct their affairs in such a manner as they may deem appropriate and make such arrangements in relation to the administration of the Trust and of the Trust Fund as they may consider advisable in the interests of the Trust

9.8. To Vote and Employ Nominees and Custodians

In respect of any property comprised in the Trust Fund the Trustees shall have power

- 9.8.1.** To vote or not to vote at their discretion upon or in respect of any shares securities bonds notes or other evidence of interest in or obligation of any company trust association or concern whether or not affecting the security or the apparent security of the Trust Fund or the purchase sale or lease of the assets of any such company trust association or concern
- 9.8.2.** To deposit any such shares securities or property in any voting trust or with any depository designated under such a voting trust
- 9.8.3.** To give proxies or powers of attorney with or without power of substitution for voting or acting on behalf of the Trustees as the owners of any such property

9.8.4. To hold any or all securities or other property in bearer form or in the names of the Trustees or any one or more of them or in the name of some other person or partnership or in the name or names of nominees without disclosing the fiduciary relationship created by this Deed and to deposit the said securities or any title deeds or other documents belonging or relating to the Trust Fund in any part of the world with any bank firm trust company or other company that undertakes the safe custody of securities as part of its business without being responsible for the default of such bank firm trust company or other company or for any consequent loss

9.9. To appropriate

The Trustees shall have power (exercisable either expressly or by implication) to allot appropriate partition or apportion any property whatsoever which (or the future proceeds of sale of which) is for the time being subject to the terms of this Deed in or towards the satisfaction of any share or interest in the Trust Fund or in the income of it in such manner as the Trustees shall in their absolute discretion consider just according to the prospective rights of the Beneficiaries concerned and in the exercise of such power to register Shares in their own name or the name of the Beneficiaries concerned as they shall determine

9.10. Transfers

The Trustees shall with the consent of the Company have power

9.10.1. To transfer (without transgressing the rules against perpetuities) the Trust Fund or any part of it to the trustees of a new trust or settlement constituted under the law of any state or country which is for the benefit of some or all of the Beneficiaries to be held freed and discharged from this Trust but so that the powers of such new

trust or settlement shall not differ (unless acceptable under Clause 9.10.2 below) from the trusts and powers declared in this Deed previously applicable to the Trust Fund or part transferred

9.10.2. To transfer cash or other assets of the Trust Fund to Beneficiaries in any part of the world at the sole discretion of the Trustees subject to not breaching any relevant requirements of the Companies Act 1985 and Income and Corporation Taxes Act 1988 or any equivalent legislation in the relevant jurisdiction in any part of the world outside the United Kingdom

9.11. To pay tax

The Trustees shall have power to pay any duties or taxes or fiscal impositions (together with any related interest or penalties or other surcharges) in connection with this Trust for which the Trustees may become liable in any part of the world notwithstanding that such liability may not be enforceable through the courts of the place where this Trust is for the time being administered and to have complete discretion as to the time and manner in which such duties taxes and fiscal impositions shall be paid and no person interested under this Trust shall be entitled to make any claim whatsoever against the Trustees by reason of making such payment

9.12. To deduct tax

The Trustees shall have power to deduct or withhold from the Trust Fund or from or in respect of amounts paid or property transferred by the Trustees to any of the Beneficiaries any amounts for which the Trustees may as trustees be accountable to any third party or any amounts for which any Beneficiary the Company or any Relevant Subsidiary may be accountable in connection any transfer of property

9.13. To delegate

The Trustees shall have power:

9.13.1. To delegate in the exercise of their discretion and the performance of their duties under this Deed the administrative and management functions and powers (excluding investment powers) to any professional adviser and appoint any such person as their agent to transact all or any business and to act on the advice or opinion (including advice in relation to investments) of any professional adviser so that the Trustees shall not be responsible for anything done or omitted to be done or suffered to be done in good faith in reliance on such advice or opinion

9.13.2. To delegate any of their powers (including fiduciary powers) and duties under this Deed including the exercise of any discretion to any person or company

9.13.3. To revoke any delegation made under this Clause 9.13

9.14. Payments to Beneficiaries

The Trustees shall have power to make any payment to any Beneficiary in such manner as they shall determine including payment into such Beneficiary's bank account and the Trustees shall be discharged from obtaining a receipt or seeing to the application of such payment

9.15. Exclusion of apportionment rules

The statutory and equitable rules of apportionment shall not apply to this Trust and the Trustees shall be permitted to treat all dividends and other

payments in the nature of income received by them as income at the date of receipt irrespective of the period for which the dividend or other income is payable

10. APPOINTMENT RETIREMENT AND REMOVAL OF TRUSTEES

10.1. Statutory Power to Appoint Trustees Vested in Company

The statutory power of appointing new and additional trustees shall be vested in the Company

10.2. Trustee Resident Outside United Kingdom

A person or trust corporation may be appointed as a trustee hereof notwithstanding that such person or trust corporation is not resident in the United Kingdom and remaining out of the United Kingdom for more than twelve months shall not be a ground for the removal of the trustee

10.3. Removal and Retirement of Trustees

The Company may at any time by deed remove any trustee and any trustee may at any time by giving not less than thirty days notice in writing to the Company retire as trustee and so that after such removal or retirement a sole trustee (whether or not a trust corporation) may continue to act as a trustee in all respects but so that if after such removal or retirement there shall be no continuing trustee the Company shall forthwith appoint a new trustee in place of such removed or retired trustee

10.4. Trust Corporation

The provisions of Section 37 and 39 of the Trustee Act 1925 shall apply to this Deed as if all references to a trust corporation were references to any corporation

11. TRUSTEE CHARGING CLAUSE

11.1. Corporate Trustee

Any trustee which is a trust corporation or company authorised to undertake trust business shall be entitled in addition to reimbursement of its proper expenses to remuneration for its services in accordance with such terms and conditions as may from time to time be agreed between such trustee and Company and in the absence of an agreement in accordance with its published terms and conditions for trust business in force from time to time

11.2. Professional Trustee

Any trustee who is a solicitor or other person engaged in a profession or business shall be entitled to charge and be paid all normal professional or other charges for business transacted services rendered or time spent personally or by such trustee's firm in the administration of these trusts including acts which a trustee not engaged in any profession or business could have done personally

11.3. Trustee Expenses

Any expenses incurred by a trustee custodian nominee or other person to whom administration has been properly delegated by the Trustees in the execution of their duties shall be reimbursed and may be charged to the Trust Fund

12. GOVERNING LAW

The proper law of this Deed shall be that of England and Wales and all rights under it and the construction and effect of this Deed shall be subject to the jurisdiction of and construed according to the laws of England and Wales provided that the Trustees may at any time during the Trust Period declare by deed that the trusts powers and provisions of this Deed shall from the date of such declaration take effect (with such modifications as shall be specified in such deed) in accordance with the law of such other territory as shall be specified in this Deed

13. RIGHTS OF BENEFICIARIES DURING THE TRUST PERIOD

13.1. No rights against trustees

No Beneficiary shall have

- 13.1.1.** any claim right or entitlement whatever to any part of the Trust Fund or the income of it except as expressly provided or as the same may arise by virtue of the exercise of any power of appointment contained in this Deed or
- 13.1.2.** any claim right or entitlement during the Trust Period to call for accounts (whether audited or otherwise) from the Trustees in relation to the Trust Fund and the income of it or to obtain any information of any nature from the Trustees in relation to the Trust Fund and the income of it and in relation to the trusts and powers of this Deed

13.2. No contractual rights

The benefits which may from time to time be provided under this Trust shall not form part of any contract of employment between the Company or any Relevant Subsidiary and any of their respective employees and shall not confer on any employee any legal or equitable rights against his employer either directly or indirectly nor give rise to any cause of action in law against the Company or any Relevant Subsidiary

13.3. No right to compensation

Any employee whose employment with the Company or with any Relevant Subsidiary terminates shall not be entitled to any compensation for or by reference to any loss or curtailment of any right or benefit or prospective right or benefit under this Trust which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for unfair dismissal or for loss of office or otherwise

14. PROTECTION OF THE TRUSTEES

14.1. Loss or damage

No individual or corporate trustee shall be liable for any loss or damage which may occur to the Trust Fund or the income of it arising from any purchase of Shares or waiver of dividends attributable to such Shares or from any proper investment waiver or purchase made by him in good faith and without negligence or for the negligence or fraud of any agent employed by him or by any other trustee even if his employment was not strictly necessary or expedient or by reason of any mistake or omission made in good faith by any trustee

14.2. Payment of Expenses

The Company and where appropriate the Relevant Subsidiaries shall pay to or reimburse the Trustees upon demand all charges and expenses reasonably incurred by them in the course of the administration operation and termination of this Trust and shall keep the Trustees fully indemnified and saved harmless against all actions claims losses expenses costs damages taxes duties and other liabilities arising out of anything done or caused to be done by them or suffered or incurred by them in the exercise or purported exercise of any of the powers and trusts vested in them by this Deed or otherwise howsoever arising out of or in connection with the preparation administration operation or termination of this Trust but so that no Trustee shall be indemnified or exonerated in respect of any fraud or wilful misconduct or negligence on his part or (in the case of a corporate Trustee) negligence and in addition the Trustees shall have the benefit of all indemnities conferred upon trustees generally by law and by the Trustee Act 1925

15. PERSONAL INTERESTS OF THE TRUSTEES

15.1. Personal interests ignored

Subject to Clause 15.2 no decision of or exercise of a power by the Trustees shall be invalidated or questioned on the grounds that the Trustees or any director or other officer of a corporate Trustee had a direct or personal interest in the result of any decision or in the exercising of any power and any such person may vote and be taken into account for the purposes of a quorum notwithstanding his interest

15.2. Requirement to declare interest

If the interest of the Trustee or other person concerned for the purposes of Clause 15.1 is such that

15.2.1. it arises otherwise than solely because the Trustee or other person concerned is a Beneficiary or a director or other officer or shareholder of the Company or any Subsidiaries and

15.2.2. it is material and

15.2.3. the other Trustees (or if a corporation is the sole Trustee the other directors of the sole Trustee) are not aware of the interest

then the nature of the interest must (unless the other Trustees agree otherwise) be declared at the meeting of the Trustees (or if a corporation is the sole Trustee at the meeting of the board of directors of the sole Trustee) at which the item of business to which the interest relates is discussed or if the Trustee or other person concerned is not present at such meeting at the next meeting of the Trustees (or next meeting of the

board of directors of the corporation being the sole Trustee as appropriate) at which he is present

15.3. No requirement to account for benefits

A Trustee (or director or other officer of a corporate Trustee) who is or becomes a Beneficiary may retain all benefits to which he becomes entitled under this Trust or any of the Share Schemes and shall not be liable to account for any such benefit

16. ALTERATIONS TO THIS DEED

The Company and the Trustees may at any time by deed alter or add to all or any of the provisions of this Deed in any respect provided that no such alteration or addition to any of the provisions of this Deed shall be effective if as a result:

- 16.1.** This Trust would cease to be a trust which satisfies the conditions set out in Section 86 of the Inheritance Tax Act 1984 (trusts for the benefit of employees) or if and so long as any of the Trust Fund includes Shares or options over Shares would cease to be an employees' share scheme within the meaning of Section 743 of the Companies Act 1985 or breach any requirement of the Companies Act 1985 or would constitute a collective investment scheme within the meaning of Section 75(1) of the Financial Services Act 1986
- 16.2.** The Trust Period would extend beyond the perpetuity period specified in this Deed
- 16.3.** The rights of any Beneficiary accrued before the date of such alteration or addition would be adversely altered or affected (unless the Beneficiary has previously consented in writing)

16.4. Any prior payment or application of either the capital or income of the Trust Fund shall be invalidated or any part of the Trust Fund to which any person has previously become absolutely and indefeasibly entitled would be affected

16.5. Any of the restrictions contained in this Clause would thereby be removed or amended

17. NOTICE

17.1. Recommendations by the Company

In the exercise of the powers and discretions conferred by this Deed or by law on them the Trustees may consider any written recommendations made to them by the Company but the Company shall have no power to direct the Trustees to comply with such recommendations

17.2. Notices to the Trustees and the Company

Any notice required to be given hereunder may be served at the registered office of the Company or Trustees (as appropriate) or at such other address as may from time to time be notified in writing to the Trustees by the Company (or vice versa)

17.3. Information Provided by the Company

The Trustees shall be entitled in the absence of manifest error to rely without further enquiry on information and advice necessary to enable them to fulfil their duties and obligations under this Deed and to exercise their rights in connection with the implementation and operation of the Trust supplied to them by the Company or any of the Relevant Subsidiaries for the purposes of this Deed including (but without

limitation) information as to whether any individual is or is not a Beneficiary and the Trustees shall also be entitled to rely in the absence of manifest error on any direction notice consent or document purporting to be given or executed by or with the authority of the Company or any Relevant Subsidiary or Beneficiary as having been so given or executed

18. CONTRIBUTIONS BY PARTICIPATING COMPANIES

18.1. Notwithstanding any other provision of this Trust express or implied

18.1.1. the capital and income of any part of the Trust Fund representing or deriving from a contribution or contributions made by the Company or a particular Subsidiary shall be applicable only for the benefit of any Beneficiary who derives his interest in the Trust Fund from the Company or such Subsidiary in relation to a part of the Trust Fund and

18.1.2. any part of the Trust Fund which is contributed otherwise than by the Company or a Subsidiary shall be deemed for the purposes of this Trust to have been contributed by the Company and the Subsidiaries which shall previously have made a contribution or contributions and if more than one in equal shares

18.2. Notwithstanding any other provision of this Trust express or implied no part of the Trust Fund shall be paid or applied to or for the benefit of the Company or any Subsidiary in any circumstances

19. DEED TO BE EXECUTED IN COUNTERPARTS

This Deed may be executed in counterparts.

IN WITNESS whereof the parties hereto have caused this Deed to be executed the day and year first before written

SIGNED AS A DEED BY)
KIMBERLY-CLARK)
CORPORATION)
)

acting by

Authorised signatory

/s/ Rob van der Merwe

Authorised signatory

/s/ Rodney G. Olsen

SIGNED AS A DEED BY)
MOURANT TRUSTEES LTD)
)

acting by

Director

/s/ Heidi Wilson

Authorised signatory

/s/ Julie Harris

EXHIBIT VIII TRUST DEED OF THE KIMBERLY-CLARK EMPLOYEE SHARE TRUST (UK),
FILED WITH THE SEC ON 18 SEPTEMBER 2009 AS EXHIBIT 4.3.4 OF FORM S-8

DATED

11 June 2002

Kimberly-Clark Corporation
-and-
Mourant ECS Trustees Limited

TRUST DEED
of the
KIMBERLY-CLARK
EMPLOYEE SHARE TRUST (UK)

BACON & WOODROW
Actuaries & Consultants
St Olaf House
London Bridge City
London SE1 2PE

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THIS DEED of TRUST is made the day of 2002.

BETWEEN

- (1) Kimberly-Clark Corporation registered in the State of Delaware U.S.A. whose registered office is situated at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, U.S.A. ("the Company") and
- (2) Mourant ECS Trustees Limited whose registered office is situated at 4th Floor, 35 New Bridge Street, London EC2V 6BW ("the Trustees" which expression shall where the context so permits include the trustee or trustees for the time being of this Trust)

RECITALS

- (A) THE Company and the Relevant Subsidiaries (as hereinafter defined) have established or intend to establish certain employees' share schemes (within the meaning of Section 743 of the Companies Act 1985) for encouraging or facilitating the holding of shares in the capital of the Company by or for the benefit of the Beneficiaries.
- (B) THE Company has paid or is about to pay the Trustees the sum of Five Hundred Pounds (by way of gift) and it is envisaged that further monies may hereafter be provided to the Trustees (whether by way of gift or otherwise) by the Company and the Relevant Subsidiaries to be held on trust under the terms of this Deed.
- (C) The Trust is established as a trust for the benefit of employees within the meaning of section 86 of the Inheritance Tax Act 1984

THIS DEED WITNESSES as follows:

1. **DEFINITIONS**

1.1. **Specific Terms**

In this Deed the following expressions shall where the context permits have the following meanings:

“Beneficiaries”	the <i>bona fide</i> Employees and Former Employees from time to time of the Company or any Relevant Subsidiary and the wives husbands widows widowers and children and stepchildren under the age of eighteen of such Employees or Former Employees
“Employee”	any person employed by the Company or any Relevant Subsidiary and “Former Employee” shall be construed accordingly
“Relevant Subsidiary”	any Subsidiary which has any employees or former employees participating in any of the Share Schemes
“Shares”	fully-paid ordinary shares in the capital of the Company or such other shares as may be appropriate for the purposes of the Share Schemes from time to time as the result of any take-over reconstruction amalgamation or other event affecting the Company and its shares

“Share Schemes”	the employees’ share schemes (within the meaning of Section 743 of the Companies Act 1985) which have been or will be established and operated by the Company and/or any of the Relevant Subsidiaries as altered by the Company and/or any of the Relevant Subsidiaries from time to time
“Subsidiary”	any subsidiary from time to time of the Company within the meaning of Section 736 of the Companies Act 1985 (as amended)
“Trust”	the Kimberly-Clark Employee Share Trust (UK), as constituted by this Deed (as amended from time to time)
“Trust Fund”	the said sum of Five Hundred Pounds and all property at any time added to it by way of further settlement accumulation capital accretion or otherwise by the Company or any Relevant Subsidiary or otherwise and all property from time to time representing the same held by or on behalf of the Trustees on trust under the terms of this Deed

“Trust Period”

the period of eighty years beginning with the date of this Deed (which period shall be the perpetuity period applicable) or such shorter period commencing on the date of this Deed and ending on such date as the Trustees may by deed determine

1.2. General

In this Deed

- (a) references to any statutory provision are to that provision or any part of it as amended and re-enacted from time to time and
- (b) references to any deed agreement document or instrument (including this Deed) shall be construed as a reference to such deed agreement document or instrument as from time to time amended supplemented or varied and
- (c) where the context permits words of the masculine gender shall include the feminine and *vice versa* and words in the singular shall include the plural and *vice versa* and
- (d) Clause headings in this Deed are included for reference purposes only and do not affect its interpretation

2. TRUST FOR SALE

Subject to Clause 7 the Trustees shall during the Trust Period hold the Trust Fund upon trust as to investments or property other than money in their absolute discretion to sell call in and convert the same into money with power to postpone such sale calling in and conversion and to permit the same to remain as invested and upon trust as to money in their absolute discretion to invest the same in their names or under their control in any of the investments authorized by this Deed or by law in their absolute discretion from time to time to vary or transpose any such investments for others so authorised

3. ADDITIONS TO THE TRUST FUND

The Trustees may at any time receive any money or other property from any person or company to be held by them as an addition to the Trust Fund and any such additions which shall be accepted and received by the Trustees shall (in the absence of any contradictory direction) be held by the Trustees upon trust on the terms of this Deed

4. DUTY OF CARE

In the exercise of their powers under clauses 9.1, 9.4, 9.5, 9.8 and 9.13, the Trustees must show such skill and care as is reasonable in the circumstances making allowance for his or her special knowledge, experience or professional status

5. **DISCRETIONARY TRUST**

5.1. Power of Appointment

During the Trust Period (and subject to the rule against perpetuities) the Trustees shall hold the Trust Fund and its income upon such trusts in favour or for the benefit of any one or more of the Beneficiaries at such ages or times in such shares and manner as the Trustees shall during the Trust Period appoint

5.2. Requirement to Notify the Company

Notification of any proposed appointment made by the Trustees under Clause 5.1 shall be given by the Trustees to the Company in writing not less than seven days before that appointment, unless the Company agrees in any particular case to a shorter period or waives its right to notice under this Clause

5.3. Power to Accumulate Income

Pending the exercise of their power of appointment under Clause 5.1 the Trustees may accumulate all or any of the income of the Trust Fund and add it to the Trust Fund

6. **TRUSTS AT THE EXPIRY OF THE TRUST PERIOD**

Subject to the provisions of Clause 5 (**Discretionary Trust**) the Trustees shall hold the capital and income of the Trust Fund at the expiry of the Trust Period UPON TRUST for such of the Beneficiaries as shall then be living and if more than one Beneficiary is still living in equal shares absolutely or if there are no such Beneficiaries then living then UPON TRUST for such Charity or Charities as the Trustees shall in their absolute discretion determine

7. PURCHASE OF SHARES AND FUNDING

7.1. Provisions of Funds by the Company and Relevant Subsidiaries

The Company hereby covenants with the Trustees

- 7.1.1.** to pay or procure to be paid to the Trustees and the Trustees hereby covenant to accept from the Company and from Relevant Subsidiaries such amounts (whether by way of loan or gift or loan procured (and guaranteed if appropriate) by the Company or any Relevant Subsidiary) as the Company or a Relevant Subsidiary (as the case may be) so provides and
- 7.1.2.** to grant options to the Trustees and the Trustees hereby covenant to accept any options that may be granted from time to time ((subject to Clause 7.4 for the purpose (in particular but without limitation) of the subscription for or purchase of Shares by the Trustees to be held on trust under the terms of this Deed together with any costs charges and expenses incurred, including the payment of interest on loans made to the Trustees

7.2. Loans to Trustee

Any loan made by the Company or any Relevant Subsidiary to the Trustees shall be on such terms as the Company or such Relevant Subsidiary and the Trustees may agree

7.3. Notification of Amendments

The Company shall ensure that the Trustees are notified as soon as any changes are made to the terms of any of the Share Schemes pursuant to which any Shares are or may be held by the Trustees including the

adoption by the Company or any Relevant Subsidiary (as the case may be) of any new Share Schemes

7.4. Constitution as Employees' Share Scheme

If and so long as the Trust Fund includes Shares or any portion to acquire Shares this Trust and the Share Schemes shall together constitute an employees' share scheme of the Company within the meaning of Section 743 of the Companies Act 1985 and neither the Trustees nor the Company nor any Relevant Subsidiary (as the case may be) shall take any action which would cause the Trust together with the Share Schemes to cease to be such an employees' share scheme

7.5. Constitution as a Trust for the Benefit of Employees

This Trust shall constitute a trust for the benefit of employees within the meaning of Section 86 of the Inheritance Tax Act of 1984 and neither the Trustees nor the Company nor any Relevant Subsidiary (as the case may be) shall take any action which would cause the Trust to cease to be such a trust for the benefit of employees

8. LIMITATIONS: MAXIMUM PERCENTAGE SHAREHOLDING

- 8.1.** The maximum number of Shares which may be held in the name of the Trustees subject to the trusts hereof at any time (excluding Shares which have been appointed to a Beneficiary or which are subject to any option granted under any of the Share Schemes) may not exceed five per cent of the issued Shares of the Company
- 8.2.** The Trustees shall subscribe for Shares pursuant to this Trust only if the terms of such subscription have received prior approval of the shareholders of the Company in general meeting

9. POWERS OF TRUSTEES

9.1. Power to invest

The Trustees shall have power:

- 9.1.1.** With the consent in writing of the Company to invest the whole or any part of the Trust fund in the acquisition (either by the Trustees alone or jointly with any other person) of any property whether or not involving liability or producing an income or upon such personal credit (with or without security) as the Trustees in their absolute discretion think fit
- 9.1.2.** To invest the whole or any part of the Trust Fund in Shares or rights to acquire Shares or securities convertible into Shares without being required to diversify or consider the diversification of investments

9.2. To enter into agreements

The Trustees shall have power to enter into any agreement with the Company or any associated company or any third party

9.3. To take up and grant options

The Trustees shall have power to take up any option on any real or personal property on such terms and conditions as they shall in their absolute discretion think fit and to grant any option for the purchase of any real or personal property for the time being subject to the terms of this Deed or the acquisition of any such property on such terms and conditions as they shall in their absolute discretion think fit provided this does not cause the Trust to constitute a collective investment scheme within the meaning of Section 75(i) of the Financial Services Act 1986

9.4. To borrow

The Trustees shall have power at any time to borrow or raise money on the security of the Trust Fund or any part of it or on personal security only for any purpose for which moneys may be applied under this Deed including the purpose of investment only and to mortgage charge or pledge any part of the Trust Fund as security for any moneys so raised and on such terms as to the payment of interest (if any) and as to repayment as the Trustees shall in their absolute discretion think fit PROVIDED THAT where the Trustees propose to borrow moneys they shall have regard to the terms of any loan offered by the Company or any Subsidiary to enable the Trustees to acquire Shares in the Company but shall not be bound to accept any such loan

9.5. To lend and give guarantees

The Trustees shall have power

- 9.5.1.** To lend money or property to any one or more of the Beneficiaries either free of interest or on such terms as to payment of interest and generally as the Trustees shall in their absolute discretion think fit PROVIDED THAT it shall be a condition of this power being exercised in favour of a Beneficiary on anything other than terms under which the Trustees receive full consideration in money or money's worth in return for any such loan that such Beneficiary is entitled to a beneficial interest in possession in the part of the Trust Fund from which the loan derives
- 9.5.2.** To guarantee the payment of money and the performance of obligations in respect of any existing or future borrowings by any one or more of the Beneficiaries from third parties or guarantees indemnities or other commitments of like nature given to third parties by any one or more of the Beneficiaries including (but without limitation) the power to pledge the whole or any part of the assets of the Trust Fund in support of any such guarantee PROVIDED THAT this power may only be exercised in favour of a Beneficiary who is entitled to a beneficial interest in possession in the part of the Trust Fund set aside to support such guarantee or indemnity

9.6. To Distribute or Accumulate Income

- 9.6.1.** During the Trust Period the Trustees may accumulate the whole or any part of the income of the Trust Fund either as an addition to the capital of the Trust Fund or as a separate fund

9.6.2. Alternatively the Trustees may pay or apply the income of the Trust Fund to or for the benefit of all or any one or more of the Beneficiaries in such manner and in such shares as the Trustees think fit

9.7. To Make Rules for the Administration of the Trust

Except as otherwise provided the Trustees may in their discretion make rules for the constitution and regulation of their meetings and the keeping of minutes and otherwise conduct their affairs in such a manner as they may deem appropriate and make such arrangements in relation to the administration of the Trust and of the Trust Fund as they may consider advisable in the interests of the Trust

9.8. To Vote and Employ Nominees and Custodians

In respect of any property comprised in the Trust Fund the Trustees shall have power

- 9.8.1.** To vote or not to vote at their discretion upon or in respect of any shares securities bonds notes or other evidence of interest in or obligation of any company trust association or concern whether or not affecting the security or the apparent security of the Trust Fund or the purchase sale or lease of the assets of any such company trust association or concern
- 9.8.2.** To deposit any such shares securities or property in any voting trust or with any depository designated under such a voting trust
- 9.8.3.** To give proxies or powers of attorney with or without power of substitution for voting or acting on behalf of the Trustees as the owners of any such property

9.8.4. To hold any or all securities or other property in bearer form or in the names of the Trustees or any one or more of them or in the name of some other person or partnership or in the name or names of nominees without disclosing the fiduciary relationship created by this Deed and to deposit the said securities or any title deeds or other documents belonging or relating to the Trust Fund in any part of the world with any bank firm trust company or other company that undertakes the safe custody of securities as part of its business without being responsible for the default of such bank firm trust company or other company or for any consequent loss

9.9. To appropriate

The Trustees shall have power (exercisable either expressly or by implication) to allot appropriate partition or apportion any property whatsoever which (or the future proceeds of sale of which) is for the time being subject to the terms of this Deed in or towards the satisfaction of any share or interest in the Trust Fund or in the income of it in such manner as the Trustees shall in their absolute discretion consider just according to the prospective rights of the Beneficiaries concerned and in the exercise of such power to register Shares in their own name or the name of the Beneficiaries concerned as they shall determine

9.10. Transfers

The Trustees shall with the consent of the Company have power

9.10.1. To transfer (without transgressing the rules against perpetuities) the Trust Fund or any part of it to the trustees of a new trust or settlement constituted under the law of any state or country which is for the benefit of some or all of the Beneficiaries to be held freed and discharged from this Trust but so that the powers of such new

trust or settlement shall not differ (unless acceptable under Clause 9.10.2 below) from the trusts and powers declared in this Deed previously applicable to the Trust Fund or part transferred

9.10.2. To transfer cash or other assets of the Trust Fund to Beneficiaries in any part of the world at the sole discretion of the Trustees subject to not breaching any relevant requirements of the Companies Act 1985 and Income and Corporation Taxes Act 1988 or any equivalent legislation in the relevant jurisdiction in any part of the world outside the United Kingdom

9.11. To pay tax

The Trustees shall have power to pay any duties or taxes or fiscal impositions (together with any related interest or penalties or other surcharges) in connection with this Trust for which the Trustees may become liable in any part of the world notwithstanding that such liability may not be enforceable through the courts of the place where this Trust is for the time being administered and to have complete discretion as to the time and manner in which such duties taxes and fiscal impositions shall be paid and no person interested under this Trust shall be entitled to make any claim whatsoever against the Trustees by reason of making such payment

9.12. To deduct tax

The Trustees shall have power to deduct or withhold from the Trust Fund or from or in respect of amounts paid or property transferred by the Trustees to any of the Beneficiaries any amounts for which the Trustees may as trustees be accountable to any third party or any amounts for which any Beneficiary the Company or any Relevant Subsidiary may be accountable in connection any transfer of property

9.13. To delegate

The Trustees shall have power:

- 9.13.1.** To delegate in the exercise of their discretion and the performance of their duties under this Deed the administrative and management functions and powers (excluding investment powers) to any professional adviser and appoint any such person as their agent to transact all or any business and to act on the advice or opinion (including advice in relation to investments) of any professional adviser so that the Trustees shall not be responsible for anything done or omitted to be done or suffered to be done in good faith in reliance on such advice or opinion
- 9.13.2.** To delegate any of their powers (including fiduciary powers) and duties under this Deed including the exercise of any discretion to any person or company
- 9.13.3.** To revoke any delegation made under this Clause 9.13

9.14. Payments to Beneficiaries

The Trustees shall have power to make any payment to any Beneficiary in such manner as they shall determine including payment into such Beneficiary's bank account and the Trustees shall be discharged from obtaining a receipt or seeing to the application of such payment

9.15. Exclusion of apportionment rules

The statutory and equitable rules of apportionment shall not apply to this Trust and the Trustees shall be permitted to treat all dividends and other payments in the nature of income received by them as income at the date of receipt irrespective of the period for which the dividend or other income is payable

10. APPOINTMENT RETIREMENT AND REMOVAL OF TRUSTEES

10.1. Statutory Power to Appoint Trustees Vested in Company

The statutory power of appointing new and additional trustees shall be vested in the Company

10.2. Trustee Resident Outside United Kingdom

A person or trust corporation may be appointed as a trustee hereof notwithstanding that such person or trust corporation is not resident in the United Kingdom and remaining out of the United Kingdom for more than twelve months shall not be a ground for the removal of the trustee

10.3. Removal and Retirement of Trustees

The Company may at any time by deed remove any trustee and any trustee may at any time by giving not less than thirty days notice in writing to the Company retire as trustee and so that after such removal or retirement a sole trustee (whether or not a trust corporation) may continue to act as a trustee in all respects but so that if after such removal or retirement there shall be no continuing trustee the Company shall forthwith appoint a new trustee in place of such removed or retired trustee

10.4. Trust Corporation

The provisions of Section 37 and 39 of the Trustee Act 1925 shall apply to this Deed as if all references to a trust corporation were references to any corporation

11. TRUSTEE CHARGING CLAUSE

11.1. Corporate Trustee

Any trustee which is a trust corporation or company authorised to undertake trust business shall be entitled in addition to reimbursement of its proper expenses to remuneration for its services in accordance with such terms and conditions as may from time to time be agreed between such trustee and Company and in the absence of an agreement in accordance with its published terms and conditions for trust business in force from time to time

11.2. Professional Trustee

Any trustee who is a solicitor or other person engaged in a profession or business shall be entitled to charge and be paid all normal professional or other charges for business transacted services rendered or time spent personally or by such trustee's firm in the administration of these trusts including acts which a trustee not engaged in any profession or business could have done personally

11.3. Trustee Expenses

Any expenses incurred by a trustee custodian nominee or other person to whom administration has been properly delegated by the Trustees in the execution of their duties shall be reimbursed and may be charged to the Trust Fund

12. GOVERNING LAW

The proper law of this Deed shall be that of England and Wales and all rights under it and the construction and effect of this Deed shall be subject to the jurisdiction of and construed according to the laws of England and Wales provided that the Trustees may at any time during the Trust Period declare by deed that the trusts powers and provisions of this Deed shall from the date of such declaration take effect (with such modifications as shall be specified in such deed) in accordance with the law of such other territory as shall be specified in this Deed

13. RIGHTS OF BENEFICIARIES DURING THE TRUST PERIOD

13.1. No rights against trustees

No Beneficiary shall have

- 13.1.1.** any claim right or entitlement whatever to any part of the Trust Fund or the income of it except as expressly provided or as the same may arise by virtue of the exercise of any power of appointment contained in this Deed or
- 13.1.2.** any claim right or entitlement during the Trust Period to call for accounts (whether audited or otherwise) from the Trustees in relation to the Trust Fund and the income of it or to obtain any information of any nature from the Trustees in relation to the Trust Fund and the income of it and in relation to the trusts and powers of this Deed

13.2. No contractual rights

The benefits which may from time to time be provided under this Trust shall not form part of any contract of employment between the Company or any Relevant Subsidiary and any of their respective employees and shall not confer on any employee any legal or equitable rights against his employer either directly or indirectly nor give rise to any cause of action in law against the Company or any Relevant Subsidiary

13.3. No right to compensation

Any employee whose employment with the Company or with any Relevant Subsidiary terminates shall not be entitled to any compensation

for or by reference to any loss or curtailment of any right or benefit or prospective right or benefit under this Trust which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for unfair dismissal or for loss of office or otherwise

14. PROTECTION OF THE TRUSTEES

14.1. Loss or damage

No individual or corporate trustee shall be liable for any loss or damage which may occur to the Trust Fund or the income of it arising from any purchase of Shares or waiver of dividends attributable to such Shares or from any proper investment waiver or purchase made by him in good faith and without negligence or for the negligence or fraud of any agent employed by him or by any other trustee even if his employment was not strictly necessary or expedient or by reason of any mistake or omission made in good faith by any trustee

14.2. Payment of Expenses

The Company and where appropriate the Relevant Subsidiaries shall pay to or reimburse the Trustees upon demand all charges and expenses reasonably incurred by them in the course of the administration operation and termination of this Trust and shall keep the Trustees fully indemnified and saved harmless against all actions claims losses expenses costs damages taxes duties and other liabilities arising out of anything done or caused to be done by them or suffered or incurred by them in the exercise or purported exercise of any of the powers and trusts vested in them by this Deed or otherwise howsoever arising out of or in connection with the preparation administration operation or termination of this Trust

but so that no Trustee shall be indemnified or exonerated in respect of any fraud or wilful misconduct or negligence on his part or (in the case of a corporate Trustee) negligence and in addition the Trustees shall have the benefit of all indemnities conferred upon trustees generally by law and by the Trustee Act 1925

15. PERSONAL INTERESTS OF THE TRUSTEES

15.1. Personal interests ignored

Subject to Clause 15.2 no decision of or exercise of a power by the Trustees shall be invalidated or questioned on the grounds that the Trustees or any director or other officer of a corporate Trustee had a direct or personal interest in the result of any decision or in the exercising of any power and any such person may vote and be taken into account for the purposes of a quorum notwithstanding his interest

15.2. Requirement to declare interest

If the interest of the Trustee or other person concerned for the purposes of Clause 15.1 is such that

15.2.1. it arises otherwise than solely because the Trustee or other person concerned is a Beneficiary or a director or other officer or shareholder of the Company or any Subsidiaries and

15.2.2. it is material and

15.2.3. the other Trustees (or if a corporation is the sole Trustee the other directors of the sole Trustee) are not aware of the interest

then the nature of the interest must (unless the other Trustees agree otherwise) be declared at the meeting of the Trustees (or if a corporation is the sole Trustee at the meeting of the board of directors of the sole Trustee) at which the item of business to which the interest relates is discussed or if the Trustee or other person concerned is not present at such meeting at the next meeting of the Trustees (or next meeting of the board of directors of the corporation being the sole Trustee as appropriate) at which he is present

15.3. No requirement to account for benefits

A Trustee (or director or other officer of a corporate Trustee) who is or becomes a Beneficiary may retain all benefits to which he becomes entitled under this Trust or any of the Share Schemes and shall not be liable to account for any such benefit

16. ALTERATIONS TO THIS DEED

The Company and the Trustees may at any time by deed alter or add to all or any of the provisions of this Deed in any respect provided that no such alteration or addition to any of the provisions of this Deed shall be effective if as a result:

- 16.1.** This Trust would cease to be a trust which satisfies the conditions set out in Section 86 of the Inheritance Tax Act 1984 (trusts for the benefit of employees) or if and so long as any of the Trust Fund includes Shares or options over Shares would cease to be an employees' share scheme within the meaning of Section 743 of the Companies Act 1985 or breach any requirement of the Companies Act 1985 or would constitute a collective investment scheme within the meaning of Section 75(1) of the Financial Services Act 1986

- 16.2.** The Trust Period would extend beyond the perpetuity period specified in this Deed
- 16.3.** The rights of any Beneficiary accrued before the date of such alteration or addition would be adversely altered or affected (unless the Beneficiary has previously consented in writing)
- 16.4.** Any prior payment or application of either the capital or income of the Trust Fund shall be invalidated or any part of the Trust Fund to which any person has previously become absolutely and indefeasibly entitled would be affected
- 16.5.** Any of the restrictions contained in this Clause would thereby be removed or amended

17. NOTICE

17.1. Recommendations by the Company

In the exercise of the powers and discretions conferred by this Deed or by law on them the Trustees may consider any written recommendations made to them by the Company but the Company shall have no power to direct the Trustees to comply with such recommendations

17.2. Notices to the Trustees and the Company

Any notice required to be given hereunder may be served at the registered office of the Company or Trustees (as appropriate) or at such other address as may from time to time be notified in writing to the Trustees by the Company (or vice versa)

17.3. Information Provided by the Company

The Trustees shall be entitled in the absence of manifest error to rely without further enquiry on information and advice necessary to enable them to fulfil their duties and obligations under this Deed and to exercise their rights in connection with the implementation and operation of the Trust supplied to them by the Company or any of the Relevant Subsidiaries for the purposes of this Deed including (but without limitation) information as to whether any individual is or is not a Beneficiary and the Trustees shall also be entitled to rely in the absence of manifest error on any direction notice consent or document purporting to be given or executed by or with the authority of the Company or any Relevant Subsidiary or Beneficiary as having been so given or executed

18. CONTRIBUTIONS BY PARTICIPATING COMPANIES

18.1. Notwithstanding any other provision of this Trust express or implied

- 18.1.1.** the capital and income of any part of the Trust Fund representing or deriving from a contribution or contributions made by the Company or a particular Subsidiary shall be applicable only for the benefit of any Beneficiary who derives his interest in the Trust Fund from the Company or such Subsidiary in relation to a part of the Trust Fund and
- 18.1.2.** any part of the Trust Fund which is contributed otherwise than by the Company or a Subsidiary shall be deemed for the purposes of this Trust to have been contributed by the Company and the Subsidiaries which shall previously have made a contribution or contributions and if more than one in equal shares

18.2. Notwithstanding any other provision of this Trust express or implied no part of the Trust Fund shall be paid or applied to or for the benefit of the Company or any Subsidiary in any circumstances

19. DEED TO BE EXECUTED IN COUNTERPARTS

This Deed may be executed in counterparts.

IN WITNESS whereof the parties hereto have caused this Deed to be executed the day and year first before written

SIGNED AS A DEED BY)
KIMBERLY-CLARK)
CORPORATION)
)

acting by

Authorised signatory **/s/ Rob van der Merwe**

Authorised signatory **/s/ Rodney G. Olsen**

SIGNED AS A DEED BY)
MOURANT ECS TRUSTEES)
LIMITED)

acting by

Director **/s/ Dominic Jones**

Authorised signatory **/s/ Adrian Gibbs**

EXHIBIT IX TAX CONSEQUENCES OF PARTICIPATION IN THE PLAN

1. Belgium

The following summary is based on the income tax and social security laws in effect in Belgium as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time the participating employee is offered the opportunity to acquire Shares, purchases or acquires Shares, sells Shares or receives dividends in respect of Shares.

The following applies only to participating employees who are Belgian tax residents. If the participant is a citizen or resident of another country for local law purposes, the income tax and social security information below may not be applicable. Furthermore, this information is general in nature and does not cover all of the various laws, rules and regulations that may apply. It may not apply to each participant's particular tax or financial situation, and Kimberly-Clark is not in a position to assure participants of any particular tax result.

Participants are strongly advised to consult a tax advisor as to how the tax or other laws in their country apply to their specific situation.

(a) Taxation on the purchase of Partnership Shares

As the Partnership Shares are purchased at their market value at the date of their acquisition, no income tax nor social security contributions will be due.

(b) Taxation on the grant of Matching Shares

The award of the Matching Shares qualifies at the Vesting Date as a grant of a benefit in kind which is to be regarded as taxable income. The employee will be taxed on the market value of the Matching Shares at the date that he effectively owns them (i.e. the Vesting Date). The tax rate applicable depends on the aggregate level of income of each employee, and varies between 25 and 50% plus local surcharges.

The award of the Matching Shares is also considered as a benefit in kind for social security purposes and social security contributions will be due. The social security contributions amount to 13.07% of the market value of the Matching Shares at the Vesting Date.

However, a part of the benefit, equal to 16.67% of the market value of the Matching Shares at the Vesting Date, can be exempted from income tax and social security contributions as: (i) the Matching Shares are listed on the New York Stock Exchange, (ii) the Matching Shares are provided to employees of a sub-subsidiary and (iii) the Matching Shares are made unavailable (which means that they cannot be transferred nor pledged) for a period of two years as of the Vesting Date. The employee shall thus only be subject to income tax and social security contributions on an amount equal to 83.33% of the market value of the Matching Shares at the Vesting Date.

(c) Taxation on the dividends

The employee will be taxed on any dividends relating to the Partnership Shares, Dividend Shares and Matching Shares as soon as these Shares are actually owned by the employee (i.e. as of the Vesting Date). This will hold true even if the dividends are reinvested in additional Shares. The employee will not be taxed on the dividends arising from the Matching Shares during the Holding Period (i.e. before the Vesting Date).

Since dividends relating to the Shares will be paid abroad, no Belgian withholding tax will be due. The employee will have to mention the dividends in his annual tax return and will have to pay income tax - calculated on the amount of the dividends after deduction of the US withholding tax - at the rate of 25% (or 15% if certain conditions are met), to which local taxes must be added.

(d) Taxation on purchase of Dividend Shares

As the Dividend Shares are purchased at their market value at the date of their acquisition, no income tax nor social security contributions will be due.

(e) Taxation on capital gains in case of further sale of the Shares

In principle, the employee will not be taxed on the capital gains realised on the sale of the Shares. However, the employee will be taxed on the capital gain at a rate of 33% if the tax authorities consider that the employee is acting outside the scope of the normal management of his private assets. In practice, this risk is remote. In both cases, no social security contributions will be due.

2. Czech Republic

The following summary is based on the income tax and social security laws in effect in the Czech Republic as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time the participating employee is offered the opportunity to acquire Shares, purchases or acquires Shares, sells Shares or receives dividends in respect of Shares.

The following applies only to participating employees who are Czech tax residents. If the participant is a citizen or resident of another country for local law purposes, the income tax and social security information below may not be applicable. Furthermore, this information is general in nature and does not cover all of the various laws, rules and regulations that may apply. It may not apply to each participant's particular tax or financial situation, and Kimberly-Clark is not in a position to assure participants of any particular tax result.

Participants are strongly advised to consult a tax advisor as to how the tax or other laws in their country apply to their specific situation.

(a) Taxation on the purchase of Partnership Shares

As the Partnership Shares are purchased from the employee's net salary at full market value, there is no Czech income tax liability and there are no Czech social security and health insurance contributions due.

(b) Taxation on the grant of Matching Shares

The Matching Shares will be a benefit in kind and will be subject to income tax in the same way as ordinary salary. The taxable amount will be the market value of the shares at the date the shares are awarded. The tax rate is 15% of the total of the benefit and the employer social security and health insurance contributions (i.e. "supergross wage").

As the costs of the Matching Shares are recharged to the Czech employer by the Company, such recharged costs will be subject to the Czech social security and health insurance contributions as a benefit in kind. The rate of employee social security and health insurance contributions is 11%; the rate of employer social security and health insurance contributions is 34%. The total base of social security and health insurance contributions for the 2010 calendar year is capped at CZK 1,707,048.

As the costs of the Matching Shares are recharged to the Czech employer by the Company, the Czech employer will be liable to withhold Czech personal income tax and employee social security and health insurance contributions on behalf of the employees.

(c) Taxation on the dividends

Employees will be taxed on dividends paid as well as on dividends reinvested by the Administrator in order to purchase additional shares on behalf of the employees.

Since dividends relating to the Shares acquired under the Plan will be paid from abroad, no Czech withholding tax will be due, but the Czech employees will have to state the dividends in their annual income tax return and to pay Czech income tax at the rate of 15 %, unless the total taxable income of the employee (excluding tax exempt income or income subject to Czech withholding tax) is not higher than CZK 15,000 per calendar year. The US withholding tax paid on the dividends may be credited against the employee's Czech income tax (credit without progression).

(d) Taxation on purchase of Dividend Shares

As the Dividend Shares are purchased on behalf of the employee at their market value at the date of their acquisition, there is no liability for income tax or social security.

(e) Taxation on capital gains in case of further sale of the Shares

If the employees sell their Shares, they will have to state the capital gain in their annual income tax return and pay Czech income tax at the rate of 15 %, unless the total taxable income of the employee (excluding tax exempt income or income subject to Czech withholding tax) is not higher than CZK 15,000 per calendar year. However, this income will be exempt from the Czech income tax if, prior to the sale of the Shares, the employee:

- (i) has held less than 5% of the share capital through such Shares within the last 24 months and has owned such Shares for more than 6 months or,
- (ii) has owned such Shares for more than 5 years.

3. Germany

The following summary is based on the income tax and social security laws in effect in Germany as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time the participating employee is offered the opportunity to acquire Shares, purchases or acquires Shares, sells Shares or receives dividends in respect of Shares.

The following applies only to participating employees who are German tax residents. If the participant is a citizen or resident of another country for local law purposes, the income tax and social security information below may not be applicable. Furthermore, this information is general in nature and does not cover all of the various laws, rules and regulations that may apply. It may not apply to each participant's particular tax or financial situation, and Kimberly-Clark is not in a position to assure participants of any particular tax result.

Participants are strongly advised to consult a tax advisor as to how the tax or other laws in their country apply to their specific situation.

(a) Taxation on the purchase of Partnership Shares

As the Partnership Shares are purchased from the employee's net salary there is no income tax charge and there are no social security contributions to pay.

(b) Taxation on the grant of Matching Shares

The employees should be liable to income tax on the date upon which they receive the Matching Shares, i.e. at the end of the one-year holding period relating to their Partnership Shares (the Vesting Date).

Income tax will be calculated on the market value of the Matching Shares at the Vesting Date and the relevant employer will withhold any tax due under the wage tax system in the month in which the Vesting Date occurs.

There is a limited tax exemption available, which amounts to EUR 360 p.a., provided (i) the Shares have been granted voluntarily, (ii) the Shares are provided in addition to the cash salary and do not lower other employment income and (iii) the Shares are granted to all employees, who are employed for at least one year at the date of the offer to participate in the program.

Subject to statutory thresholds, social security contributions are payable on the vesting of Matching Shares. The amount subject to such contributions will be the market value of the Matching Shares on the Vesting Date and the employees' employer will withhold their contributions through the wage tax system together with any income tax due.

(c) Taxation on the dividends

The dividends received from the Company on an employee's Partnership Shares are subject to a tax of 25% plus solidarity surcharge at a rate of 5.5% thereon (resulting in a rate of 26.375%) and church tax, if any, when the employee receives them (This includes any dividends reinvested on the employee's behalf by the Administrator).

If the employee's total income from capital investments per annum, including dividends, does not exceed a flat sum (so-called Sparer-Pauschbetrag) of EUR 801 (as of calendar year 2009) for single persons and EUR 1,602 for married couples filing jointly, the dividends will not be taxed. No additional deduction of expenses is possible.

The employee should receive a credit for any tax paid in the US. However, if the dividends are not taxed in Germany due to the abovementioned exemption, the employee will not receive a credit for tax paid in the US.

The tax treatment for Matching Shares is generally the same as for Partnership Shares. However, dividends that accrue to the Matching Shares during the one-year holding

period (i.e. before the Vesting Date) are not subject to tax as long as the employee does not own the Matching Shares respectively since such dividends will not be paid out to the employee.

(d) Taxation on the purchase of Dividend Shares

No further tax is due when Dividend Shares are purchased with dividends received, provided that the dividends have already been subject to taxation.

(e) Taxation on capital gains in case of further sale of the Shares

Proceeds from the sale of Shares will be subject to withholding tax. Withholding tax will be levied at a flat withholding tax rate of 25% plus solidarity surcharge at a rate of 5.5% thereon plus church tax, if applicable. The withholding tax (including solidarity surcharge and church tax) is, in principle, a final tax and shall replace the employee's income taxation by assessment. In case no withholding tax is levied upon sale, the employee will have to include the capital gains in its annual tax return and income tax at a rate of 25% plus solidarity surcharge at a rate of 5.5% thereon plus church tax, if applicable, will be levied.

The withholding tax shall generally be final and only be included in the relevant tax assessment upon application, especially if the individual income tax rate lies below 25 per cent. If the above mentioned flat sum (Sparer-Pauschbetrag) in the amount of EUR 801 (EUR 1,602 for married couples filing their tax return jointly) to be deducted in computing the overall income from capital investments is not exceeded, no tax will be levied on the capital gains upon sale. The deduction of actually accrued expenses is not possible any more.

4. Italy

The following summary is based on the income tax and social security laws in effect in Italy as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time the participating employee is offered the opportunity to acquire Shares, purchases or acquires Shares, sells Shares or receives dividends in respect of Shares.

The following applies only to participating employees who are Italian tax residents. If the participant is a citizen or resident of another country for local law purposes, the income tax and social security information below may not be applicable. Furthermore, this information is general in nature and does not cover all of the various laws, rules and regulations that may apply. It may not apply to each participant's particular tax or financial situation, and Kimberly-Clark is not in a position to assure participants of any particular tax result.

Participants are strongly advised to consult a tax advisor as to how the tax or other laws in their country apply to their specific situation.

(a) Taxation on the purchase of Partnership Shares

As the Partnership Shares are purchased from the employee's net salary there is no income tax charge and there are no social security contributions to pay.

(b) Taxation on the grant of Matching Shares

Subject to the Matching Shares not being disposed of by the employee for three years after the Vesting Date or, in any case, repurchased by the issuer or the employer, income taxes and social security contributions shall be due only on the value of the shares that exceeds EUR 2,065.83 every year.

Above such value (or on the entire value if the three-year holding period is not satisfied) the value of the Matching Shares shall be subject to tax in the hands of the relevant employee as employment income. Income tax (IRPEF) would be applicable at progressive rates between 23% up to 43%. In addition, personal income taxes must be increased by (i) regional surtax (at a rate generally between 0.9% and 1.5% depending on the region of domicile of the employees, but with authority for each region to fix higher rates, possibly progressive), (ii) municipal surtax (where applicable at a rate generally between 0% to 0.5% depending on the municipality of domicile of the employee).

Such taxes are withheld at source by the Italian employer from the remuneration in cash due to the employee. However, if the remuneration in cash is not sufficient to pay income taxes due, the employee shall be required to provide the employer with the funds necessary to pay such taxes.

(c) Taxation on the dividends

Dividends would normally not be included in the aggregate taxable income of the relevant employee but rather be subject to a 12.5% substitute tax. The taxable basis would be the amount of the dividends net of any foreign withholding taxes. No foreign tax credit will be granted.

However, should the Shares on which dividends are paid represent more than 2% of the voting rights or 5% of the capital of the Company, dividends would not be subject to substitute tax. Instead, 49.72% of the gross amount of the dividends would be included in the employee's income subject to income tax at progressive rates (up to 43%), although 49.72% of foreign withholding taxes (if any) applied to the dividends would be creditable under the foreign tax credit mechanism.

(d) Taxation on purchase of Dividend Shares

As the Dividend Shares are purchased on behalf of the employee at their market value at the date of their acquisition, there is no income tax liability. The amount of dividends used to purchase the Dividend Shares will be taxable, as set out above under (c).

(e) Taxation on capital gains in case of further sale of the Shares

Capital gains shall be equal to the consideration received for the Shares less the price paid for their acquisition. Such capital gain will be subject to a 12.5% substitute tax and shall not be included in the employee's taxable income. If, however, the Shares disposed of in any 12-month period represent more than 2% of the voting rights or 5% of the capital of the Company, and provided that the amount of Shares that are being held has exceeded the above thresholds at least once in the 12-month period, the capital gain shall not be subject to the substitute tax. Instead 49.72% of the capital gain will be included in the employee's income subject to income tax at progressive rates (between 23% up to 43%), although 49.72% of foreign taxes (if any) applied on the capital gain would be creditable under the foreign tax credit mechanism. In addition, the previously mentioned regional surtax and municipal surtax apply.

5. Netherlands

The following summary is based on the income tax and social security laws in effect in the Netherlands as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time the participating employee is offered the opportunity to acquire Shares, purchases or acquires Shares, sells Shares or receives dividends in respect of Shares.

The following applies only to participating employees who are Dutch tax residents. If the participant is a citizen or resident of another country for local law purposes, the income tax and social security information below may not be applicable. Furthermore, this information is general in nature and does not cover all of the various laws, rules and regulations that may apply. It may not apply to each participant's particular tax or financial situation, and Kimberly-Clark is not in a position to assure participants of any particular tax result.

Participants are strongly advised to consult a tax advisor as to how the tax or other laws in their country apply to their specific situation.

(a) Taxation on the purchase of Partnership Shares

As the Partnership Shares are bought at full market value, there is no income tax liability. There are no social security contributions due on the Partnership Shares either.

(b) Taxation on the grant of Matching Shares

The Matching Shares are taxable as of the date that the employee effectively owns them (i.e. on the Vesting Date). The taxable amount is the market value of the employee's Matching Shares on the Vesting Date. The employer shall deduct it from the employee's pay. The employee and his employer also have to pay social security contributions on the Matching Shares (to the extent that the employee's annual salary is less than EUR 48,716 for 2010). The employee's employer will deduct the contributions automatically.

(c) Taxation on the dividends

Taxation is not dependent on the actual dividend received. Instead, the value of the Shares (including the Matching Shares) will be included in the employee's total net-worth ("Box III") and the employee will be subject to tax at a fixed rate of 30% on an amount equal to a deemed return of 4% of his average total net-worth (valued on 1 January and 31 December of each year divided by 2) in each given year.

There is a general exemption for net-worth assets up to (in 2010) EUR 20,661 (for singles) and EUR 41,322 (for couples), which applies to the average market value of the employee's total net-worth prior to the calculation of the 4% deemed return.

Some tax is automatically withheld in the US and this can be set off against any tax payable in Box III.

(d) Taxation on purchase of Dividend Shares

The Dividend Shares are bought at full market value, so there is no further tax to pay. The employee does not have to pay any social security contributions on them either.

(e) Taxation on capital gains in case of further sale of the Shares

The capital gain generated by such sale is in principle not taxable. Exceptions include gains made through insider trading and holding a substantial interest in a company (generally, more than 5%).

6. Spain

The following summary is based on the income tax and social security laws in effect in Spain as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time the participating employee is offered the opportunity to acquire Shares, purchases or acquires Shares, sells Shares or receives dividends in respect of Shares.

The following applies only to participating employees who are Spanish tax residents. If the participant is a citizen or resident of another country for local law purposes, the income tax and social security information below may not be applicable. Furthermore, this information is general in nature and does not cover all of the various laws, rules and regulations that may apply. It may not apply to each participant's particular tax or financial situation, and Kimberly-Clark is not in a position to assure participants of any particular tax result.

Participants are strongly advised to consult a tax advisor as to how the tax or other laws in their country apply to their specific situation.

(a) Taxation on the purchase of Partnership Shares

As the Partnership Shares are purchased from the employee's net salary at full market value, there is no income tax liability and there are no social security contributions due.

(b) Taxation on the grant of Matching Shares

The Matching Shares would be considered as remuneration in kind subject to Personal Income Tax and social contributions of the employee, which would be taxable as of the date that the employee effectively receives them. Therefore no taxation is due on the day of the grant, but instead taxation is due on the Vesting Date. The taxable amount will be the market value of the Shares on the Vesting Date. The Spanish Personal Income Tax rates range from 24% to 43%.

However, there is an exemption for up to EUR 12,000 on the above taxable income, subject to the fulfilment of the following requirements:

- (i) The offer is made to active employees;
- (ii) The Shares offered are issued by the employing company or a company belonging to the same group of companies within the meaning of article 42 of the Spanish Commercial Code (i.e. the issuing company holds directly or indirectly the majority of the Participating Company's voting rights, or has the power to appoint or dismiss the majority of the members of the board, or holds, by virtue of agreements with other shareholder partners, the majority of the voting rights, or has appointed, exclusively through its voting rights, the majority of the members of the board, or has the same directors for at least 50%);
- (iii) The offer must be made within the Kimberly-Clark general policy;
- (iv) The employee, together with his/her spouse or immediate relatives, does not hold a beneficial interest of more than 5% in any company of the group;
- (v) The employee must hold the Shares for at least three years as from the Vesting Date.

If the Matching Shares are transferred within 3 years, the exempt amount must be declared by the employee as taxable income by submitting the relevant Personal Income Tax return corresponding to the tax year in which the Shares were received being taxed at the relevant standard rates, plus interest for late payment.

(c) Taxation on the dividends

The gross amount of the dividends arising from both Partnership Shares and Matching Shares will be fully taxable and subject to the Personal Income Tax of the employee at a flat rate of 19% for the first EUR 6,000 and at 21% for any excess. It should be noted that the increased rate of 21% would be applicable to any amount exceeding EUR 6,000 considering the whole savings income (dividends, capital gains, etc.) obtained by the employee within the same year.

The employee may be entitled to an exemption for the first EUR 1,500 on dividends received throughout the year, taking into account the whole of the dividend income made from any shares held.

The employee may be entitled to apply a tax credit for the withholding tax levied in the U.S. However, if the dividends have benefited, either wholly or partially, from the EUR 1,500 exemption mentioned above, the tax credit will not be available with respect to such exempt dividend.

(d) Taxation on purchase of Dividend Shares

As the Dividend Shares are purchased on behalf of the employee at their market value at the date of their acquisition, there is no income tax liability.

(e) Taxation on capital gains in case of further sale of the Shares

The sale of the Shares would give rise to a capital gain or loss depending on the sale price.

The amount of the capital gain would be determined as the difference between the sale price and the tax value of the Shares:

- In the case of a sale of Partnership Shares, the tax value will be the acquisition price of the Shares paid plus any related costs borne by the employee.
- In the case of a sale of Matching Shares, the tax value would be equal to the market value of the Shares on the Vesting Date. This applies even if the value of the Shares has not been subject to Personal Income Tax upon acquisition due to the abovementioned EUR 12,000 exemption.

Following the above, the capital gain will be taxable at a flat rate of 19% for the first EUR 6,000 and at 21% for any excess. It should be noted that the increased rate of 21% would be applicable to any amount exceeding EUR 6,000 considering the whole savings income (dividends, capital gains, etc.) obtained by the employee within the same year.

7. United Kingdom

The following summary is based on the income tax and social security laws in effect in the United Kingdom as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time the participating employee is offered the opportunity to acquire Shares, purchases or acquires Shares, sells Shares or receives dividends in respect of Shares.

The following applies only to participating employees who are resident and ordinarily resident for tax purposes in the United Kingdom. If the participant is a citizen or resident of another country for local law purposes, the income tax and social security information below may not be applicable. Furthermore, this information is general in nature and does not cover all of the various laws, rules and regulations that may apply. It may not apply to each participant's particular tax or financial situation, and Kimberly-Clark is not in a position to assure participants of any particular tax result.

Participants are strongly advised to consult a tax advisor as to how the tax or other laws in their country apply to their specific situation.

Shareplus-UK (SIP)

(a) Taxation on the purchase of Partnership Shares

The employee will not be subject to income tax or employee national insurance contributions when Partnership Shares are acquired on its behalf.

(b) Taxation on the grant of Matching Shares

The employee will not be subject to income tax or employee national insurance contributions when Matching Shares are granted to it.

(c) Taxation on the dividends

Any dividends will be subject to U.S. withholding tax. No further tax is due if the dividends are fully reinvested in the Plan. If the dividends are more than GBP 1,500 a year, the excess above that figure is taxable.

(d) Taxation on purchase of Dividend Shares

No further tax is due when Dividend Shares are purchased with dividends received.

(e) Taxation on withdrawal of Shares from the SIP

The tax treatment relating to Shares withdrawn from the SIP depends on the type of Shares withdrawn and the length of time the Shares were held in the SIP. The table below summarizes the various scenarios.

Partnership Shares	Matching Shares	Dividend Shares
1. Withdrawal of Shares from Shareplus-UK after 5 years		
No tax or national insurance is due on the value of the Shares.		No tax is due on the value of the Shares.
2. Termination of employment within 5 years of buying Shares for certain reasons (retirement at age 50 or over, injury or disability, redundancy, transfer of business, change of control of the (Participating) Company, death)		
No tax or national insurance is due on the value of the Shares.		No tax is due on the value of the

	Shares.
3. Termination of employment within 3 years of buying Shares on a voluntary basis or for other reasons than those given above	
Income tax and national insurance contributions are due on the market value of the Shares at the time that they are taken out of Shareplus-UK.	The original dividends received are taxable. The employee must declare those dividends on his tax return (although employees who pay tax at the basic rate should not have any further tax to pay).
4. Termination of employment between 3 and 5 years of buying Shares on a voluntary basis or for other reasons than those given above	
Income tax and national insurance contributions are due on the lower of (i) the pay that the employee used to buy the Shares and (ii) the market value of the Shares at the time that they are taken out of Shareplus-UK.	Income tax and national insurance contributions are due on the lower of (i) the market value of the Shares when the employee received them and (ii) their market value at the time that they are taken out of Shareplus-UK.
No tax is due on the value of the Shares.	

(f) Taxation of capital gains on a sale of the Shares

If the Shares are sold immediately after they have been withdrawn from Shareplus-UK, the employee does not have to pay any capital gains tax.

However, if the employee sells the Shares after they have been transferred from Shareplus-UK, the employee may also have to pay capital gains tax.

The "gain" is (i) the proceeds of sale of the Shares, less (ii) the market value of the Shares when they are taken out of Shareplus-UK and less (iii) the cost of selling the Shares. The gain is added to other gains of the employee during the year. Each employee has a yearly allowance (the annual exemption limit) which for the tax year 2010/2011 is GBP 10,100. Gains up to this limit are not taxed. Any gains over this limit are taxed at 18% for employees who pay income tax at the basic rate and at 28% for employees who pay income tax at above the basic rate.

Shareplus-UK top-up

(a) Taxation on the purchase of Partnership Shares

As the Partnership Shares are purchased from the employee's net salary there is no income tax charge and there are no national insurance contributions on them either.

(b) Taxation on the grant of Matching Shares

The employees will be liable to income tax on their Matching Shares on the Vesting Date. The taxable amount is the market value of their shares on Vesting Date.

The employees will also pay national insurance contributions on the Matching Shares.

(c) Taxation on the dividends

Employees will be taxed on dividends from Shares, including Matching Shares that they own. Some tax is automatically withheld in the US and this will be taken into account if

the employee pays income tax at above the basic rate. Employees who pay income tax at the basic rate should not have any further tax to pay.

(d) Taxation on purchase of Dividend Shares

No further tax is due when Dividend Shares are purchased with dividends received.

(e) Taxation on capital gains in case of further sale of the Shares

Employees will be subject to capital gains tax if gains from all sales of investments are more than their yearly allowance (GBP 10,100 for the tax year 2010/2011). Any gains over this limit are taxed at 18% for employees who pay income tax at the basic rate and at 28% for employees who pay income tax at above the basic rate.

The "gain" in this case is (i) the proceeds of the sale of the Shares, less (ii) the market value of the Shares when they were acquired by a Participating Employee and less (iii) the cost of selling the Shares. The gain is added to other gains of the employee during the year.