



## **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.**

**28/08/2012**

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## LIST OF EXHIBITS

- EXHIBIT I ANNUAL REPORT OF THE ISSUER ON FORM 10-K FOR THE FISCAL YEAR ENDED 31 DECEMBER 2011, FILED WITH THE SEC ON 29 FEBRUARY 2012
- EXHIBIT II DEFINITIVE PROXY STATEMENT OF THE ISSUER ON SCHEDULE 14A, FILED WITH THE SEC ON 7 MARCH 2012
- EXHIBIT III QUARTERLY REPORT OF THE ISSUER ON FORM 10-Q FOR THE FIRST QUARTERLY PERIOD OF 2012 ENDED 31 MARCH 2012, FILED WITH THE SEC ON 4 MAY 2012
- EXHIBIT IV QUARTERLY REPORT OF THE ISSUER ON FORM 10-Q FOR THE SECOND QUARTERLY PERIOD OF 2012 ENDED 30 JUNE 2012, FILED WITH THE SEC ON 3 AUGUST 2012
- EXHIBIT V KIMBERLY-CLARK SHAREPLUS PLAN, FILED WITH THE SEC ON 18 SEPTEMBER 2009 AS EXHIBIT 4.3.1 OF FORM S-8
- 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 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
- 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
- EXHIBIT IX RESOLUTION APPROVING AMENDMENTS TO THE RULES OF THE KIMBERLY-CLARK SHAREPLUS AND SHAREPLUS UK PLANS
- EXHIBIT X TAX CONSEQUENCES OF PARTICIPATION IN THE PLAN

## SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".

<b>Section A – Introduction and Warnings</b>		
<b>A.1</b>	<b>Introduction:</b>	<p>This summary must be read as an introduction to this prospectus.</p> <p>Any decision to invest in the Shares should be based on a consideration of this prospectus as a whole, including any information incorporated by reference.</p> <p>Where a claim relating to the information contained in this prospectus is brought before a court, the plaintiff investor may, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated.</p> <p>No civil liability will attach to any person solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus, including any information incorporated by reference, or it does not provide, when read together with the other parts of this prospectus, key information in order to aid investors when considering whether to invest in the Shares.</p>

<b>Section B – Issuer</b>		
<b>B.1</b>	<b>Legal and commercial name of the Issuer:</b>	Kimberly-Clark Corporation (the " <b>Company</b> ").
<b>B.4a</b>	<b>Trends:</b>	<p>During the second half of 2012, Kimberly-Clark expects economic conditions to continue to be volatile. In this global environment, Kimberly-Clark will seek to continue to increase strategic marketing faster than net sales, pursue targeted growth initiatives, deliver cost savings and generate cash flow. As the commodity cost environment has improved over the first half of 2012, and several currencies have recently weakened against the U.S. dollar, Kimberly-Clark is anticipating lower commodity costs and higher unfavourable currency impacts than previously estimated. Kimberly-Clark will continue to manage itself with financial discipline.</p>
<b>B.7</b>	<b>Selected historical key financial information:</b>	<p>The tables below show selected historical key financial information of the Company prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).</p> <p>The following selected financial data were derived from:</p> <ul style="list-style-type: none"> <li>• the consolidated financial statements of the Company as of 31 March 2012 and 31 March 2011. These financial statements have not been audited and are set out in the Company's Quarterly</li> </ul>

Report on Form 10-Q for the quarterly period ended 31 March 2012 (attached hereto as **Exhibit III**);

- the consolidated financial statements of the Company as of 30 June 2012 and 30 June 2011. 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 2012 (attached hereto as **Exhibit IV**); and
- the full consolidated financial statements of the Company as of 31 December 2007, 31 December 2008, 31 December 2009, 31 December 2010 and 31 December 2011, 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 2011 (attached hereto as **Exhibit I**).

	Year Ended December 31				
	(Millions of dollars, except per share amounts)				
	2011	2010	2009	2008	2007
Net sales	\$20,846	\$19,746	\$19,115	\$19,415	\$18,266
Gross profit	6,152	6,550	6,420	5,858	5,704
Operating Profit	2,442	2,773	2,825	2,547	2,616
Share of net income of equity companies	161	181	164	166	170
Net income	1,684	1,943	1,994	1,829	1,951
Net income attributable to non controlling interests	(93)	(100)	(110)	(139)	(128)
Net income attributable to the Company	1,591	1,843	1,884	1,690	1,823
Per share basis:					
Basic	4.02	4.47	4.53	4.04	4.11
Diluted	3.99	4.45	4.52	4.03	4.08
Cash dividends per share					
Declared	2.80	2.64	2.40	2.32	2.12
Paid	2.76	2.58	2.38	2.27	2.08
Total assets	19,373	19,864	19,209	18,089	18,440
Long-term debt	5,426	5,120	4,792	4,882	4,394
Total stockholders' equity	5,529	6,202	5,690	4,261	5,687

	Three Months Ended June 30		Three Months Ended March 31	
	2012	2011	2012	2011
	(Millions of dollars, except per share amounts)			
Net sales	\$ 5,269	\$ 5,259	\$ 5,241	\$ 5,029
Gross profit	1,755	1,557	1,704	1,463
Operating profit	754	625	700	544
Share of net income of equity companies	43	47	39	40
Net income attributable to the Company	498	408	468	350
Per share basis:				
Basic	1.27	1.04	1.19	0.87
Diluted	1.26	1.03	1.18	0.86
	June 30, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Total assets	\$19,596	\$19,373	\$19,557	\$19,373
Long-term debt	5,695	5,426	5,707	5,426
Stockholders' equity	5,724	5,529	5,638	5,529

There have been no material changes in the Company's financial or trading position since the end of the second quarterly period of 2012 ended on 30 June 2012.

		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 ( <a href="http://www.kimberly-clark.com/investors">http://www.kimberly-clark.com/investors</a> , under "Financial Information" - "SEC Filings").
<b>B.9</b>	<b>Profit Forecast:</b>	Not Applicable; no profit forecast or estimate is made in this prospectus.
<b>B.11</b>	<b>Explanation if Insufficient Working Capital:</b>	Not Applicable; 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.

<b>Section C – Securities</b>		
<b>C.1</b>	<b>Type and Class:</b>	The securities being offered are shares of the Company's common stock (the " <b>Shares</b> "). The Shares have been created under the laws of the State of Delaware, USA. Each Share has a par value of USD 1.25. The Shares are listed on the New York Stock Exchange (NYSE: KMB).
<b>C.2</b>	<b>Currency:</b>	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 the Plan (as defined below) will be in fractional form. Therefore, the total contribution made by each employee will be invested in the Company's stock.
<b>C.4</b>	<b>Rights related to the Shares:</b>	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 the Plan.
<b>C.5</b>	<b>Sale Restrictions:</b>	The Partnership Shares (as defined below) 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 (as defined below) can in principle be sold once the Eligible Employee (as defined below) owns them, but in Belgium, Italy and Spain, the Matching Shares must not be sold for a certain period of time (2 or 3 years, as the case may be) to benefit from (partial) tax relief. In addition, for Matching Shares under Shareplus-UK, there is a mandatory sale restriction of 3 years (at which point the employee qualifies for a partial tax benefit), and the Matching Shares must be held for 5 years for full tax relief.
<b>C.6</b>	<b>Application for Admission to Trading:</b>	Not Applicable; the securities being offered are existing Shares, which are admitted to trading on the New York Stock Exchange.
<b>C.7</b>	<b>Dividend Policy:</b>	Dividend payout has increased from USD 0.70 per quarter for 2011 to USD 0.74 per quarter for 2012, based on the Company's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2012 (attached hereto as <b>Exhibit IV</b> ). This represents an increase of 5.7 per cent.

<b>Section D - Risks</b>		
<b>D.1</b>	<b>Risks Specific to the Issuer:</b>	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).
<b>D.3</b>	<b>Risks Specific to the Shares:</b>	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 European Economic Area.

<b>Section E - Offer</b>		
<b>E.1</b>	<b>Estimated Expenses:</b>	The total expenses of the offer are estimated at EUR 100,000.
<b>E.2a</b>	<b>Reasons for the Offer:</b>	<p>The Company is offering Eligible Employees (as defined below) of its participating subsidiaries in Europe (the "<b>Participating Companies</b>") the opportunity to acquire Shares pursuant to a share purchase plan called Shareplus ("<b>Shareplus</b>" or the "<b>Plan</b>"). The employees thereby have an additional incentive to contribute to the Company's success.</p> <p>The Company and its subsidiaries are together referred to as "<b>Kimberly-Clark</b>".</p>
<b>E.3</b>	<b>Terms and Conditions of the Offer:</b>	<p>As from 1 October 2012, the Plan will be offered to employees in the following countries: Belgium, Czech Republic, Germany, Italy, Netherlands, Spain, Switzerland and the United Kingdom.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Shareplus Europe: the main format used in most countries.</li> <li>• Shareplus UK: for employees in the UK, a UK Inland Revenue approved share incentive plan (the "<b>SIP</b>") 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.</li> </ul> <p><b>Note that the descriptions of certain provisions of the Plan in this summary and in this 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.</b></p> <p>The key terms of the Plan are as follows:</p> <p><b>Eligible Employees</b>                      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</p>

		<p>their home country (they cannot participate if their home country is not participating even if they are located in a participating country).</p> <p><b>Contributions</b> 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.</p> <p><b>Administrator</b> The Plan is administered by an external trustee and administrator, Computershare Plan Managers.</p> <p><b>Partnership Shares</b> 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.</p> <p><b>Matching Shares</b> 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.</p> <p><b>Dividend Shares</b> Any dividends declared by the Company will be used to purchase additional shares in the Plan. These dividend Shares do not qualify for additional Matching Shares.</p>
<b>E.6</b>	<b>Dilution:</b>	Not Applicable; there will be no dilution as a result of the offer because the offered Shares are purchased in the market.
<b>E.7</b>	<b>Costs:</b>	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



## 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 2011 (attached hereto as **Exhibit I**) on pages 3-7 (*Item 1A. Risk Factors*) and 26-27 (*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 Kimberly-Clark's products and the inability to innovate effectively could have an adverse effect on Kimberly-Clark's financial results.
- Changes in the policies of Kimberly-Clark's retail trade customers, increasing dependence on key retailers in developed markets, and the emergence of new sales channels may adversely affect Kimberly-Clark's business.
- Significant increases in prices for raw materials, energy, transportation and other necessary supplies and services, without corresponding increases in Kimberly-Clark's selling prices, could adversely affect Kimberly-Clark's financial results.
- Global and regional economic conditions, including recessions or slow economic growth, and continuing global and regional credit market volatility, could continue to adversely affect Kimberly-Clark's business and financial results.
- Kimberly-Clark's international operations are subject to foreign market risks, including foreign exchange risk, currency restrictions and political, social and economic instability which may adversely affect Kimberly-Clark's financial results.
- There is no guarantee that Kimberly-Clark's ongoing efforts to reduce costs will be successful.

- Kimberly-Clark may acquire or divest product lines or businesses, which could impact Kimberly-Clark's results.
- If Kimberly-Clark is unable to hire, develop or retain key employees or a skilled and diverse workforce, it could have an adverse effect on Kimberly-Clark's business.
- Pending litigation, administrative actions, tax matters, regulatory requirements and new legal requirements could have an adverse effect.
- If Kimberly-Clark's information technology systems suffer interruptions or failures, Kimberly-Clark's business operations could be disrupted.
- Disruption in Kimberly-Clark's supply chain or the failure of third-party providers to satisfactorily perform could adversely impact Kimberly-Clark's operations.
- Damage to the reputation of Kimberly-Clark or to one or more of Kimberly-Clark's brands could adversely affect Kimberly-Clark's business.

## 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 28 August 2012, the Belgian Financial Services and Markets Authority (the "FSMA") 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 FSMA'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**). Please also refer to the resolution approving amendments to the rules of the Kimberly-Clark Shareplus and Shareplus-UK plans (**Exhibit IX**).

The Company's internet address is [www.kimberly-clark.com](http://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 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 2082, 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 345,768 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 local currency collection account prior to the share purchase on the 5<sup>th</sup> 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 5 working days before the purchase date. The exchange rate to US Dollars is then applied at the same time for all funds in each local currency collection account before the Shares are purchased.

On or as soon as possible after the 5<sup>th</sup> 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 (5<sup>th</sup> 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 5<sup>th</sup> 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 and Spain, the Matching Shares must not be sold for a certain period of time (2 or 3 years, as the case may be) to benefit from (partial) tax relief. In addition, for Matching Shares under Shareplus-UK, there is a mandatory sale restriction of 3 years (at which point the employee qualifies for a partial tax benefit), and the Matching Shares must be held for 5 years for full 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 X** 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 X**, 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 X**, 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
<b>Minimum investment</b>	10 GBP	15 EUR	15 EUR	15 EUR	500 CZK	15 EUR	15 EUR
<b>Calculation Matching Shares</b>	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
<b>Award Matching Shares</b>	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
<b>Forfeiture period Matching Shares</b>	1 year	None (need vesting)	None (need vesting)	None (need vesting)	None (need vesting)	None (need vesting)	None (need vesting)
<b>Sale restrictions</b>	Partnership Shares under Shareplus-UK must not be sold for 3 years to benefit from partial tax relief; 5 years for full tax relief.  For Matching Shares under Shareplus-UK, there is a mandatory sale restriction of 3 years (at which point the employee qualifies for a partial tax benefit), and the Matching Shares must be held for 5 years for full income tax and social security relief.	Matching Shares must not be sold for 2 years to benefit from partial 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 X**.

## CHAPTER D GENERAL INFORMATION OF THE COMPANY

### 1. DESCRIPTION OF THE COMPANY

The name of the Company is Kimberly-Clark Corporation.

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 3.

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

### 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 2011

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

<b>Total Current debt</b>	<b>706</b>
(a) Guaranteed	-
(b) Secured	-
(c) Unguaranteed/Unsecured	706
<b>Total Non - Current debt (excluding current portion of long-term debt)<sup>(*)</sup></b>	<b>5,973</b>
(a) Guaranteed	-
(b) Secured	-
(c) Unguaranteed/Unsecured	5,973
<b>Shareholder's Equity</b>	<b>5,249</b>
(a) Share Capital	976
(b) Legal Reserve	-
(c) Other Reserves	4,273
<b>Total</b>	<b>11,928</b>

(\*) Includes Redeemable Preferred and Common Securities of Subsidiaries

(b) *Net Indebtedness (in millions of USD)*

A Cash	-
B Cash and equivalent <sup>(1)</sup>	764
C Trading securities	-
<b>D Liquidity</b>	<b>764</b>
<b>E Current Financial Receivables<sup>(2)</sup></b>	<b>95</b>

F	Current Bank debt	-
G	Current portion of non current debt	619
H	Other current financial debt	87
<b>I</b>	<b>Current Financial debt</b>	<b>706</b>
<b>J</b>	<b>Net Current Financial Indebtedness</b>	<b>(153)</b>
K	Non Current Bank Loans	-
L	Bonds Issued	280
M	Other non-current Loans	5,693
<b>N</b>	<b>Non- current Indebtedness</b>	<b>5,973</b>
<b>O</b>	<b>Net Financial Indebtedness</b>	<b>5,820</b>

<sup>(1)</sup> Cash equivalent are short-term investments with original maturities of 90 days or less

<sup>(2)</sup> *Ie*, time deposits with original maturities of more than 90 days but less than one year

There has been no material change in the information in the statement of capitalisation and indebtedness since 31 December 2011.

#### 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 2011 (attached hereto as **Exhibit I**), on pages 12-13 (*Overview of Business* and *Overview of 2011 Results*) and pages 25-26 (*Business Outlook*), as well as in the Company's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2012 (attached hereto as **Exhibit IV**), on page 24 (*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 12 directors (as at 31 July 2012) :

<b>Name</b>	<b>Function</b>
John R. Alm	Audit Committee Chairman Executive Committee
John F. Bergstrom	Audit Committee
Abelardo E. Bru	Management Development and Compensation Committee Chairman Executive Committee
Robert W. Decherd	Audit Committee
Thomas J. Falk	Chairman of the Board and Chief Executive Officer Executive Committee
Fabian T. Garcia	Management Development and Compensation Committee Nominating and Corporate Governance Committee
Mae C. Jemison, M.D.	Management Development and Compensation Committee Nominating and Corporate Governance Committee
James M. Jenness	Lead Director

Name	Function
	Executive Committee Chairman
Nancy J. Karch	Audit Committee
Ian C. Read	Nominating and Corporate Governance Committee Chairman Executive Committee
Linda Johnson Rice	Audit Committee
Marc J. Shapiro	Management Development and Compensation Committee Nominating and Corporate Governance Committee

## 6.2 Executive management

The Company's executive officers are as follows (as at 31 July 2012):

Name	Function
Robert E. Abernathy	Group President – North Atlantic Consumer Products
Joanne B. Bauer	President – Global Health Care
Elane B. Stock	President – Global K-C Professional
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 – General Counsel and Chief Compliance Officer
Anthony J. Palmer	President – Global Brands and Innovation
Christian A. Brickman	Group President – K-C International

## 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 2011, including information about their previous functions, conflicts of interest and the shareholdings and stock options with respect to these persons, is set forth in the Company's Annual Report on Form 10-K for the financial year ended 31 December 2011 (attached hereto as **Exhibit I**), on pages 8-9 (*Executive Officers of the Registrant*), as well as in the Company's Definitive Proxy Statement on Schedule 14A, filed with the SEC on 7 March 2012 (attached hereto as **Exhibit II**) on pages 8 (*Director Independence*), 14-22 (*Certain Information Regarding Nominees for Directors and Compensation of Directors*), 26-28 (*Security Ownership of Management and Certain Beneficial Owners*), 56-58 (*Outstanding Equity Awards*) and 72 (*Transactions with Related Persons*).

## 7. DIVIDEND POLICY

The amount of dividend per share from 2007 to 2011 as included in the Company's Annual Report on Form 10-K for the financial year ended 31 December 2011 (attached hereto as **Exhibit I**) is set forth below.

	Year Ended 31 December				
	2011	2010	2009	2008	2007
	<i>(in USD)</i>				
Cash Dividends Per Share .....					
Declared.....	2.80	2.64	2.40	2.32	2.12
Paid.....	2.76	2.58	2.38	2.27	2.08

Dividend payout has increased from USD 0.70 per quarter for 2011 to USD 0.74 per quarter for 2012, based on the Company's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2012 (attached hereto as **Exhibit IV**). This represents an increase of 5.7 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 2011 is set forth in the Company's Annual Report on Form 10-K for the financial year ended 31 December 2011 (attached hereto as **Exhibit I**) on pages 8 (*Legal Proceedings*), 25 (*Legal Matters*) and 56 (*Legal Matters*). No other legal proceeding pending on that date, to the extent not previously provided for, were expected to have a material adverse effect.

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

There have been no material changes in the Company's financial or trading position since the end of the second quarterly period of 2012 ended on 30 June 2012.

EXHIBIT I      ANNUAL REPORT OF THE ISSUER ON FORM 10-K FOR THE FISCAL YEAR  
ENDED 31 DECEMBER 2011, FILED WITH THE SEC ON 29 FEBRUARY 2012



# KIMBERLY CLARK CORP

## FORM 10-K (Annual Report)

Filed 02/29/12 for the Period Ending 12/31/11

Address	351 PHELPS DRIVE IRVING, TX 75038
Telephone	9722811200
CIK	0000055785
Symbol	KMB
SIC Code	2670 - Converted Paper And Paperboard Products, Except
Industry	Personal & Household Prods.
Sector	Consumer/Non-Cyclical
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, 2011

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  
(Address of principal executive offices)

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, 2011 (based on the closing stock price on the New York Stock Exchange) on such date was approximately \$26.1 billion.

As of February 22, 2012, there were 393,683,636 shares of Kimberly-Clark common stock outstanding.

### **Documents Incorporated By Reference**

Certain information contained in the definitive Proxy Statement for Kimberly-Clark's Annual Meeting of Stockholders to be held on May 3, 2012 is incorporated by reference into Part III.

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**PART I**

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**ITEM 1. BUSINESS**

Kimberly-Clark Corporation was incorporated in Delaware in 1928. We are a global company focused on leading the world in essentials for a better life through product innovation and building our personal care, consumer tissue, K-C Professional & Other and health care brands. We are principally engaged in the manufacturing and marketing of a wide range of products mostly made from natural or synthetic fibers using advanced technologies in fibers, nonwovens and absorbency. Unless the context indicates otherwise, the terms “Corporation,” “Kimberly-Clark,” “K-C,” “we,” “our” and “us” refer to Kimberly-Clark Corporation and its consolidated subsidiaries.

For financial information by business segment and geographic area, including revenue, profit and total assets of each reportable segment, and information about our principal products and markets, see Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (MD&A) and Item 8, Note 18 to the Consolidated Financial Statements.

**Recent Developments**

On January 21, 2011, we adopted a pulp and tissue restructuring plan in order to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability and return on invested capital of our consumer tissue and K-C Professional businesses. In addition, on January 24, 2012, we announced our decision to streamline an additional manufacturing facility in North America to further enhance the profitability of our consumer tissue business. Both restructuring actions are expected to be substantially completed by December 31, 2012. For additional information, see MD&A and Item 8, Note 2 to the Consolidated Financial Statements.

**Description of Kimberly-Clark**

We are organized into operating segments based on product groupings. These operating segments have been aggregated into four reportable global business segments. Information on these four segments, as well as their principal sources of revenue, is included below.

- *Personal Care* brands offer parents a trusted partner in caring for their families and deliver confidence, protection and discretion to adults through a wide variety of innovative solutions and products such as disposable diapers, training and youth pants, swimpants, baby wipes, feminine and incontinence care products, and other related products. Products in this segment are sold under the Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.
- *Consumer Tissue* offers a wide variety of innovative solutions and trusted brands that touch and improve people's lives every day. Products in this segment include facial and bathroom tissue, paper towels, napkins and related products, and are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Hakle, Page and other brand names.
- *K-C Professional & Other* helps transform workplaces for employees and patrons, making them healthier, safer, and more productive, through a range of solutions and supporting products such as apparel, wipers, soaps, sanitizers, tissues, and towels. Key brands in this segment include Kleenex, Scott, WypAll, Kimtech, and Jackson Safety.
- *Health Care* provides the essentials that help restore patients to better health and improve the quality of patients' lives. Through a portfolio of innovative medical device and infection prevention products, Health Care offers clinicians a range of solutions in pain management, respiratory and digestive health and medical supplies for the operating room. This business is a global leader in education to prevent healthcare-associated infections. Products are sold primarily under the Kimberly-Clark and ON-Q brand names.

These reportable segments were determined in accordance with how our chief operating decision maker and our executive managers develop and execute our global strategies to drive growth and profitability of our 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.

Products for household use are sold directly to supermarkets, mass merchandisers, drugstores, warehouse clubs, variety and department stores and other retail outlets, and through other distributors and the Internet. 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.

**PART I**

(Continued)

Net sales to Wal-Mart Stores, Inc. were approximately 12 percent in 2011 , and 13 percent in both 2010 and 2009 .

**Patents and Trademarks**

We own various patents and trademarks registered domestically and in many foreign countries. We consider the patents and trademarks which we own and the trademarks under which we sell certain of our products to be material to our business. Consequently, we seek 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 our tissue products and is a component of disposable diapers, training pants, feminine pads 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. Superabsorbent materials are important components of disposable diapers, training and youth pants and incontinence care products.

Most raw materials are purchased from third parties, and we consider the supply to be adequate to meet the needs of our businesses. See Item 1A, "Risk Factors."

**Competition**

We have several major competitors in most of our markets, some of which are larger and more diversified than us. 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 we conduct our 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 \$316 million in 2011 , \$317 million in 2010 and \$301 million in 2009 .

**Foreign Market Risks**

We operate and market our products globally, and our business strategy includes targeted growth in Asia, Latin America, Eastern Europe, the Middle East and Africa, with a particular emphasis in China, Russia and Latin America. See Item 1A, "Risk Factors" for a discussion of foreign market risks that may affect our 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 our facilities are expected to be as follows:

	2012	2013
	(Millions of dollars)	
Facilities in U.S.	\$ 6	\$ 22
Facilities outside U.S.	23	19
Total	\$ 29	\$ 41

**PART I**

(Continued)

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:

	2012	2013
	(Millions of dollars)	
Facilities in U.S.	\$ 58	\$ 78
Facilities outside U.S.	68	67
Total	\$ 126	\$ 145

Total environmental capital expenditures and operating expenses are not expected to have a material effect on our total capital and operating expenditures, consolidated earnings or competitive position. These expected amounts include potential remediation costs associated with our pulp and tissue restructuring (see Item 8, Note 2 to the Consolidated Financial Statements). Current environmental spending estimates could be modified as a result of changes in our plans, changes in legal requirements, including any requirements related to global climate change, or other factors.

**Employees**

In our worldwide consolidated operations, we had approximately 57,000 employees as of December 31, 2011 .

**Available Information**

We make financial information, news releases and other information available on our corporate website at [www.kimberly-clark.com](http://www.kimberly-clark.com) . Our 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 we file these reports and amendments with, or furnish them to, the Securities and Exchange Commission ("SEC"). 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**

Our business faces many risks and uncertainties that we cannot control. Any of the risks discussed below, as well as factors described in other places in this Form 10-K, or in our other filings with the SEC, could adversely affect our business, consolidated financial position, results of operations or cash flows. In addition, these items could cause our future results to differ from those in any of our forward-looking statements. These risks are not the only ones we face. Other risks that we do not presently know about or that we presently believe are not material could also adversely affect us.

***Significant increases in prices for raw materials, energy, transportation and other necessary supplies and services, without corresponding increases in our selling prices, could adversely affect our financial results.***

Increases in the cost 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 could have an adverse effect on our financial results.

Cellulose fiber, in the form of kraft pulp or recycled fiber from recovered waste paper, is used extensively in our tissue products and is subject to significant price fluctuations. Cellulose fiber, in the form of fluff pulp, is a key component in our personal care products. In recent years, pulp prices have experienced significant volatility, and this volatility is expected to continue. Increases in pulp prices or limits in the availability of recycled fiber could adversely affect our earnings if selling prices for our 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.

A number of our products, such as diapers, training and youth pants, feminine pads, 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, with these prices experiencing significant volatility in recent years. We purchase these materials from a number of suppliers. Significant increases in prices for these materials could adversely affect our earnings if selling prices for our finished products do not adjust, if these adjustments significantly trail the increases in prices for these materials, or if we do not utilize substitutes with lower prices for these materials.

**PART I**

(Continued)

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Derivative instruments have not been used to manage these risks.

Our manufacturing operations utilize electricity, natural gas and petroleum-based fuels. To ensure that we use all forms of energy cost-effectively, we maintain ongoing energy efficiency improvement programs at all of our manufacturing sites. Our contracts with energy suppliers vary as to price, payment terms, quantities and duration. Our 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 we 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 our risk management policy.

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

We compete in highly competitive markets against well-known, branded products and low-cost or private label products both domestically and internationally. Inherent risks in our competitive strategy include uncertainties concerning trade and consumer acceptance, the effects of consolidation within retailer and distribution channels, and competitive actions. Our competitors for these markets include not only our traditional competitors but also private label manufacturers, low-cost manufacturers and rapidly-expanding international manufacturers. Some of these competitors may have increased access to financial resources and increased market penetration, which enable them to offer a wider variety of products and services at more competitive prices. Alternatively, some of these competitors may have significantly lower product development and manufacturing costs, allowing them to offer products at a lower cost. The actions of these competitors could adversely affect our financial results. It may be necessary for us to lower prices on our products and increase spending on advertising and promotions, each of which could adversely affect our financial results.

In addition, we compete in highly competitive regional markets, such as in European personal care and tissue markets, as well as in other areas such as Latin America, Eastern Europe, Africa and Asia. Intense competition in these areas may slow our sales growth and earnings potential, as well as adversely impact our margins.

Our ability to develop new products is affected by whether we can successfully anticipate consumer needs and preferences, develop and fund technological innovations, and receive and maintain necessary patent and trademark protection. In addition, we incur 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 our competitors are larger and have greater financial resources. These competitors may spend more aggressively on advertising and promotional activities, introduce competing products more quickly and respond more effectively to changing business and economic conditions.

We may not be successful in developing new and improved products and technologies necessary to compete successfully in the industry, and we may not be successful in advertising, marketing, timely launching and selling our products.

***Global and regional economic conditions, including recessions or slow economic growth, and continuing global and regional credit market volatility, could continue to adversely affect our business and financial results.***

The global economy continues to be volatile, with particular regions such as Europe facing uncertain or slow economic growth. These unfavorable economic conditions could negatively impact:

- consumer demand for our products, including shifting consumer purchasing patterns to lower-cost options such as private-label products, as well as declining birth rates in countries due to slow economic growth or other factors,
- demand by businesses for our products, including the effects of increased unemployment and cost savings efforts of customers,
- the social and political environment,
- the product mix of our sales, and
- our ability to collect accounts receivable on a timely basis from certain customers.



**PART I**

(Continued)

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Ongoing volatility in global and regional commodity, currency and financial markets, including in Europe, has continued to result in uncertainty in the business environment. We rely on access to credit markets, specifically the commercial paper and public bond markets, to provide supplemental funding for our operations. Although we have not experienced a disruption in our ability to access credit markets, it is possible that we may have difficulty accessing credit markets in the future, which may disrupt our businesses or further increase our cost of funding our operations.

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

***Changes in the policies of our retail trade customers, increasing dependence on key retailers in developed markets, and the emergence of new sales channels may adversely affect our business.***

Our products are sold in a highly competitive global marketplace, which continues to experience 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, we are increasingly dependent on key retailers, and some of these retailers, including large-format retailers, may have greater bargaining power. They may use this leverage to demand higher trade discounts or allowances which could lead to reduced profitability. We may also be negatively affected by changes in the policies of our 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 we lose a significant customer or if sales of our products to a significant customer materially decrease, our business, financial condition and results of operations may be adversely affected. In addition, the emergence of new sales channels may affect customer preferences and market dynamics and could adversely impact our financial results. These new channels include sales of consumer and other products via e-commerce, as well as the growth of large-format retailers and discounters that exclusively sell private-label products.

***Pending litigation, administrative actions, tax matters, regulatory requirements and new legal requirements could have an adverse effect.***

As a global company, during the course of our business we are subject to various legal and administrative actions in which we assert our rights under various laws, including intellectual property laws. We may not be successful in defending against these actions or in asserting these rights. In addition, we could incur substantial costs in defending against, or in asserting our rights in, these actions.

We are subject to income tax requirements in various jurisdictions in the United States and internationally. Many of these jurisdictions face budgetary shortfalls or have volatile enforcement activity. Increases in applicable tax rates, changes in applicable tax laws and interpretations of these tax laws and actions by tax authorities in jurisdictions in which we operate could reduce our after-tax income and have an adverse effect on our results of operations.

Aspects of our business, including Health Care, are subject to many laws and governmental regulations, including regulations by the Food and Drug Administration and comparable foreign agencies, as well as potential litigation. Adverse regulatory action, including a recall, or product liability or other litigation may adversely affect our financial condition and business operations.

Our sales and results of operations also may be adversely affected by new legal requirements, including healthcare reform legislation and climate change and other environmental legislation and regulations. The costs and other effects of pending litigation and administrative actions against us and new legal requirements cannot be determined with certainty. For example, new legislation or regulations may result in increased costs to us, directly for our 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 we believe that none of these proceedings or requirements will have a material adverse effect on us, the outcome of these proceedings or effects of new legal requirements may not be as expected. See Item 3, “Legal Proceedings.”

***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. A skilled and diverse international workforce is a significant factor in developing product innovation, as well as providing key viewpoints representative of our international consumer base. We compete to hire new employees and then seek to train them to develop their skills. We may not be able to successfully recruit, develop and retain the key personnel that we need.

**PART I**

(Continued)

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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 is no guarantee that our ongoing efforts to reduce costs will be successful.*

We continue to implement plans to improve our competitive position by achieving cost reductions in our operations. In addition, we expect ongoing cost savings from our continuous improvement activities. We anticipate these cost savings will result from reducing material costs and manufacturing waste and realizing productivity gains, distribution efficiencies and overhead reductions in each of our business segments. See our discussion of our cost savings activities in MD&A. If we cannot successfully implement our cost savings plans, however, we may not realize all anticipated benefits. Any negative impact these plans have on our relationships with employees or customers or any failure to generate the anticipated efficiencies and savings could adversely affect our financial results.

*Our international operations are subject to foreign market risks, including foreign exchange risk, currency restrictions and political, social and economic instability, which may adversely affect our financial results.*

Because we and our equity companies have manufacturing facilities in 39 countries, with products sold in more than 175 countries, our results may be substantially affected by foreign market risks. We are subject to the impact of economic, social and political instability in developing countries.

We are exposed 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. We do not generally hedge our translation exposure with respect to foreign operations.

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 we will be protected against substantial foreign currency fluctuations.

In addition, we face increased risks in our international operations, including currency exchange restrictions and other limits on our ability to repatriate earnings from outside the U.S., 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 developing and maintaining successful business alliances, and potentially adverse tax consequences. Each of these factors could adversely affect our financial results. See MD&A and Item 8, Note 3 to the Consolidated Financial Statements, for information about the effects of currency restrictions and related exposures in Venezuela.

*Damage to the reputation of Kimberly-Clark or to one or more of our brands could adversely affect our business.*

Developing and maintaining our reputation, as well as the reputation of our brands, is a critical factor in our relationship with consumers, customers, suppliers and others. Our inability to address adverse publicity or other issues, including concerns about product safety, quality, efficacy or similar matters, real or perceived, could negatively impact sentiments towards us and our products and brands, and our business and financial results could suffer. Our business and results could also be negatively impacted by the effects of a significant product recall, product-related litigation, allegations of product tampering or contamination or the distribution and sale of counterfeit products.

*We may acquire or divest product lines or businesses, which could impact our results.*

We may pursue acquisitions of product lines or businesses from third parties. Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies, services and products of the acquired product lines or businesses, estimation and assumption of liabilities and contingencies, 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.

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.

**PART I**

(Continued)

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

Alternatively, we may periodically divest product lines or businesses, which may adversely impact our results if we are unable to offset the dilutive impacts from the loss of revenue associated with the divested products or businesses. In addition, businesses under consideration for divestiture may be adversely impacted, which could negatively affect our financial results.

***Disruption in our supply chain or the failure of third-party providers to satisfactorily perform could adversely impact our operations .***

We operate on a global scale and therefore our ability to manufacture, distribute and sell products is critical to our operations. These activities are subject to inherent risks such as natural disasters, power outages, fires or explosions, labor strikes, terrorism, pandemics, import restrictions, regional economic, business, environmental, or political events, governmental regulatory requirements or nongovernmental voluntary actions in response to global climate change or other concerns regarding the sustainability of our business, which could impair our ability to manufacture or sell our products. This interruption, if not mitigated in advance or otherwise effectively managed, could adversely impact our business, financial condition and results of operations, as well as require additional resources to address.

In addition, third parties manufacture some of our products and provide certain administrative services. Disruptions or delays at these third-party manufacturers or service providers due to the reasons above or the failure of these manufacturers or service providers to otherwise satisfactorily perform, could adversely impact our operations, sales, payments to our vendors, employees, and others, and our ability to report financial and management information on a timely and accurate basis.

***If our information technology systems suffer interruptions or failures, our business operations could be disrupted.***

Our information technology systems, some of which are dependent on services provided by third parties, serve an important role in the efficient operation of our business. This role includes ordering and managing materials from suppliers, managing our inventory, converting materials to finished products, facilitating order entry and fulfillment, processing transactions, summarizing and reporting our results, facilitating internal and external communications, administering human resources functions, and providing other processes necessary to manage our business. The failure of these information technology systems to perform as we anticipate could disrupt our business and negatively impact our results. In addition, these information technology systems could be damaged or cease to function properly due to any number of causes, such as catastrophic events, power outages, security breaches, computer viruses, or cyber-based attacks. While we have contingency plans in place to prevent or mitigate the impact of these events, if they were to occur and our disaster recovery plans do not effectively address the issues on a timely basis, we could suffer interruptions in our ability to manage our operations, which may adversely affect our business and financial results.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

**ITEM 2. PROPERTIES**

We own or lease:

- our 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 two U.S. and three international locations.

**PART I**

(Continued)

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

<b>Geographic Area :</b>	<b>Number of Facilities</b>
United States (in 19 states)	<b>25</b>
Canada	<b>1</b>
Europe	<b>18</b>
Asia, Latin America and Other	<b>62</b>
Worldwide Total (in 39 countries)	<b>106</b>

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

<b>Products Produced :</b>	<b>Number of Facilities</b>
Tissue, including consumer tissue and K-C Professional & Other products	<b>63</b>
Personal Care	<b>51</b>
Health Care	<b>14</b>

We believe that our and our equity affiliates' facilities are suitable for their purpose, adequate to support their businesses and well maintained. We have announced our intention to close a tissue facility located in Everett, Washington in 2012.

**ITEM 3. LEGAL PROCEEDINGS**

We are subject to various legal proceedings, claims and governmental inspections, audits or investigations pertaining to issues such as contract disputes, product liability, patents and trademarks, advertising, governmental regulations, employment and other matters. Although the results of litigation and claims cannot be predicted with certainty, we believe that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material adverse effect, individually or in the aggregate, on our business, financial condition, results of operations or liquidity.

We are subject to federal, state and local environmental protection laws and regulations with respect to our business operations and are operating in compliance with, or taking action aimed at ensuring compliance with, these laws and regulations. We have been named a potentially responsible party under the provisions of the U.S. federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statutes, at a number of waste disposal sites. None of our compliance obligations with environmental protection laws and regulations, individually or in the aggregate, is expected to have a material adverse effect on our business, financial condition, results of operations or liquidity.

**EXECUTIVE OFFICERS OF THE REGISTRANT**

The names and ages of our executive officers as of February 29, 2012, together with certain biographical information, are as follows:

**Robert E. Abernathy**, 57, was elected Group President—North Atlantic Consumer Products in 2008. He is responsible for our consumer business in North America and Europe and the related customer development and supply chain organizations, as well as our Global Nonwovens business. Mr. Abernathy joined Kimberly-Clark in 1982. His past responsibilities at Kimberly-Clark 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 our Business-to-Business segment in 1998 and Group President—Developing and Emerging Markets in 2004. He is a director of RadioShack Corporation.

**Joanne B. Bauer**, 56, was elected President—Global Health Care in 2006. She is responsible for our global health care business, which includes a variety of medical supplies and devices. Ms. Bauer joined Kimberly-Clark 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.

**PART I**

(Continued)

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**Robert W. Black** , 52, was elected Group President—K-C International in 2008. He is responsible for our businesses in Asia, Latin America, Eastern Europe, the Middle East and Africa. Prior to joining Kimberly-Clark 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** , 47, was elected President—Global K-C Professional in September 2010. He is responsible for our global professional business, which includes commercial tissue and wipers, and skin care, safety and Do-It-Yourself products. Mr. Brickman joined Kimberly-Clark in 2008 as Senior Vice President and Chief Strategy Officer. Prior to joining Kimberly-Clark, 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** , 51, was elected Senior Vice President and Chief Financial Officer in 2003. Mr. Buthman joined Kimberly-Clark in 1982. He has held various positions of increasing responsibility in operations, finance and strategic planning. Mr. Buthman was appointed Vice President of Strategic Planning and Analysis in 1997 and Vice President of Finance in 2002. He is a director of West Pharmaceutical Services, Inc.

**Thomas J. Falk** , 53, 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 Kimberly-Clark's global tissue businesses. Earlier in his career, Mr. Falk had responsibility for Kimberly-Clark's North American Infant Care, Child Care and Wet Wipes businesses. Mr. Falk joined Kimberly-Clark in 1983 and has held other senior management positions. He has been a director of Kimberly-Clark since 1999. He also serves on the board of directors of Lockheed Martin Corporation, Catalyst Inc. and the University of Wisconsin Foundation, and serves as a governor of the Boys & Girls Clubs of America.

**Lizanne C. Gottung** , 55, 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 Kimberly-Clark, including global compensation and benefits, talent management, diversity and inclusion, organizational effectiveness and corporate health services. Ms. Gottung joined Kimberly-Clark in 1981. She has held a variety of human resources, manufacturing and operational roles of increasing responsibility, including Vice President of Human Resources from 2001 to 2002. She is a director of Louisiana-Pacific Corporation.

**Thomas J. Mielke** , 53, was elected Senior Vice President—Law and Government Affairs and Chief Compliance Officer in 2007. His responsibilities include our legal affairs, internal audit and government relations activities. Mr. Mielke joined Kimberly-Clark 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** , 52, was elected Senior Vice President and Chief Marketing Officer in 2006. He also assumed leadership of our innovation organization in March 2008. He is responsible for leading the growth of enterprise-wide strategic marketing capabilities and the development of marketing programs to support our business initiatives. Prior to joining Kimberly-Clark 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. He is a director of The Hershey Company.

**Jan B. Spencer** , 56, was elected Senior Vice President—Continuous Improvement, Sourcing and Sustainability in September 2010. He is responsible for leading the strategic direction of our continuous improvement, lean and global sourcing initiatives, as well as our sustainability efforts. Mr. Spencer joined Kimberly-Clark 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; President—K-C Professional North Atlantic in 2004; and President—Global K-C Professional in 2006.

**Elane B. Stock** , 47, was elected Senior Vice President and Chief Strategy Officer in September 2010. She is responsible for leading the development and monitoring of our strategic plans and processes to enhance our enterprise growth initiatives. Prior to joining Kimberly-Clark, Ms. Stock served as national vice president of strategy for the American Cancer Society from 2008 to 2010. From 2007 to 2008, she was a regional manager at Georgia Pacific (Koch Industries). Ms. Stock was a partner at McKinsey & Company, Inc. in Ireland from 2005 to 2007.

**PART I**  
(Continued)

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**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**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 20 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.

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

As of February 22, 2012, we had 27,204 holders of record of our common stock.

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

We repurchase shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. Our Board of Directors authorized share repurchase programs on July 23, 2007 and on January 21, 2011, each of which allows for the repurchase of 50 million shares in an amount not to exceed \$5 billion. During 2011, purchases of our common stock totaled \$1.24 billion, all of which were repurchased under the 2007 program and made through a broker in the open market. We did not repurchase any shares during the fourth quarter of 2011. At December 31, 2011, there were .2 million shares and 50 million shares of repurchase authority remaining under the 2007 program and the 2011 program, respectively.

**ITEM 6. SELECTED FINANCIAL DATA**

	Year Ended December 31				
	(In Millions, except per share amounts)				
	2011	2010	2009	2008	2007
Net Sales	\$ 20,846	\$ 19,746	\$ 19,115	\$ 19,415	\$ 18,266
Gross Profit	6,152	6,550	6,420	5,858	5,704
Operating Profit	2,442	2,773	2,825	2,547	2,616
Share of net income of equity companies	161	181	164	166	170
Net Income	1,684	1,943	1,994	1,829	1,951
Net income attributable to noncontrolling interests	(93)	(100)	(110)	(139)	(128)
Net Income Attributable to Kimberly-Clark Corporation	1,591	1,843	1,884	1,690	1,823
Per Share Basis:					
Basic	4.02	4.47	4.53	4.04	4.11
Diluted	3.99	4.45	4.52	4.03	4.08
Cash Dividends Per Share					
Declared	2.80	2.64	2.40	2.32	2.12
Paid	2.76	2.58	2.38	2.27	2.08
Total Assets	19,373	19,864	19,209	18,089	18,440
Long-Term Debt	5,426	5,120	4,792	4,882	4,394
Total Stockholders' Equity	5,529	6,202	5,690	4,261	5,687



**PART II**  
(Continued)

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

**Introduction**

This MD&A is intended to provide investors with an understanding of our past performance, current financial condition and future prospects. The following will be discussed and analyzed:

- Overview of Business
- Overview of 2011 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**

We are a global company focused on leading the world in essentials for a better life, with manufacturing facilities in 36 countries and products sold in more than 175 countries. Our products are sold under well-known brands such as Kleenex, Scott, Huggies, Pull-Ups, Kotex and Depend. We have four reportable global business segments: Personal Care, Consumer Tissue, K-C Professional ("KCP") & Other and Health Care. These global business segments are described in greater detail in Item 8, Note 18 to the Consolidated Financial Statements.

In operating our global business, we seek to:

- manage our portfolio to balance growth, profitability and cash flow,
- invest in our brands, innovation and growth initiatives,
- deliver sustainable cost reductions, and
- provide disciplined capital management to improve return on invested capital and return cash to shareholders.

Key strategies for our segments include:

- We plan to grow our strong positions in Personal Care by leveraging our brands and providing innovations.
- For Consumer Tissue, we seek to bring differentiated, value-added innovations to grow and strengthen our brands while focusing on net realized revenue, improving mix and reducing costs.
- We plan to continue to shift our mix to faster-growing, higher margin segments within KCP and Health Care, including safety and wiping in KCP and medical devices in Health Care.

We plan to drive growth throughout K-C International ("KCI"), which includes our businesses in Asia, Latin America, the Middle East, Eastern Europe and Africa, with a particular emphasis in China, Russia and Latin America. Our goals for KCI include seeking targeted expansion and growth, taking advantage of attractive market opportunities and deploying our strong brands and innovation capabilities.



**PART II**  
(Continued)

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Highlights for 2011 include the following:

- We launched a number of new or improved products, including Huggies Little Movers Slip-On Diapers, Poise Hourglass Shape Pads, Kleenex Cool Touch Facial Tissue, U by Kotex Tweens and improved Cottenelle bathroom tissue. These innovations are the latest examples of our ability to translate consumer insights into solutions that generate growth.
- Our innovations and supporting marketing programs helped improve our brands' market positions. In the U.S., we improved or maintained market share in the majority of our consumer categories. We also increased our market share in a number of businesses in KCI.
- We executed our growth strategies in KCI. Net sales grew at a double-digit rate in 2011, including high single-digit growth before taking into account the impact of changes in foreign currency exchange rates. KCI accounted for about 36 percent of company sales in 2011, up 3 points from the previous year.
- We took steps to offset significant cost inflation. We achieved higher overall net selling prices of 2 percent, we delivered approximately \$265 million in ongoing cost savings, and we tightly controlled overhead spending. These actions helped offset cost inflation of \$580 million.
- As described in "Pulp and Tissues Restructuring" below, in January of 2011, we initiated a pulp and tissue restructuring to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability and return on invested capital of our consumer tissue and KCP businesses. In January of 2012, we decided to streamline an additional facility in North America to further enhance the profitability of the consumer tissue business. Both restructuring actions are expected to be substantially completed by the end of 2012.
- We repurchased \$1.24 billion of Kimberly-Clark common stock in 2011, and expect to repurchase \$900 million to \$1.1 billion of our common stock in 2012, subject to market conditions. In addition, we raised our dividend in 2011 by 6 percent, the 39<sup>th</sup> consecutive annual increase in our dividend. Altogether, share repurchases and dividends in 2011 amounted to \$2.3 billion.

We are subject to risks and uncertainties, which can affect our business operations and financial results. See Item 1A, "Risk Factors" in this Form 10-K for additional information.

**Overview of 2011 Results**

- Net sales increased 5.6 percent due to favorable currency effects, increases in net selling prices and increases in volume.
- Operating profit decreased 11.9 percent and net income attributable to Kimberly-Clark Corporation and diluted earnings per share decreased 13.7 percent and 10.3 percent, respectively.
- Results were negatively impacted by \$415 million in pretax charges, \$289 million after tax, for the pulp and tissue restructuring actions.
- Cash provided by operations was \$2.3 billion, a decrease of 16.6 percent compared to last year, driven primarily by higher defined benefit pension plan contributions in 2011.

**PART II**

(Continued)

**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 2011 results of operations. This discussion and analysis compares 2011 results to 2010, and 2010 results to 2009.

**Analysis of Consolidated Net Sales**
*By Business Segment*

	Year Ended December 31		
	2011	2010	2009
	(Millions of dollars)		
Personal Care	\$ 9,128	\$ 8,670	\$ 8,365
Consumer Tissue	6,770	6,497	6,409
K-C Professional & Other	3,294	3,110	3,007
Health Care	1,606	1,460	1,371
Corporate & Other	48	9	(37)
Consolidated	<u>\$ 20,846</u>	<u>\$ 19,746</u>	<u>\$ 19,115</u>

*By Geographic Area*

	Year Ended December 31		
	2011	2010	2009
	(Millions of dollars)		
United States	\$ 10,463	\$ 10,480	\$ 10,146
Canada	726	684	596
Intergeographic sales	(443)	(445)	(322)
Total North America	10,746	10,719	10,420
Europe	3,401	3,179	3,220
Asia, Latin America and other	7,467	6,561	6,124
Intergeographic sales	(768)	(713)	(649)
Consolidated	<u>\$ 20,846</u>	<u>\$ 19,746</u>	<u>\$ 19,115</u>

*Commentary:*
2011 versus 2010

	Percent Change in Net Sales Versus Prior Year				
	Total Change	Changes Due To			
		Volume	Net Price	Mix/Other	Currency
Consolidated	5.6	1	2	—	3
Personal Care	5.3	2	1	(1)	3
Consumer Tissue	4.2	(2)	3	—	3
K-C Professional & Other	5.9	2	2	(1)	3
Health Care	10.0	8	—	—	2

- Personal care net sales in North America decreased about 2 percent due to lower net selling prices and unfavorable product mix of 2 percent and 1 percent, respectively, partially offset by favorable currency effects. Volumes were essentially flat as improvements in baby wipes, adult incontinence products and feminine care, including benefits from product innovation in the Poise, Depend and U by Kotex brands, were mostly offset by lower sales of Huggies diapers and Pull-Ups training pants.



**PART II**

(Continued)

In Europe, personal care net sales increased about 4 percent due to favorable currency effects of 5 percent and increases in sales volumes of 2 percent, partially offset by lower net selling prices of 2 percent.

In KCI, personal care net sales increased about 14 percent, driven by increases in sales volumes of 5 percent, higher net selling prices of 5 percent, primarily in Latin America, and favorable currency effects of 5 percent. The growth in sales volumes was broad-based, with particular strength in South Korea, China and Latin America, excluding Venezuela.

- Consumer tissue net sales in North America increased 2 percent due to higher net selling prices of 2 percent, partially offset by a sales volume decline of about 1 percent. Sales volumes were up high single-digits in paper towels but were more than offset by low single-digits decreases in both bath and facial tissue.

In Europe, consumer tissue net sales increased 5 percent due to favorable currency effects of 6 percent, partially offset by a 1 percent decrease in sales volumes.

In KCI, consumer tissue net sales increased 8 percent due to higher net selling prices of 7 percent, primarily in Latin America, favorable currency effects of 5 percent and improvements in product mix of 2 percent, partially offset by a decrease in sales volumes of 6 percent. Sales volumes were negatively impacted by revenue realization strategies and lost sales from a divestiture of a non-core business in Latin America and exiting non-strategic products in conjunction with the pulp and tissue restructuring actions.

- KCP's net sales in North America increased 3 percent due to higher net selling prices of 2 percent and an increase in sales volumes of 1 percent driven by the safety and wiper categories, while washroom product volumes declined in a continued challenging economic environment. In Europe, sales of KCP products increased 7 percent due to favorable currency effects of 6 percent and increased sales volumes of about 2 percent. Net sales in KCI of KCP products increased 14 percent due to favorable currency effects of 6 percent, higher sales volumes of 5 percent and higher net selling prices of 3 percent.
- Higher sales volumes for health care products were driven by increases in exam gloves and medical devices.

*Commentary:*

2010 versus 2009

	Percent Change in Net Sales Versus Prior Year				
	Total Change	Changes Due To			
		Volume Growth	Net Price	Mix/Other	Currency
Consolidated	3.3	1	1	—	1
Personal Care	3.6	3	—	—	1
Consumer Tissue	1.4	(2)	2	—	1
K-C Professional & Other	3.4	1	2	—	—
Health Care	6.5	7	(2)	1	—

- Personal care net sales in North America increased about 4 percent due to an increase in sales volumes and net selling prices of 3 percent and 1 percent, respectively. The sales volume increases resulted from higher sales of Pull-Ups training pants and baby wipes, feminine care and adult incontinence products, including benefits from innovation in the U by Kotex, Poise and Depend brands, partially offset by lower sales of Huggies diapers.

In Europe, personal care net sales decreased about 2 percent due to unfavorable currency effects of 2 percent and a decrease in net selling prices of 1 percent, partially offset by increases in sales volumes of 1 percent.

In KCI, net sales increased about 6 percent driven by a 5 percent increase in sales volumes and a 1 percent favorable currency effect. The growth in sales volumes was broad-based, with particular strength in Asia and Latin America, excluding Venezuela.

- Consumer tissue net sales in North America decreased 1 percent as an increase in net selling prices of 2 percent and

**PART II**

(Continued)

improvements in product mix of 1 percent were more than offset by a sales volume decline of 4 percent. Sales volumes were down low single-digits in bath tissue and double-digits in paper towels, primarily as a result of continued consumer trade-down to lower-priced product offerings.

In Europe, consumer tissue net sales decreased 2 percent due to unfavorable currency effects of 2 percent and a decrease in sales volumes of 2 percent, partially offset by an increase in net selling prices of 2 percent.

In KCI, consumer tissue net sales increased about 8 percent due to an increase in net selling prices of 4 percent, favorable currency effects of 2 percent and improvements in product mix of 1 percent. Increases in net selling prices were broad-based, with particular strength in Latin America and Russia.

- KCP's net sales in North America increased 3 percent due to higher net selling prices of about 2 percent and favorable currency effects of 1 percent. Volume comparisons benefited from the Jackson Products, Inc. acquisition in 2009 and growth in the wiper and safety categories, while washroom product volumes declined in a continued challenging economic environment. In Europe, sales of KCP products decreased 1 percent, as an increase in sales volumes of 3 percent was more than offset by unfavorable currency effects of 3 percent and lower net selling prices of 1 percent.
- The increased sales volumes for health care products were primarily due to a 9 percent benefit from the acquisition of I-Flow Corporation ("I-Flow") in late November 2009, as well as volume increases in other medical devices, which were more than offset by declines in supplies, including the impact from increased face mask demand in 2009 related to the H1N1 influenza virus.

***Analysis of Consolidated Operating Profit***

*By Business Segment*

	Year Ended December 31		
	2011	2010	2009
	(Millions of dollars)		
Personal Care	\$ 1,526	\$ 1,764	\$ 1,739
Consumer Tissue	775	660	736
K-C Professional & Other	487	468	464
Health Care	219	174	244
Other (income) and expense, net	(51)	104	97
Corporate & Other	(616)	(189)	(261)
Consolidated	<u>\$ 2,442</u>	<u>\$ 2,773</u>	<u>\$ 2,825</u>

*By Geographic Area*

	Year Ended December 31		
	2011	2010	2009
	(Millions of dollars)		
United States	\$ 1,754	\$ 1,901	\$ 2,059
Canada	161	125	113
Europe	170	222	171
Asia, Latin America and other	922	818	840
Other (income) and expense, net	(51)	104	97
Corporate & Other	(616)	(189)	(261)
Consolidated	<u>\$ 2,442</u>	<u>\$ 2,773</u>	<u>\$ 2,825</u>

In 2011, pulp and tissue restructuring charges of \$413 million and a non-deductible business tax charge of \$32 million related to a law change in Colombia are included in Corporate & Other. In 2010, Other (income) and expense, net includes a \$79 million charge and Corporate & Other includes a \$19 million charge related to the adoption of highly inflationary accounting in Venezuela. See Item 8, Notes 2 and 3 to the Consolidated Financial Statements for additional information.



**PART II**  
(Continued)

*Commentary:*

*2011 versus 2010*

	Percentage Change in Operating Profit Versus Prior Year						
	Total Change	Volume	Net Price	Change Due To			
				Input Costs <sup>(a)</sup>	Cost Savings	Currency	Other <sup>(b)</sup>
Consolidated	(11.9)	3	13	(21)	10	5	(22)
Personal Care	(13.5)	3	6	(18)	5	2	(11)
Consumer Tissue	17.4	(4)	28	(19)	16	2	(6)
K-C Professional & Other	4.1	4	12	(18)	13	5	(12)
Health Care	25.9	24	2	(33)	11	3	19

<sup>(a)</sup> Includes inflation in raw materials, energy and distribution costs.

<sup>(b)</sup> Consolidated includes the effect of the 2011 pulp and tissue restructuring charges and a non-deductible business tax charge related to a law change in Colombia, as well as the impact of the 2010 charge related to the adoption of highly inflationary accounting in Venezuela.

- Consolidated operating profit decreased \$331 million compared to the prior year. The benefits of increases in net sales and cost savings of \$265 million were more than offset by charges of \$415 million related to the pulp and tissue restructuring, inflation in key cost inputs of \$580 million and the negative effect of lower production volumes. Comparisons were also impacted by the effect of a \$98 million charge related to the adoption of highly inflationary accounting in Venezuela in 2010.
- Operating profit for the personal care segment decreased due to inflation in key cost inputs and the negative effect of lower production volumes, partially offset by increases in net sales and cost savings. In North America, operating profit decreased due to inflation in key cost inputs, lower net sales and the negative effects of lower production volumes, partially offset by lower marketing, research and general expenses. In Europe, operating profit decreased due to inflation in key cost inputs, partially offset by cost savings, higher net sales and lower marketing, research and general expenses. Operating profit in KCI increased due to higher net sales, cost savings and favorable currency effects, partially offset by inflation in key cost inputs and increases in marketing, research and general expenses.
- Consumer tissue segment operating profit increased due to increases in net sales, cost savings and lower marketing, research and general expenses, partially offset by inflation in key cost inputs and the negative effect of lower production volumes. Operating profit in North America increased as higher net sales, cost savings and lower marketing, research and general expenses were partially offset by inflation in key cost inputs. In Europe, operating profit decreased as favorable currency effects, cost savings and lower general expenses were more than offset by inflation in key cost inputs. Operating profit in KCI increased as higher net sales and favorable currency effects were partially offset by the negative effect of production volumes and inflation in key cost inputs.
- Operating profit for KCP & Other increased due to higher net sales, cost savings and favorable currency effects, partially offset by inflation in key cost inputs and increased marketing, research and general expenses.
- Operating profit for the health care segment increased as higher net sales, cost savings and lower marketing, research and general expenses, primarily due to a lower level of litigation expenses, were partially offset by inflation in key cost inputs.

*Pulp and Tissue Restructuring*

On January 21, 2011, we initiated a pulp and tissue restructuring plan in order to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability and return on invested capital of our consumer tissue and KCP businesses. The restructuring involves the streamlining, sale or closure of six of our manufacturing facilities around the world. In conjunction with these actions, we have begun to exit certain non-strategic products, primarily non-branded offerings, and transfer some production to lower-cost facilities in order to improve overall profitability and returns. Facilities impacted by the restructuring include a facility in Everett, Washington, two facilities in Australia and two facilities in Spain. In addition, in January of 2012, we decided to streamline an additional facility in North America to further enhance the profitability of the consumer tissue business.

**PART II**

(Continued)

Both restructuring actions are expected to be substantially completed by the end of 2012. The restructuring actions are expected to result in cumulative charges of approximately \$550 million to \$600 million before tax ( \$385 million to \$420 million after tax) over 2011 and 2012. Cash costs related to the streamlining of operations, sale or closure, relocation of equipment, severance and other expenses are expected to account for approximately 30 percent to 40 percent of the charges. Noncash charges will consist primarily of incremental depreciation.

As a result of the restructuring activities, versus the 2010 baseline, we expect that by 2013 annual net sales will decrease by \$250 million to \$300 million, and operating profit will increase by at least \$75 million in 2013 and \$100 million in 2014. Most of the restructuring will impact the consumer tissue business segment. In 2011, we recognized benefits of \$20 million from the restructuring actions.

During 2011, \$415 million of charges were recognized for the restructuring actions, including \$407 million recorded in Cost of products sold, \$6 million recorded in Marketing, research and general expenses, and \$2 million recorded in Other (income) and expense, net. A related benefit of \$126 million was recorded in Provision for income taxes. On a segment basis, \$357 million and \$56 million of the charges related to the consumer tissue and K-C Professional & Other, respectively. On a geographic basis, \$204 million of the charges were recorded in North America, \$133 million in Australia, and \$78 million elsewhere.

Of the \$415 million charges recorded in 2011, \$329 million were non-cash. Of the \$86 million in cash charges, \$51 million have been paid in 2011.

For additional information on the pulp and tissue restructuring, see Item 8, Note 2 to the Consolidated Financial Statements.

*Other (income) and expense, net*

Other (income) and expense, net for 2011 includes gains from the divestiture of a small non-core business in Latin America and the sale of a venture investment in a health care start-up company, as well as currency transaction gains of \$27 million. Other (income) and expense, net for 2010 includes a \$79 million charge related to the adoption of highly inflationary accounting in Venezuela and currency transaction losses of \$20 million.

*Commentary:*2010 versus 2009

	Percentage Change in Operating Profit Versus Prior Year						
	Total Change	Change Due To					
		Volume	Net Price	Input Costs <sup>(a)</sup>	Cost Savings	Currency	Other <sup>(b)</sup>
Consolidated	(1.8)	2	8	(28)	13	—	3
Personal Care	1.4	3	2	(16)	11	(3)	4
Consumer Tissue	(10.3)	(5)	21	(45)	13	(6)	12
K-C Professional & Other	0.9	(6)	14	(31)	10	(3)	17
Health Care	(28.7)	29	(9)	(19)	12	2	(44)

<sup>(a)</sup> Includes inflation in raw materials, energy and distribution costs.

<sup>(b)</sup> Includes the effect of the 2009 organization optimization initiative charges and related benefits. Consolidated also includes the effect of the charge related to the adoption of highly inflationary accounting in Venezuela in 2010.

- Consolidated operating profit decreased \$52 million or 1.8 percent compared to the prior year. The benefits of increases in net sales, cost savings of \$370 million, and a decrease in pension expense of about \$120 million, were more than offset by inflation in key cost inputs of about \$790 million, and increased marketing, research and general expenses, which included higher strategic marketing spending of about \$100 million, and increases related to I-Flow and to support future growth in KCI. Comparisons were also impacted by the effect of the organization optimization initiative charges of \$128 million in 2009 and related benefits in 2010, and a \$98 million charge related to the adoption of highly inflationary accounting in Venezuela. Operating profit as a percent of net sales decreased to 14.0 percent from 14.8 percent in 2009.



## **PART II**

(Continued)

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- Operating profit for the personal care segment increased 1.4 percent as higher sales volumes, higher net selling prices, and cost savings were mostly offset by inflation in key cost inputs, increased marketing, research and general expenses and unfavorable currency effects. In North America, operating profit increased due to cost savings, higher net selling prices, increased sales volumes, and favorable currency effects, partially offset by inflation in key cost inputs and increased marketing expenses. In Europe, operating profit increased due to cost savings partially offset by inflation in key cost inputs and decreases in net selling prices. Operating profit in KCI decreased as higher sales volumes were more than offset by unfavorable currency effects, primarily in Venezuela, increases in marketing and general expenses and inflation in key cost inputs.
- Consumer tissue segment operating profit decreased 10.3 percent. Increases in net selling prices, cost savings and lower general expenses were more than offset by inflation in key cost inputs, unfavorable currency effects, lower sales volumes and higher marketing expenses. Operating profit in North America decreased as increases in net selling prices and cost savings were more than offset by inflation in key cost inputs, lower sales volumes and higher marketing expenses. In Europe, operating profit increased as cost savings, higher net selling prices and lower general expenses were partially offset by inflation in key cost inputs. Operating profit in KCI decreased as higher net selling prices and improvements in product mix were more than offset by inflation in key cost inputs, unfavorable currency effects, primarily in Venezuela, and increased marketing, research and general expenses.
- Operating profit for KCP & Other products increased 0.9 percent as higher net selling prices and cost savings were mostly offset by inflation in key cost inputs and unfavorable currency effects.
- Operating profit for the health care segment decreased 28.7 percent. The benefit of higher sales volumes and cost savings were more than offset by higher selling and general expenses, including ongoing I-Flow litigation-related expenses, inflation in key cost inputs and lower net selling prices.

### *Organization Optimization Initiative*

In June 2009, we announced actions to reduce our worldwide salaried workforce by approximately 1,600 positions. These actions resulted in cumulative pretax charges of approximately \$128 million in 2009. Related savings from this initiative were approximately \$80 million in 2010 and \$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 2010 includes a \$79 million charge related to the adoption of highly inflationary accounting in Venezuela. In addition, Other (income) and expense, net includes currency transaction losses of \$20 million in 2010 and \$110 million in 2009. Included in 2009 were approximately \$73 million of currency transaction losses related to operations in Venezuela.

### *Additional Income Statement Commentary*

#### 2011 versus 2010

- Interest expense increased in 2011 over 2010 due to a higher average level of debt. See Item 8, Note 8 to the Consolidated Financial Statements for detail on debt activity.
- Our effective income tax rate was 30.2 percent for 2011 compared with 30.9 percent for 2010. The decrease was primarily due to the timing of tax initiatives.
- Our share of net income of equity companies decreased by \$20 million primarily due to lower earnings at Kimberly-Clark de Mexico, S.A.B. de C.V. ("KCM"). KCM's net sales grew 4 percent due to a 2 percent benefit from the peso strengthening against the U.S. dollar, increased sales volumes of 1 percent, and a 1 percent impact from the combination of higher net selling prices and improvements in product mix. However, benefits from the increase in net sales were more than offset by inflation in key cost inputs, the negative effect of lower production volumes and increases in marketing expense.
- The average number of common shares outstanding declined in 2011 as compared to 2010 due to share repurchases.

**PART II**

(Continued)

2010 versus 2009

- Interest expense decreased in 2010 as compared to 2009 due to a lower average level of debt and lower average interest rates.
- Our effective income tax rate was 30.9 percent for 2010 compared with 29.0 percent for 2009. The increase was primarily due to nondeductible currency losses resulting from the adoption of highly inflationary accounting in Venezuela and changes in U.S. tax legislation, including a charge related to the Medicare Part D subsidy.
- Our share of net income of equity companies increased by \$17 million primarily due to higher earnings at KCM, whose U.S. dollar earnings benefited from the Mexican peso strengthening against the U.S. dollar by about 7 percent on average for the year, increases in sales volumes and net selling prices of 3 percent each, and cost savings. These benefits were partially offset by inflation in key cost inputs, primarily pulp.
- The average number of common shares outstanding declined in 2010 as compared to 2009 due to share repurchases throughout 2010 under our share repurchase program.

**Liquidity and Capital Resources***Cash Provided by Operations Commentary:*

Cash provided by operations was \$2.3 billion in 2011 compared to \$2.7 billion in 2010. The decrease was driven primarily by higher defined benefit pension plan contributions in 2011 (\$679 million in 2011 compared to \$245 million in 2010).

*Obligations Commentary:*

The following table presents our total contractual obligations for which cash flows are fixed or determinable.

	Total	2012	2013	2014	2015	2016	2017+
	(Millions of dollars)						
Long-term debt	\$ 6,045	\$ 619	\$ 592	\$ 524	\$ 344	\$ 51	\$ 3,915
Interest payments on long-term debt	3,406	311	280	249	236	221	2,109
Returns on redeemable preferred securities	81	27	27	27	—	—	—
Operating leases	682	167	136	114	83	54	128
Unconditional purchase obligations	1,001	709	154	44	17	18	59
Open purchase orders	2,122	2,117	4	1	—	—	—
<b>Total contractual obligations</b>	<b>\$ 13,337</b>	<b>\$ 3,950</b>	<b>\$ 1,193</b>	<b>\$ 959</b>	<b>\$ 680</b>	<b>\$ 344</b>	<b>\$ 6,211</b>

- Projected interest payments for variable-rate debt were calculated based on the outstanding principal amounts and prevailing market rates as of December 31, 2011 .
- Returns on redeemable preferred securities reflect required return payments through the next potential redemption date.
- The unconditional purchase obligations are for the purchase of raw materials, primarily pulp, and utilities. Although we are primarily liable for payments on the above operating leases and unconditional purchase obligations, based on historic operating performance and forecasted future cash flows, we believe 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 we have negotiated for delivery.

**PART II**

(Continued)

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The table does not include amounts where payments are discretionary or the timing is uncertain. The following payments are not included in the table:

- We will fund our defined benefit pension plans to meet or exceed statutory requirements and currently expect to contribute approximately \$50 million to \$100 million to these plans in 2012 .
- Other postretirement benefit payments are estimated using actuarial assumptions, including expected future service, to project the future obligations. Based upon those projections, we anticipate making annual payments for these obligations of \$60 million in 2012 to more than \$64 million by 2021 .
- Accrued income tax liabilities for uncertain tax positions, deferred taxes and noncontrolling interests.
- In the event the holder of the redeemable preferred securities elects to redeem them at the next redemption election date, we would be required to repay approximately \$500 million in December 2014 .

*Investing Commentary:*

- During 2011 , our capital spending was \$968 million . We expect capital spending to be \$1.0 to \$1.1 billion in 2012.
- On July 7, 2011, we collected \$220 million in cash related to a note receivable on its maturity date. See Item 8, Note 6 to the Consolidated Financial Statements for additional information.

*Financing Commentary:*

- At December 31, 2011 and 2010 , total debt and redeemable securities was \$6.7 billion and \$6.5 billion , respectively.
- We repurchase shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. During 2011 , we repurchased \$1.24 billion of our common stock through a broker in the open market. In 2012 , we plan to repurchase \$900 million to \$1.1 billion of shares through open market purchases, subject to market conditions.
- In February 2011, we issued \$250 million of 3.875% notes due March 1, 2021 and \$450 million of 5.3% notes due March 1, 2041 . Proceeds from the offering were used for general corporate purposes, including repurchasing shares of Kimberly-Clark common stock pursuant to publicly announced share repurchase programs.
- On February 9, 2012, we issued \$300 million of 2.4% notes due March 1, 2022. Proceeds from the offering were used for general corporate purposes, including to repay a portion of our \$400 million aggregate principal amount of 5.625% notes that were due February 15, 2012.
- In December 2011, we paid approximately \$500 million to redeem a portion of the preferred securities of a consolidated financing subsidiary. See Item 8, Note 9 to the Consolidated Financial Statements for additional information.
- In October 2011, we renegotiated our \$1.33 billion unused revolving credit facility, resulting in (1) a five year facility of \$1.5 billion scheduled to expire in October 2016, (2) an additional \$500 million facility scheduled to expire in October 2012, and (3) an option to increase either (but not both) the \$1.5 billion facility or the \$500 million facility by an additional \$500 million. This facility supports our commercial paper program and would provide liquidity in the event our access to the commercial paper markets is unavailable for any reason. We did not borrow any amounts under the revolving credit facility in 2011.
- Our short-term debt as of December 31, 2011 was \$87 million (included in Debt payable within one year on the Consolidated Balance Sheet) and consisted of short-term debt issued by non-U.S. subsidiaries. The average month-end balance of short-term debt for the fourth quarter of 2011 was \$91 million, and for the twelve months ended December 31, 2011 was \$214 million. These short-term borrowings, which included this short-term debt as well as commercial paper that we issued from time to time, provide supplemental funding for supporting our operations. The level of short-term debt generally fluctuates depending upon the amount of operating cash flows and the timing of customer receipts and payments for items such as dividends and income taxes.
- During the second quarter of 2010, the Venezuelan government enacted reforms to its currency exchange regulations that limited U.S. dollar availability to pay for the historical levels of U.S. dollar-denominated imports to support operations of our Venezuelan subsidiary ("K-C Venezuela"). At December 31, 2011 , our net investment in K-C Venezuela was approximately \$250 million , valued at 5.4 bolivars per U.S. dollar. See Item 8, Note 3 to the Consolidated Financial Statements for additional information.

## **PART II**

(Continued)

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Management believes that our ability to generate cash from operations and our 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 for the foreseeable future. Further, we do not expect restrictions or taxes on repatriation of cash held outside of the United States to have a material effect on our overall liquidity, financial condition or results of operations for the foreseeable future.

### **Variable Interest Entities**

We have interests in the financing entities discussed in Item 8, Notes 6 and 9 to the Consolidated Financial Statements.

### **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 reporting period. The critical accounting policies we used in the preparation of the Consolidated Financial Statements are those that are important both to the presentation of our financial condition and results of operations and require significant judgments by management with regard to estimates used. The critical judgments by management relate to accruals for sales incentives and trade promotion allowances, pension and other postretirement benefits, future cash flows associated with impairment testing for goodwill and long-lived assets, the qualitative analyses used to determine the primary beneficiary of variable interest entities, and deferred income taxes and potential income tax assessments. These critical accounting policies have been reviewed with the Audit Committee of the Board of Directors.

#### *Sales Incentives and Trade Promotion Allowances*

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 us and our 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. 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 our customers to promote our products. Promotion accruals as of December 31, 2011 and 2010 were \$339 million and \$352 million, respectively. Rebate accruals as of December 31, 2011 and 2010 were \$300 million and \$353 million, respectively.

#### *Employee Postretirement Benefits*

#### *Pension Plans*

We have defined benefit pension plans in North America and the United Kingdom (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 \$119 million in 2011 compared with \$133 million for 2010. 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 7.14 percent in 2011 compared with 7.96 percent in 2010 and will be 6.49 percent in 2012. The weighted-average expected long-term rate of return on pension fund assets used to calculate pension expense for the Principal Plans was 7.35 percent in 2011 compared with 8.19 percent in 2010 and will be 6.68 percent in 2012. The expected long-term rates of return are evaluated on an annual basis. In setting these assumptions, we consider a number of factors including projected future returns by asset class and historical long-term market performance relative to the current asset allocation. Actual asset allocations are regularly reviewed and they are periodically rebalanced to the targeted allocations when considered appropriate.

## **PART II**

(Continued)

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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, 2011, the Principal Plans had cumulative unrecognized investment and actuarial losses of approximately \$2.4 billion. These unrecognized net losses may increase future pension expense if not offset by (i) actual investment returns that exceed the assumed investment returns, (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) rate used to determine the present value of our future U.S. pension obligation at December 31, 2011 was based on a portfolio of high quality corporate debt securities with cash flows that largely match the expected benefit payments of the plan. For the U.K. and Canadian plans, the discount rate was determined based on yield curves constructed from a portfolio of high quality corporate debt securities. Each year’s expected future benefit payments were discounted to their present value at the appropriate yield curve rate to determine the pension obligations. The weighted-average discount rate for the Principal Plans decreased to 4.9 percent at December 31, 2011 from 5.58 percent at December 31, 2010.

Consolidated pension expense for defined benefit pension plans is estimated to approximate \$105 to \$115 million in 2012 compared to \$119 million incurred in 2011. The 2012 estimate is based on an expected weighted-average long-term rate of return on assets in the Principal Plans of 6.68 percent, a weighted-average discount rate for the Principal Plans of 4.9 percent and various other assumptions. Pension expense beyond 2012 will depend on future investment performance, our 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 \$12 million in 2012. If the discount rate assumptions for these same plans were reduced by 0.25 percent, annual pension expense would increase by approximately \$5 million and the December 31, 2011 pension liability would increase by about \$170 million.

The fair value of the assets in our defined benefit plans was \$5.2 billion and \$4.6 billion at December 31, 2011 and December 31, 2010, respectively. The projected benefit obligations of the defined benefit plans exceeded the fair value of plan assets by approximately \$0.7 billion and \$1.1 billion at December 31, 2011 and December 31, 2010, respectively. On a consolidated basis, we contributed \$679 million to our pension plans in 2011 compared with \$245 million in 2010. In addition, we made direct benefit payments of \$14 million in 2011 compared to \$24 million in 2010. We currently anticipate contributing \$50 million to \$100 million to our pension plans in 2012.

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 benefit obligation. The discount rates displayed for the two types of obligations for our consolidated operations may appear different due to the weighting used in the calculation of the two weighted-average discount rates.

### 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, contributory for most employees who retire after 1992, and we provide no subsidized benefits to most employees hired after 2003.

We made benefit payments of \$74 million in 2011 compared with \$64 million in 2010. 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, 2012 other postretirement benefit expense would increase by less than \$1 million and the December 31, 2011 benefit liability would increase by about \$17 million.

The health care cost trend rate is based on a combination of inputs including our 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 2012 and to gradually decline to 5.1 percent in 2018 and thereafter. See Item 8, Note 11 to the Consolidated Financial Statements for disclosure of the effect of a one percentage point change in the health care cost trend rate.

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(Continued)

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*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 our businesses and is based on a discounted cash flow approach to determine the fair value of each reporting unit level. 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 in excess of the respective reporting unit's carrying value, it has been determined that our \$3.3 billion of goodwill is not impaired.

We have no significant intangible assets with indefinite useful lives. At December 31, 2011, we have intangible assets with finite useful lives with a gross carrying amount of approximately \$505 million and a net carrying amount of about \$254 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 a VIE is required to consolidate the VIE. The primary beneficiary of a VIE is an enterprise that has an interest in a VIE that provides the enterprise 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 primary beneficiary of a VIE is required to be determined using a qualitative analysis considering such factors as the VIE's purpose and design, the involvement of each interest holder in the VIE, and the risks and benefits the VIE was designed to create and pass to interest holders. An enterprise is required to perform ongoing reassessments to determine if it must consolidate a VIE.

We exercise judgment in performing the ongoing qualitative primary beneficiary assessments for our interests in the VIEs described in Item 8, Notes 6 and 9 to the Consolidated Financial Statements.

*Deferred Income Taxes and Potential Assessments*

As of December 31, 2011, we have recorded deferred tax assets related to income tax loss carryforwards, income tax credit carryforwards and capital loss carryforwards totaling \$794 million and had established valuation allowances against these deferred tax assets of \$191 million, thereby resulting in a net deferred tax asset of \$603 million. As of December 31, 2010, the net deferred tax asset was \$734 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, 2011, U.S. income taxes and foreign withholding taxes have not been provided on approximately \$8.4 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 one of our U.S. entities, or if we were to sell our stock in the subsidiaries. It is not practicable to determine the amount of unrecognized



## **PART II**

(Continued)

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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.

We record our global tax provision based on the respective tax rules and regulations for the jurisdictions in which we operate. Where we believe that a tax position is supportable for income tax purposes, the item is included in our income tax returns. Where treatment of a position is uncertain, a liability is recorded based upon the expected most likely outcome taking into consideration the technical merits of the position based on specific tax regulations and facts of each matter. These liabilities may be affected by changing interpretations of laws, rulings by tax authorities, or the expiration of the statute of limitations. Our U.S. federal income tax returns have been audited through 2007. IRS assessments of additional taxes have been paid through 2003. We have various federal income tax return positions in administrative appeals or litigation for 1999 to 2007. We currently believe that the ultimate resolution of these matters, individually or in the aggregate, will not have a material effect on our business, financial condition, results of operations or liquidity.

### **Legal Matters**

We are subject to various legal proceedings, claims and governmental inspections, audits or investigations pertaining to issues such as contract disputes, product liability, patents and trademarks, advertising, governmental regulations, employment and other matters. Although the results of litigation and claims cannot be predicted with certainty, we believe that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material adverse effect, individually or in the aggregate, on our business, financial condition, results of operations or liquidity.

We are subject to federal, state and local environmental protection laws and regulations with respect to our business operations and are operating in compliance with, or taking action aimed at ensuring compliance with, these laws and regulations. We have 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 our compliance obligations with environmental protection laws and regulations, individually or in the aggregate, is expected to have a material adverse effect on our 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 our Consolidated Financial Statements.

### **Business Outlook**

#### *Pulp and Tissue Restructuring*

On January 21, 2011, we adopted a pulp and tissue restructuring plan in order to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability and return on invested capital of our consumer tissue and KCP businesses. In addition, on January 24, 2012, we announced our decision to streamline our manufacturing facility in Chester, Pennsylvania to further enhance the profitability of our consumer tissue business. Estimated charges related to this additional restructuring action are expected to range from \$30 million to \$50 million before taxes.

Both restructuring actions are expected to be substantially completed by December 31, 2012. The restructuring actions are expected to result in cumulative charges in 2011 and 2012 of approximately \$550 to \$600 million before tax (\$385 to \$420 million after tax). Cash costs are expected to account for approximately 30 to 40 percent of the total charges. As a result of these restructuring actions, versus the 2010 baseline, we expect that by 2013 annual net sales will be reduced by \$250 to \$300 million, and operating profit is expected to increase by at least \$75 million in 2013 and at least \$100 million in 2014.

#### *2012 Operating Results*

We expect economic conditions to remain challenging in the near term, particularly in developed markets. We plan to continue focusing on innovation and targeted growth initiatives, supporting both with strategic marketing spending. We expect that commodity cost inflation will moderate in 2012, but results will likely be negatively impacted by foreign currency exchange rates weakening against the U.S. dollar. We plan to increase our investments in research and development and selling to support further growth and improve capabilities. We will continue to manage our company with financial discipline, and expect to deliver





**PART II**  
(Continued)

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cost savings to offset increases in cost. We plan to return cash to stockholders through our continued program of share repurchases, and have increased the amount of our regular quarterly dividend by 6 percent for 2012.

**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, business outlook, including anticipated costs, scope, timing and effects of the pulp and tissue restructuring actions, cost savings, marketing, research and innovation spending, cash flow and uses of cash, capital spending, anticipated financial and operating results, share repurchases and dividends, raw material and energy costs and volatility, anticipated currency rates and exchange risk, the costs and effects of legal and regulatory compliance, market demand and economic conditions, changes in finished product selling prices, anticipated effect of acquisitions, contingencies and anticipated transactions, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are based upon our expectations and beliefs concerning future events affecting us. There can be no assurance that these events will occur or that our results will be as estimated. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update them.

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 our control, including the prices and availability of our raw materials, potential competitive pressures on selling prices or advertising and promotion expenses for our products, energy costs, retail trade customer actions, and fluctuations in foreign currency exchange rates, as well as general economic and political conditions globally and in the markets in which we do business, could affect the realization of such estimates.

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

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As a multinational enterprise, we are 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. Our 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 our 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 our 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 our 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 our foreign currency contracts and transactional exposures 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.

**PART II**  
(Continued)

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As of December 31, 2011, 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 \$50 million. These hypothetical losses on transactional exposures are based on the difference between the December 31, 2011 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 our consolidated financial position, results of operations or cash flows.

Our operations in Venezuela are reported using highly inflationary accounting and their functional currency is the U.S. dollar. Changes in the value of a Venezuelan bolivar versus the U.S. dollar applied to our bolivar-denominated net monetary asset position are recorded in income at the time of the change. At December 31, 2011, a 10 percent unfavorable change in the exchange rate would have resulted in a net pretax loss of approximately \$13 million. There are no viable options for hedging this exposure.

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, 2011, a 10 percent unfavorable change in the exchange rate of the U.S. dollar against the prevailing market rates of our foreign currency translation exposures would have reduced stockholders’ equity by approximately \$850 million. These hypothetical adjustments in UTA are based on the difference between the December 31, 2011 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 our consolidated financial position because they would not affect our 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, 2011, the debt portfolio was composed of approximately 19 percent variable-rate debt and 81 percent fixed-rate debt.

Two separate tests are performed to determine whether changes in interest rates would have a significant effect on our 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, 2011, a 10 percent decrease in interest rates would have increased the fair value of fixed-rate debt by about \$194 million. The second test estimates the potential effect on future pretax income that would result from increased interest rates applied to our 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*

We are 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. 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.

Our 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 we will be fully protected against substantial changes in the price or availability of energy sources. In addition, we are subject to price risk for utilities, primarily natural gas, which are used in our manufacturing operations. Derivative instruments are used to hedge a portion of natural gas price risk in accordance with our risk management policy.

**PART II**  
(Continued)

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENT**

	Year Ended December 31		
	2011	2010	2009
	(Millions of dollars, except per share amounts)		
<b>Net Sales</b>	<b>\$ 20,846</b>	\$ 19,746	\$ 19,115
Cost of products sold	14,694	13,196	12,695
<b>Gross Profit</b>	<b>6,152</b>	6,550	6,420
Marketing, research and general expenses	3,761	3,673	3,498
Other (income) and expense, net	(51)	104	97
<b>Operating Profit</b>	<b>2,442</b>	2,773	2,825
Interest income	18	20	26
Interest expense	(277)	(243)	(275)
<b>Income Before Income Taxes and Equity Interests</b>	<b>2,183</b>	2,550	2,576
Provision for income taxes	(660)	(788)	(746)
<b>Income Before Equity Interests</b>	<b>1,523</b>	1,762	1,830
Share of net income of equity companies	161	181	164
<b>Net Income</b>	<b>1,684</b>	1,943	1,994
Net income attributable to noncontrolling interests	(93)	(100)	(110)
<b>Net Income Attributable to Kimberly-Clark Corporation</b>	<b>\$ 1,591</b>	\$ 1,843	\$ 1,884
<b>Per Share Basis</b>			
<b>Basic</b>	<b>\$ 4.02</b>	\$ 4.47	\$ 4.53
<b>Diluted</b>	<b>\$ 3.99</b>	\$ 4.45	\$ 4.52

See Notes to Consolidated Financial Statements



**PART II**  
(Continued)**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Year Ended December 31		
	2011	2010	2009
	(Millions of dollars)		
<b>Net Income</b>	<b>\$ 1,684</b>	<b>\$ 1,943</b>	<b>\$ 1,994</b>
<b>Other Comprehensive Income, Net of Tax:</b>			
Unrealized currency translation adjustments	(249)	334	625
Employee postretirement benefits	(134)	55	(34)
Other	(30)	(16)	3
<b>Total Other Comprehensive Income, Net of Tax</b>	<b>(413)</b>	<b>373</b>	<b>594</b>
<b>Comprehensive Income</b>	<b>1,271</b>	<b>2,316</b>	<b>2,588</b>
Comprehensive income attributable to noncontrolling interests	(80)	(106)	(114)
<b>Comprehensive Income Attributable to Kimberly-Clark Corporation</b>	<b>\$ 1,191</b>	<b>\$ 2,210</b>	<b>\$ 2,474</b>



**PART II**  
(Continued)

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**

	December 31	
	2011	2010
(Millions of dollars)		
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 764	\$ 876
Accounts receivable, net	2,602	2,472
Note receivable	—	218
Inventories	2,356	2,373
Other current assets	561	389
<b>Total Current Assets</b>	<b>6,283</b>	<b>6,328</b>
<b>Property, Plant and Equipment, net</b>	<b>8,049</b>	<b>8,356</b>
<b>Investments in Equity Companies</b>	<b>338</b>	<b>374</b>
<b>Goodwill</b>	<b>3,340</b>	<b>3,403</b>
<b>Other Intangible Assets</b>	<b>265</b>	<b>287</b>
<b>Long-Term Note Receivable</b>	<b>394</b>	<b>393</b>
<b>Other Assets</b>	<b>704</b>	<b>723</b>
	<b>\$ 19,373</b>	<b>\$ 19,864</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Debt payable within one year	\$ 706	\$ 344
Redeemable preferred securities of subsidiary	—	506
Trade accounts payable	2,388	2,206
Accrued expenses	2,026	2,013
Dividends payable	277	269
<b>Total Current Liabilities</b>	<b>5,397</b>	<b>5,338</b>
<b>Long-Term Debt</b>	<b>5,426</b>	<b>5,120</b>
<b>Noncurrent Employee Benefits</b>	<b>1,460</b>	<b>1,810</b>
<b>Other Liabilities</b>	<b>1,014</b>	<b>853</b>
<b>Redeemable Preferred and Common Securities of Subsidiaries</b>	<b>547</b>	<b>541</b>
<b>Stockholders' Equity</b>		
<b>Kimberly-Clark Corporation Stockholders' Equity:</b>		
Preferred stock—no par value—authorized 20.0 million shares, none issued	—	—
Common stock—\$1.25 par value—authorized 1.2 billion shares; issued 428.6 and 478.6 million shares at December 31, 2011 and 2010	536	598
Additional paid-in capital	440	425
Common stock held in treasury, at cost—32.9 million and 71.7 million shares at December 31, 2011 and 2010	(2,105)	(4,726)
Accumulated other comprehensive income (loss)	(1,866)	(1,466)
Retained earnings	8,244	11,086
<b>Total Kimberly-Clark Corporation Stockholders' Equity</b>	<b>5,249</b>	<b>5,917</b>
Noncontrolling interests	280	285
<b>Total Stockholders' Equity</b>	<b>5,529</b>	<b>6,202</b>
	<b>\$ 19,373</b>	<b>\$ 19,864</b>





**PART II**  
 (Continued)

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

	Common Stock Issued		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests
	Shares	Amount		Shares	Amount			
(Dollars in millions, shares in thousands)								
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
Net income in stockholders' equity	—	—	—	—	—	1,843	—	44
Other comprehensive income:								
Unrealized translation	—	—	—	—	—	—	326	7
Employee postretirement benefits, net of tax	—	—	—	—	—	—	57	(2)
Other	—	—	—	—	—	—	(16)	—
Stock-based awards exercised or vested	—	—	(37)	(2,862)	170	—	—	—
Income tax benefits on stock-based compensation	—	—	2	—	—	—	—	—
Shares repurchased	—	—	—	12,954	(809)	—	—	—
Recognition of stock-based compensation	—	—	52	—	—	—	—	—
Dividends declared	—	—	—	—	—	(1,085)	—	(47)
Other	—	—	9	—	—	(1)	—	(1)
Balance at December 31, 2010	478,597	598	425	71,741	(4,726)	11,086	(1,466)	285
Net income in stockholders' equity	—	—	—	—	—	1,591	—	39
Other comprehensive income:								
Unrealized translation	—	—	—	—	—	—	(236)	(13)
Employee postretirement benefits, net of tax	—	—	—	—	—	—	(133)	(1)
Other	—	—	—	—	—	—	(31)	1
Stock-based awards exercised or vested	—	—	(47)	(7,924)	490	—	—	—
Income tax benefits on stock-based compensation	—	—	10	—	—	—	—	—
Shares repurchased	—	—	—	19,120	(1,247)	—	—	—
Shares retired	(50,000)	(62)	—	(50,000)	3,378	(3,316)	—	—
Recognition of stock-based compensation	—	—	48	—	—	—	—	—
Dividends declared	—	—	—	—	—	(1,107)	—	(70)

Other	—	—	4	—	—	(10)	—	(2)
Balance at December 31, 2011	<u>428,597</u>	<u>\$ 536</u>	<u>\$ 440</u>	<u>32,937</u>	<u>\$ (2,105)</u>	<u>\$ 8,244</u>	<u>\$ (1,866)</u>	<u>\$ 280</u>

See Notes to Consolidated Financial Statements

**PART II**  
(Continued)

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT**

	Year Ended December 31		
	2011	2010	2009
	(Millions of dollars)		
<b>Operating Activities</b>			
Net Income	\$ 1,684	\$ 1,943	\$ 1,994
Depreciation and amortization	1,091	813	783
Asset Impairments	58	—	—
Stock-based compensation	48	52	86
Deferred income taxes	274	(12)	141
Net (gains) losses on asset dispositions	(6)	26	36
Equity companies' earnings in excess of dividends paid	(23)	(48)	(53)
(Increase) decrease in operating working capital	(262)	24	1,105
Postretirement benefits	(574)	(125)	(609)
Other	(2)	71	(2)
<b>Cash Provided by Operations</b>	<b>2,288</b>	<b>2,744</b>	<b>3,481</b>
<b>Investing Activities</b>			
Capital spending	(968)	(964)	(848)
Proceeds from maturity of note receivable	220	—	—
Acquisitions of businesses, net of cash acquired	—	—	(458)
Proceeds from sales of investments	28	47	40
Investments in time deposits	(158)	(131)	(270)
Maturities of time deposits	141	248	223
Proceeds from disposition of property	51	9	25
Other	5	10	—
<b>Cash Used for Investing</b>	<b>(681)</b>	<b>(781)</b>	<b>(1,288)</b>
<b>Financing Activities</b>			
Cash dividends paid	(1,099)	(1,066)	(986)
Net increase (decrease) in short-term debt	13	(28)	(312)
Proceeds from issuance of long-term debt	839	515	2
Repayments of long-term debt	(107)	(506)	(278)
Redemption of redeemable preferred securities of subsidiary	(500)	—	—
Cash paid on redeemable preferred securities of subsidiary	(57)	(54)	(53)
Proceeds from exercise of stock options	435	131	165
Acquisitions of common stock for the treasury	(1,246)	(803)	(7)
Shares purchased from noncontrolling interests	—	—	(293)
Other	(19)	(48)	(26)
<b>Cash Used for Financing</b>	<b>(1,741)</b>	<b>(1,859)</b>	<b>(1,788)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>22</b>	<b>(26)</b>	<b>29</b>
<b>(Decrease) increase in Cash and Cash Equivalents</b>	<b>(112)</b>	<b>78</b>	<b>434</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>876</b>	<b>798</b>	<b>364</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 764</b>	<b>\$ 876</b>	<b>\$ 798</b>



**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 as if they were a single economic entity in conformity with accounting principles generally accepted in the United States of America (“GAAP”). All intercompany transactions and accounts are eliminated in consolidation. The terms “Corporation,” “Kimberly-Clark,” “we,” “our,” and “us” refer to Kimberly-Clark Corporation and all subsidiaries in which it has a controlling financial interest.

*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 postretirement benefits, useful lives for depreciation and amortization, future cash flows associated with impairment testing for goodwill and long-lived assets, 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.

*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. Purchases of computer software, including 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. 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.

Estimated useful lives are periodically reviewed and, when warranted, changes are made to them. Long-lived assets 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 impairment may have occurred. Impairment testing compares the reporting unit carrying amount of the goodwill with its fair value. Fair value is estimated based on discounted cash flows. If the reporting unit carrying amount of goodwill exceeds its fair value, an impairment

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

charge would be recorded. We have completed the required annual testing of goodwill for impairment for all reporting units and have determined that goodwill is not impaired.

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 to 20 years for trademarks, 5 to 17 years for patents and developed technologies, and 5 to 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 we have the ability to exercise significant influence and that, in general, are at least 20 percent-owned by us, 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,” we 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 our longer-term intent of retaining the investment in the equity company.

*Variable Interest Entities*

We perform ongoing qualitative assessments to determine whether to consolidate our variable interest entities (“VIEs”). As a result of these assessments, we have continued to consolidate a financing entity used to monetize long-term notes received from the sale of certain nonstrategic timberlands and our Luxembourg-based financing subsidiary. Factors considered in making these determinations included the purpose of the entities, the types and significance of intercompany transactions, and the benefits obtained by us and the nonaffiliated parties that have invested in these entities. We do not anticipate any changes to these entities that would result in our not continuing to consolidate them. See Notes 6 and 9 for additional details about these consolidated VIEs.

*Revenue Recognition*

Sales revenue 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 our 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.

*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 expense 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

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

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. 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.

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. Effective January 1, 2010, we adopted highly inflationary accounting for our Venezuelan operations. See Note 3 for additional information.

*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 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 cash flow hedges and 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 our 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 15 for disclosures about derivative instruments and hedging activities.

*New Accounting Standards*

In May 2011, the Financial Accounting Standards Board ("FASB") and the International Accounting Standards Board ("IASB") issued Accounting Standards Update ("ASU") No. 2011-04 and IFRS 13, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*, respectively, to provide largely identical guidance about fair value measurement and disclosure requirements. The ASU does not extend the use of fair value but, rather, provides guidance about how fair value should be applied where it is already required or permitted under U.S. GAAP. Most of the changes are clarifications of existing guidance or wording changes to align with IFRS 13. We are required to adopt ASU No. 2011-04 on January 1, 2012. The adoption of this update is not expected to have a material impact on our consolidated financial statements.

In June 2011, the FASB issued ASU No. 2011-05, *Presentation of Comprehensive Income*, amending Topic 220, *Comprehensive Income*. The new standard increases the prominence of other comprehensive income in financial statements. Under this ASU, an entity will have the option to present the components of net income and comprehensive income in either one continuous or two consecutive financial statements. The ASU eliminates the option in U.S. GAAP to present other comprehensive income in the statement of changes in equity. We are required to adopt ASU No. 2011-05 retrospectively on January 1, 2012. This update is not expected to have a material impact on our consolidated financial statements.

In September 2011, the FASB issued ASU No. 2011-08, *Testing Goodwill for Impairment*, amending Topic 350, *Intangibles - Goodwill and Other*. This ASU permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If an entity concludes it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it need not perform the two-step impairment test. We are required to adopt ASU No. 2011-08 on January 1, 2012. The adoption of this update is not expected to have a material impact on our consolidated financial statements.

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

**Note 2. Pulp and Tissue Restructuring**

On January 21, 2011, we initiated a pulp and tissue restructuring plan in order to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability and return on invested capital of our consumer tissue and K-C Professional ("KCP") businesses. The restructuring involves the streamlining, sale or closure of six of our manufacturing facilities around the world. In conjunction with these actions, we have begun to exit certain non-strategic products, primarily non-branded offerings, and transfer some production to lower-cost facilities in order to improve overall profitability and returns. Facilities impacted by the restructuring include a facility in Everett, Washington, two facilities in Australia and two facilities in Spain.

In addition, on January 24, 2012, we announced our decision to streamline an additional manufacturing facility in North America to further enhance the profitability of our consumer tissue business. Estimated charges related to this additional restructuring action are expected to range from \$30 million to \$50 million before tax.

Both restructuring actions are expected to be substantially completed by December 31, 2012. The restructuring actions are expected to result in cumulative charges in 2011 and 2012 of approximately \$550 million to \$600 million before tax ( \$385 million to \$420 million after tax). Cash costs related to the streamlining of operations, sale or closure, relocation of equipment, severance and other expenses are expected to account for approximately 30 to 40 percent of the total charges.

The following charges were incurred in connection with the restructuring:

	Year Ended December 31, 2011
	(Millions of dollars)
Incremental depreciation	\$ 252
Charges for workforce reductions	71
Asset impairments	58
Asset write-offs	19
Other exit costs	7
Cost of products sold	407
Charges for workforce reductions included in Marketing, research and general expenses	6
Other exit costs included in Other (income) and expense, net	2
Provision for income taxes	(126)
Net charges	<u>\$ 289</u>

See Note 18 for additional information on the pulp and tissue restructuring charges by segment.

Pretax charges for the pulp and tissue restructuring relate to activities in the following geographic areas:

	Year Ended December 31, 2011			
	North America	Australia	Other	Total
	(Millions of dollars)			
Incremental depreciation	\$ 165	\$ 73	\$ 14	\$ 252
Charges for workforce reductions	27	47	3	77
Asset impairments	—	—	58	58
Asset write-offs	10	9	—	19
Other exit costs	2	4	3	9
Total charges	<u>\$ 204</u>	<u>\$ 133</u>	<u>\$ 78</u>	<u>\$ 415</u>



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

The following summarizes the cash charges recorded and reconciles these charges to accrued expenses:

	Year Ended December 31, 2011
	(Millions of dollars)
Accrued expenses - January 1, 2011	\$ —
Charges for workforce reductions and other exit costs	86
Cash payments	(51)
Currency and other	2
Accrued expenses - December 31, 2011	<u>\$ 37</u>

**Note 3. Highly Inflationary Accounting for Venezuelan Operations**

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, our Venezuelan subsidiary (“K-C Venezuela”) began accounting for its operations as highly inflationary. 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 a result of the adoption of highly inflationary accounting, we 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 an exchange rate of approximately 6 bolivars per U.S. dollar. In the 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:

	Year Ended December 31, 2010
	(Millions of dollars)
Cost of products sold	\$ 19
Other (income) and expense, net	79
Provision for income taxes	(2)
Net charge	<u>\$ 96</u>

Prior to May 2010, we determined that, under highly inflationary accounting, the unregulated parallel market 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 into U.S. dollars to pay for its significant imports of U.S. dollar-denominated finished goods, raw materials and services to support its operations.

In May 2010, the Venezuelan government enacted reforms to its currency exchange regulations to close the parallel market and replace it with a regulated currency exchange system (the “central bank system”). As a result of these currency exchange regulations, we 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 2010 through December 31, 2011 .

At December 31, 2011 , K-C Venezuela had a bolivar-denominated net monetary asset position of \$130 million and our net investment in K-C Venezuela was \$250 million , both valued at 5.4 bolivars per U.S. dollar. Net sales of K-C Venezuela represented only 1 percent of Consolidated Net Sales for the years ended December 31, 2011 and 2010 , as compared to 3 percent in 2009. In 2011 and 2009, K-C Venezuela represented 4 percent and 1 percent , respectively, of Consolidated Operating Profit. In 2010, Operating Profit at our Venezuelan subsidiary was negative due to the charge recorded as a result of adopting highly inflationary accounting.

**Note 4. Organization Optimization Initiative**

In June 2009, we announced actions to reduce our worldwide salaried workforce by approximately 1,600 positions by the end of 2009. These actions resulted in pretax charges of \$128 million in 2009 (\$91 million after tax).



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

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

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

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

The charges were included in the following income statement captions:

	<b>Year Ended December 31, 2009</b>
	<b>(Millions of dollars)</b>
Cost of products sold	\$ 44
Marketing, research and general expenses	84
Provision for income taxes	(37)
Net charges	<u>\$ 91</u>

**Note 5. 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.

During 2011 and 2010, there were no significant transfers among level 1, 2 or 3 fair value determinations.

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

Set forth below are the financial assets and liabilities measured at fair value as of December 31, 2011 and 2010, together with the inputs used to develop those fair value measurements.

	December 31, 2011	Fair Value Measurements		
		Level 1	Level 2	Level 3
(Millions of dollars)				
<b>Assets</b>				
Company-owned life insurance (“COLI”)	\$ 45	\$ —	\$ 45	\$ —
Available-for-sale securities	15	15	—	—
Derivatives	61	—	61	—
Total	<u>\$ 121</u>	<u>\$ 15</u>	<u>\$ 106</u>	<u>\$ —</u>
<b>Liabilities</b>				
Derivatives	<u>\$ 120</u>	<u>\$ —</u>	<u>\$ 120</u>	<u>\$ —</u>

	December 31, 2010	Fair Value Measurements		
		Level 1	Level 2	Level 3
(Millions of dollars)				
<b>Assets</b>				
Company-owned life insurance (“COLI”)	\$ 46	\$ —	\$ 46	\$ —
Available-for-sale securities	15	15	—	—
Derivatives	70	—	70	—
Total	<u>\$ 131</u>	<u>\$ 15</u>	<u>\$ 116</u>	<u>\$ —</u>
<b>Liabilities</b>				
Derivatives	<u>\$ 48</u>	<u>\$ —</u>	<u>\$ 48</u>	<u>\$ —</u>

The COLI policies are a source of funding primarily for our nonqualified employee benefits and are included in other assets. Available-for-sale securities are included in other assets. See Note 15 for information on the classification of derivatives in the Consolidated Balance Sheet.

**Level 1 Fair Values**—The fair values of available-for-sale securities are based on quoted market prices in active markets for identical assets. Unrealized losses on these securities were not significant as of December 31, 2011 and 2010 and have been recorded in other comprehensive income until realized. The unrealized losses have not been recognized in earnings because we have 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 our use of derivative instruments is contained in Note 15.

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

*Fair Value Disclosures*

As of December 31, 2011 and 2010, the Consolidated Balance Sheet contains the following financial instruments for which disclosure of fair value is required.

	Carrying Amount		Estimated Fair Value					
	December 31, 2011		December 31, 2010					
(Millions of dollars)								
<b>Assets</b>								
Cash and cash equivalents <sup>(a)</sup>	\$	764	\$	764	\$	876	\$	876
Time deposits <sup>(b)</sup>		95		95		80		80
Notes receivable <sup>(c)</sup>		394		373		611		597
<b>Liabilities and redeemable securities of subsidiaries</b>								
Short-term debt <sup>(d)</sup>		87		87		79		79
Monetization loan <sup>(c)</sup>		397		386		397		397
Long-term debt <sup>(e)</sup>		5,648		6,671		4,988		5,556
Redeemable preferred securities of subsidiary <sup>(c)</sup>		506		568		1,012		1,092
Redeemable common securities of subsidiary <sup>(f)</sup>		41		41		35		35

(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. Cash equivalents are recorded at cost, which approximates fair value.

(b) Time deposits, included in Other current assets on the Consolidated Balance Sheet, are comprised of deposits with original maturities of more than 90 days but less than one year. Time deposits are recorded at cost, which approximates fair value.

(c) The note, monetization loan and redeemable preferred securities of subsidiary 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, unobservable fair value credit spread, stated spread, maturity date and interest payment dates. The difference between the carrying amount of the note and its fair value represents an unrealized loss position for which an other-than-temporary impairment has not been recognized in earnings because we have both the intent and ability to hold the note for a period of time sufficient to allow for an anticipated recovery of fair value to the carrying amount of the note.

(d) Short-term debt is recorded at cost, which approximates fair value.

(e) Long-term debt excludes the monetization loan and includes the current portion (\$619 million and \$265 million as of December 31, 2011 and 2010, respectively) of these debt instruments. Fair values were estimated based on quoted prices for financial instruments for which all significant inputs were observable, either directly or indirectly.

(f) The fair value of the redeemable common securities of subsidiary was based on various inputs, including an independent third-party appraisal, adjusted for current market conditions.

**Note 6. Monetization Financing Entity**

At December 31, 2011, we have a minority voting interest in a financing entity used to monetize a note receivable received from the sale of nonstrategic timberlands and related assets to a nonaffiliated buyer. We are the primary beneficiary of the entity and, accordingly, consolidate the entity in our Consolidated Financial Statements. The note receivable has a face value of \$397 million and is backed by an irrevocable standby letter of credit issued by a money center bank. The note receivable matures on September 30, 2014 and earns interest at LIBOR. The note receivable and other assets were transferred to the financing entity in 1999. A nonaffiliated financial institution (the "Third Party") made a substantive capital investment in the financing entity and has majority voting control over it. The Third Party also made a monetization loan of \$397 million to us, which was assumed by the financing entity at the time the note receivable was transferred to the financing entity. The monetization loan is secured by the note receivable and intercompany financial instruments, which serve as secondary collateral for the monetization loan. The monetization loan has a maturity date of January 31, 2014, and has an interest rate of LIBOR plus 75 bps.

In addition, we collected in cash the \$220 million face value of a note receivable that matured on July 7, 2011. This note receivable was

related to another financing entity that was similar to that described above, but for which we acquired the voting equity interest of the Third Party and its monetization loan rights in November 2009 .

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

**Note 7. Acquisitions and Intangible Assets**

*Acquisitions*

During 2009, we acquired the remaining 31 percent interest in our 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 .

During 2009, we acquired Jackson Products, Inc. ("Jackson"), a privately-held safety products company, for \$155 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 \$95 million , none of which is deductible for income tax purposes. Jackson's net sales were 3 percent of the KCP & Other business segment net sales in 2009.

During 2009, we acquired Baylis Medical Company's pain management business. Our 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.

During 2009, we 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. In 2009, I-Flow's net sales were 1 percent of the Health Care business segment net sales.

*Goodwill*

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

	Personal Care	Consumer Tissue	K-C Professional & Other	Health Care	Total
	(Millions of dollars)				
Balance at December 31, 2009	\$ 745	\$ 669	\$ 435	\$ 1,426	\$ 3,275
Currency and other	58	45	16	9	128
Balance at December 31, 2010	803	714	451	1,435	3,403
Currency and other	(34)	(20)	(8)	(1)	(63)
Balance at December 31, 2011	<u>\$ 769</u>	<u>\$ 694</u>	<u>\$ 443</u>	<u>\$ 1,434</u>	<u>\$ 3,340</u>

*Other Intangible Assets*

At December 31, 2011 and 2010 , we had intangible assets with indefinite useful lives of \$11 million related to acquired in-process research and development. Intangible assets subject to amortization consist of the following at December 31:

	2011		2010	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
	(Millions of dollars)			
Trademarks	\$ 252	\$ 147	\$ 257	\$ 141
Patents and developed technologies	157	53	157	48
Other	96	51	93	42
Total	<u>\$ 505</u>	<u>\$ 251</u>	<u>\$ 507</u>	<u>\$ 231</u>

Amortization expense for intangible assets was \$24 million in 2011 , \$25 million in 2010 and \$18 million in 2009 . Amortization expense is estimated to be \$29 million in 2012 , \$39 million in 2013 , \$40 million in 2014 , \$32 million in 2015 and \$25 million 2016 .

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

**Note 8. Debt**

Long-term debt is comprised of the following:

	Weighted-Average Interest Rate	Maturities	December 31	
			2011	2010
(Millions of dollars)				
Notes and debentures	5.76%	2012 - 2046	\$ 4,984	\$ 4,286
Dealer remarketable securities	4.03%	2012 - 2016	200	200
Industrial development revenue bonds	0.13%	2015 - 2037	280	280
Bank loans and other financings in various currencies	2.70%	2012 - 2045	581	619
<b>Total long-term debt</b>			<b>6,045</b>	<b>5,385</b>
Less current portion			619	265
<b>Long-term portion</b>			<b>\$ 5,426</b>	<b>\$ 5,120</b>

Scheduled maturities of long-term debt for the next five years are \$619 million in 2012 , \$592 million in 2013 , \$524 million in 2014 , \$344 million in 2015 and \$51 million in 2016 .

During 2010, we issued \$250 million 3.625% notes due August 1, 2020 . We used the net proceeds to repay floating rate notes that were due July 30, 2010 .

In February 2011, we issued \$250 million of 3.875% notes due March 1, 2021 and \$450 million of 5.3% notes due March 1, 2041 . Proceeds from the offering were used for general corporate purposes, including purchasing shares of company common stock pursuant to publicly announced share repurchase programs.

On February 9, 2012 , we issued \$300 million of 2.4% notes due March 1, 2022 . Proceeds from the offering were used for general corporate purposes, including to repay a portion of our \$400 million aggregate principal amount of 5.625% notes that were due February 15, 2012 .

In 2006, we 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. In both 2010 and 2011, the dealer exercised its option to remarket the securities for another year, and remarketed the securities to third parties. At December 31, 2011 , the fair value of the dealer's option to remarket the securities each year through 2016 is estimated to be \$22.9 million . We 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. We do not expect this contingency to materialize.

In October 2011, we renegotiated our \$1.33 billion unused revolving credit facility, resulting in (1) a five year facility of \$1.5 billion scheduled to expire in October 2016 , (2) an additional \$500 million facility scheduled to expire in October 2012 , and (3) an option to increase either (but not both) the \$1.5 billion facility or the \$500 million facility by an additional \$500 million . This facility supports our commercial paper program and would provide liquidity in the event our access to the commercial paper markets is unavailable for any reason. We did not borrow any amounts under the revolving credit facility in 2011.

**Note 9. Redeemable Preferred and Common Securities of Subsidiaries**

In February 2001, we, together with a non-affiliated third party entity (the "Third Party"), formed a Luxembourg-based financing subsidiary. We are the primary beneficiary of the subsidiary and, accordingly, consolidate the subsidiary in our Consolidated Financial Statements.

Prior to December 2011, the Third Party had 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, had a par value of \$500 million each for an aggregate of \$1 billion . 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. In December 2011, the subsidiary redeemed the Class A-1 Preferred Securities. The Class A-2 Preferred Securities are redeemable in December 2014 and on each 7-year anniversary





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

thereafter, at par value plus any accrued but unpaid return. At December 31, 2011, the Preferred Securities represent 96 percent of the voting power of the subsidiary.

The subsidiary also has issued voting-preferred and common securities to Kimberly-Clark for total cash proceeds of \$500 million . These securities are entitled to a combined four 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 entity has been loaned to Kimberly-Clark. These long-term loans bear fixed annual interest rates. The funds remaining in the financing subsidiary are primarily invested in equity-based exchange-traded funds. The preferred and common securities of the subsidiary held by Kimberly-Clark and the intercompany loans have been eliminated in our consolidated financial statements. The return on the Preferred Securities is included in net income attributable to noncontrolling interests in our Consolidated Income Statement. The Preferred Securities are included in Total Current Liabilities and Redeemable Preferred and Common Securities of Subsidiaries on our Consolidated Balance Sheet, as appropriate.

Neither the Third Party nor creditors of the subsidiary have recourse to our general credit. If our credit ratings are downgraded below BBB- or Baa3, or if the Third Party elects to have its preferred securities redeemed on the specified redemption date, then the loans would become payable to the financing subsidiary to the extent necessary to enable the financing subsidiary to pay the redemption value. Our credit ratings are above this level as of February 29, 2012 , and we do not anticipate they will be downgraded below this level in the near future.

In addition, our subsidiary in Central America has outstanding redeemable common securities that are held by a noncontrolling interest.

**Note 10. Stock-Based Compensation**

We have a stock-based Equity Participation Plan and an Outside Directors' Compensation Plan (the "Plans"), under which we can grant stock options, restricted shares and restricted share units to employees and outside directors. As of December 31, 2011 , the number of shares of common stock available for grants under the Plans aggregated 25.8 million shares.

Stock options are granted at an exercise price equal to the fair market value of our common stock on the date of grant, and they have a term of 10 years. Stock options granted to employees in the U.S. and certain non-U.S. employees 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 our common stock on the grant date and vest generally over three years. The number of performance-based share units that ultimately vest 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 our 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 our Board.

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

Stock-based compensation costs of \$48 million , \$52 million and \$86 million and related deferred income tax benefits of \$15 million , \$19 million and \$28 million were recognized for 2011 , 2010 and 2009 , 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 Kimberly-Clark's common stock. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. We estimate forfeitures based on historical data.

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

The weighted-average fair value of options granted was estimated at \$2.98 , \$4.15 and \$4.32 , in 2011, 2010 and 2009, respectively, per option on the date of grant based on the following assumptions:

	Year Ended December 31		
	2011	2010	2009
Dividend yield	5.00%	5.00%	5.60%
Volatility	12.54%	14.77%	19.81%
Risk-free interest rate	2.26%	2.74%	2.39%
Expected life—years	6.3	6.4	6.6

Total remaining unrecognized compensation costs and amortization period are as follows:

	December 31, 2011	Weighted-Average Service Years
	(Millions of Dollars)	
Nonvested stock options	\$ 10	0.9
Restricted shares and time-vested restricted share units	\$ 7	1.1
Nonvested performance-based restricted share units	\$ 41	1.5

Excess tax benefits, resulting from tax deductions in excess of the compensation cost recognized, aggregating \$15 million , \$6 million and \$9 million were classified as Other cash inflows under Financing Activities for the years ended December 31, 2011 , 2010 , and 2009 , respectively.

A summary of stock-based compensation under the Plans is presented below:

Stock Options	Shares (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (Millions of dollars)
Outstanding at January 1, 2011	25,793	\$ 61.62		
Granted	2,118	64.81		
Exercised	(7,496)	59.16		
Forfeited or expired	(3,331)	67.66		
Outstanding at December 31, 2011	<u>17,084</u>	61.92	5.8	<u>\$ 199</u>
Exercisable at December 31, 2011	<u>11,577</u>	62.68	4.6	<u>\$ 126</u>

The following summarizes the effect of the exercises of stock options:

	Year Ended December 31		
	2011	2010	2009
	(Millions of dollars)		
Cash received	\$ 435	\$ 131	\$ 165
Income tax benefit received	13	5	8
Intrinsic value	69	19	30

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

	Time-Vested Restricted Share Units		Performance-Based Restricted Share Units	
	Shares (in thousands)	Weighted- Average Grant-Date Fair Value	Shares (in thousands)	Weighted- Average Grant-Date Fair Value
<b>Other Stock-Based Awards</b>				
Nonvested at January 1, 2011	627	\$ 61.35	2,170	\$ 57.71
Granted	130	65.60	1,040	64.93
Vested	(460)	62.75	(108)	62.68
Forfeited	(21)	60.56	(704)	62.98
Nonvested at December 31, 2011	<u>276</u>	<u>61.07</u>	<u>2,398</u>	<u>59.08</u>

The total fair value of restricted shares and restricted share units that were distributed to participants during 2011 , 2010 and 2009 was \$28 million , \$31 million and \$25 million , respectively.

**Note 11. Employee Postretirement Benefits**

*Pension Plans*

Substantially all regular employees in North America and the United Kingdom 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 Principal Plans 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.

*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, except that we provide 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 2012 and to decline to 5.1 percent in 2018 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			
	2011	2010	2011	2010
	(Millions of dollars)			
<b>Change in Benefit Obligation</b>				
Benefit obligation at beginning of year	\$ 5,658	\$ 5,491	\$ 796	\$ 795
Service cost	57	56	14	14
Interest cost	307	309	41	44
Actuarial loss (gain)	374	201	33	(10)
Currency and other	(103)	(19)	(22)	17
Benefit payments from plans	(359)	(356)	—	—
Direct benefit payments	(14)	(24)	(74)	(64)
Benefit obligation at end of year	<u>5,920</u>	<u>5,658</u>	<u>788</u>	<u>796</u>
<b>Change in Plan Assets</b>				
Fair value of plan assets at beginning of year	4,600	4,244	—	—
Actual gain on plan assets	309	473	—	—
Employer contributions	679	245	—	—
Currency and other	(15)	(6)	—	—
Benefit payments	(359)	(356)	—	—
Fair value of plan assets at end of year	<u>5,214</u>	<u>4,600</u>	<u>—</u>	<u>—</u>
<b>Funded Status</b>	<u>\$ (706)</u>	<u>\$ (1,058)</u>	<u>\$ (788)</u>	<u>\$ (796)</u>
<b>Amounts Recognized in the Balance Sheet</b>				
Noncurrent asset—Prepaid benefit cost	\$ 20	\$ 21	\$ —	\$ —
Current liability—Accrued benefit cost	(13)	(11)	(59)	(64)
Noncurrent liability—Accrued benefit cost	(713)	(1,068)	(729)	(732)
Net amount recognized	<u>\$ (706)</u>	<u>\$ (1,058)</u>	<u>\$ (788)</u>	<u>\$ (796)</u>

*Information for the Principal Plans and All Other Pension Plans*

	Principal Plans		All Other Pension Plans		Total	
	Year Ended December 31					
	2011	2010	2011	2010	2011	2010
	(Millions of dollars)					
Projected benefit obligation (“PBO”)	\$ 5,421	\$ 5,149	\$ 499	\$ 509	\$ 5,920	\$ 5,658
Accumulated benefit obligation (“ABO”)	5,395	5,041	419	434	5,814	5,475
Fair value of plan assets	4,840	4,192	374	408	5,214	4,600

The PBO and fair value of plan assets for the Principal Plans include \$4,021 million and \$3,478 million, respectively, related to the U.S. qualified and nonqualified pension plans as of December 31, 2011. The PBO and fair value of plan assets for the Principal Plans include \$3,744 million and \$2,984 million, respectively, related to the U.S. qualified and nonqualified pension plans as of December 31, 2010.

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

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

	December 31	
	2011	2010
	(Millions of dollars)	
PBO	\$ 5,708	\$ 5,187
ABO	5,664	5,076
Fair value of plan assets	5,016	4,135

*Components of Net Periodic Benefit Cost*

	Pension Benefits			Other Benefits		
	Year Ended December 31					
	2011	2010	2009	2011	2010	2009
	(Millions of dollars)					
Service cost	\$ 57	\$ 56	\$ 68	\$ 14	\$ 14	\$ 14
Interest cost	307	309	310	41	44	47
Expected return on plan assets <sup>(a)</sup>	(345)	(336)	(269)	—	—	—
Amortization of prior service cost and transition amount	3	2	3	1	3	2
Recognized net actuarial loss	94	99	111	—	1	—
Other	3	3	28	—	—	—
Net periodic benefit cost	\$ 119	\$ 133	\$ 251	\$ 56	\$ 62	\$ 63

(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		
	2011	2010	2009	2011	2010	2009
Discount rate	5.51%	5.85%	6.40%	5.44%	5.79%	6.50%
Expected long-term return on plan assets	7.14%	7.96%	8.17%	—	—	—
Rate of compensation increase	4.05%	4.09%	3.94%	—	—	—

*Weighted-Average Assumptions Used to Determine Benefit Obligations at December 31*

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Discount rate	4.87%	5.51%	4.70%	5.44%
Rate of compensation increase	2.91%	4.05%	—	—

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

Strategic asset allocation decisions are made considering several risk factors, including plan participants' retirement benefit security, the estimated payments of the associated liabilities, the plan funded status, and Kimberly-Clark's financial condition. The resulting strategic asset allocation is a diversified blend of equity and fixed income investments. Equity investments are typically diversified across geography and market capitalization. Fixed income investments are diversified across multiple sectors including government issues and corporate debt 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.

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

The expected long-term rate of return is evaluated on an annual basis. In setting this assumption, we consider a number of factors including projected future returns by asset class and historical long-term market performance relative to the 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 7.35 percent in 2011 compared with 8.19 percent in 2010 and will be 6.68 percent in 2012 .

*Plan Assets*

Pension plan asset allocations for our Principal Plans are as follows:

<u>Asset Category</u>	<u>Target Allocation 2012</u>	<u>Percentage of Plan Assets at December 31</u>	
		<u>2011</u>	<u>2010</u>
Equity securities	40%	42%	62%
Fixed income securities	60	58	38
Total	100%	100%	100%

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

	<u>Fair Value Measurements at December 31, 2011</u>		
	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Observable Inputs (Level 2)</u>
	(Millions of dollars)		
<b>Cash and Cash Equivalents</b>			
Held directly	\$ 24	\$ 24	\$ —
Held through mutual and pooled funds	180	50	130
<b>Fixed Income</b>			
Held directly:			
U.S. government and municipals	187	93	94
U.S. corporate debt	993	—	993
U.S. securitized fixed income	13	—	13
Held through mutual and pooled funds:			
U.S. government and municipals	472	—	472
U.S. corporate debt	185	—	185
International bonds	765	—	765
Multi-sector	2	2	—
<b>Equity</b>			
Held directly:			
International equity	189	189	—
Held through mutual and pooled funds:			
U.S. equity	680	3	677
Non-U.S. equity	869	1	868
Global equity	252	—	252
U.S. equity collars	29	—	29
<b>Total Plan Assets</b>	<b>\$ 4,840</b>	<b>\$ 362</b>	<b>\$ 4,478</b>





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

Fair Value Measurements at December 31, 2010

	<b>Total</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>
(Millions of dollars)			
<b>Cash and Cash Equivalents</b>			
Held directly	\$ 34	\$ 34	\$ —
Held through mutual and pooled funds	99	41	58
<b>Fixed Income</b>			
Held directly:			
U.S. government and municipals	174	123	51
U.S. corporate debt	334	—	334
U.S. securitized fixed income	18	—	18
Held through mutual and pooled funds:			
U.S. government and municipals	52	—	52
U.S. corporate debt	199	—	199
International bonds	619	—	619
Multi-sector	57	1	56
<b>Equity</b>			
Held directly:			
U.S. equity	615	615	—
International equity	206	206	—
Held through mutual and pooled funds:			
U.S. equity	878	3	875
Non-U.S. equity	746	1	745
Global equity	217	—	217
U.S. equity collars	(56)	—	(56)
<b>Total Plan Assets</b>	<b>\$ 4,192</b>	<b>\$ 1,024</b>	<b>\$ 3,168</b>

During 2011 and 2010, the plan assets did not include a significant amount of Kimberly-Clark common stock.

Various derivative instruments are utilized in the management of K-C's defined benefit plan assets. These derivative instruments are used to manage risk or achieve a target asset allocation. For the U.S. pension plan, equity volatility is managed by entering into exchange-traded puts and over-the-counter calls to create equity collars with a zero net premium at initiation. The equity collar strategy is designed to reduce potential equity losses while limiting gains, resulting in lower equity volatility for the plan. As of December 31, 2011, equity collars are in place on approximately 33 percent of the U.S. plan's \$1.4 billion equity allocation.

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 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 typically more efficient for institutional investors than retail mutual funds. As pooled funds are typically only accessible by institutional investors, the NAV is not readily observable by non-institutional investors.



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

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, 2011, there were no significant concentrations of equity or debt securities in any single issuer or industry.

As of December 31, 2011 and 2010, there were less than \$1 million of assets in the Principal Plans with a level 3 fair value determination (significant unobservable inputs). In addition, during 2011 and 2010, there were no significant transfers of assets in the Principal Plans among level 1, 2 or 3 fair value determinations.

*Cash Flows*

We expect to contribute between \$50 million and \$100 million to our pension plans in 2012.

*Estimated Future Benefit Payments*

Over the next ten years, we expect that the following gross benefit payments will occur:

	<u>Pension Benefits</u>	<u>Other Benefits</u>
	(Millions of dollars)	
2012	\$ 362	\$ 60
2013	356	59
2014	356	60
2015	361	61
2016	365	62
2017-2021	1,957	320

*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 2011 data:

	<u>One-Percentage-Point</u>	
	<u>Increase</u>	<u>Decrease</u>
(Millions of dollars)		
Effect on total of service and interest cost components	\$ 2	\$ 2
Effect on postretirement benefit obligation	23	23

*Defined Contribution Pension Plans*

In 2009, we took action with respect to our U.S. Incentive Investment Plan (a 401(k) plan), Retirement Contribution Plan and Retirement Contribution Excess Benefit Program to discontinue all contributions and future accruals, as applicable, with respect to these plans for future plan years (other than for certain employees subject to collective bargaining agreements). Effective January 1, 2010, we adopted a new 401(k) profit sharing plan, and amended our supplemental plan, to provide for a matching contribution of a U.S. employee's contributions and accruals, as applicable to the plans, subject to predetermined limits, as well as a discretionary profit sharing contribution, in which contributions will be based on our profit performance. Except for certain employees subject to collective bargaining agreements, U.S. participants' investment balances in our existing 401(k) plan and Retirement Contribution Plan were transferred to the new 401(k) plan. We also have defined contribution pension plans for certain employees outside the U.S.

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

Costs charged to expense for our defined contribution pension plans were as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
	(Millions of dollars)		
U.S.	\$ 77	\$ 75	\$ 73
Outside the U.S.	36	23	19
Total	<u>\$ 113</u>	<u>\$ 98</u>	<u>\$ 92</u>

**Note 12. Stockholders' Equity**

Set forth below are reconciliations of the carrying amount of total stockholders' equity and the amount of net income allocable to redeemable preferred securities of subsidiaries.

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

	Comprehensive Income	Stockholders' Equity Attributable to		Redeemable Securities of Subsidiaries
		The Corporation	Noncontrolling Interests	
(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		5,406	284	1,052
Comprehensive Income:				
Net income	\$ 1,943	1,843	44	56
Other comprehensive income, net of tax:				
Unrealized translation	334	326	7	1
Employee postretirement benefits	55	57	(2)	—
Other	(16)	(16)	—	—
Total Comprehensive Income	<u>\$ 2,316</u>			
Stock-based awards		133	—	—
Income tax benefits on stock-based compensation		2	—	—
Shares repurchased		(809)	—	—
Recognition of stock-based compensation		52	—	—
Dividends declared		(1,085)	(47)	(1)
Other		8	(1)	(7)
Return on redeemable preferred securities		—	—	(54)
Balance at December 31, 2010		5,917	285	1,047
Comprehensive Income:				
Net income	\$ 1,684	1,591	39	54
Other comprehensive income, net of tax:				
Unrealized translation	(249)	(236)	(13)	—
Employee postretirement benefits	(134)	(133)	(1)	—
Other	(30)	(31)	1	—
Total Comprehensive Income	<u>\$ 1,271</u>			
Stock-based awards		443	—	—
Income tax benefits on stock-based compensation		10	—	—
Shares repurchased		(1,247)	—	—
Recognition of stock-based compensation		48	—	—
Dividends declared		(1,107)	(29)	(1)

Other	(6)	(1)	4
Redemption of redeemable preferred securities	—	—	(500)
Return on redeemable preferred securities and noncontrolling interests	—	(1)	(57)
Balance at December 31, 2011	<u>\$ 5,249</u>	<u>\$ 280</u>	<u>\$ 547</u>

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(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. During 2009, we acquired the remaining 31 percent interest in our 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 classified in stockholders' equity by \$278 million and increased investments in equity companies by \$11 million . The following schedule reflects the effect of the change in ownership interest for this transaction.

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



**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 Kimberly-Clark are as follows:

	Year Ended December 31								
	2011			2010			2009		
	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount
	(Millions of dollars)								
<b>Unrealized translation</b>	\$ (243)	\$ 7	\$ (236)	\$ 332	\$ (6)	\$ 326	\$ 619	\$ —	\$ 619
<b>Defined benefit pension plans:</b>									
Unrecognized net actuarial loss and transition amount									
Funded status recognition	(396)	144	(252)	(58)	23	(35)	(111)	19	(92)
Amortization included in net periodic benefit cost	94	(33)	61	99	(34)	65	111	(40)	71
Currency and other	(2)	5	3	10	1	11	(36)	7	(29)
	(304)	116	(188)	51	(10)	41	(36)	(14)	(50)
Unrecognized prior service cost									
Funded status recognition	74	(17)	57	(1)	—	(1)	18	(6)	12
Amortization included in net periodic benefit cost	3	(1)	2	2	(1)	1	3	(1)	2
Currency and other	(4)	1	(3)	(1)	1	—	—	(1)	(1)
	73	(17)	56	—	—	—	21	(8)	13
	(231)	99	(132)	51	(10)	41	(15)	(22)	(37)
<b>Other postretirement benefit plans:</b>									
Unrecognized net actuarial loss and transition amount									
Funded status recognition	(31)	10	(21)	10	8	18	9	(5)	4
Amortization included in net periodic benefit cost	—	—	—	1	(4)	(3)	—	—	—
Currency and other	—	—	—	(1)	1	—	(1)	1	—
	(31)	10	(21)	10	5	15	8	(4)	4
Unrecognized prior service cost									
Funded status recognition	31	(11)	20	—	—	—	—	—	—
Amortization included in net periodic benefit cost	1	(1)	—	3	(1)	2	2	(1)	1
Currency and other	—	—	—	(1)	—	(1)	—	—	—
	32	(12)	20	2	(1)	1	2	(1)	1
	1	(2)	(1)	12	4	16	10	(5)	5
<b>Cash flow hedges and other:</b>									
Recognition of effective portion of hedges	(81)	34	(47)	(37)	14	(23)	(29)	8	(21)
Amortization included in net income	39	(12)	27	17	(5)	12	45	(18)	27
Currency and other	(13)	2	(11)	(8)	3	(5)	(3)	—	(3)
	(55)	24	(31)	(28)	12	(16)	13	(10)	3
<b>Other comprehensive income (loss)</b>	<b>\$ (528)</b>	<b>\$ 128</b>	<b>\$ (400)</b>	<b>\$ 367</b>	<b>\$ —</b>	<b>\$ 367</b>	<b>\$ 627</b>	<b>\$ (37)</b>	<b>\$ 590</b>
Purchase of subsidiary shares from noncontrolling interests	—	—	—	—	—	—	(37)	—	(37)

<b>Change in accumulated other comprehensive income (loss)</b>	<u>\$ (528)</u>	<u>\$ 128</u>	<u>\$ (400)</u>	<u>\$ 367</u>	<u>\$ —</u>	<u>\$ 367</u>	<u>\$ 590</u>	<u>\$ (37)</u>	<u>\$ 553</u>
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**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

Accumulated balances of other comprehensive income (loss) attributable to Kimberly-Clark, net of applicable income taxes, are as follows:

	December 31	
	2011	2010
	(Millions of dollars)	
Unrealized translation	\$ (221)	\$ 15
Unrecognized net actuarial loss and transition amount	(1,669)	(1,460)
Unrecognized prior service credit (cost)	60	(16)
Deferred losses on cash flow hedges	(34)	(3)
Unrealized holding losses on securities	(2)	(2)
Accumulated other comprehensive income (loss)	<u>\$ (1,866)</u>	<u>\$ (1,466)</u>

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 AOCI. For these operations, changes in exchange rates generally do not affect cash flows; therefore, unrealized translation adjustments are recorded in AOCI rather than net income. Upon sale or substantially complete liquidation of any of these subsidiaries, the applicable unrealized translation adjustment would be removed from AOCI and reported as part of the gain or loss on the sale or liquidation. The change in unrealized translation is primarily due to a strengthening of the U.S. dollar versus most foreign currencies, partially offset by a weakening of the U.S. dollar against the Australian dollar.

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.

Unrecognized net actuarial loss and unrecognized prior service credit of \$109 million and \$6 million, respectively, are expected to be recognized as a component of net periodic benefit cost in 2012.

At December 31, 2011, unremitted net income of equity companies included in consolidated retained earnings was \$1.0 billion.

**Note 13. Leases and Commitments**

We have 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 are as follows:

	Year Ending December 31	
	(Millions of dollars)	
2012	\$	167
2013		136
2014		114
2015		83
2016		54
Thereafter		128
Future minimum obligations	<u>\$</u>	<u>682</u>

Consolidated rental expense under operating leases was \$278 million, \$296 million and \$284 million in 2011, 2010 and 2009, respectively.

We have entered into long-term contracts for the purchase of pulp and utilities, principally electricity. Commitments under these contracts based on current prices are \$709 million in 2012, \$154 million in 2013, \$44 million in 2014, \$17 million in 2015 and \$18 million in 2016. Total commitments beyond the year 2016 are \$59 million.

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

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

**Note 14. Legal Matters**

We are subject to various lawsuits and claims pertaining to issues such as contract disputes, product liability, patents and trademarks, advertising, employee and other matters. Although the results of litigation and claims cannot be predicted with certainty, we believe that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material adverse effect, individually or in the aggregate, on our business, financial condition, results of operations or liquidity.

We have 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, is likely to have a material adverse effect on our business, financial condition, results of operations or liquidity.

**Note 15. Objectives and Strategies for Using Derivatives**

As a multinational enterprise, we are exposed to financial risks, such as changes in foreign currency exchange rates, interest rates, commodity prices and the value of investments of our defined benefit pension plans. We employ a number of practices to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. Our policies allow the use of derivatives for risk management purposes and prohibit their use for speculation. Our policies also prohibit the use of any leveraged derivative instrument. Consistent with our policies, foreign currency derivative instruments, interest rate swaps and locks, equity collars and the majority of commodity hedging contracts are entered into with major financial institutions.

On the date a derivative contract is entered into, we formally designate certain derivatives as cash flow, fair value or net investment hedges and establish 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 in earnings as they occur.

Set forth below is a summary of the fair values of our derivative instruments classified by the risks they are used to manage as of December 31, 2011 .

	Assets		Liabilities	
	2011	2010	2011	2010
	(Millions of dollars)			
Foreign currency exchange risk	\$ 45	\$ 46	\$ 33	\$ 39
Interest rate risk	16	24	75	2
Commodity price risk	—	—	12	7
Total	<u>\$ 61</u>	<u>\$ 70</u>	<u>\$ 120</u>	<u>\$ 48</u>

*Foreign Currency Exchange Risk Management*

We have 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, our exposures to recorded non-U.S. dollar assets and liabilities and entering into derivative instruments with third parties whenever our 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 net effect on earnings from the use of these non-designated derivatives is substantially neutralized by transactional gains and losses recorded on the underlying assets and liabilities. The In-House Bank’s daily notional derivative positions with third parties averaged \$1.4 billion during 2011 and its average net exposure for the year was \$1.2 billion . The In-House Bank used nine counterparties for its foreign exchange derivative contracts.

We enter into derivative instruments to hedge a portion of the net foreign currency exposures of our non-U.S. operations, principally for their forecasted purchases of pulp, which are priced in U.S. dollars, and imports of intercompany finished goods and work-in-process priced predominately in U.S. dollars and euros. The derivative instruments used to manage these exposures are designated and qualify as cash flow hedges. As of December 31, 2011 , outstanding derivative contracts of \$850 million notional

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

value were designated as cash flow hedges related to the forecasted purchases of pulp and intercompany finished goods and work-in-process.

The foreign currency exposure on non-functional currency denominated monetary assets and liabilities managed outside the In-House Bank, primarily intercompany loans and accounts payable, is hedged with derivative instruments with third parties. At December 31, 2011, the notional amount of these predominantly undesignated derivative instruments was \$700 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. The risk to any particular entity's net assets is minimized to the extent that the entity is financed with local currency borrowing. There were no net investment hedges in place at December 31, 2011.

*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. 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 or, to a lesser extent, cash flow hedges.

From time to time, we hedge the anticipated issuance of fixed-rate debt, using 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 at a future date). These contracts are designated as cash flow hedges.

At December 31, 2011, the aggregate notional values of outstanding interest rate contracts designated as fair value hedges and cash flow hedges were \$700 million and \$580 million, respectively.

*Commodity Price Risk Management*

We use derivative instruments to hedge a portion of our 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, 2011, outstanding commodity forward contracts were in place to hedge forecasted purchases of about 30 percent of our estimated natural gas requirements in 2012 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 predominantly used to manage interest rate risk. The fair values of these derivative 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 related hedged items 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 years ended December 31, 2011, 2010 and 2009. For the years ended December 31, 2011, 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 AOCI, 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 years ended December 31, 2011, 2010 and 2009. For the years ended December 31, 2011, 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 December 31, 2011, \$10 million of after-tax gains are expected to be reclassified from AOCI primarily to cost of sales during the next twelve months,



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

consistent with the timing of the underlying hedged transactions. The maximum maturity of cash flow hedges in place at December 31, 2011 is January 2014.

*Quantitative Information About our Use of Derivative Instruments*

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

	Income Statement Classifications	(Gain) or Loss Recognized in Income		
		2011	2010	2009
(Millions of dollars)				
Undesignated foreign exchange hedging instruments	Other (income) and expense, net <sup>(a)</sup>	\$ (3)	\$ (57)	\$ 95
<b>Fair Value Hedges</b>				
Foreign exchange contracts	Other (income) and expense, net	\$ —	\$ (1)	\$ 6
Hedged foreign exchange monetary assets and liabilities	Other (income) and expense, net	\$ —	\$ 1	\$ (6)
Interest rate swap contracts	Interest expense	\$ (14)	\$ (8)	\$ (9)
Hedged debt instruments	Interest expense	\$ 14	\$ 8	\$ 9

	Amount of (Gain) or Loss Recognized In AOCI			Income Statement Classification of (Gain) or Loss Reclassified from AOCI	(Gain) or Loss Reclassified from AOCI to Income		
	2011	2010	2009		2011	2010	2009
(Millions of dollars)							
<b>Cash Flow Hedges</b>							
Interest rate contracts	\$ 81	\$ 21	\$ (29)	Interest expense	\$ (3)	\$ (3)	\$ (3)
Foreign exchange contracts	(7)	—	32	Cost of products sold	40	7	5
Foreign exchange contracts	(8)	—	—	Other (income) and expense, net	(8)	—	—
Commodity contracts	15	16	26	Cost of products sold	10	13	43
Total	\$ 81	\$ 37	\$ 29		\$ 39	\$ 17	\$ 45
<b>Net Investment Hedges</b>							
Foreign exchange contracts	\$ (6)	\$ 6	\$ 18		\$ —	\$ —	\$ —

(a) (Gains) and losses on these instruments primarily relate to derivatives entered into with third parties to manage foreign currency exchange exposure on remeasurement of non-functional currency denominated monetary assets and liabilities. Consequently, the effect on earnings from the use of these non-designated derivatives is substantially neutralized by the recorded transactional gains and losses recorded on the underlying assets and liabilities.

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

**Fair Values of Derivative Instruments**

	<u>Balance Sheet Location</u>	<u>2011</u>	<u>2010</u>
(Millions of dollars)			
<b>Assets</b>			
Derivatives designated as hedging instruments:			
Interest rate contracts	Other current assets	\$ 3	\$ —
Interest rate contracts	Other assets	11	24
Foreign exchange contracts	Other current assets	25	4
Foreign exchange contracts	Other assets	9	1
<b>Total</b>		<b>48</b>	<b>29</b>
Undesignated derivatives:			
Foreign exchange contracts and other	Other current assets	13	41
<b>Total asset derivatives</b>		<b>\$ 61</b>	<b>\$ 70</b>
<b>Liabilities</b>			
Derivatives designated as hedging instruments:			
Interest rate contracts	Accrued expenses	\$ 44	\$ —
Interest rate contracts	Other liabilities	31	2
Foreign exchange contracts	Accrued expenses	6	16
Foreign exchange contracts	Other liabilities	—	3
Commodity contracts	Accrued expenses	11	7
Commodity contracts	Other liabilities	1	—
<b>Total</b>		<b>93</b>	<b>28</b>
Undesignated derivatives:			
Foreign exchange contracts and other	Accrued expenses	27	20
<b>Total liability derivatives</b>		<b>\$ 120</b>	<b>\$ 48</b>

**Note 16. Income Taxes**

An analysis of the provision for income taxes follows:

	<u>Year Ended December 31</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
(Millions of dollars)			
<b>Current income taxes:</b>			
United States	\$ 43	\$ 368	\$ 313
State	32	95	(5)
Other countries	311	337	297
<b>Total</b>	<b>386</b>	<b>800</b>	<b>605</b>
<b>Deferred income taxes:</b>			
United States	254	(15)	99
State	29	(24)	(5)
Other countries	(9)	27	47
<b>Total</b>	<b>274</b>	<b>(12)</b>	<b>141</b>
<b>Total provision for income taxes</b>	<b>\$ 660</b>	<b>\$ 788</b>	<b>\$ 746</b>



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

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

	Year Ended December 31		
	2011	2010	2009
	(Millions of dollars)		
United States	\$ 1,317	\$ 1,609	\$ 1,643
Other countries	866	941	933
Total income before income taxes	<u>\$ 2,183</u>	<u>\$ 2,550</u>	<u>\$ 2,576</u>

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

	December 31	
	2011	2010
	(Millions of dollars)	
Net current deferred income tax asset attributable to:		
Accrued expenses	\$ 109	\$ 103
Pension, postretirement and other employee benefits	87	82
Other	(9)	2
Net current deferred income tax asset included in other current assets	<u>\$ 187</u>	<u>\$ 187</u>
Net current deferred income tax liability included in accrued expenses	<u>\$ (26)</u>	<u>\$ (28)</u>
Net noncurrent deferred income tax asset attributable to:		
Tax credits and loss carryforwards	\$ 414	\$ 447
Pension and other postretirement benefits	69	153
Other	10	(55)
Valuation allowances	(195)	(233)
Net noncurrent deferred income tax asset included in other assets	<u>\$ 298</u>	<u>\$ 312</u>
Net noncurrent deferred income tax liability attributable to:		
Property, plant and equipment, net	\$ (1,176)	\$ (1,081)
Pension, postretirement and other employee benefits	514	550
Tax credits and loss carryforwards	343	447
Installment sales	(118)	(112)
Other	(46)	(173)
Net noncurrent deferred income tax liability included in other liabilities	<u>\$ (483)</u>	<u>\$ (369)</u>

Valuation allowances decreased \$58 million in 2011 and increased \$43 million in 2010, of which \$36 million and \$25 million impacted 2011 and 2010 earnings, respectively. Total valuation allowances were \$229 million and \$287 million at December 31, 2011 and 2010, respectively. Valuation allowances at the end of 2011 primarily relate to tax credits and income tax loss carryforwards of \$1.2 billion. If these items are not utilized against taxable income, \$532 million of the loss carryforwards will expire from 2012 through 2031. The remaining \$656 million has no expiration date.

Realization of income tax loss carryforwards is dependent on generating sufficient taxable income prior to expiration of these carryforwards. Although realization is not assured, we believe 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 due to changes in the tax environment or if estimates of future taxable income change during the carryforward period.

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

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

	Year Ended December 31		
	2011	2010	2009
Tax at U.S. statutory rate applied to income before income taxes	35.0 %	35.0 %	35.0 %
State income taxes, net of federal tax benefit	1.8	1.8	(0.3)
Statutory rates other than U.S. statutory rate	(2.3)	(3.0)	(2.4)
Other - net <sup>(a)</sup>	(4.3)	(2.9)	(3.3)
Effective income tax rate	<u>30.2 %</u>	<u>30.9 %</u>	<u>29.0 %</u>

<sup>(a)</sup> Other-net is comprised of numerous items, none of which is greater than 1.75 percent of income before income taxes.

At December 31, 2011, U.S. income taxes and foreign withholding taxes have not been provided on \$8.4 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 one of our U.S. entities, or if we were to sell our 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. We do not expect restrictions or taxes on repatriation of cash held outside of the United States to have a material effect on our overall liquidity, financial condition or results of operations in the foreseeable future.

*Accounting for Uncertainty in Income Taxes*

Presented below is a reconciliation of the beginning and ending amounts of unrecognized income tax benefits:

	2011	2010	2009
	(Millions of dollars)		
Balance at January 1	\$ 568	\$ 570	\$ 438
Gross increases for tax positions of prior years	17	67	139
Gross decreases for tax positions of prior years	(60)	(89)	(77)
Gross increases for tax positions of the current year	55	54	113
Settlements	(15)	(36)	(39)
Lapse of statute of limitations	(4)	—	(10)
Currency	(3)	2	6
Balance at December 31	<u>\$ 558</u>	<u>\$ 568</u>	<u>\$ 570</u>

Of the amounts recorded as unrecognized tax benefits at December 31, 2011, 2010 and 2009, \$383 million, \$474 million and \$488 million would reduce our effective tax rate if recognized.

We recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense. During the years ended December 31, 2011, 2010 and 2009, we recognized a net cost of \$9 million, \$8 million and \$2 million, respectively, in interest and penalties. Total accrued penalties and net accrued interest was \$25 million and \$15 million at December 31, 2011 and 2010, respectively.

It is reasonably possible that a number of uncertainties could be resolved within the next 12 months. The most significant uncertainties involve certain financing structures and tax credits. Various other uncertain tax positions also may be resolved. It is reasonably possible the aggregate resolution of the uncertainties could be up to \$200 million, while none of the uncertainties is individually significant. Resolution of these matters is not expected to have a material effect on our financial condition, results of operations or liquidity.

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

As of December 31, 2011, the following tax years remain subject to examination for the major jurisdictions where we conduct business:

<b>Jurisdiction</b>	<b>Years</b>
United States	2008 to 2011
United Kingdom	2009 to 2011
Canada	2007 to 2011
South Korea	2006 to 2011
Australia	2008 to 2011

Our U.S. federal income tax returns have been audited through 2007. We have various federal income tax return positions in administrative appeals or litigation for 1999 to 2007.

State income tax returns are generally subject to examination for a period of 3 to 5 years after filing of the respective return. The state effect of any changes to filed federal positions remains subject to examination by various states for a period of up to two years after formal notification to the states. We have various state income tax return positions in the process of examination, administrative appeals or litigation.

**Note 17. Earnings Per Share**

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

	<b>Average Common Shares Outstanding</b>		
	<b>2011</b>	<b>2010</b>	<b>2009</b>
	(Millions)		
Average shares outstanding	<b>395.4</b>	411.3	414.6
Participating securities	<b>0.3</b>	1.1	1.5
Basic	<b>395.7</b>	412.4	416.1
Dilutive effect of stock options	<b>1.6</b>	1.1	0.4
Dilutive effect of restricted share and restricted share unit awards	<b>1.3</b>	0.9	0.3
Diluted	<b>398.6</b>	414.4	416.8

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

	<b>2011</b>	<b>2010</b>	<b>2009</b>
Average number of share equivalents (millions)	<b>3.6</b>	13.9	21.8
Weighted-average exercise price	<b>\$ 71.49</b>	\$ 66.00	\$ 64.12
Expiration date of options	<b>2011 to 2021</b>	2010 to 2020	2009 to 2019
Options outstanding at year-end (millions)	<b>3.0</b>	14.7	20.3

The number of common shares outstanding as of December 31, 2011, 2010 and 2009 was 395.7 million, 406.9 million and 416.9 million, respectively.

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

**Note 18. Business Segment and Geographic Data Information**

We are organized into operating segments based on product groupings. These operating segments have been aggregated into four reportable global business segments: Personal Care, Consumer Tissue, KCP & Other, and Health Care. The reportable segments were determined in accordance with how our executive managers develop and execute global strategies to drive growth and profitability. 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 and income and expense not associated with the business segments, including the charges related to the pulp and tissue restructuring described in Note 2.

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

- *Personal Care* brands offer parents a trusted partner in caring for their families and deliver confidence, protection and discretion to adults, through a wide variety of innovative solutions and products such as disposable diapers, training and youth pants, swimpants, baby wipes, feminine and incontinence care products, and other related products. Products in this segment are sold under the Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.
- *Consumer Tissue* offers a wide variety of innovative solutions and trusted brands that touch and improve people's lives every day. Products in this segment include facial and bathroom tissue, paper towels, napkins and related products, and are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Hakle, Page and other brand names.
- *K-C Professional & Other* helps transform workplaces for employees and patrons, making them healthier, safer, and more productive, through a range of solutions and supporting products such as apparel, wipers, soaps, sanitizers, tissues, and towels. Key brands in this segment include: Kleenex, Scott, WypAll, Kimtech, and Jackson Safety.
- *Health Care* provides the essentials that help restore patients to better health and improve the quality of patients' lives. Through a portfolio of innovative medical device and infection prevention products, Health Care offers clinicians a range of solutions in pain management, respiratory and digestive health and medical supplies for the operating room. This business is a global leader in education to prevent healthcare-associated infections. Products are sold primarily under the Kimberly-Clark and ON-Q brand names.

Net sales to Wal-Mart Stores, Inc. were approximately 12 percent in 2011 , and 13 percent in both 2010 and 2009 .

**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	Corporate & Other	Consolidated Total
(Millions of dollars)						
<b>Net Sales</b>						
<b>2011</b>	\$ 9,128	\$ 6,770	\$ 3,294	\$ 1,606	\$ 48	\$ 20,846
2010	8,670	6,497	3,110	1,460	9	19,746
2009	8,365	6,409	3,007	1,371	(37)	19,115
<b>Operating Profit <sup>(a)</sup></b>						
<b>2011</b>	<b>1,526</b>	<b>775</b>	<b>487</b>	<b>219</b>	<b>(565) <sup>(b)</sup></b>	<b>2,442</b>
2010	1,764	660	468	174	(293) <sup>(c)</sup>	2,773
2009	1,739	736	464	244	(358)	2,825
<b>Depreciation and Amortization</b>						
<b>2011</b>	<b>296</b>	<b>541</b>	<b>187</b>	<b>55</b>	<b>12</b>	<b>1,091</b>
2010	277	329	142	56	9	813
2009	255	314	148	50	16	783
<b>Assets</b>						
<b>2011</b>	<b>6,582</b>	<b>5,685</b>	<b>2,783</b>	<b>2,529</b>	<b>1,794</b>	<b>19,373</b>
2010	6,316	6,106	2,962	2,410	2,070	19,864
2009	5,895	5,871	2,969	2,558	1,916	19,209
<b>Capital Spending</b>						
<b>2011</b>	<b>543</b>	<b>255</b>	<b>114</b>	<b>53</b>	<b>3</b>	<b>968</b>
2010	436	331	156	40	1	964
2009	440	271	97	38	2	848

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

(b) Pulp and tissue restructuring charges of \$415 million and a non-deductible business tax charge of \$32 million related to a law change in Colombia are included in Corporate & Other in 2011. See additional information related to the pulp and tissue restructuring in Note 2. The restructuring charges related to the business segments are as follows:

	Year Ended December 31, 2011
(Millions of dollars)	
Consumer Tissue	\$ 357
K-C Professional & Other	56
Other (income) and expense, net	2
Total	<u>\$ 415</u>

(c) Included in Corporate & Other in 2010 is a \$98 million charge related to the adoption of highly inflationary accounting in Venezuela effective January 1, 2010. See additional information in Note 3. The charges related to the business segments are as follows:

	Year Ended December 31, 2010
(Millions of dollars)	
Personal Care	\$ 11
Consumer Tissue	6
K-C Professional & Other	2
Other (income) and expense, net	79
Total	<u>\$ 98</u>

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

*Sales of Principal Products*

	2011	2010	2009
	(Billions of dollars)		
Consumer tissue products	\$ 6.7	\$ 6.4	\$ 6.3
Diapers	4.9	4.7	4.7
Away-from-home professional products	3.3	3.0	2.9
All other	5.9	5.6	5.2
Consolidated	<u>\$ 20.8</u>	<u>\$ 19.7</u>	<u>\$ 19.1</u>

*Consolidated Operations by Geographic Area*

	United States	Canada	Inter-geographic Items <sup>(a)</sup>	Total North America	Europe	Asia, Latin America & Other	Inter-geographic Items	Corporate & Other	Consolidated Total
	(Millions of dollars)								
<b>Net Sales</b>									
2011	\$ 10,463	\$ 726	\$ (443)	\$ 10,746	\$ 3,401	\$ 7,467	\$ (768)	\$ —	\$ 20,846
2010	10,480	684	(445)	10,719	3,179	6,561	(713)	—	19,746
2009	10,146	596	(322)	10,420	3,220	6,124	(649)	—	19,115
<b>Operating Profit<sup>(b)</sup></b>									
2011	1,754	161	—	1,915	170	922	—	(565)	2,442
2010	1,901	125	—	2,026	222	818	—	(293)	2,773
2009	2,059	113	—	2,172	171	840	—	(358)	2,825
<b>Net Property</b>									
2011	4,124	28	—	4,152	1,439	2,458	—	—	8,049
2010	4,290	30	—	4,320	1,552	2,484	—	—	8,356
2009	4,174	32	—	4,206	1,582	2,245	—	—	8,033

(a) Intergeographic net sales include \$89 million, \$95 million and \$82 million by operations in Canada to the U.S. in 2011, 2010 and 2009, respectively.

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

*Equity Companies' Data*

	Net Sales	Gross Profit	Operating Profit	Net Income	Corporation's Share of Net Income
	(Millions of dollars)				
2011	\$ 2,446	\$ 796	\$ 514	\$ 335	\$ 161
2010	2,310	815	555	378	181
2009	2,033	740	505	341	164
	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Stockholders' Equity
	(Millions of dollars)				
2011	\$ 1,000	\$ 906	\$ 491	\$ 872	\$ 543
2010	1,198	919	520	982	615
2009	1,108	867	772	624	579

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



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

At December 31, 2011, our 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 ( 49 %), Olayan Kimberly-Clark (Bahrain) WLL ( 49 %) and Tecnosur S.A. (Colombia) ( 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, 2011, our investment in this equity company was \$239 million, and the estimated fair value of the investment was \$2.7 billion based on the market price of publicly traded shares.

**Note 19. Supplemental Data**

*Supplemental Income Statement Data*

	Year Ended December 31		
	2011	2010	2009
	(Millions of dollars)		
Advertising expense	\$ 686	\$ 698	\$ 559
Research expense	316	317	301
Foreign currency transaction (gains) losses, net	(27)	20	110

*Supplemental Balance Sheet Data*

<u>Summary of Accounts Receivable, net</u>	December 31	
	2011	2010
	(Millions of dollars)	
Accounts Receivable:		
From customers	\$ 2,352	\$ 2,231
Other	328	321
Less allowance for doubtful accounts and sales discounts	(78)	(80)
Total	<u>\$ 2,602</u>	<u>\$ 2,472</u>

<u>Summary of Inventories</u>	December 31					
	2011			2010		
	LIFO	Non-LIFO	Total	LIFO	Non-LIFO	Total
	(Millions of dollars)					
Inventories by Major Class:						
At the lower of cost determined on the FIFO or weighted-average cost methods or market:						
Raw materials	\$ 163	\$ 334	\$ 497	\$ 154	\$ 350	\$ 504
Work in process	245	126	371	195	144	339
Finished goods	708	760	1,468	715	763	1,478
Supplies and other	—	300	300	—	298	298
	<u>1,116</u>	<u>1,520</u>	<u>2,636</u>	<u>1,064</u>	<u>1,555</u>	<u>2,619</u>
Excess of FIFO or weighted-average cost over LIFO cost	(280)	—	(280)	(246)	—	(246)
Total	<u>\$ 836</u>	<u>\$ 1,520</u>	<u>\$ 2,356</u>	<u>\$ 818</u>	<u>\$ 1,555</u>	<u>\$ 2,373</u>



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

<b>Summary of Property, Plant and Equipment, net</b>	December 31	
	2011	2010
	(Millions of dollars)	
Property, Plant and Equipment		
Land	\$ 193	\$ 220
Buildings	2,858	2,833
Machinery and equipment	14,676	14,271
Construction in progress	513	553
	18,240	17,877
Less accumulated depreciation	(10,191)	(9,521)
Total	\$ 8,049	\$ 8,356

<b>Summary of Accrued Expenses</b>	December 31	
	2011	2010
	(Millions of dollars)	
Accrued advertising and promotion	\$ 377	\$ 403
Accrued salaries and wages	380	350
Accrued quantity discounts	344	353
Accrued taxes - income and other	266	259
Other	659	648
Total	\$ 2,026	\$ 2,013

*Supplemental Cash Flow Statement Data*

<b>Summary of Cash Flow Effects of (Increase) Decrease in Operating Working Capital <sup>(a)</sup></b>	Year Ended December 31		
	2011	2010	2009
	(Millions of dollars)		
Accounts receivable	\$ (169)	\$ 45	\$ (20)
Inventories	9	(341)	523
Prepaid expenses	(19)	10	(1)
Trade accounts payable	161	263	278
Accrued expenses	(91)	(122)	201
Accrued income taxes	(107)	180	(27)
Derivatives	33	(61)	116
Currency	(79)	50	35
(Increase) decrease in operating working capital	\$ (262)	\$ 24	\$ 1,105

(a) Excludes the effects of acquisitions and dispositions.

<b>Other Cash Flow Data</b>	Year Ended December 31		
	2011	2010	2009
	(Millions of dollars)		
Interest paid	\$ 273	\$ 248	\$ 290
Income taxes paid	463	582	764

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

<b>Interest Expense</b>	<b>Year Ended December 31</b>		
	<b>2011</b>	<b>2010</b>	<b>2009</b>
	(Millions of dollars)		
Gross interest cost	\$ 285	\$ 255	\$ 288
Capitalized interest on major construction projects	(8)	(12)	(13)
Interest expense	\$ 277	\$ 243	\$ 275

**Note 20. Unaudited Quarterly Data**

	<b>2011</b>				<b>2010</b>			
	<b>Fourth</b>	<b>Third</b>	<b>Second</b>	<b>First</b>	<b>Fourth</b>	<b>Third</b>	<b>Second</b>	<b>First</b>
	(Millions of dollars, except per share amounts)							
Net sales	\$ 5,176	\$ 5,382	\$ 5,259	\$ 5,029	\$ 5,075	\$ 4,979	\$ 4,857	\$ 4,835
Gross profit	1,544	1,588	1,557	1,463	1,645	1,614	1,644	1,647
Operating profit	611	662	625	544	699	698	711	665
Net income attributable to the Corporation	401	432	408	350	492	469	498	384
Per share basis:								
Basic	1.02	1.10	1.04	.87	1.20	1.14	1.20	.92
Diluted	1.01	1.09	1.03	.86	1.20	1.14	1.20	.92
Cash dividends declared per share	.70	.70	.70	.70	.66	.66	.66	.66
Market price per share:								
High	74.06	71.78	68.49	66.66	67.23	67.24	63.49	64.62
Low	68.27	61.00	63.40	62.33	61.06	59.62	59.57	58.25
Close	73.56	71.01	66.56	65.27	63.04	65.05	60.63	62.88

**PART II**  
(Continued)

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**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, 2011 and 2010, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2011. 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, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such 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.

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, 2011, 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 29, 2012, expressed an unqualified opinion on the Corporation's internal control over financial reporting.

/s/ D ELOITTE & T OUCHE LLP

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Deloitte & Touche LLP

Dallas, Texas

February 29, 2012

**PART II**  
(Continued)

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**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, 2011, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of December 31, 2011.

**Internal Control Over Financial Reporting**

*Management's Report on the Financial Statements*

Our 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 our 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.

Some financial statement amounts are based on estimates and judgments, and 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 our Board of Directors and all committees of our Board. Management believes that all representations made to the independent registered public accountants during their audits were valid and appropriate.

*Audit Committee Oversight and Our Code of Conduct*

The Audit Committee of our Board of Directors, which is composed solely of independent directors, assists our Board in fulfilling its responsibility for oversight of the quality and integrity of our accounting, auditing and financial reporting practices; the audits of our 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 our internal control over financial reporting, including compliance matters related to our code of conduct, and the results of 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.

Our code of conduct, among other things, contains policies for conducting business affairs in a lawful and ethical manner everywhere we do 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 our Board of Directors regarding preparation of reliable published financial statements and safeguarding of our 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

**PART II**  
(Continued)

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asset safeguarding.

We have assessed the effectiveness of our internal control over financial reporting as of December 31, 2011 . In making this assessment, we 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, 2011 , our internal control over financial reporting is effective.

Deloitte & Touche LLP has issued its attestation report on the effectiveness of our 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 29, 2012

**Changes in Internal Control Over Financial Reporting**

There have been no changes in our 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 our fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**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, 2011, 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 Corporation's internal control over financial reporting is a process designed by, or under the supervision of, the Corporation's principal executive and principal financial officers, or persons performing similar functions, and effected by the Corporation'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 Corporation'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 Corporation; (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 Corporation are being made only in accordance with authorizations of management and directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Corporation's assets that could have a material effect on the financial statements.



**PART II**

(Continued)

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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, 2011, 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, 2011, and our report dated February 29, 2012, expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/ D ELOITTE & T OUCHE LLP

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Deloitte & Touche LLP

Dallas, Texas

February 29, 2012

**ITEM 9B. OTHER INFORMATION**

None.

**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The following sections of our 2012 Proxy Statement for the Annual Meeting of Stockholders (the “2012 Proxy Statement”) are incorporated in this Item 10 by reference:

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

Information regarding our executive officers 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 2012 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.

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

The information in the section of the 2012 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 our common stock that may be issued upon the exercise of options, warrants and rights under all of our equity compensation plans as of December 31, 2011.

	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 <sup>(1)</sup>	20.0 <sup>(2)</sup>	\$61.92	25.8

<sup>(1)</sup> Includes (a) the stockholder-approved 2011 Equity Participation Plan (the “2011 Plan”), which effective April 21, 2011 amended and restated the stockholder-approved 2001 Equity Participation Plan and (b) the stockholder-approved 2011 Outside Directors’ Compensation Plan (the “2011 Outside Directors’ Plan”), which effective April 21, 2011 amended and restated the Outside Directors’ Compensation Plan.

<sup>(2)</sup> Includes 2.7 million restricted share units granted under the 2011 Plan (including shares that may be issued pursuant to outstanding performance-based restricted share units, assuming the target award is met; actual shares issued may vary, depending on actual performance). Upon vesting, a share of Kimberly-Clark common stock is issued for each restricted share unit. Column (b) does not take these awards into account because they do not have an exercise price. Also includes 0.2 million restricted share units granted under the 2011 Outside Directors’ Plan. Upon retirement from or any other termination of service from the Board, a share of Kimberly-Clark common stock is issued for each restricted share unit. Column (b) does not take these awards into account because they do not have an exercise price.





**PART III**  
(Continued)

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*Outside Directors' Compensation Plan*

In 2011, our Board of Directors and our stockholders approved the 2011 Outside Directors' Compensation Plan, which amended and restated our Outside Directors' Compensation Plan. A maximum of 1,000,000 shares of our 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.

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

The information in the sections of the 2012 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 2012 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**

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**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, 2011, incorporated by reference to Exhibit No. (10)b of the Corporation's Current Report on Form 8-K dated November 21, 2011.\*
- 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)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.\*
- 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.\*

**PART IV**  
(Continued)

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- Exhibit No. (10)h. Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated effective April 17, 2009, incorporated by reference to Exhibit No. (10)h of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2009.\*
- Exhibit No. (10)i. Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated, effective April 17, 2009, incorporated by reference to Exhibit No. (10)i of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2009.\*
- Exhibit No. (10)j. 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. 2011 Outside Directors' Compensation Plan, as amended and restated, effective April 21, 2011, incorporated by reference to Exhibit No. 10.1 of the Corporation's Current Report on Form 8-K dated April 26, 2011.\*
- Exhibit No. (10)m. 2011 Equity Participation Plan, as amended and restated, effective April 21, 2011, incorporated by reference to Exhibit No. 10.2 of the Corporation's Current Report on Form 8-K dated April 26, 2011.\*
- Exhibit No. (10)n. Form of Award Agreements under 2011 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 June 30, 2011.\*
- 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 June 1, 2011, incorporated by reference to Exhibit No. (10)p of the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011.\*
- 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)v. Letter Agreement between Kimberly-Clark Corporation and Elane Stock, incorporated by reference to Exhibit No. (10)v of the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010.\*
- Exhibit No. (12). Computation of ratio of earnings to fixed charges for the five years ended December 31, 2011, 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.

**PART IV**  
(Continued)

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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.

**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 29, 2012

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.

/s/ THOMAS J. FALK Chairman of the Board and Chief Executive Officer and Director February 29, 2012  
**Thomas J. Falk** (principal executive officer)

/s/ MARK A. BUTHMAN Senior Vice President and February 29, 2012  
**Mark A. Buthman** Chief Financial Officer (principal financial officer)

/s/ MICHAEL T. AZBELL Vice President and Controller February 29, 2012  
**Michael T. Azbell** (principal accounting officer)

**Directors**

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

By: /s/ T HOMAS J. M IELKE  
**Thomas J. Mielke**  
**Attorney-in-Fact**

February 29, 2012

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**

**SCHEDULE II**  
**VALUATION AND QUALIFYING ACCOUNTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 , 2010 AND 2009**  
(Millions of dollars)

Description	Balance at Beginning of Period	Additions		Deductions	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts <sup>(a)</sup>		
<b>December 31, 2011</b>					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	\$ 62	\$ 5	\$ (5)	\$ 5 <sup>(b)</sup>	\$ 57
Allowances for sales discounts	18	275	—	272 <sup>(c)</sup>	21
<b>December 31, 2010</b>					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	\$ 68	\$ 7	\$ —	\$ 13 <sup>(b)</sup>	\$ 62
Allowances for sales discounts	21	266	—	269 <sup>(c)</sup>	18
<b>December 31, 2009</b>					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	\$ 52	\$ 22	\$ 7	\$ 13 <sup>(b)</sup>	\$ 68
Allowances for sales discounts	21	272	1	273 <sup>(c)</sup>	21

(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.

Description	Balance at Beginning of Period	Additions		Deductions <sup>(b)</sup>	Balance at End of Period
		Charged to Costs and Expenses <sup>(a)</sup>	Charged to Other Accounts		
<b>December 31, 2011</b>					
Deferred Taxes					
Valuation Allowance	\$ 287	\$ (51)	\$ —	\$ 7	\$ 229
<b>December 31, 2010</b>					
Deferred Taxes					
Valuation Allowance	\$ 244	\$ 35	\$ —	\$ (8)	\$ 287
<b>December 31, 2009</b>					
Deferred Taxes					
Valuation Allowance	\$ 319	\$ (84)	\$ —	\$ (9)	\$ 244

(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 \$7 million in 2011, \$(8) million in 2010, and \$(9) million in 2009.

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**Computation of Ratio of Earnings to Fixed Charges**  
(Dollar amounts in millions)

	Year Ended December 31				
	2011	2010	2009	2008	2007
<b>Consolidated Companies</b>					
Income from continuing operations before income taxes	\$ 2,183	\$ 2,550	\$ 2,576	\$ 2,289	\$ 2,318
Interest expense	277	243	275	304	265
Interest factor in rent expense	93	94	90	102	88
Amortization of capitalized interest	13	14	14	13	15
<b>Equity Affiliates</b>					
Share of 50%-owned:					
Income before income taxes	(1)	-	-	1	2
Interest expense	-	-	-	-	-
Interest factor in rent expense	-	-	-	-	-
Amortization of capitalized interest	-	-	-	-	-
Distributed income of less than 50%-owned	137	132	114	131	130
<b>Earnings</b>	<b>\$ 2,702</b>	<b>\$ 3,033</b>	<b>\$ 3,069</b>	<b>\$ 2,840</b>	<b>\$ 2,818</b>
<b>Consolidated Companies</b>					
Interest expense	\$ 277	\$ 243	\$ 275	\$ 304	\$ 265
Capitalized interest	8	12	13	14	18
Interest factor in rent expense	93	94	90	102	88
<b>Equity Affiliates</b>					
Share of 50%-owned:					
Interest and capitalized interest	-	-	-	-	-
Interest factor in rent expense	-	-	-	-	-
<b>Fixed Charges</b>	<b>\$ 378</b>	<b>\$ 349</b>	<b>\$ 378</b>	<b>\$ 420</b>	<b>\$ 371</b>
<b>Ratio of earnings to fixed charges</b>	<b>7.15</b>	<b>8.69</b>	<b>8.12</b>	<b>6.76</b>	<b>7.60</b>

Note: We are liable for certain obligations of S.D. Warren Company, which was sold in December 1994. The buyer provided us 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 subsidiaries of Kimberly-Clark Corporation as of December 31, 2011. Certain subsidiaries are not named because they were not significant in the aggregate. The place of incorporation or organization is next to the name of the company.

1194127 Ontario Inc., Ontario, Canada  
\*700 Tchoupitoulas LLC, Louisiana  
Abdelia Comercial Ltda., Brazil  
Avent de Honduras, S.A. de C.V., Honduras  
Avent Holdings, LLC, Delaware  
Avent, Inc., Delaware  
Avent, S. de R.L. de C.V., Mexico  
Avent Slovakia, Inc., Delaware  
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  
\*Carriage LP, South Carolina  
Carriage Managers, LLC, South Carolina  
Central High Associates, LLC, Wisconsin  
Central High Managers, LLC, Indiana  
\*Chapel Valley Housing II, LLC, Wisconsin  
City Hall Square, LLC, Wisconsin  
Colombiana Kimberly Colpapel S.A., Colombia  
Comercializadora de Fibra Guaicaipuro, C.A., Venezuela  
Comercializadora de Repuestos Industriales Guaicaipuro, C.A., Venezuela  
Delaware Overseas Finance, Inc., Delaware  
Dr Fred Goebel Patentverwaltung GmbH, Germany  
Durafab, Inc., Texas  
EQSC Holdings Corp., California  
Excell Paper Sales Company, Pennsylvania  
Excell Paper Sales LLC, Delaware  
Fisbra Indústria e Comércio de Produtos Higiênicos Limitada, Brazil  
GenPar AP, LLC, Texas  
GenPar CM, LLC, Texas  
GenPar CM II, LLC, Delaware  
GenPar RI, LLC, Texas  
GenPar RI II, LLC, Delaware  
Gerinconfort Indústria e Comercio de Produtos Higienicos Ltda., Brazil  
Hercules Global Investments, Cayman Islands  
HHH Oil Condominium Association, Inc., Texas  
\*Hogla-Kimberly Holdings AS, Turkey  
\*Hogla-Kimberly Limited, Israel  
\*Hogla-Kimberly Marketing Limited, Israel  
\*Hoosiers LLC, Delaware  
Hoosiers II LLC, Delaware  
Horizons Humble Partners, LLC, Delaware  
Housing Horizons, LLC, Texas  
Humble AP Partners, LP, Texas

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Humble CM Partners, LP, Texas  
Humble CM Partners II, LP, Texas  
Humble Parking, LLC, Texas  
Humble RI Partners, LP, Texas  
Humble RI Partners II, LP, Texas  
I-Flow, LLC, Delaware  
I-Flow Holdings, LLC, Delaware  
Jackson International Holdings, Inc., Delaware  
Jackson Products, Inc., Delaware  
Jackson Products, Ltd., United Kingdom  
Jackson Safety Canada, Ltd., Ontario, Canada  
\*Janesville School Apartments, LLC, Wisconsin  
K-C Advertising, Inc., Delaware  
K-C Antioquia Global Ltda., Colombia  
K-C Cauca Ltda., Colombia  
K-C Equipment Finance LP, United Kingdom  
K-C Guernsey I Limited, Isle of Guernsey  
K-C Guernsey II Limited, Isle of Guernsey  
K-C Nevada, Inc., Nevada  
Kalayaan Land Corporation, Philippines  
KC Tower Corporation, Delaware  
KCA Super Pty. Limited, Australia  
KCSSA East Africa Limited, Kenya  
K.C.S.A. Holdings (Pty) Limited, South Africa  
Kimberly Bolivia S.A., Bolivia  
Kimberly-Clark (Barbados) Holding Ltd., Barbados  
Kimberly-Clark (China) Company Ltd., China  
Kimberly-Clark (Cyprus) Limited, Cyprus  
Kimberly-Clark (Hong Kong) Limited, Hong Kong  
Kimberly-Clark (Nanjing) Care Products Co. Ltd., China  
Kimberly-Clark (Nanjing) Personal Hygienic Products Co Ltd, People's Republic of China  
Kimberly-Clark (Singapore) Finance Pte. Ltd., Singapore  
Kimberly-Clark (Trinidad) Ltd., Trinidad & Tobago  
Kimberly-Clark Amsterdam Holdings, B.V., Netherlands  
Kimberly-Clark Argentina S.A., Argentina  
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 Higiene Ltda., Brazil  
Kimberly-Clark Canada Holdings, Inc., Ontario, Canada  
Kimberly-Clark Canada Inc., Ontario, Canada  
Kimberly-Clark Canada Inc. Kanadischen Rechts & Co. K.G., Germany  
Kimberly-Clark Canada International Holdings, Inc., Ontario 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 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 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 Limited, United Kingdom  
Kimberly-Clark Financial Services, Inc., Tennessee  
Kimberly-Clark Global Finance Ltd., Bermuda  
Kimberly-Clark Global Sales, LLC, Delaware  
Kimberly-Clark GmbH (Austria), Austria  
Kimberly-Clark GmbH (Germany), Germany  
Kimberly-Clark GmbH (Switzerland), 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., Italy  
Kimberly-Clark Holland Holdings B.V., Netherlands  
\*Kimberly-Clark Honduras, S. de R.L. de C.V., Honduras  
Kimberly-Clark Hygiene Products Private Limited, India  
Kimberly-Clark Inc., Ontario, Canada  
Kimberly-Clark Innovation Corporation, South Korea  
Kimberly-Clark Innovacion Global Ltda., Colombia  
Kimberly-Clark Integrated Services Corporation, Delaware  
Kimberly-Clark International Services Corporation, Delaware  
Kimberly-Clark International, S.A., Panama  
Kimberly-Clark Investering Finance Corporation Limited, United Kingdom  
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 Lever Private Ltd., India  
Kimberly-Clark Limited, United Kingdom  
Kimberly-Clark Luxembourg Finance S.a.r.l., Luxembourg  
Kimberly-Clark Luxembourg Holdings S.a.r.l., Luxembourg  
Kimberly-Clark Luxembourg S.a.r.l., Luxembourg  
Kimberly-Clark Magyarorszag Kft, Hungary  
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 (HK) Limited, Hong Kong  
Kimberly-Clark of South Africa (Pty) Ltd., South Africa  
Kimberly-Clark OOO, Russia  
Kimberly-Clark Pacific Finance Company, Cayman Islands  
Kimberly-Clark Pacific Holdings Pty Limited, Australia  
Kimberly-Clark Paper (Shanghai) Co. Ltd., 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 Co. Ltd., Beijing, People's Republic of China  
Kimberly-Clark Peru S.R.L., Peru  
Kimberly-Clark Philippines Inc., Philippines  
Kimberly-Clark Products (M) Sdn. Bhd., Malaysia  
Kimberly-Clark Produtos Para Saúde Limitada, Brazil  
Kimberly-Clark Puerto Rico, Inc., Delaware



Kimberly-Clark Regional Services (M) Sdn. Bhd., Malaysia  
Kimberly-Clark S.A.S., France  
Kimberly-Clark S.L.U., Spain  
Kimberly-Clark s.r.l., Italy  
Kimberly-Clark s.r.o., Czech Republic  
Kimberly-Clark Scandinavia ApS, Denmark  
Kimberly-Clark Services Asia-Pacific Pty Limited, Australia  
Kimberly-Clark Services, Inc., Delaware  
Kimberly-Clark Singapore Pte. Ltd., Singapore  
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 (M) Sdn. Bhd., Malaysia  
Kimberly-Clark Trading Kft, Hungary  
Kimberly-Clark Treasury Asia-Pacific, Australia  
\*Kimberly-Clark Tuketim Mallari Sanayi ve Ticaret A.s., Turkey  
Kimberly-Clark Tulip Holdings, B.V., Netherlands  
Kimberly-Clark UK Operations Limited, United Kingdom  
Kimberly-Clark Ukraine LLC, Ukraine  
Kimberly-Clark Uruguay S.A. (formerly Industrial Mimosa S.A.), Uruguay  
Kimberly-Clark Venezuela, C.A., Venezuela  
Kimberly-Clark Ventures LLC, Delaware  
Kimberly-Clark Vietnam Ltd., Vietnam  
Kimberly-Clark Worldwide Australia Holdings Pty. Limited, Australia  
Kimberly-Clark Worldwide Taiwan Investment Limited, Taiwan  
Kimberly-Clark Worldwide, Inc., Delaware  
Kimberly-Clark Zimbabwe (Private) Limited, South Africa  
\*Kimnica, Sociedad Anonima, Nicaragua  
KS & J Indústria e Comercio Limitada, Brazil  
La Ada de Acuña, S. de R. L. de C.V., Mexico  
Lafayette-Lahr LLC, Indiana  
LaSalle Apartments LLC, Wisconsin  
LeClaire Apartments LLC, Wisconsin  
LimPar AP, LLC, Delaware  
LimPar CM II, LLC, Delaware  
LimPar CM, LLC, Delaware  
LimPar RI II, LLC, Delaware  
Main-Lake LLC, Wisconsin  
Manlak Waste Recovery (Pty) Limited, South Africa  
Microcuff GmbH (Germany), Germany  
\*Mineral Point School Apartments LLC, Wisconsin  
Minnetonka Limitada, Brazil  
Minnetonka Overseas Investments Limited, Cayman Islands  
\*Molett Marketing Limited, Israel  
\*National Child Care Products Company, Saudi Arabia  
National Terminal Apartments Limited Liability Company, Ohio  
\*New Glarus School Apartments Limited Liability Company, Wisconsin  
Providence Leasing, LLC, Delaware  
Nueva Arizona S.A., Argentina  
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, Virgin Islands (U.K)  
Safeskin Corporation (Thailand) Limited, Thailand



Safeskin Latex (Thailand) Limited, Thailand  
Safeskin Medical & Scientific (Thailand) Limited, Thailand  
Scott S.A., France  
Scott Executive Pension Trustees Limited, United Kingdom  
SK Corporation, Taiwan  
Stephenson Mill Associates, LLC, Wisconsin  
Stephenson Mill Managers, LLC, Indiana  
Syzygy, Inc., Delaware  
Taiwan Scott Paper Corporation, Taiwan  
Tawneydown-Alfa Beteiligungsgesellschaft mbH, Koblenz  
TCB GenPar, LLC, Texas  
TCB LimPar, LLC, Delaware  
Technology Systems S.A., Argentina  
\*Texans LLC, Delaware  
Texans II LLC, Delaware  
The Texas Company Building, LP, Texas  
Three Rivers Timber Company, Washington  
Tiscorp Limited Partnership, United Kingdom  
Tri-Med Specialties, Inc., Kansas  
\*YuHan-Kimberly, Limited, South 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, 333-173725, 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 Nos. 333-144828 and 333-167886 on Form S-3 of our reports dated February 29, 2012, relating to the 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 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, 2011.

/s/ Deloitte & Touche, LLP

Deloitte & Touche, LLP

Dallas, Texas

February 29, 2012

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, 2011, 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 28<sup>th</sup> day of February 2012.

/s/ John R. Alm

John R. Alm

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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, 2011, 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 28<sup>th</sup> day of February 2012.

/s/ John F. Bergstrom

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John F. Bergstrom

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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, 2011, 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 28<sup>th</sup> day of February 2012.

/s/ Abelardo E. Bru

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Abelardo E. Bru

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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, 2011, 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 28<sup>th</sup> day of February 2012.

/s/ Robert W. Dechard

Robert W. Dechard

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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, 2011, 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 28<sup>th</sup> day of February 2012.

/s/ Fabian T. Garcia

Fabian T. Garcia

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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, 2011, 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 28<sup>th</sup> day of February 2012.

/s/ Mae C. Jemison

Mae C. Jemison

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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, 2011, 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 28<sup>th</sup> day of February 2012.

/s/ James M. Jenness

James M. Jenness

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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, 2011, 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 28<sup>th</sup> day of February 2012.

/s/ Nancy J. Karch

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Nancy J. Karch

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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, 2011, 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 28<sup>th</sup> day of February 2012.

/s/ Ian C. Read

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Ian C. Read

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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, 2011, 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 28<sup>th</sup> day of February 2012.

/s/ Linda Johnson Rice

Linda Johnson Rice

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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, 2011, 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 28<sup>th</sup> day of February 2012.

/s/ Marc J. Shapiro

Marc J. Shapiro

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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, 2011, 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 28<sup>th</sup> day of February 2012.

/s/ G. Craig Sullivan

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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 29, 2012

/s/ Thomas J. Falk

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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 29, 2012

/s/ Mark A. Buthman

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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 29, 2012 (“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 29, 2012



**Certification of Chief Executive 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 29, 2012 (“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 29, 2012

EXHIBIT II      DEFINITIVE PROXY STATEMENT OF THE ISSUER ON SCHEDULE 14A, FILED  
WITH THE SEC ON 7 MARCH 2012

# KIMBERLY CLARK CORP

## FORM DEF 14A (Proxy Statement (definitive))

Filed 03/07/12 for the Period Ending 05/03/12

Address	351 PHELPS DRIVE IRVING, TX 75038
Telephone	9722811200
CIK	0000055785
Symbol	KMB
SIC Code	2670 - Converted Paper And Paperboard Products, Except
Industry	Personal & Household Prods.
Sector	Consumer/Non-Cyclical
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 7, 2012



**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, May 3, 2012, at 9:00 a.m. at our World Headquarters which is located at 351 Phelps Drive, Irving, Texas.

At the Annual Meeting, stockholders will be asked to elect twelve directors for a one-year term, ratify the selection of Kimberly-Clark's independent auditors, and approve the compensation for our named executive officers. 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 may vote using the proxy form by completing, signing, and dating it, then returning it by mail. Also, most of our stockholders can submit their vote by telephone or through the Internet. If telephone or Internet voting is available to you, instructions will be included on your proxy form. Additional information about voting your shares is included in the proxy statement.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Falk". The signature is written in a cursive style with a large, stylized "F" and "A".

KIMBERLY-CLARK CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 3, 2012

The Annual Meeting of Stockholders of Kimberly-Clark Corporation will be held at our World Headquarters which is located at 351 Phelps Drive, Irving, Texas, on Thursday, May 3, 2012, 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 2012;
3. To approve the compensation for our named executive officers; 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 5, 2012 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 participants in the plans indicate their preferences by using the Internet or telephone or by signing, dating and returning the voting instruction card, which is enclosed with the proxy statement, in the business reply envelope provided.

By Order of the Board of Directors.



John W. Wesley  
Vice President and Secretary

P.O. Box 619100  
Dallas, Texas 75261-9100  
March 7, 2012

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## PROXY STATEMENT

### PART ONE VOTING INFORMATION

On behalf of the Board of Directors of Kimberly-Clark Corporation, we are soliciting your proxy for use at the Annual Meeting of Stockholders and at any adjournment of the Annual Meeting. Important dates relating to the Annual Meeting are as follows:

- Record Date: March 5, 2012. Stockholders of record as of the close of business on this date are entitled to vote at the Annual Meeting.
- Mailing Date: March 14, 2012. This is the date on which we first began providing our stockholders with this proxy statement and form of proxy.
- Meeting Date: May 3, 2012. This is the date of our Annual Meeting, which will begin at 9:00 a.m. at our World Headquarters in Irving, Texas.

#### 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. We do this to reduce printing and delivery costs and in support of our sustainability efforts. 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 vote your proxy. If you received a notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions contained in the notice for requesting these materials.

#### Who May Vote

Each stockholder of record at the close of business on the record date will be entitled to one vote for each share registered in the stockholder's name. On that date 393,342,197 shares of our common stock were outstanding.

#### How You May Vote

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. If telephone or Internet voting is available to you, 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.

Please note that if you received a notice of electronic availability as described above, you cannot vote your shares by filling out and returning it. Instead, you should follow the instructions contained in the notice on how to vote.

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 named in this proxy statement**

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- **FOR ratification of the selection of our independent auditors**
- **FOR approval of the compensation of our named executive officers**

### How You May Revoke or Change Your Vote

You may revoke or change your proxy in any of the following ways:

- By mailing a revised proxy form to the Secretary of Kimberly-Clark, which must be received prior to the start of the meeting
- 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 \$18,000 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

For matters other than the election of directors, abstentions will be counted:

- as present in determining whether we have a quorum;
- in determining the total number of shares entitled to vote on a proposal; and
- as votes against a proposal.

For the election of directors, abstentions will not be counted:

- for the purpose of determining the number of votes cast in the election of directors; and
- as votes "for" or "against" a director nominee.

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### Broker Non-Votes

*Routine Matters.* If your shares are held in street name and you do not instruct your broker on how to vote your shares, your broker, in its discretion, may either leave your shares unvoted or vote your shares on routine matters. Proposal 2. Ratification of Auditors is the only routine matter for the Annual Meeting.

*Non-Routine Matters.* Without instruction, your broker cannot vote your shares on non-routine matters and will result in broker non-votes. Broker non-votes will not be:

- considered present and entitled to vote on non-routine matters; and
- counted for the purpose of determining the number of votes cast on these proposals.

### 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. Shares held in the plan may be voted in the same manner as other shares held by the stockholder.

### 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 5, 2012, 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](mailto: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](mailto: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.

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- *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 e-mail at stockholders@kcc.com.

## PART TWO CORPORATE GOVERNANCE INFORMATION

### Board of Directors and Board Committees

The Board of Directors met six times in 2011. 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 directors have attended the annual meetings. All of our directors attended the 2011 Annual Meeting, except for Mr. Garcia who was elected in September 2011.

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](http://www.kimberly-clark.com).

### Audit Committee

John R. Alm is the Chairman of our Audit Committee. The other members of this Committee are John F. Bergstrom, Robert W. Dechard, Nancy J. Karch and Linda Johnson Rice. The Committee met eight times in 2011. In addition, the Chairman of the Committee participated in two conference calls to preview earnings press releases during 2011.

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. Alm 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.

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- 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 2011, see "Part Three — Proposals to be Voted on at the 2012 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 would be available in the Investors section of our website at [www.kimberly-clark.com](http://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, Fabian T. Garcia, Mae C. Jemison, M.D. and Ian C. Read. Mr. Garcia was appointed to this Committee effective September 1, 2011. The Committee met five times in 2011. 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 related metrics.
- Annually reviewing our compensation policies and practices for the purpose of mitigating risks arising from these policies and practices that could reasonably have a material adverse effect.

### 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," our Chairman of the Board and Chief Executive Officer has been delegated authority to approve equity grants to employees who are not elected officers of Kimberly-Clark. The Chairman of the Board and Chief Executive Officer is not permitted to make any grants to any of our elected officers, including our executive officers.

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.

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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.

*Kimberly-Clark 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 2011, Mercer Human Resource Consulting ("Mercer") was retained for this purpose. Mercer has provided consulting services to Kimberly-Clark on a wide variety of human resources and compensation matters, both at the officer and non-officer levels. In 2011, Mercer was retained by Kimberly-Clark 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 our peer group.
- Reviewing historic and projected performance for peer group companies for metrics used by Kimberly-Clark in our 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 Kimberly-Clark. The Delves Group has no other business relationship with Kimberly-Clark 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. A representative of 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 2011 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.

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- Reviewing and commenting on recommendations by management and Mercer concerning executive compensation programs, including program changes and redesign, special awards, change of 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 2011, at the request of the Committee, Don Delves, the President of The Delves Group, attended all 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, Fabian T. Garcia, Mae C. Jemison, M.D. and Ian C. Read. Mr. Garcia was appointed to this Committee effective September 1, 2011. The Committee met four times in 2011. 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 John R. Alm, Thomas J. Falk, James M. Jenness and G. Craig Sullivan. Mr. Alm was appointed to this Committee effective April 21, 2011. The Committee met twice in 2011.

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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 Kimberly-Clark. 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](http://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, the Sarbanes-Oxley Act of 2002 and the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") that have become effective as of the filing of this proxy statement.

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. The Board also determined that Dennis R. Beresford was an Independent Director and met these independence standards during the period in 2011 in which he served as a director. When making these determinations, the Board considered the following:

- We made charitable contributions of \$55,000 in 2009, \$60,000 in 2010 and \$101,000 in 2011 to the Fox Cities Performing Arts Center in Appleton, Wisconsin, where Mr. Bergstrom is a director. We have significant operations and a significant number of employees in the Fox Cities area of Wisconsin.
- Companies majority-owned by Mr. Bergstrom paid us approximately \$56,000 in 2009, \$50,000 in each of 2010 and 2011 to lease excess hangar space at an airport near Appleton, Wisconsin and approximately \$174,000 in 2009, \$170,000 in 2010 and \$174,000 in 2011 for pilot services pursuant to a pilot sharing contract. In addition, these companies paid us approximately \$177,000 in 2009, \$191,000 in 2010 and \$198,000 in 2011 for scheduling and aircraft services for their airplane.
- We paid approximately \$2,800 in 2009, \$77,300 in 2010 and \$66,200 in 2011 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 2009, 2010 and 2011 to the Education is Freedom Foundation, where Mr. Bru is a director.
- Pfizer, Inc., for which Mr. Read serves as Chairman and Chief Executive Officer, paid us approximately \$17,000 in 2011 for products.
- We made charitable contributions of \$26,000 in 2009 and \$25,000 in each of 2010 and 2011 to the United Negro College Fund, where Ms. Johnson Rice is a director.
- We purchased advertising totaling \$160,000 in 2010 and \$315,000 in 2011 from entities owned directly or indirectly by Johnson Publishing Company, Inc., where Ms. Johnson Rice is



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Chairman. These amounts constituted less than five percent of the gross revenues of Johnson Publishing Company, Inc., for 2010 and 2011, respectively.

- We paid approximately \$505,000 in 2009, \$531,000 in 2010 and \$557,000 in 2011 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 and Lead Director. 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 Kimberly-Clark
- **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 our 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 periodically retains a search firm to assist it in identifying and recruiting director candidates meeting the criteria specified by the Committee.

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The Nominating and Corporate Governance Committee recommends nominees to the Board to fill any vacancies. As provided in our 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 our 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 or 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 experience setting compensation
- 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 our 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 meeting of stockholders is required to give written notice to the Secretary of Kimberly-Clark of the stockholder’s intention to make a nomination in

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accordance with our 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 our 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 our 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."

### 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](http://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 has the discretion to separate the roles in the future if it deems it advisable and in the best interest of Kimberly-Clark to do so.

*Lead Director.* Mr. Shapiro served as Lead Director in 2011. Mr. Jenness will succeed Mr. Shapiro as our Lead Director effective immediately following the 2012 Annual Meeting. 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 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 Kimberly-Clark 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](http://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 Vice President and Controller. Our Code of Conduct is available in the Investors section of our website at [www.kimberly-clark.com](http://www.kimberly-clark.com). Any amendments to or waivers of our Code of Conduct applicable to our Chief Executive Officer, Chief Financial Officer or Vice President and Controller will be posted at that location.

*Board and Management Roles in Risk Oversight.* The Board is responsible for providing risk oversight with respect to our operations. In connection with this oversight, the Board particularly focuses on our strategic and operating risks, as well as related risk mitigation. In addition, the Board reviews and oversees management's response to key risks facing Kimberly-Clark as we implement our Global Business Plan, which provides a long-term roadmap for our overall strategic direction, business operations and finances. The Board's committees review particular risk areas to assist the Board in its overall risk oversight of Kimberly-Clark:

- The Audit Committee oversees our risk management program, and has a particular focus on our internal controls, compliance programs, financial statement integrity and fraud risks, and related risk mitigation. In connection with this oversight, the Audit Committee receives regular reports from management on risk assessments, the risk management process and issues related to the risks of managing our business. The Audit Committee also receives an annual enterprise risk management update, which discusses our key financial, strategic, operational and compliance risks.
- The Management Development and Compensation Committee reviews the risk profile of our compensation policies and practices. This process includes a review of an assessment of our compensation programs, as described in "Executive Compensation — Analysis of Risks Arising from Design of Compensation Programs."
- The Nominating and Corporate Governance Committee monitors risks relating to governance matters and recommends appropriate actions in response to those risks.

Complementing the Board's overall risk oversight, our senior executive team identifies and monitors key enterprise-wide and business unit risks, providing the basis for the Board's risk review and oversight process. 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, foreign currency and country risks, product liability, property and casualty risks, and supplier and customer risks.

The Board believes these respective roles complement the Board's leadership structure described above, including the combination of the Chairman of the Board and Chief Executive Officer positions.

*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 Kimberly-Clark.

*Whistleblower Procedures.* The Audit Committee has established procedures for the receipt, retention and treatment of complaints we receive regarding accounting, internal accounting controls or

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auditing matters and the confidential and anonymous submission by our employees and others of concerns regarding questionable accounting or auditing matters. We also maintain a toll-free Code of Conduct telephone line and an Internet website that allow our employees and others to voice their concerns anonymously. The whistleblower procedures and information on how to access our Code of Conduct telephone line and website are available in the Investors section of our website at [www.kimberly-clark.com](http://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.

*Management Succession Planning.* The Management Development and Compensation Committee is responsible for reviewing management development plans and succession plans to ensure business continuity. In addition, the Board has overall responsibility for leadership succession for Kimberly-Clark's most senior officers and reviews both routine and emergency succession plans.

*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.

*Board Policy on Stockholder Rights Plans.* We do not have a "poison pill" or stockholder rights plan. If we 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 reviews this policy statement periodically and reports 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](http://www.kimberly-clark.com).

*Majority Voting for Election of Directors.* Our 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](http://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 our issued and outstanding shares of capital stock to request that a special meeting of stockholders be called, subject to procedures and other requirements set forth in our By-Laws.

*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](http://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 2012 ANNUAL MEETING**  
**PROPOSAL 1. ELECTION OF DIRECTORS**

**General Information**

As of the date of this proxy statement, the Board of Directors consists of thirteen members, including Fabian T. Garcia who was elected to the Board by the Board of Directors as of September 1, 2011. 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 2013 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.

In accordance with our Corporate Governance Policy on Outside Director retirement age, G. Craig Sullivan has announced that he does not intend to stand for re-election to the Board of Directors when his current term expires at the Annual Meeting of Stockholders on May 3, 2012. Mr. Sullivan will continue to serve as a director until the Annual Meeting. We would like to thank Mr. Sullivan for his years of service and many contributions to Kimberly-Clark.

**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 28, 2012, public company boards they have served on since January 1, 2007, 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, 66, 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 2007: Washington Group International, Inc. (through November 2007).

*Experience attributes:* Mr. Alm has been determined to be an "audit committee financial expert" under the SEC's rules and regulations, has leadership experience as a chief executive officer and as a chief financial 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.

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**John F. Bergstrom, 65, 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.

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Public company boards served on since 2007: Advance Auto Parts, Inc. (since May 2008), Associated Banc-Corp (since December 2010), Banta Corporation (through January 2007), Midwest Air Group, Inc. (through June 2007), Wisconsin Energy Corporation and Wisconsin Electric Power Company.

*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.

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### **Abelardo E. Bru, 63, 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 the Education is Freedom Foundation.

Public company boards served on since 2007: 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.

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### **Robert W. Decherd, 61, 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 newspaper publishing company, for 21 years. 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 Commissions concerned with public policy matters related to the media industry.

Public company boards served on since 2007: A. H. Belo Corporation (since February 2008) and Belo Corp.

*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.

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### **Thomas J. Falk, 53, Director since 1999**

*Chairman of the Board and Chief Executive Officer*

Mr. Falk 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 Kimberly-Clark's global tissue businesses. Earlier in his career, Mr. Falk had responsibility for Kimberly-Clark's North American Infant Care, Child Care and Wet Wipes businesses. Mr. Falk joined Kimberly-Clark in 1983 and has held other senior management positions. He has been a



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director of Kimberly-Clark 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.

Public company boards served on since 2007: Centex Corporation (through August 2009) and Lockheed Martin Corporation (since June 2010).

*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.

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### **Fabian T. Garcia, 52, Director since 2011**

*Chief Operating Officer, Global Innovation and Growth, Colgate-Palmolive Company*

Mr. Garcia has served as Chief Operating Officer, Global Innovation and Growth (including Global Marketing, Customer Development, Technology and Supply Chain), and Europe of Colgate-Palmolive Company, a household, health care and personal products company, since 2010. From 2007 to 2010, he served as Executive Vice President and President, Colgate – Latin America and Global Sustainability. He joined Colgate-Palmolive in 2003 as President, Colgate Asia Pacific.

*Experience attributes:* Mr. Garcia satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief operating officer, provides diversity of background and viewpoint, has knowledge about our industries, has international experience and experience with branded consumer packaged goods, and has marketing, compensation and governance experience.

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### **Mae C. Jemison, M.D., 55, 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 founded and chairs the Dorothy Jemison Foundation for Excellence and developed The Earth We Share international science camp. Dr. Jemison served as a professor of Environmental Studies at Dartmouth College from 1995 to 2002 and is currently an Adjunct Professor of Dartmouth Medical College. From 1987 to 1993, she served as a National Aeronautics and Space Administration (NASA) astronaut. Dr. Jemison is a member of the National Academy of Sciences' Institute of Medicine, the Greater Houston partnership Board of Directors, and the Board of Trustees of Morehouse College. She chaired the State of Texas Product Development and Small Business Incubator Board, and was a member of the National Advisory Council for Biomedical Imaging and Bioengineering.

Public company boards served on since 2007: Gen-Probe Incorporated (through November 2007), Scholastic Corporation and Valspar Corporation.

*Experience attributes:* Dr. Jemison satisfies the financial literacy requirements of the NYSE, has knowledge about our industries, has international experience and leadership experience of entrepreneurial start-up enterprises and non-profit organizations, provides diversity of background and viewpoint, has experience in the health care field, and has compensation, governance and public company board experience.

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### **James M. Jenness, 65, 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



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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 Chairman of DePaul's Board of Trustees and is co-trustee of the W. K. Kellogg Foundation Trust.

Public company boards served on since 2007: 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.

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### **Nancy J. Karch, 64, Director since 2010**

*Retired Director, McKinsey & Co.*

Ms. Karch served as a Director (senior partner) of McKinsey & Co., an independent consulting firm, from 1988 until her retirement in 2000. She had served in various executive capacities at McKinsey since 1974. Ms. Karch is Director Emeritus of McKinsey's Stamford, Connecticut office, and serves on the board and the executive committee of the Westchester Land Trust and on the board of Northern Westchester Hospital.

Public company boards served on since 2007: The Corporate Executive Board Company, Genworth Financial, Inc., Liz Claiborne, Inc. and Mastercard Incorporated.

*Experience attributes:* Ms. Karch satisfies the financial literacy requirements of the NYSE and has a background in finance, has leadership experience as a senior executive officer, provides diversity of background and viewpoint, has knowledge about our industries, has experience with branded consumer packaged goods, and has compensation, governance and public company board experience.

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### **Ian C. Read, 58, Director since 2007**

*Chairman of the Board and Chief Executive Officer, Pfizer, Inc.*

Mr. Read was elected Chairman of the Board and Chief Executive Officer in December 2011 and President and Chief Executive Officer in December 2010, of Pfizer, Inc., a drug manufacturer. 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. In 2006, he was named Senior Vice President of Pfizer, as well as Group President of its Worldwide Biopharmaceutical Businesses.

Public company boards served on since 2007: Pfizer, Inc. (since December 2010).

*Experience attributes:* Mr. Read satisfies the financial literacy requirements of the NYSE and has a background in finance, has leadership experience as a chief executive officer, has knowledge about our industries, has international experience and experience in the health care field, and has marketing, compensation, governance and public company board experience.

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### **Linda Johnson Rice, 54, Director since 1995**

*Chairman, Johnson Publishing Company, Inc.*

Ms. Johnson Rice has served as Chairman of Johnson Publishing Company, Inc., a multi-media company, since 2010. She also served as Chief Executive Officer from 2008 to 2010. She joined

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Johnson Publishing Company in 1980, became Vice President in 1985, and served as President and Chief Operating Officer from 1987 to 2008.

Public company boards served on since 2007: 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.

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### **Marc J. Shapiro, 64, 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 serves as Chairman of the Board of Baylor College of Medicine and on the boards of M.D. Anderson Cancer Center, the Baker Institute, Texas Medical Center, Menninger Clinic and BioHouston.

Public company boards served on since 2007: Burlington Northern Santa Fe Corporation (through February 2010), The Mexico Fund 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.

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## Compensation of Directors

Directors who are not officers or employees of Kimberly-Clark or any of our subsidiaries, affiliates or equity companies are "Outside Directors" for compensation purposes. Outside Directors are compensated for their services under our 2011 Outside Directors' Compensation Plan. 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 2010, 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. In its assessment, the Committee compared aggregate Outside Director cash and equity compensation to the median compensation of the outside directors of our peer group, as well as the structure of the compensation programs of our peer group. For information regarding our peer group, see "Part Four — Other Important Information — Executive Compensation — Compensation Discussion and Analysis" below. Based on this review, the Committee determined that aggregate cash and equity compensation for our Outside Directors is at or near the median of our peer group and recommended no change in Outside Director compensation for 2011 and 2012. The Board agreed with the Committee's recommendation.

In 2011, 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.

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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.

### 2011 Outside Director Compensation

The following table sets forth the compensation paid to each Outside Director in 2011 for his or her service as a director:

Name(1)	Fees Earned or Paid in	Stock Awards	All Other Compen- sation	Total(\$)
	Cash(\$)	\$(2)(3)(4)	\$(5)(6)	
John R. Alm	85,000	140,000	12,700	237,700
Dennis R. Beresford	42,500	160,000	0	202,500
John F. Bergstrom	85,000	140,000	10,000	235,000
Abelardo E. Bru	85,000	140,000	19,000	244,000
Robert W. Decherd	85,000	140,000	10,000	235,000
Fabian T. Garcia	42,500	46,668	0	89,168
Mae C. Jemison, M.D.	85,000	140,000	21,700	246,700
James M. Jenness	85,000	160,000	30,800	275,800
Nancy J. Karch	85,000	140,000	10,000	235,000
Ian C. Read	85,000	140,000	10,000	235,000
Linda Johnson Rice	85,000	140,000	20,300	245,300
Marc J. Shapiro	85,000	170,000	17,100	272,100
G. Craig Sullivan	85,000	160,000	27,000	272,000

- (1) Mr. Beresford served as a director until his retirement, effective April 21, 2011, and as such, received fees for two quarters in 2011 for his service as a director. Fabian T. Garcia joined the Board on September 1, 2011 and received a pro-rated stock award as well as fees for two quarters in 2011 for his service as a director.
- (2) 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 10 to our audited consolidated financial statements included in our Annual Report on Form 10-K for 2011 for the assumptions used in valuing these restricted share units.

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- (3) Restricted share unit awards were granted on January 3, 2011, except for Mr. Garcia, who joined the Board and received a grant on September 1, 2011. The number of restricted share units granted is set forth below.

<u>Name</u>	Restricted Share
	Units Granted in 2011 (#)
John R. Alm	2,235
Dennis R. Beresford	2,555
John F. Bergstrom	2,235
Abelardo E. Bru	2,235
Robert W. Decherd	2,235
Fabian T. Garcia	679
Mae C. Jemison, M.D.	2,235
James M. Jenness	2,555
Nancy J. Karch	2,235
Ian C. Read	2,235
Linda Johnson Rice	2,235
Marc J. Shapiro	2,714
G. Craig Sullivan	2,555

- (4) As of December 31, 2011, Outside Directors had the following stock awards outstanding:

<u>Name</u>	Restricted	Restricted	Stock
	Stock(#)	Share Units (#)	Options (#)
John R. Alm	0	14,355	0
Dennis R. Beresford	0	4,000	0
John F. Bergstrom	3,000	21,115	0
Abelardo E. Bru	0	15,402	0
Robert W. Decherd	3,000	23,812	0
Fabian T. Garcia	0	685	0
Mae C. Jemison, M.D.	0	21,115	5,084
James M. Jenness	0	12,926	0
Nancy J. Karch	0	3,673	0
Ian C. Read	0	10,621	0
Linda Johnson Rice	3,000	22,599	0
Marc J. Shapiro	0	24,187	0
G. Craig Sullivan	0	17,780	0

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(5) All Other Compensation consists of the following:

Name	Travel to Board Events(\$) (a)	Matching Gifts Program (\$)(b)	Total(\$) (c)
John R. Alm	12,700	0	12,700
Dennis R. Beresford	0	0	0
John F. Bergstrom	0	10,000	10,000
Abelardo E. Bru	12,000	7,000	19,000
Robert W. Decherd	0	10,000	10,000
Fabian T. Garcia	0	0	0
Mae C. Jemison, M.D.	16,700	5,000	21,700
James M. Jenness	20,800	10,000	30,800
Nancy J. Karch	0	10,000	10,000
Ian C. Read	0	10,000	10,000
Linda Johnson Rice	20,300	0	20,300
Marc J. Shapiro	17,100	0	17,100
G. Craig Sullivan	17,000	10,000	27,000

- (a) Incremental travel costs, including for a spouse or guest who accompanied the director, in connection with Board meetings and customer site visits in China in 2011. 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.
- (b) Includes charitable matching gifts paid in 2011 under the Kimberly-Clark Foundation's Matching Gifts Program to a charity designated by the director. This program is available to all our employees and directors. 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.
- (c) Not included in this table is the value of retirement gifts to Mr. Beresford in recognition of his more than ten years of dedicated service to the Board. Those gifts had a value of less than \$1,000. In addition, continuing Kimberly-Clark's tradition of making a charitable contribution in honor of a retiring director, Kimberly-Clark made a charitable contribution of \$50,000 in honor of Mr. Beresford. This contribution was made directly by Kimberly-Clark to a charitable organization selected by Kimberly-Clark and was not made in the name, or at the direction, of Mr. Beresford. Mr. Beresford did not receive any personal benefit from this contribution and, accordingly, the amount of the contribution has been excluded from the Director Compensation table.
- (6) During 2011, 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 2011, 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

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and other amounts credited on restricted stock and additional restricted share units credited in 2011 were as follows:

Name	Dividends	Number of	Grant Date
	Credited on	Restricted	Fair Value of
	Restricted Stock	Share Units	Restricted Share
	(\$)	Credited in 2011	Units Credited
		(#)	(\$)
John R. Alm	0	559.12	37,201
Dennis R. Beresford	0	456.44	29,435
John F. Bergstrom	8,280	832.63	55,360
Abelardo E. Bru	0	601.79	40,034
Robert W. Dechard	8,280	942.27	62,639
Fabian T. Garcia	0	6.75	475
Mae C. Jemison, M.D.	0	832.63	55,360
James M. Jenness	0	497.76	33,139
Nancy J. Karch	0	125.81	8,434
Ian C. Read	0	407.62	27,143
Linda Johnson Rice	8,280	893.23	59,384
Marc J. Shapiro	0	952.39	63,328
G. Craig Sullivan	0	694.72	46,215

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 2011.

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

Under its charter, the Audit Committee of the Board of Directors is required to annually select and engage our independent auditors, subject to stockholder ratification. For 2012, the Audit Committee has selected Deloitte & Touche LLP as the independent registered public accounting firm to audit our financial statements. Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu Limited and their respective affiliates are referred to below as "Deloitte."

In engaging Deloitte for 2012, the Audit Committee utilized a review and selection process, which included the following:

- a review of management's assessment of the services Deloitte provided in 2011 and a comparison of this assessment to prior years' reviews,
- discussions with the Chief Financial Officer and the Chief Accounting Officer in executive session regarding their viewpoints on the selection of the 2012 independent auditors, as well as Deloitte's performance,
- discussions with representatives of Deloitte in executive session regarding their possible engagement,
- Audit Committee discussions in executive session regarding the selection of the 2012 independent auditors,
- a review of Deloitte's proposed estimated fees for 2012,
- a review and assessment of Deloitte's independence, and
- the Audit Committee's consideration of Deloitte's service as our independent auditors since 1928 and its belief that this service does not impact Deloitte's independence.

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The Audit Committee determined that the selection of Deloitte is in the best interests of stockholders and recommends that stockholders ratify this selection. If the stockholders do not ratify the selection of Deloitte, the selection of other independent auditors will be considered by the Audit Committee.

Representatives of Deloitte 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

Our aggregate fees (excluding value added taxes) with respect to the fiscal years ended December 31, 2011 and 2010 to our principal accounting firm, Deloitte, were as follows:

	2011	2010
Audit Fees(1)	\$ 10,424,000	\$ 10,314,000
Audit-Related Fees(2)	437,000	665,000
Tax Fees(3)	1,905,000	2,064,000
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 Kimberly-Clark's annual financial statements for each of the fiscal years ended December 31, 2011 and December 31, 2010, and the reviews of the financial statements included in Kimberly-Clark'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 billed or expected to be billed 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, 2011 and December 31, 2010, that are not included in the audit fees listed above. These services comprise engagements related 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, 2011 and December 31, 2010. For the fiscal year ended December 31, 2011, approximately \$220,000 was for Tax Compliance/Preparation Fees.

### Audit Committee Approval of Audit and Non-Audit Services

All audit and non-audit services provided by Deloitte to Kimberly-Clark are pre-approved by the Audit Committee using the following procedures. At the first meeting of the Audit Committee each year, our Chief Financial Officer presents a proposal, together with the related fees, to engage Deloitte for audit services. In addition, on or before the first meeting of the year, our Vice President and Controller prepares a detailed memorandum regarding non-audit services to be provided by Deloitte during the year. This memorandum includes the services to be provided, the estimated cost of these services, and why it is appropriate to have Deloitte provide these services, along with why the requested service is not inconsistent with applicable auditor independence rules. Before each subsequent meeting of the Audit 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 Audit Committee has delegated 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

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Deloitte's independence under applicable rules. Actions taken are reported to the Audit Committee at its next Committee meeting.

All Deloitte services and fees in 2011 and 2010 were pre-approved by the Audit Committee or the Audit Committee Chairman.

**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 Kimberly-Clark's accounting, auditing and financial reporting practices.

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 Kimberly-Clark 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 Kimberly-Clark's internal controls and the internal audit function's organization, responsibilities, 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, "Communication with Audit Committees," and, with and without management present, discussed and reviewed the results of the auditors' examination of the financial statements and Kimberly-Clark's internal control over financial reporting. The Committee also discussed the results of internal audit examinations.

The Audit Committee discussed and reviewed Kimberly-Clark's audited financial statements as of and for the fiscal year ended December 31, 2011, with management and the auditors. The Audit Committee also reviewed management's assessment of the effectiveness of internal controls as of December 31, 2011 and discussed the auditors' examination of the effectiveness of Kimberly-Clark's internal control over financial reporting. Management has the responsibility for preparing Kimberly-Clark's financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") and for establishing and maintaining Kimberly-Clark's internal control over financial reporting. The auditors have the responsibility for performing an independent audit of Kimberly-Clark's financial statements and internal control over financial reporting, and expressing opinions on the conformity of Kimberly-Clark'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 Kimberly-Clark's audited financial statements be included in Kimberly-Clark's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, for filing with the SEC. The Audit Committee also has selected and recommended to stockholders for ratification the reappointment of Deloitte as the independent registered public accounting firm for 2012.

AUDIT COMMITTEE OF THE  
BOARD OF DIRECTORS

John R. Alm, Chairman  
John F. Bergstrom  
Robert W. Dechard  
Nancy J. Karch  
Linda Johnson Rice



### PROPOSAL 3. ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

In Part Four of this proxy statement, we describe in detail our executive compensation program, including its objectives, policies and components. See “Executive Compensation — Compensation Discussion and Analysis.” As discussed in that section, our executive compensation program seeks to align the compensation of our executives with the objectives of our Global Business Plan. To this end, the Management Development and Compensation Committee (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 our stockholders.

For a more detailed discussion of how our executive compensation program reflects the objectives and policies, including information about the fiscal year 2011 compensation of our named executive officers, see “Executive Compensation — Compensation Discussion and Analysis.”

As noted above, a key focus of the Committee is pay for performance. To this end, 88 percent of our Chief Executive Officer’s 2011 total annual compensation target was performance-based, and 77 percent of the other named executive officers’ total annual compensation target was performance-based. See “Executive Compensation — Compensation Discussion and Analysis — Executive Summary.” Additionally, the Committee follows a rigorous process that evaluates our performance versus the performance of our peer group when it approves the actual annual incentive compensation to be paid. This approach helps to ensure our compensation approach is effectively linking pay and performance.

We are asking our stockholders to indicate their support for our executive compensation as described in this proxy statement. This proposal, commonly known as a “say-on-pay” proposal, gives our stockholders the opportunity to express their views on our executive compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our executives and the objectives, policies and practices described in this proxy statement. Accordingly, we will ask our stockholders to vote on the following resolution at the Annual Meeting:

“RESOLVED, that the compensation paid to the Corporation’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby approved by the Corporation’s stockholders on an advisory basis.”

The say-on-pay vote is advisory and is therefore not binding on Kimberly-Clark, the Committee or our Board. The Committee and our Board value the opinions of our stockholders and, to the extent there is any significant vote against the executive compensation as disclosed in this proxy statement, will consider our stockholders’ concerns, and the Committee will evaluate whether any actions are necessary to address those concerns.

At our last annual meeting of stockholders on April 21, 2011, our stockholders voted overwhelmingly to adopt the recommendation of our Board to vote on the say-on-pay proposal every year at our annual meeting. As a result, we will continue to submit our say-on-pay proposal to our stockholders at each annual meeting. We expect to ask our stockholders in 2017 to vote on a proposal regarding the frequency of the vote on the say-on-pay proposal, as required by the Dodd-Frank Act.

**The Board of Directors unanimously recommends a vote FOR the approval of named executive officer compensation, as disclosed in this proxy statement pursuant to the SEC’s compensation disclosure rules.**

**PART FOUR  
OTHER IMPORTANT INFORMATION**

**SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS**

The following table sets forth information as of December 31, 2011 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.

Name	Amount and Nature of	Percent
	Beneficial Ownership (1)(2)(3)(4)	of Class
Robert E. Abernathy	468,447(5)	*
John R. Alm	17,855(6)	*
John F. Bergstrom	37,115(7)	*
Robert W. Black	108,406(5)	*
Abelardo E. Bru	15,402	*
Mark A. Buthman	363,566(5)	*
Robert W. Decherd	61,757(8)	*
Thomas J. Falk	1,346,235(5)(9)	*
Fabian T. Garcia	686	*
Mae C. Jemison, M.D.	26,329(5)	*
James M. Jenness	12,927	*
Nancy J. Karch	4,674	*
Thomas J. Mielke	180,156(5)(10)	*
Ian C. Read	11,322	*
Linda Johnson Rice	27,899(11)	*
Marc J. Shapiro	47,288	*
G. Craig Sullivan	19,781(12)	*
All directors, nominees and executive officers as a group (23 persons)	3,344,697(5)(13)	*

\* Each director, nominee, named executive officer and the directors, nominees and executive officers as a group, owns less than one percent of the outstanding shares of our common stock.

- (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) 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.
- (3) 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

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awards. See “Part Four — Other Important Information — Executive Compensation — Outstanding Equity Awards” for additional information regarding these grants.

Name	Time-Vested Restricted Share	Performance- Based Restricted Share
	Units(#)	Units(#)
Robert E. Abernathy	11,705	67,832
Robert W. Black	773	30,743
Mark A. Buthman	2,474	59,966
Thomas J. Falk	11,980	255,248
Thomas J. Mielke	657	47,437

- (4) For each director who is not an officer or employee of Kimberly-Clark or any of Kimberly-Clark’s 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 (4) to the 2011 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, 2011.
- (5) Includes shares of common stock held by the trustee of the Kimberly-Clark Corporation 401(k) and Profit Sharing Plan (the “401(k) Profit Sharing 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, 2011 by:

Name	Number of Shares That Could be Acquired
	Within 60 Days of December 31, 2011
Robert E. Abernathy	264,876
Robert W. Black	65,957
Mark A. Buthman	225,325
Thomas J. Falk	677,038
Mae C. Jemison, M.D.	5,084
Thomas J. Mielke	109,676
All directors, nominees and executive officers as a group (23 persons)	1,690,228

- (6) Includes 3,500 shares held by the trustee of the supplemental 401(k) plan maintained by Mr. Alm’s former employer.
- (7) 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.
- (8) Voting and investment power with respect to 37,944 of the shares is shared with Mr. Decherd’s spouse.
- (9) Includes 99,411 shares held by TKM, Ltd. and 290,216 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.
- (10) Voting and investment power with respect to 5,425 of the shares is shared with Mr. Mielke’s spouse.
- (11) 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.

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- (12) 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.  
(13) Voting and investment power with respect to 438,296 of the shares is shared.

To further align management's financial interests with those of the stockholders, we maintain stock ownership guidelines for key managers, including our 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 our 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, 2011, the stock ownership levels specified by these guidelines had been met or exceeded by each of the Outside Directors, other than Mr. Garcia who was elected to the Board in September 2011.

The following table sets forth the information, as of December 31, 2011, 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 52nd Street New York, NY 10022	24,818,468	6.3%

- (1) The address and number of shares of our common stock beneficially owned by BlackRock, Inc. are based on the Schedule 13G/A filed by BlackRock, Inc. with the SEC on February 13, 2012. According to the filing, BlackRock, Inc. had sole voting and dispositive power with respect to 24,818,468 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 (“CD&A”) is intended to provide investors with an understanding of our compensation policies and decisions regarding compensation for our named executive officers for 2011. Our named executive officers are our Chief Executive Officer, Chief Financial Officer and our three other most highly compensated executive officers.

We will first provide a brief Executive Summary of this CD&A section. We will then discuss and analyze the following topics in this CD&A:

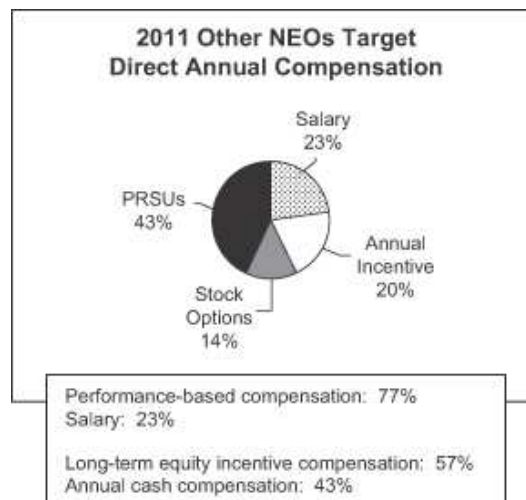
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### Executive Summary

The Management Development and Compensation Committee of our Board (the “Committee”) authorized an executive compensation program in 2011 that is designed to achieve our executive compensation objectives described below. The principal elements of that program include a base salary, an annual cash incentive and an annual grant of long-term equity incentives.

Consistent with our pay-for-performance objective, 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 for 2011. Similarly, a large percentage of the direct compensation targets for 2011 was in the form of equity (performance-based restricted share units and stock options).



**Committee Assessment of 2011 Performance.** With respect to 2011 performance, the Committee concluded that:

- management did not deliver its financial targets for 2011, mostly due to higher-than-expected cost inflation and weak demand in portions of the developed markets, and
- management nevertheless took actions in 2011 that further strengthened Kimberly-Clark for the future, including introducing successful product innovations, executing targeted growth initiatives, and improving our market position in several businesses.

Because the Committee concluded that performance was below target, the Committee approved annual cash incentives below the target amount. The Committee believes that management continues to build the foundation for long term performance through continued implementation of our Global Business Plan, which the Committee and management believe to be strategically sound.

**Pay-for-Performance Analysis.** As part of the Committee’s pay-for-performance review, the Committee considered our performance relative to our peer group, including revenue, adjusted earnings per share (“EPS”), adjusted return on invested capital (“ROIC”) in 2009, and adjusted operating profit return on sales (“OPROS”) in 2010 and 2011, which were the corporate performance factors of the annual cash incentives for those years. For information on these measures, see “Annual Cash Incentives.” As shown below, our performance relative to our peer group is tracked and evaluated on a quartile basis, which is then reviewed with information on our corporate key financial goal payout and CEO annual incentive payout relative to the 100 percent target. Under this approach, performance in the first or second quartile generally warrants above target payouts, and performance

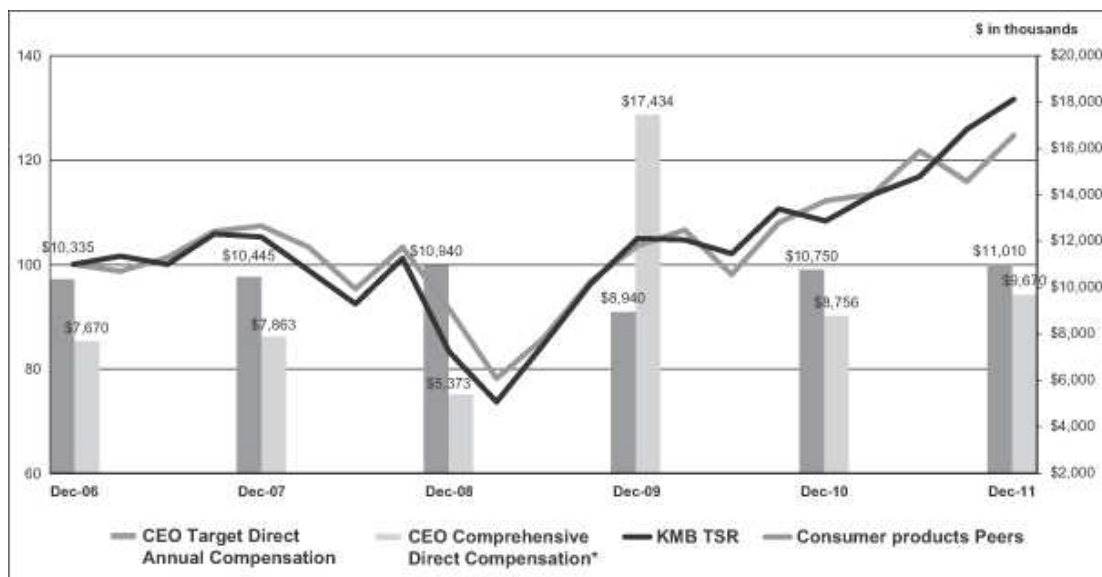
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in the third and fourth quartile generally warrants below target payouts. The Committee believes the analysis below for 2009, 2010 and 2011 demonstrates that our pay-for-performance approach is highly effective in linking pay and performance.

2009 Results				2010 Results				2011 Results*			
	Revenue	EPS	ROIC		Revenue	EPS*	OPROS*		Revenue	EPS*	OPROS*
Quartile 1				Quartile 1				Quartile 1			
Quartile 2				Quartile 2				Quartile 2			
Quartile 3				Quartile 3				Quartile 3			
Quartile 4				Quartile 4				Quartile 4			
Corporate Key Financial Goal Payout: 171%				Corporate Key Financial Goal Payout: 53%				Corporate Key Financial Goal Payout: 69%			
CEO Total Annual Incentive Payout: 165%				CEO Total Annual Incentive Payout: 67%				CEO Total Annual Incentive Payout: 75%			

\* Kimberly-Clark's amounts are adjusted. See pages 49 and 50 of our 2011 proxy statement, and "Annual Cash Compensation – Annual Cash Incentives" below for a discussion of these adjustments. Because full-year data were not available for all peer group companies as of January 2012, 2011 results represent first through third quarter 2011 data compared to first through third quarter 2010 data (for peer group companies in which full-year data are not available); otherwise, 2011 results represent full-year result 2011 data compared to full-year result 2010 data.

The following chart illustrates pay for performance over the last five years, comparing the five-year cumulative return of our stock and our peer group's stock to the Chief Executive Officer's target direct annual compensation and actual comprehensive direct compensation (as defined below). The target direct annual compensation levels for the Chief Executive Officer are compared to the median of our peer group, as described in more detail below. The aggregate amount of his actual comprehensive direct compensation is based on our performance and reflects actual and projected payouts of long-term equity incentive grants, which the Committee believes should be analyzed when reviewing target direct annual compensation levels (given that target levels, when set by the Committee, reflect our anticipated, rather than actual, performance). The Committee sets performance targets to encourage our long-term growth; the chart below demonstrates that the Chief Executive Officer's actual compensation tracks our cumulative total return of our stock over the five-year period.



\* Chief Executive Officer actual comprehensive direct compensation includes annualized base salary for the year, actual annual cash incentive paid with respect to the year, gains received from option exercises or the in-the-money value of stock options outstanding (based on the closing price of our

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common stock on December 30, 2011 of \$73.56 per share) reflected in the year the option was granted, value realized from vestings of time-vested and performance-based restricted share units reflected in the year the units were granted, and projected vesting value from unvested time-vested and performance-based restricted share units reflected in the year the units were granted (based on the closing price of our common stock on December 30, 2011 of \$73.56 per share and assuming the projected vesting values set forth in "Vesting Levels of Outstanding Performance-Based Restricted Share Units"). Actual comprehensive direct compensation does not include the value of dividends and dividend equivalents.

*Other Key Features of 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 have been implemented to our executive compensation program in recent years, including:

- gross-ups on excise taxes paid in connection with a change in control of Kimberly-Clark have been removed from executive severance agreements,
- the allocation of long-term equity incentive compensation has been adjusted to increase the relative percentage of performance-based restricted share units from 67% to 75%, further aligning our named executive officers' compensation with our pay-for-performance objectives,
- Mr. Falk's base salary was not increased in February 2011 or February 2012,
- dividend equivalents are not paid on unvested performance-based restricted share units granted to our named executive officers beginning February 2009; 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,
- executive officers no longer receive tax reimbursement and a related gross-up for perquisites (including personal use of corporate aircraft), except for certain relocation benefits,
- personal use of corporate aircraft by the Chief Executive Officer is limited to an aggregate annual incremental cost to Kimberly-Clark of \$100,000, and personal use of corporate aircraft by other executive officers is generally prohibited unless there is no incremental cost to Kimberly-Clark for the use, and
- compensation and benefit service is no longer accrued 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. These employees participate in our 401(k) Profit Sharing Plan and Supplemental 401(k) Plan, which have a profit sharing contribution based on our profit performance.

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. The Committee reviews its compensation philosophy annually, including determining whether this philosophy supports our business objectives and is consistent with the Committee's charter.

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.



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- *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 Kimberly-Clark a stronger and more competitive company and to increase our total return to stockholders.

### Elements of Executive Compensation Program

For 2011, 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:

<u>Element</u>	<u>Objectives</u>	<u>Purpose</u>	<u>Target Competitive Position</u>
Base salary	<ul style="list-style-type: none"> <li>• Pay-for-performance</li> <li>• Quality of talent</li> </ul>	Provide annual cash income based on: <ul style="list-style-type: none"> <li>• level of responsibility, performance and experience</li> <li>• comparison to market pay information</li> </ul>	<ul style="list-style-type: none"> <li>• Compared to median of peer group</li> <li>• Actual base salary will vary based on the individual's performance and experience in the position</li> </ul>
Annual cash incentive	<ul style="list-style-type: none"> <li>• Pay-for-performance</li> </ul>	Motivate and reward achievement of the following annual performance goals: <ul style="list-style-type: none"> <li>• corporate key financial goals</li> <li>• other corporate financial and strategic performance goals</li> <li>• performance of the business unit or staff function of the individual, as applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Target compared to median of peer group</li> <li>• Actual payout will vary based on actual corporate and business unit or staff function performance</li> </ul>
Long-term equity incentive	<ul style="list-style-type: none"> <li>• Stockholder alignment</li> <li>• Focus on long-term success</li> <li>• Pay-for-performance</li> <li>• Quality of talent</li> </ul>	Provide an incentive to deliver stockholder value and to achieve our long-term objectives, through awards of: <ul style="list-style-type: none"> <li>• performance-based restricted share units</li> <li>• stock option grants</li> </ul> Time-vested restricted share units may be granted from time to time for recruiting, retention or other purposes	<ul style="list-style-type: none"> <li>• Target compared to median of peer group</li> <li>• Actual payout of performance-based restricted share units will vary based on actual corporate performance</li> <li>• Actual payout will also vary based on actual stock performance</li> </ul>
Retirement benefits	<ul style="list-style-type: none"> <li>• Quality of talent</li> </ul>	Provide competitive retirement plan benefits through pension plans, 401(k) plan and other defined contribution plans	<ul style="list-style-type: none"> <li>• Benefits comparable to those of peer group</li> </ul>
Perquisites	<ul style="list-style-type: none"> <li>• Quality of talent</li> </ul>	Provide minimal additional benefits	<ul style="list-style-type: none"> <li>• Subject to review and approval by the Committee on a case-by-case basis</li> </ul>
Post-termination compensation (severance and change of control)	<ul style="list-style-type: none"> <li>• Quality of talent</li> </ul>	Encourage attraction and retention of executives critical to our long-term success and competitiveness: <ul style="list-style-type: none"> <li>• Severance Pay Plan, which provides eligible employees with payments and benefits in the event of certain involuntary terminations</li> <li>• Executive Severance Plan, which provides executives payments in the event of a qualified separation of service following a change of control</li> </ul>	<ul style="list-style-type: none"> <li>• Subject to review and approval by the Committee on a case-by-case basis</li> </ul>

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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 Group for Executive Compensation Purposes

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 2011 the Committee used, with respect to our named executive officers, a peer group consisting of the following Consumer Goods companies:

<u>Consumer Goods Peer Group</u>		
<ul style="list-style-type: none"><li>• Avon Products, Inc.</li><li>• Bristol-Myers Squibb Company</li><li>• Campbell Soup Company</li><li>• The Clorox Company</li><li>• The Coca-Cola Company</li><li>• Colgate-Palmolive Company</li><li>• ConAgra Foods, Inc.</li></ul>	<ul style="list-style-type: none"><li>• General Mills, Inc.</li><li>• The Hershey Company</li><li>• H.J. Heinz Company</li><li>• Johnson &amp; Johnson</li><li>• Kellogg Company</li><li>• Kraft Foods, Inc.</li><li>• Newell Rubbermaid Inc.</li></ul>	<ul style="list-style-type: none"><li>• Novartis AG</li><li>• PepsiCo, Inc.</li><li>• Pfizer Inc.</li><li>• The Procter &amp; Gamble Company</li><li>• Sara Lee Corporation</li></ul>

The peer group is developed without consideration of individual company compensation practices, and no company has been included or excluded from our peer group because it is known to pay above-average or below-average compensation. The Committee and compensation consultants retained by the Committee and us also annually review the peer group, and the peer group is revised as appropriate to ensure that it continues to represent similar global organizations with which we compete for executive talent in the marketplace. There were no changes in the composition of the Consumer Goods peer group from 2010 prior to our analysis regarding 2011 compensation. When reviewing peer data regarding Sara Lee, the Committee considered its announced divestitures of certain of its businesses and determined to keep this company in the peer group for 2011 and to further review its inclusion in 2012.

The following table sets forth comparative data regarding the peer group, at the time our 2011 compensation and performance objectives were determined:

	<u>Median Annual Revenue</u>	<u>Range of Individual Company Revenues</u>
Consumer Goods Peer Group	\$14.7 billion	\$5.3 billion to \$79.0 billion

Our net sales for 2010 (which is provided for comparison purposes for the above amounts) were \$19.7 billion. In reviewing companies to be included in the peer group, the Committee generally seeks to select companies with whom Kimberly-Clark competes for talent. We believe that we generally compete for talent with companies with annual revenues ranging from approximately one-half to two times our annual revenue. While the peer group includes companies that are outside of the annual revenue range discussed above, the Committee concluded that the inclusion of these companies is appropriate given they are directly comparable as consumer product goods companies with whom we directly compete for talent.

### Direct Annual Compensation

In setting 2011 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

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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 2011 direct annual compensation targets for each of our named executive officers. These target amounts formed the basis for the Committee's compensation decisions in 2011, and the Committee believes that the 2011 target amounts it established were appropriate and consistent with our executive compensation objectives. For 2011, the direct annual compensation targets for our named executive officers were as follows:

	2011 Direct Annual
<u>Name</u>	<u>Compensation Target</u>
Thomas J. Falk	\$ 11,010,000
Mark A. Buthman	\$ 3,287,500
Robert E. Abernathy	\$ 3,224,500
Robert W. Black	\$ 2,428,500
Thomas J. Mielke	\$ 2,517,500

These 2011 direct annual compensation target amounts differ from the amounts set forth in the Summary Compensation Table because:

- Base salaries are adjusted on April 1 of each year, while the Summary Compensation Table includes salaries for the calendar year.
- Annual cash incentive compensation is included at the target level, while the Summary Compensation Table reflects the actual amount earned for 2011.
- 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.

*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 group described above.

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, 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 a candidate to leave his or her current position and to join Kimberly-Clark, the candidate's compensation package will likely have to exceed his or her current compensation and may put an executive's compensation above the median of the peer group.

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*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 median 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 our 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 our other executive 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. This 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 2011, the Committee did not increase Mr. Falk's base salary, based on the Committee's determination that Mr. Falk's base salary was at or near the median of our peer group companies.

The base salaries paid to our named executive officers in 2011 can be found in the Summary Compensation Table.

*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.

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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.

The target payment amounts and range of possible payouts for 2011 were as follows:

	<u>Target Payment Amount</u>	<u>Possible Payout</u>
Chief Executive Officer	170% of base salary	0% - 200% of target payment amount
Other Named Executive Officers	85% of base salary	0% - 200% of target payment amount

In 2011, the Committee increased the target payout for Mr. Falk from 150 percent to 170 percent of the target payment based on an analysis of compensation at peer group companies. As a result, when combined with the Committee's decision to not increase Mr. Falk's base salary in 2011, this target payout increase further enhanced the pay-for-performance aspect of Mr. Falk's annual cash compensation, while also keeping it aligned with our peer group.

Under the annual cash incentive 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. 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 our 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 2011, 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>Thomas J. Mielke</u>
Corporate key financial goals	70%	49%	35%	35%	49%
Other corporate financial and strategic performance goals	30	21	15	15	21
Performance of business unit or staff function	—	30	50	50	30
Total	100%	100%	100%	100%	100%

The Committee has established these allocations to strike an appropriate balance between aligning the executives' objectives 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.
- *Adjusted EPS* . Adjusted EPS consists of diluted net income per share that is then adjusted to eliminate the effect of items or events that the Committee determines in its discretion

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should be excluded for compensation purposes. In 2011, the following adjustments were made to diluted net income per share to determine adjusted EPS:

Diluted Net Income Per Share	\$ 3.99
Adjustments for:	
Add – Charges related to the pulp and tissue restructuring	0.73
Add – Non-deductible business tax charge related to law change in Colombia	0.09
Subtract – Rounding	(0.01)
Adjusted EPS	\$ 4.80

- **Adjusted Operating Profit Return on Sales (“OPROS”).** After net sales and adjusted EPS are determined as described above, a multiplier based on adjusted OPROS is applied to the result to determine the payout percentage. Adjusted OPROS provides a margin efficiency measure and is a helpful method of tracking our cost structure performance. For purposes of determining annual cash incentive amounts, we calculate adjusted OPROS using our reported financial results, adjusted for the same items described above in determining adjusted EPS.
- **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 to exceed our long-term objectives. These goals, intended to further align compensation with achieving the goals of our Global Business Plan, included:
  - Quality of earnings:
    - Gross profit growth percentage exceeding the net sales growth rate.
    - Brand building spending growth percentage exceeding the net sales growth rate.
    - Attaining cost savings goals.
    - Operating profit growth percentage exceeding the net sales growth rate.
  - Brand equity and market performance:
    - Improving brand equity attribute in key categories and markets.
    - Increasing market share in certain markets.
    - Maintaining market share in certain key markets.
  - Innovation:
    - Attaining net sales from innovation goals (based on a rolling three-year review) in new products and line extensions in 2011.
    - Attaining net sales from innovation goals (based on launches in 2011).
  - Diversity and inclusion:
    - Making significant progress in developing and implementing a global diversity and inclusion vision.

The Committee does not use a formula to analyze performance of these goals but instead takes a holistic approach and considers all of the goals together. While individual goals are reviewed, the key consideration for the Committee is the Committee's viewpoint of Kimberly-Clark's performance for the year in all of these categories, taken as a whole. The Committee's review occurs after the end of the year, and it determines a payout percentage based on its assessment of the degree to which these goals are achieved.

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- **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 2011 Annual Cash Incentive Performance.

- **Corporate key financial goals** . In 2011, the key financial goals at the corporate level, the potential payouts for achieving these goals, and the actual 2011 results as determined by the Committee, were as follows:

	Potential Payout as a Percentage of Target			Actual
	0%	100%	200%	
Net Sales (billions)	\$ 18.9	\$ 20.5	\$ 22.1	\$ 20.8
Adjusted EPS	\$ 4.60	\$ 5.00	\$ 5.40	\$ 4.80
	0.8 x	1.0 x	1.2 x	
Adjusted OPROS multiplier (basis point (bps) improvement)	(50) bps	10 bps	70 bps	(60) bps

Based on these results, the Committee determined that the payout percentage for achieving the key financial goals should be 69 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 2011. Regarding these goals, the Committee determined the following:

Objective	Final Result
Quality of earnings:	
• Gross profit growth percentage exceeding the net sales growth rate.	Below goal
• Brand building spending growth percentage exceeding the net sales growth rate.	Below goal
• Attaining cost savings goals.	Above goal
• Operating profit growth percentage exceeding the net sales growth rate.	Below goal
Brand equity and market performance:	
• Improving brand equity attribute in key categories and markets.	Met goal
• Increasing market share in certain markets.	Met goal
• Maintaining market share in certain key markets.	Met goal
Innovation:	
• Attaining net sales from innovation goals (based on a rolling three-year review) in new products and line extensions in 2011.	Above goal
• Attaining net sales from innovation goals (based on launches in 2011).	Above goal
Diversity and inclusion:	
• Making significant progress in developing and implementing a global diversity and inclusion vision.	Above goal

After taking into account performance on all of these goals, the Committee determined that the payout percentage for achieving these other financial and strategic goals should be 90 percent of target.

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- 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. These objectives include strategic performance goals for the business units and staff functions, as well as financial goals for the business units. Based on performance of the business unit or staff function, the Committee determined the following payout percentages for business unit or staff function performance for our named executive officers:

<u>Name</u>	<u>2011 Business Unit/Staff Function Payout Percentage</u>
Thomas J. Falk	N/A
Mark A. Buthman	110%
Robert E. Abernathy	42%
Robert W. Black	107%
Thomas J. Mielke	110%

*Payouts for 2011* . The following table summarizes the payout opportunities and shows the actual payout of annual cash incentives for 2011 for our named executive officers:

<u>Name</u>	<u>Annual Incentive Target</u>		<u>Annual Incentive Maximum</u>		<u>2011 Annual Incentive Payout</u>	
	<u>% of Base</u>		<u>% of Target</u>		<u>% of Target</u>	
	<u>Salary</u>	<u>Amount(\$)</u>	<u>Amount(\$)</u>	<u>Amount(\$)</u>	<u>Amount(\$)</u>	<u>Amount(\$)</u>
Thomas J. Falk	170%	2,210,000	200%	4,420,000	75%	1,661,036
Mark A. Buthman	85%	637,500	200%	1,275,000	86%	545,777
Robert E. Abernathy	85%	654,500	200%	1,309,000	58%	382,550
Robert W. Black	85%	518,500	200%	1,037,000	91%	472,720
Thomas J. Mielke	85%	467,500	200%	935,000	86%	400,236

The cash incentive payments were paid to the executives in February 2012 and are included in the Summary Compensation Table.

*Information Regarding Annual Cash Incentive Payouts from 2007 through 2011* . 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 2007 through 2011:

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>Average</u>
Payout for Corporate Goals	75%	67%	165%	55%	170%	106%
Average Total Payout Percentages for Current Named Executive Officers	79%	76%	158%	75%	162%	110%

From 2007 through 2011, 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. The Committee believes that the actual payouts during these years are consistent with Kimberly-Clark's performance during those years and reflect the pay-for-performance objectives of our executive compensation policies.

### 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' interests with the financial interests of our stockholders, focusing on our



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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, retention needs, our stock price performance and other market factors. The Committee approved 2011 long-term equity incentive award amounts for our named executive officers in February 2011 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, grants from prior years were not considered when setting 2011 targets or granting awards.

For 2011, the Committee set the long-term equity incentive compensation grant value for each named executive officer by first comparing direct annual compensation to the median of our peer group, then considering 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.

In 2011, the Committee modified the allocation of the long-term equity incentive compensation between performance-based restricted share units and stock options as follows:

	2011	2010
Performance-based restricted share units	75%	67%
Stock options	25%	33%

The Committee believes that increasing the relative amount of performance-based restricted share units further aligns our named executive officers' compensation with our pay-for-performance objectives.

*Performance-Based Restricted Share Unit Awards.* In February 2011, named executive officers received awards of performance-based restricted share units with a value equal to seventy-five percent 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.

*2011-2013 Performance-Based Restricted Share Unit Goals and Targets.* For the performance-based restricted share unit awards granted in 2011, 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. The performance objectives for the 2011 awards are based on average annual net sales growth and the average adjusted ROIC for the period January 1, 2011 through December 31, 2013, as follows:

Goal	Relative Weight	Potential Payout as a Percentage of Target		
		0%	100%	200%
Annual Net Sales Growth	50%	1.0%	3.5%	6.0%
Adjusted ROIC	50%	14.8%	15.8%	16.8%

The performance objectives attempt to reflect our Global Business Plan objectives, including annual net sales growth of three to five percent and average adjusted ROIC improvement of approximately 20-40 basis points over the three-year period, peer group performance and our past and future performance. Adjusted ROIC is a measure of the return we earn on the capital invested in our businesses, calculated using our reported financial results, adjusted for the same items described above in determining adjusted EPS. The formula we use to calculate adjusted ROIC can be accessed under the Investors section of our website at [www.kimberly-clark.com](http://www.kimberly-clark.com). Information regarding restricted share unit awards granted to our named executive officers can be found under "Summary

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Compensation Table,” “Grants of Plan-Based Awards,” and “Discussion of Summary Compensation and Plan-Based Awards Tables.”

*2008-2010 Performance-Based Restricted Share Unit Goals and Targets.* In February 2011, the Committee determined the results of the three-year performance period for the performance-based restricted share units granted in 2008. The performance objective for the 2008 awards was based on average annual net sales growth and the average adjusted ROIC for the period January 1, 2008 through December 31, 2010. The average net sales growth and adjusted ROIC objectives, the potential payouts for achieving the objectives and the actual results for this period as determined by the Committee were as follows:

	Potential Payout as a Percentage of Target				Actual
	0%	50%	100%	150%	
Net sales	1.0%	3.0%	5.0%	7.0%	2.7%
Adjusted ROIC	15.2%	15.35%	15.50%	15.65%	15.02%

For purposes of calculating average adjusted ROIC, the impact of the effect of an extraordinary loss related to the consolidation of certain financing entities and certain notes receivable related to these financing entities and the impact of a charge related to the adoption of highly inflationary accounting in Venezuela were excluded from the ROIC calculation.

Based on this review, the Committee determined that we did not meet our three-year performance target for adjusted ROIC, resulting in a below target payout percentage of 22 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(#)	2008 - 2010 Performance-Based Restricted Share Unit Award (Paid in April 2011)		
			% of Target	Amount of Shares(#)	Value of Shares on Date Received(\$)
Thomas J. Falk	83,346	125,019	22%	18,336	1,211,093
Mark A. Buthman	19,795	29,693	22%	4,355	287,648
Robert E. Abernathy	23,962	35,943	22%	5,272	348,216
Robert W. Black	15,627	23,441	22%	3,438	227,080
Thomas J. Mielke	13,023	19,535	22%	2,865	189,233

The Committee believes that these payouts further highlight the link between pay and performance established by our compensation program, which seeks to align actual compensation paid to our named executive officers with our long-term performance.

The shares underlying these performance-based restricted share unit awards were distributed to our named executive officers in April 2011 and are included in the Option Exercises and Stock Vested in 2011 table.

*Vesting Levels of Outstanding Performance-Based Restricted Share Unit Awards.* As of February 27, 2012, the performance-based restricted share units granted in 2011 and 2010 were on pace to vest at the following levels: 74 percent for the 2011 award and 45 percent for the 2010 award. The Committee has determined that the 2009 award vested at 139 percent.

*Stock Option Awards.* In April 2011, named executive officers also received awards of stock options with a value equal to twenty-five percent 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 12.5 percent of the price of one share of our common stock on the date of grant. The value we use for this purpose differs from, and in 2011 was higher than, the value we use for financial statement purposes (resulting in fewer options being granted than if the financial statement value had been used). The Committee believes that this value is an appropriate way to determine the

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number of options to be granted under our stockholder-approved 2011 Equity Participation Plan (the “2011 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. 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/or 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. The Committee believes that these retirement benefit and contribution plans are important parts of our compensation program.

*Defined Contribution Plans.* We maintain the 401(k) Profit Sharing Plan, which provides for a matching contribution of 100 percent of a U.S. employee’s contributions to the plan, to a yearly maximum of four percent of eligible compensation, as well as a discretionary profit sharing contribution. We also maintain the Supplemental 401(k) Plan, which is intended to provide benefits to fulfill the intent of the 401(k) Profit Sharing Plan without regard to the limitations imposed by the Code on qualified defined contribution plans. For more information, see “Nonqualified Deferred Compensation – Overview of Qualified and Non-Qualified Plans.”

*Pension Plans.* We maintain a funded, tax-qualified, non-contributing defined benefit pension plan for employees, including our named executive officers, who joined Kimberly-Clark 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 Code on qualified pension plans. We stopped accruing compensation and benefit service under these plans for most of our U.S. employees, including our named executive officers, for plan years after 2009. These changes did 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.”

### Other Compensation

We provide our executive officers with minimal perquisites. A review of benefits conducted in 2010 indicates that benefits provided to our executive officers are below the median of those provided by our peer group. Generally, we offer minimal executive-only or “top hat” benefit plans.

These perquisites include personal financial planning services under our Executive Financial Counseling Program, 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 our 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 does not receive 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 expected to use our corporate aircraft for all business and personal travel, consistent with our 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

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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 Kimberly-Clark of \$100,000, and generally prohibits the personal use of corporate aircraft by other executive officers unless there is no incremental cost to Kimberly-Clark 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 two severance plans that cover 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 payments 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 of 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 of Control – Severance Benefits."

Effective June 1, 2011, the Severance Plan was amended and restated to provide certain severance benefits in the event of an employee's termination due to unsatisfactory performance of duties or inability to meet the requirements of the position. This provision, however, does not apply to our executive officers, and there was no change to the benefits to be received by our executive officers as a result of the amendment.

*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 of control. For an eligible employee to receive a payment under this plan, both a change of control must occur and the eligible employee must have been involuntarily terminated without cause or resigned for good reason within two years of the change of control (often referred to as a "double trigger").

During 2011, each of our named executive officers entered into a renewed agreement under the plan that expires on December 31, 2014. Previously, each of these executive officers' agreements was scheduled to expire on December 31, 2011.

In connection with the renewal of these agreements, the Committee reviewed their terms and compared them with peer group and general industry practices. This review included the amount of severance paid, bonus calculation, prevalence of double triggers, the protection period, equity vesting, the benefit continuation period, defined contribution plan credit, and availability of excise tax gross-ups. Following this review, the Committee concluded that the terms of our named executive officers' agreements were no more favorable, and in several cases less favorable, than those provided by our peer group.

Following this review, the Committee removed excise tax gross-ups from the agreements to be renewed with our named executive officers. The remaining terms of the agreements were substantially

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the same as the prior agreements. See “Potential Payments on Termination or Change of Control – Severance Benefits.”

### Executive Compensation for 2012

**Base Salary.** In February 2012, the Committee approved the following base salaries for our named executive officers, effective on April 1, 2012:

<u>Name</u>	<u>Base Salary</u>
Thomas J. Falk	\$ 1,300,000
Mark A. Buthman	\$ 770,000
Robert E. Abernathy	\$ 780,000
Robert W. Black	\$ 610,000
Thomas J. Mielke	\$ 550,000

**Annual Cash Incentives.** In February 2012, the Committee also established objectives for 2012 annual cash incentives payable in 2013 to our named executive officers. The target payment amounts and range of possible payouts for 2012 were as follows:

	<u>Target Payment Amount</u>	<u>Possible Payout</u>
Chief Executive Officer	170% of base salary	0% - 200% of target payment amount
Other Named Executive Officers	85% of base salary	0% - 200% of target payment amount

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. For 2012, the Committee modified the relative weight of these items for executive officers with staff functions (Messrs. Buthman and Mielke) by increasing the percentage allocated to corporate key financial goals. The Committee’s modifications to the relative weights did not affect the Chief Executive Officer or named executive officers with business unit functions (Messrs. Abernathy and Black). The Committee believes that, by increasing the percentage allocated for corporate key financial goals for executive officers with staff functions, the annual incentive payments for these executive officers will have an enhanced focus on the objective performance component, while increasing alignment of these executive officers to those with business unit functions. The following are the 2012 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>Thomas J. Mielke</u>
Corporate key financial goals	70%	70%	35%	35%	70%
Other corporate financial and strategic performance goals	30	10	15	15	10
Performance of business unit or staff function	–	20	50	50	20
Total	100%	100%	100%	100%	100%

The corporate key financial goals for 2012 are designed to encourage a continued focus on executing our long-term Global Business Plan objectives and include achieving net sales, adjusted EPS and adjusted OPROS goals.

The Committee also established other corporate financial and non-financial goals for 2012. 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.

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- Focusing on brand equity attribute improvement in key categories and markets and market share performance.
- Driving innovation.
- Making significant 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 approved long-term incentive compensation awards for the named executive officers in February 2012, consisting of awards of performance-based restricted share units with a value equal to three-fourths of the target grant date value for long-term equity incentive compensation, with the balance of the value to be granted in stock options. The performance objectives for the performance-based restricted share unit awards granted in 2012 are based on average annual net sales growth and average adjusted ROIC improvement for the period January 1, 2012 through December 31, 2014. 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 27, 2012 to our named executive officers is set forth below.

Name	Performance-Based Restricted Share Units	
	Target Amount	Maximum Amount
	of Shares (#)	of Shares (#)
Thomas J. Falk	78,288	156,576
Mark A. Buthman	18,789	37,578
Robert E. Abernathy	19,833	39,666
Robert W. Black	7,829	15,658
Thomas J. Mielke	14,092	28,184

In February 2012, the Committee also approved the dollar amount of stock options to be granted to our named executive officers.

Name	Value of Stock Options
	to be Granted
Thomas J. Falk	\$ 1,875,000
Mark A. Buthman	\$ 450,000
Robert E. Abernathy	\$ 475,000
Robert W. Black	\$ 187,500
Thomas J. Mielke	\$ 337,500

These stock options will be granted to our named executive officers in May 2012, along with our annual stock option grants to other employees, with the number of options to be received based on the fair market value of our stock on the date of grant.

### Additional Compensation Information

*Committee Consideration of Results of Stockholder Advisory Vote* . At our 2011 Annual Meeting, our executive compensation program received the support of over 90 percent of shares represented at the meeting. The Committee has considered these results of this vote and views this outcome as evidence of stockholder support of its executive compensation decisions and policies. Accordingly, the Committee has substantially maintained its executive compensation policies for 2012. As noted under "Proposal 3. Advisory Vote to Approve Named Executive Officer Compensation" the Committee will continue to review stockholder votes on our executive compensation and determine whether to make any changes to the program in light of these vote results.

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*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 2011 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 Kimberly-Clark 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 Kimberly-Clark'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 excessive risks and that the risks arising from the design of these programs are not reasonably likely to have a material adverse effect on Kimberly-Clark. 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."

*Adjustment by the Committee of Financial Measures for Annual and Long-Term Equity Incentives .* Financial measures for the annual and long-term equity incentive programs are developed based on our planned activities and assumptions of the performance of our key business drivers for the applicable period. From time to time, however, unexpected or unplanned discrete items or events not included in these plans and assumptions arise. These items and events include, for example, accounting and tax law changes, tax credits from items not within the ordinary course of our business operations, restructuring and write-off charges, significant acquisitions or dispositions, and significant gains or losses from litigation settlements.

Under the Committee's exception guidelines regarding our annual and long-term equity incentive program measures, the Committee has adjusted in the past, and may adjust in the future, the calculation of financial measures for these incentive programs to eliminate the effect of the items or events described above. In making these adjustments, the Committee's policy is to seek to neutralize the impact of the unexpected or unplanned items or events, whether positive or negative, in order to provide consistent and equitable incentive payments that the Committee believes are reflective of our performance. In considering whether to make a particular adjustment under its guidelines, the Committee will review whether the item or event was one for which management was responsible and accountable, treatment of similar items in prior periods, the extent of the item's or event's impact on the financial measure, and the item's or event's characteristics relative to normal and customary business practices. Generally, the Committee will apply an adjustment to all compensation that is subject to that financial measure.

*Timing of Long-Term Equity Grants.* Our policies and the 2011 Plan require stock options to be granted at no less than the closing price of our common stock on the date of grant. Annual stock option grants to our elected officers, including our executive officers, are generally made each year at a meeting of the Committee that is scheduled at least one year in advance. However, if the meeting of



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the Committee at which the grants are approved occurs during the period beginning on the first day of the final month of the calendar quarter and ending on the date of the release of our earnings, the stock option grants will be effective on the first business day following the release of our earnings. Our executives are not permitted to choose the grant date for their individual stock option grants.

The Chairman of the Board and Chief Executive Officer has been delegated the authority to approve equity grants, including stock options, to employees who are not elected officers of Kimberly-Clark. These grants include scheduled annual grants, which are subject to an annual limit set by the Committee, and recruiting and special employee recognition and retention grants, which may not exceed 200,000 shares in any calendar year. The Chairman of the Board and Chief Executive Officer is not permitted to make any grants to any of our elected officers, including our executive officers.

Annual stock option grants to non-elected officers approved by our Chief Executive Officer are effective on the same date as the annual stock option grants to our elected officers. Recruiting, special recognition and retention stock option grants are made on a pre-determined date following the release of our earnings during each quarter. In April 2011, our Chief Executive Officer authorized an aggregate of 2.34 million options, performance-based restricted share units and time-vested restricted share units to employees who are not elected officers. In 2011, our Chief Executive Officer authorized an aggregate of 87,325 recruiting and retention grants, consisting of 84,992 time-vested restricted share units, 636 performance-based restricted share units and 1,697 stock options.

In 2011, the Committee awarded performance-based restricted share units to executive officers at its February Committee meeting, and it intends to continue this practice. This has been the Committee's practice since 2009, and we believe this practice is consistent with award practices at other large public companies. Our executives are not permitted to choose the grant date for their individual restricted stock or restricted share unit awards.

*Policy on Incentive Compensation Clawback.* 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 Kimberly-Clark to seek to recover from any executive officer any amounts determined to have been inappropriately received by the individual executive officer. In addition, under the 2011 Plan, the Committee may require awards with performance goals under the 2011 Plan to be subject to any policy we may adopt relating to the recovery of that award to the extent it is determined that performance goals relating to the awards were not actually achieved. Further, 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. The Committee intends to review in 2012 and revise as applicable the incentive compensation clawback policy, based on final regulations on this matter issued by the SEC pursuant to the Dodd-Frank Act.

*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 these targeted stock ownership levels within five years from date of hire for, or appointment to, an eligible position can result in the reduction of part or all of the executive's annual cash incentive and a corresponding grant of time-vested restricted share units or restricted stock, or a reduction in future long-term equity incentive awards, either of which may continue until the ownership guideline is achieved. In determining whether



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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 2011 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 Mr. Black. In connection with Mr. Black's non-compliance with these guidelines, the Committee determined to reduce the amount of his long-term incentive compensation for 2012.

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 2011.

*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 SEC for the fiscal year ended December 31, 2011.

#### MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

James M. Jenness, Chairman  
Abelardo E. Bru  
Fabian T. Garcia  
Mae C. Jemison, M.D.  
Ian C. Read

### **Analysis of Risks Arising from Design of Compensation Programs**

The Committee, with the assistance of its independent consultant and Kimberly-Clark's consultant, has reviewed an assessment of our compensation programs for our employees, including our executive officers, to analyze the risks arising from our compensation systems. Program design features that could have the potential to encourage excessive risks include unreasonable 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 excessive risks and that the risks arising from these programs are not reasonably likely to have a material adverse effect on Kimberly-Clark. Several factors contributed to the Committee's conclusion, including:

- The Committee believes Kimberly-Clark maintains a values-driven, ethics-based culture supported by a strong tone at the top.
- 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 Kimberly-Clark's consultant indicated that our compensation programs are consistent with those of our peer group. In addition, the analysis noted that target levels for direct annual compensation are compared to the median of our peer group.
- 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.
- Our stock ownership guidelines further align the interests of management and stockholders.

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### 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, 2011. 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	All Other Compensation (\$)	Total(\$)
						Earnings(\$)		
Thomas J. Falk	2011	1,300,000	5,625,023	689,709	1,661,036	2,400,800	205,148	11,881,716
Chairman of the Board and Chief Executive Officer	2010	1,281,249	4,999,973	1,133,506	1,307,280	1,553,830	306,172	10,582,010
	2009	1,224,996	4,000,022	870,791	2,824,081	2,389,144	78,394	11,387,428
Mark A. Buthman	2011	743,751	1,425,001	174,726	545,777	462,102	93,054	3,444,411
Senior Vice President and Chief Financial Officer	2010	708,750	1,066,639	241,816	483,313	297,201	111,285	2,909,004
	2009	660,000	949,998	206,811	851,480	385,044	89,618	3,142,951
Robert E. Abernathy	2011	765,001	1,350,021	165,530	382,550	926,738	90,696	3,680,536
Group President — North Atlantic Consumer Products	2010	718,750	1,699,962	272,041	537,883	624,234	434,202	4,287,072
	2009	625,000	1,266,679	275,750	850,219	1,108,360	102,403	4,228,411
Robert W. Black	2011	607,500	974,994	119,549	472,720	0	66,429	2,241,192
Group President — K-C International	2010	590,000	933,362	211,588	369,401	0	91,328	2,195,679
	2009	560,000	750,013	163,274	773,109	0	101,002	2,347,398
Thomas J. Mielke(1)	2011	543,750	1,125,018	137,941	400,236	365,740	62,694	2,635,379
Senior Vice President — Law and Government Affairs and Chief Compliance Officer								

(1) Because Mr. Mielke became one of our three other most highly compensated executive officers in 2011, his 2010 and 2009 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 and 2011 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 10, 10 and 9 to our audited consolidated financial statements included in our Annual Reports on Form 10-K for 2011, 2010 and 2009, 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

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highest level of performance conditions will be achieved is set forth below:

Name	Year	Stock Awards (\$)
Thomas J. Falk	2011	11,250,046
	2010	9,999,946
	2009	8,000,044
Mark A. Buthman	2011	2,850,001
	2010	2,133,279
	2009	1,899,995
Robert E. Abernathy	2011	2,700,042
	2010	2,399,953
	2009	2,533,358
Robert W. Black	2011	1,949,987
	2010	1,866,724
	2009	1,500,026
Thomas J. Mielke	2011	2,250,035

*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 our 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 compensation from before 2005 that they elected to defer pursuant to a Deferred Compensation Plan then in effect. Beginning in 2010, each of our named executive officers participates in the Supplemental 401(k) Plan, a non-qualified defined contribution plan, and prior to 2010 Messrs. Buthman and Black participated in its predecessor plan, the supplemental Retirement Contribution Program. Earnings on each of these plans 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 these plans in 2011.

*All Other Compensation* . All other compensation consists of the following:

Name	Year	Perquisites (\$)(1)	Defined Contribution Plan Amounts (\$)(2)	Tax Gross- Ups (\$)(3)	Total (\$)(4)
Thomas J. Falk	2011	27,853	177,295	0	205,148
	2010	31,115	275,057	0	306,172
	2009	71,044	7,350	0	78,394
Mark A. Buthman	2011	9,614	83,440	0	93,054
	2010	6,750	104,535	0	111,285
	2009	6,600	83,018	0	89,618
Robert E. Abernathy	2011	2,100	88,596	0	90,696
	2010	329,081	105,121	0	434,202
	2009	94,821	7,350	232	102,403
Robert W. Black	2011	0	66,429	0	66,429
	2010	0	91,328	0	91,328
	2009	2,394	98,608	0	101,002
Thomas J. Mielke	2011	2,375	60,319	0	62,694

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- (1) *Perquisites.* For a description of the perquisites we provide executive officers, and the reasons why, see “Compensation Discussion and Analysis – Other Compensation.”

Perquisites for our named executive officers in 2011 included the following:

	Executive Financial Counseling	Personal Use of Corporate	Security	Executive Health	
	Program(\$) (a)	Aircraft(\$) (b)	Services (\$)(c)	Screening Program(\$)	Total(\$)
Thomas J. Falk	0	24,574	3,279	0	27,853
Mark A. Buthman	7,000	0	0	2,614	9,614
Robert E. Abernathy	2,100	0	0	0	2,100
Robert W. Black	0	0	0	0	0
Thomas J. Mielke	2,375	0	0	0	2,375

- (a) Our Chief Executive Officer does not receive personal financial counseling under this program.
- (b) Our Chief Executive Officer is expected 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 2011 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.
- (c) Personal security services provided as required by our Chief Executive Officer security program.
- (2) *Defined Contribution Plan Amounts.* Matching contributions were made under the 401(k) Profit Sharing Plan and accrued under the Supplemental 401(k) Plan in 2011 and 2010, as well as under the Incentive Investment Plan in 2009, for all named executive officers. A profit-sharing contribution was also made under the 401(k) Profit Sharing Plan and (if applicable) the Supplemental 401(k) Plan in February 2012 and February 2011 with respect to our performance in 2011 and 2010, respectively, for all named executive officers. The value for Messrs. Black and Buthman also includes amounts contributed or allocated in 2009 to the Retirement Contribution Plan and accrued under the supplemental Retirement Contribution Program. See “Nonqualified Deferred Compensation” for a discussion of these plans.
- (3) *Tax Gross-Ups.* The amounts shown in 2009 for Mr. Abernathy reflect tax reimbursement for moving and related expenses incurred for a relocation in connection with his change in duties.
- (4) *Certain Dividends.* Our named executive officers also receive dividends equivalents on certain of the 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 share unit awards, the dividend equivalents received by our named executive officers are not included in the Summary Compensation Table. Our named executive

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officers received the following cash dividends equivalents on the restricted share units held by them:

Name	Year	Dividends
		Received (\$)
Thomas J. Falk	2011	182,650
	2010	411,151
	2009	573,946
Mark A. Buthman	2011	41,488
	2010	92,516
	2009	127,008
Robert E. Abernathy	2011	49,013
	2010	109,190
	2009	149,737
Robert W. Black	2011	21,900
	2010	63,350
	2009	77,201
Thomas J. Mielke	2011	22,027

Dividend equivalents are no longer paid on unvested performance-based and time-vested restricted share units granted to our named executive officers beginning February 2009; instead, dividend equivalents on these units are accumulated and will be paid in additional shares after the restricted share units vest, based on the actual number of shares that vest. The value of these reinvested accumulated dividend equivalents is not included in the table above. See "Outstanding Equity Awards" for information on these reinvested dividend equivalents.

### Grants of Plan-Based Awards

The following table sets forth plan-based awards granted to our named executive officers during 2011 on a grant-by-grant basis.

#### Grants of Plan-Based Awards in 2011

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	2,210,000	4,420,000						
	Performance-based RSU	2/17/11				0	86,049	172,098		5,625,023	
	Time-vested stock option	4/26/11							231,446	64.81	689,709
Mark A. Buthman	Annual cash incentive award		0	637,500	1,275,000						
	Performance-based RSU	2/17/11				0	21,799	43,598		1,425,001	
	Time-vested stock option	4/26/11							58,633	64.81	174,726
Robert E. Abernathy	Annual cash incentive award		0	654,500	1,309,000						
	Performance-based RSU	2/17/11				0	20,652	41,304		1,350,021	
	Time-vested stock option	4/26/11							55,547	64.81	165,530
Robert W. Black	Annual cash incentive award		0	518,500	1,037,000						
	Performance-based RSU	2/17/11				0	14,915	29,830		974,994	
	Time-vested stock option	4/26/11							40,117	64.81	119,549
Thomas J. Mielke	Annual cash incentive award		0	467,500	935,000						
	Performance-based RSU	2/17/11				0	17,210	34,420		1,125,018	
	Time-vested stock option	4/26/11							46,289	64.81	137,941

(1) Represents the potential annual performance-based incentive cash payments each named executive officer could earn in 2011. These awards were granted under our Executive Officer Achievement Award Program approved by stockholders in 2002. Actual amounts earned in 2011 were based on the 2011 objectives established by the Management Development and Compensation Committee at its February 17, 2011 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 2011 objectives were met. The actual amounts paid in 2012 based on the 2011 objectives are set forth in the

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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 17, 2011. The number of performance-based restricted share units granted in 2011 that will ultimately vest on February 17, 2014 could range from the threshold number to the maximum number depending on the extent to which the average annual net sales growth and average adjusted 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 Committee approved the time-vested stock options on April 20, 2011 to be granted on April 26, 2011. The grant date for all other awards is the same date that the Committee took action to grant the awards.
- (4) Time-vested stock options granted under the 2011 Plan to our named executive officers on April 26, 2011.
- (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 10, 10 and 9 to our audited consolidated financial statements included in our Annual Reports on Form 10-K for 2011, 2010 and 2009, respectively, for the assumptions used in valuing and expensing these restricted share units and stock option awards in accordance with ASC Topic 718.

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## 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 2011 table was paid or awarded, are described under “Compensation Discussion and Analysis.”

Other than the executive severance plans described below, none of our named executive officers has an employment agreement with us. See “Potential Payments on Termination or Change of 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 2011 Plan, which was approved by stockholders in 2011. The 2011 Plan provides the Committee with discretion to require performance-based standards to be met before awards vest. In 2009 and 2011, the Committee did not award time-vested restricted share units to our named executive officers. In 2010, the Committee awarded time-vested restricted share units to Mr. Abernathy for retention purposes that vest on the third anniversary of the date of grant. In 2011, each named executive officer received grants of stock options under the 2011 Plan and performance-based restricted share units under the 2001 Plan.

For grants of stock options, the 2011 Plan provides that the option 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 2011 become exercisable in three annual installments of 30 percent, 30 percent and 40 percent, beginning April 26, 2012; provided, however, 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 of control, and certain options granted to our named executive officers are subject to our Executive Severance Plan. See “Potential Payments on Termination or Change of 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 2011 vest three years following the grant date 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 27, 2012, the performance-based restricted share units granted in 2011 and 2010 were on pace to vest at

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the following levels: 74 percent for the 2011 award and 45 percent for the 2010 award. The Committee has determined that the 2009 award vested at 139 percent.

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. Dividend equivalents are no longer paid on unvested performance-based restricted share units granted to our named executive officers beginning February 2009; 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. Dividend equivalents on the time-vested restricted share units granted to Mr. Abernathy in 2010 will be accumulated and paid in additional shares when the time-vested restricted share units vest.

### Outstanding Equity Awards

The following table sets forth information concerning outstanding equity awards for our named executive officers as of December 31, 2011. 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, 2011(1)

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 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	4/26/11	0	231,446	64.81	4/26/21				
	2/17/11							88,753(9)	6,528,671
	4/28/10	81,940	191,194	61.02	4/28/20				
	2/22/10							89,780(9)	6,604,217
	4/29/09	120,943	80,629	49.61	4/29/19				
	2/26/09							192,475(9)	14,158,461
	4/23/08	208,366	0	63.99	4/23/18				
	4/25/07	143,758	0	71.88	4/25/17				
	4/25/07					11,980	881,249		
	4/28/04	122,031	0	63.14	4/28/14				
Mark A. Buthman	4/26/11	0	58,633	64.81	4/26/21				
	2/17/11							22,484(9)	1,653,923
	4/28/10	17,480	40,789	61.02	4/28/20				
	2/22/10							19,153(9)	1,408,895
	4/29/09	28,723	19,150	49.61	4/29/19				
	2/26/09							45,712(9)	3,362,575
	4/23/08	49,487	0	63.99	4/23/18				
	4/25/07	29,679	0	71.88	4/25/17				
	4/25/07					2,474	181,987		
	4/26/06	38,595	0	58.73	4/26/16				
4/28/05	36,803	0	61.59	4/28/15					
4/28/04	24,558	0	63.14	4/28/14					
Robert E. Abernathy	4/26/11	0	55,547	64.81	4/26/21				
	2/17/11							21,301(9)	1,566,902
	4/28/10	19,665	45,887	61.02	4/28/20				
	2/22/10(10)					8,978	660,422(11)		
	2/22/10							21,547(9)	1,584,997
	4/29/09	38,298	25,533	49.61	4/29/19				
	2/26/09							60,951(9)	4,483,556
	4/23/08	59,905	0	63.99	4/23/18				
	4/25/07	35,244	0	71.88	4/25/17				
	4/25/07					2,728	200,672		
4/26/06	45,406	0	58.73	4/26/16					
4/28/05	37,885	0	61.59	4/28/15					
4/28/04	28,473	0	63.14	4/28/14					



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Name	Grant Date	Option Awards(2)(3)				Stock Awards			
		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	4/26/11	0	40,117	64.81	4/26/21				
	2/17/11							15,384(9)	1,131,647
	4/28/10	7,647	17,845	61.02	4/28/20				
	2/22/10							8,380(9)	616,433
	4/29/09	11,339	7,559	49.61	4/29/19				
	2/26/09							18,045(9)	1,327,390
	4/23/08	19,534	0	63.99	4/23/18				
	4/25/07	9,275	0	71.88	4/25/17				
	4/25/07					773	56,862		
	4/26/06	18,162	0	58.73	4/26/16				
Thomas J. Mielke	4/26/11	0	46,289	64.81	4/26/21				
	2/17/11							17,751(9)	1,305,764
	4/28/10	15,295	35,690	61.02	4/28/20				
	2/22/10							16,759(9)	1,232,792
	4/29/09	20,661	13,774	49.61	4/29/19				
	2/26/09							32,881(9)	2,418,726
	4/23/08	32,557	0	63.99	4/23/18				
	4/25/07	7,884	0	71.88	4/25/17				
	4/25/07					657	48,329		
	4/26/06	14,189	0	58.73	4/26/16				
	4/28/05	12,989	0	61.59	4/28/15				
	4/28/04	6,101	0	63.14	4/28/14				

- (1) The amounts shown reflect outstanding equity awards granted under the 2001 Plan or the 2011 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. Other than the time-vested stock option awards granted on April 26, 2011, all awards listed above were granted 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 on 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 of control, and certain options granted to our named executive officers are subject to our Executive Severance Plan. See “Potential Payments on Termination or Change of 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 the closing price per share of our common stock at grant date.
- (5) The amounts shown represent awards of time-vested restricted share units granted to our named executive officers in April 2007 and in February 2010, as indicated. Subject to accelerated vesting as described in “Potential Payments on Termination or Change of 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 footnote (11) below). Dividend equivalents on units granted prior to 2009 are paid in cash on the number of restricted share units at the same rate and on the same

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day as dividends are paid to all our stockholders. Dividend equivalents on the time-vested restricted share units granted to Mr. Abernathy in 2010 will be accumulated and paid in additional shares when the time-vested restricted share units vest.

- (6) The values shown in this column are based on the closing price of our common stock on December 30, 2011 of \$73.56 per share.
- (7) The amounts shown represent awards of performance-based restricted share units granted to our named executive officers in February 2009, 2010 and 2011. Subject to accelerated vesting as described in "Potential Payments on Termination or Change of Control," performance-based restricted share unit awards granted in 2009, 2010 and 2011 vest on February 26, 2012, February 22, 2013, and February 17, 2014, respectively, 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 2010 and 2011 grants and the maximum level for the 2009 grant. See "Discussion of Summary Compensation and Plan-Based Awards Tables."
- (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 30, 2011 of \$73.56 per share.
- (9) Includes the following amount of dividend equivalents on performance-based restricted share units granted to our named executive officers in February 2009, based on the maximum level for that grant, and in February 2010 and 2011, based on the target level for those grants:

<u>Name</u>	<u>Year</u>	<u>Dividend Equivalents</u>
Thomas J. Falk	2011	2,704
	2010	6,308
	2009	21,021
Mark A. Buthman	2011	685
	2010	1,346
	2009	4,992
Robert E. Abernathy	2011	649
	2010	1,514
	2009	6,657
Robert W. Black	2011	469
	2010	589
	2009	1,971
Thomas J. Mielke	2011	541
	2010	1,177
	2009	3,591

- (10) Mr. Abernathy's time-vested restricted share units vest on February 22, 2013.
- (11) Includes 631 dividend equivalents on time-vested restricted share units granted to Mr. Abernathy in 2010 that are reinvested in additional restricted share units.

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### Option Exercises and Stock Vested

The following table sets forth information concerning stock options exercised and stock awards vested during 2011 for our named executive officers.

#### Option Exercises and Stock Vested in 2011

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	648,799	4,883,691	44,979	2,930,997
Mark A. Buthman	82,200	1,149,255	10,045	655,007
Robert E. Abernathy	193,215	2,462,485	11,813	770,464
Robert W. Black(3)	0	0	5,490	357,498
Thomas J. Mielke	16,269	107,974	4,705	308,109

- (1) The dollar amount reflects the total pre-tax value realized by our named executive officers (number of shares exercised times the difference between the fair market value 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 our 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) As a result of a 2011 divorce decree and accompanying qualified domestic relations order, Mr. Black transferred to his former spouse (i) 91,362 options, (ii) 4,543 time-vested restricted share units (including 349 dividend equivalents) and (iii) 23,641 performance-based restricted share units (including dividend equivalents). The table above does not include the transfer of these awards. In addition, the table above does not include any option exercises by Mr. Black's former spouse or any vestings of time-vested restricted share units or performance-based restricted share units that were transferred pursuant to the decree and order.

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### Pension Benefits

The following table sets forth information as of December 31, 2011 concerning potential payments to our named executive officers under our pension plan and supplemental pension plans. Information about these plans follows the table.

#### 2011 Pension Benefits

Name(1)	Plan Name	Number of Years Credited Service(#)	Present Value of Accumulated Benefit(\$)
Thomas J. Falk	Pension Plan	26.5(2)	814,978
	Supplemental Pension Plans	26.5	14,207,484
Mark A. Buthman	Pension Plan	15.2(3)	418,833
	Supplemental Pension Plans	15.2	2,262,382
Robert E. Abernathy(4)	Pension Plan	28.0(2)	1,021,545
	Supplemental Pension Plans	28.0	5,685,117
Thomas J. Mielke	Pension Plan	21.1(2)	624,458
	Supplemental Pension Plans	21.1	1,656,563

- (1) Because Mr. Black joined Kimberly-Clark after January 1, 1997, he is not eligible to participate in our defined benefit pension plans.
- (2) Messrs. Falk, Abernathy and Mielke have 28.5, 30.0 and 23.1 years of actual service, respectively. Beginning in 2010, the number of years of credited service was frozen at the amounts set forth in the table, as a result of our ceasing to accrue compensation and benefit service under the plans.
- (3) Mr. Buthman has 29.6 years of actual service. 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, in accordance with the terms of those plans.
- (4) Mr. Abernathy is currently eligible for early retirement under the plans and would be eligible to receive the early retirement benefit described in the table below.

Employees who joined Kimberly-Clark prior to January 1, 1997 (and who did not elect to participate in our Retirement Contribution Plan) are eligible to participate in our pension plans, which provide benefits based on years of service as of December 31, 2009 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 for participants 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.

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The following is an overview of these plans.

	<b><u>Pension Plan</u></b>	<b><u>Supplemental Pension Plans</u></b>
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 Kimberly-Clark prior to January 1, 1997	Salaried employees impacted by limitations imposed by the Internal Revenue Code on payments under the pension plan
Payment Form	Normal benefit: <ul style="list-style-type: none"> <li>• Single-life annuity payable monthly</li> </ul> Other optional forms of benefit are available, including a joint and survivor benefit	Accrued benefits prior to 2005: <ul style="list-style-type: none"> <li>• Monthly payments or a lump sum after age 55</li> </ul> Accrued benefits for 2005 and after: <ul style="list-style-type: none"> <li>• Lump sum six months after termination of employment</li> </ul>
Retirement Eligibility	Full unreduced benefit: <ul style="list-style-type: none"> <li>• Normal retirement age of 65</li> <li>• Age 62 with 10 years of service</li> <li>• Age 60 with 30 years of service</li> <li>• Disability retirement</li> </ul> Early retirement benefit: <ul style="list-style-type: none"> <li>• 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 the participant is eligible for a full, unreduced benefit. The amount of the reduction is based on age and years of vesting service</li> </ul>	Same
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	Same
Benefit Formula for Salaried Employees (As of December 31, 2009) (Payable in the form of a single life annuity)	Unreduced monthly benefit = 1/12 of ((1.125% x final average annual earnings (up to 2/3 of the Social Security Taxable Wage Base)) + (1.425% x final average annual earnings (in excess of 2/3 of the Social Security Taxable Wage Base up to Taxable Wage Base)) + (1.5% x final average annual earnings (over the Social Security Taxable Wage Base))	Same
Pensionable Earnings	Annual cash compensation. Long-term equity compensation is not included	Same
Change of 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, 2011 appears in the 2011 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

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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 11 to our audited consolidated financial statements included in our 2011 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 for the qualified plan were calculated using RP2000 mortality projected to 2015 and for the supplemental plans were calculated using the 2012 417(e) mortality table. 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 3.34%, 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 4.84% as of December 31, 2011.

The actuarial increase in 2011 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 our named executive officers listed above under our pension plans during 2011.

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 2011.

#### 2011 Nonqualified Deferred Compensation

Name	Plan	Company	Aggregate	Aggregate	Aggregate
		Contributions	Earnings in	Withdrawals/ Distributions	Balance at December 31,
		in 2011\$(1)	2011\$(2)	in 2011(\$)	2011\$(3)
Thomas J. Falk	Supplemental 401(k) Plan	264,864	(26,757)	0	406,955
	Deferred Compensation Plan	0	(8,373)	0	1,854,633
Mark A. Buthman	Supplemental 401(k) Plan	102,292	10,854	0	575,536
	Deferred Compensation Plan	0	0	0	0
Robert E. Abernathy	Supplemental 401(k) Plan	107,683	862	0	165,403
	Deferred Compensation Plan	0	(570)	0	13,354
Robert W. Black	Supplemental 401(k) Plan	79,958	(15,100)	67,046	328,679
	Deferred Compensation Plan	0	0	0	0
Thomas J. Mielke	Supplemental 401(k) Plan	66,490	(1,437)	0	101,893
	Deferred Compensation Plan	0	0	0	0

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- (1) Contributions consist solely of amounts accrued by Kimberly-Clark under the Supplemental 401(k) Plan, including the profit-sharing contribution in February 2012 with respect to our performance in 2011. 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 2011 that are not attributable to company contributions (or the distribution from Mr. Black's account); negative amounts indicate a decrease in the account balance during the year. Aggregate earnings are not included in the Summary Compensation Table because the earnings are not above-market or preferential.
- (3) Balance for the Supplemental 401(k) Plan includes the profit-sharing accrual made in February 2012 with respect to our performance in 2011. Balance for the Supplemental 401(k) Plan also includes the following accruals by Kimberly-Clark under the Supplemental 401(k) Plan and the supplemental Retirement Contribution Program in 2010 and 2009, respectively, that are reported in the Summary Compensation Table as a portion of All Other Compensation for those years:

<u>Name</u>	<u>Year</u>	<u>Accrued Amount (\$)</u>
Thomas J. Falk	2010	258,642
	2009	0
Mark A. Buthman	2010	88,120
	2009	58,895
Robert E. Abernathy	2010	88,706
	2009	0
Robert W. Black	2010	74,913
	2009	72,648

In addition to amounts shown in the table that reflect participation in the Supplemental 401(k) Plan, 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 401(k) Profit Sharing Plan. 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 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 of 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.

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*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, 2011.

	<u>401(k) Profit Sharing Plan</u>	<u>Supplemental 401(k) Plan</u>
Purpose	To assist employees in saving for retirement, as well as to provide a discretionary profit sharing contribution in which contributions will be based on our profit performance	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
Eligible participants	Most employees	Salaried employees impacted by limitations imposed by the Internal Revenue Code on the 401(k) Profit Sharing Plan
Is the plan qualified under the Internal Revenue Code?	Yes	No
Can employees make contributions?	Yes	No
Do we make contributions or match employee contributions?	We match 100% of employee contributions, to a yearly maximum of 4% of eligible compensation. In addition, we may make a discretionary profit sharing contribution of 0% to 6% of eligible compensation based on our profit performance	We provide credit to the extent our contributions to the 401(k) Profit Sharing Plan are limited by the Internal Revenue Code
When do account balances vest?	Account balances under these plans generally vest once the participant completes at least two years of service	Same
How are account balances invested?	Account balances are invested in certain designated investment options selected by the participant	Account balances are credited with earnings and losses as if such account balances were invested in certain designated investment options selected by the participant
When are 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 401(k) Profit Sharing Plan	Distributions of the participant's vested account balance are payable after termination of employment.

Prior to 2010, we maintained the Incentive Investment Plan, which was a 401(k) plan that covered eligible employees, including our named executive officers, as well as the Retirement Contribution Plan, which was a tax-qualified defined contribution plan that covered certain of our executive officers under which we provided monthly contributions to a retirement contribution account based on the participant's age and eligible earnings. 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 Code. We discontinued all contributions and accruals to the Incentive Investment Plan and the Retirement Contribution Plan, and amended 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 discussed above. Most U.S. employees' investment balances, including



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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. Also effective January 1, 2010, the supplemental Retirement Contribution Program was amended to become the Supplemental 401(k) Plan.

While the Supplemental 401(k) Plan remains unfunded, in 1996 the Board amended a previously established 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 contribution plans.

### Potential Payments on Termination or Change of Control

Our named executive officers are eligible to receive certain benefits in the event of termination of employment, including following a change of control. This section describes various termination scenarios as well as the payments and benefits payable under those scenarios.

#### Severance Benefits

We maintain two severance plans that cover 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 of control, and the Severance Pay Plan, which is applicable in the event of certain other involuntary terminations. An executive officer may not receive severance payments 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. Prior agreements expired on December 31, 2011, and in connection with this expiration the Committee in 2011 amended the Executive Severance Plan and the agreements. The only significant change made by the amendments was to eliminate the excise tax gross-up, as described below. The new agreements were effective December 31, 2011 and expire on December 31, 2014, unless extended by the Board.

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 number of performance-based restricted share units granted after January 1, 2010 that are forfeited multiplied by the average performance-based restricted share unit payment for the prior three years,
- The value of any forfeited benefits under the 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 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.

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As discussed above, under the terms of the amended Executive Severance Plan and related agreements, the named executive officer is no longer entitled to a tax gross-up if the named executive officer incurs an excise tax due to the application of Section 280G of the Code. Instead, payments and benefits payable to the named executive officer will be reduced to the extent doing so would result in the executive retaining a larger after-tax amount, taking into account the income, excise and other taxes imposed on the payments and benefits.

A “Qualified Termination of Employment” is a separation of service within two years following a change of control of Kimberly-Clark (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. 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 Kimberly-Clark and Kimberly-Clark’s 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 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 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.

*2011 Plan* . In the event of a “Qualified Termination of Employment” (as described below) of a participant in the 2011 Plan in connection with a change of control, all of the participant’s awards not subject to performance goals would become fully vested. Any awards subject to performance goals with a performance period starting after January 1, 2009 will vest at the average performance-based restricted share unit payout for awards for the three prior fiscal years. 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 2011 Plan result in excise tax due to the application of Section 280G

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of the Code, the 2011 Plan provides that payments and benefits payable to the named executive officer will be reduced to the extent necessary so that no excise tax will be imposed if doing so would result in the executive retaining a larger after-tax amount, taking into account the income, excise and other taxes imposed on the payments and benefits. A "Qualified Termination of Employment" is a termination of the participant's employment within two years following a change of control of Kimberly-Clark (as defined in the 2011 Plan), unless the termination is by reason of death or disability or unless the termination is by Kimberly-Clark for cause or by the participant without good reason.

The 2011 Plan provides that, if pending a change of control, the Committee determines that Kimberly-Clark common stock will cease to exist without an adequate replacement security that preserves the economic rights and positions of the participants in the 2011 Plan (for example, as a result of the failure of the acquiring company to assume outstanding grants), then all options (other than incentive stock options) and SARs will become exercisable, in a manner deemed fair and equitable by the Committee, immediately prior to the consummation of the change of control. In addition, the restrictions on all restricted stock will lapse and all restricted share units, performance awards and other stock-based awards will vest immediately prior to the consummation of the change of control and will be settled upon the change of control in cash equal to the fair market value of the restricted share units, performance awards and other stock-based awards at the time of the change of control.

In the event of a termination of employment of a participant in the 2011 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 vested 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 on or 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 Deferred Compensation Plan,
- Their account balance under the Supplemental 401(k) Plan (if the participant has at least two years of vesting service),
- 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 Kimberly-Clark 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

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- For participants with at least fifteen years of vesting service, continuing coverage under Kimberly-Clark's group life insurance plan.

*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 Deferred Compensation Plan,
- Their account balance under the Supplemental 401(k) Plan,
- 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,
- 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 Kimberly-Clark'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 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,
- 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,

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- For participants with at least fifteen years of vesting service and who joined Kimberly-Clark 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 Kimberly-Clark'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 Kimberly-Clark'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 Kimberly-Clark- or government-provided income benefits received (but will not be lower than the minimum monthly benefit).

### Potential Payments on Termination or Change of 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 in 2011) had a Qualified Termination of Employment under that plan occurred on December 31, 2011; (ii) the severance benefits for our named executive officers under the Severance Pay Plan if an involuntary termination had occurred on December 31, 2011; (iii) the benefits that would have been payable on the death of our named executive officers on December 31, 2011; (iv) the benefits that would have been payable on the total and permanent disability of our named executive officers on December 31, 2011; and (v) the potential payments to Mr. Abernathy if he had retired on December 31, 2011. If applicable, amounts in the table were calculated using the closing price of our common stock on December 30, 2011 of \$73.56 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, 2011, 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

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earned and accrued amounts, see the “Summary Compensation Table,” “Outstanding Equity Awards,” “Option Exercises and Stock Vested,” “Pension Benefits,” and “Nonqualified Deferred Compensation.”

Name	Cash Payment(\$)	Equity with Accelerated Vesting(\$)	Additional Retirement Benefits(\$)	Continued	Total(\$)
				Benefits and Other Amounts (\$)	
<b>Thomas J. Falk</b>					
Qualified Termination of Employment	7,644,108(1)	32,071,593(2)	418,815(3)	34,848(4)	40,169,364
Involuntary termination(5)	7,644,108	0	0	15,212(6)	7,659,320
Death	2,661,036(7)	26,397,599(8)	0(9)	0	29,058,635
Disability	1,661,036(7)	26,397,599(8)	8,864,228(10)	100,200(11)	37,023,063
<b>Mark A. Buthman</b>					
Qualified Termination of Employment	3,182,481(1)	7,524,322(2)	184,569(3)	34,848(4)	10,926,220
Involuntary termination(5)	3,182,481	0	0	15,212(6)	3,197,693
Death	1,270,777(7)	6,149,209(8)	0(9)	0	7,419,986
Disability	545,777(7)	6,149,209(8)	2,107,601(10)	104,500(11)	8,907,087
<b>Robert E. Abernathy</b>					
Qualified Termination of Employment	3,081,117(1)	9,589,753(2)	188,900(3)	34,848(4)	12,894,618
Involuntary termination(5)	3,081,117	0	0	15,212(6)	3,096,329
Death	382,550(7)	7,902,177(8)	0(9)	0	8,284,727
Disability	382,550(7)	7,902,177(8)	1,293,300(10)	104,500(11)	9,682,527
Retirement	382,550(1)	9,509,059	321,215	104,500(12)	10,317,324
<b>Robert W. Black</b>					
Qualified Termination of Employment	2,831,447(1)	3,545,943(2)	165,111(3)	34,848(4)	6,577,349
Involuntary termination	2,831,447	0	0	15,212(6)	2,846,659
Death	472,720(7)	2,753,611(8)	0	0	3,226,331
Disability	472,720(7)	2,753,611(8)	0	0(11)	3,226,331
<b>Thomas J. Mielke</b>					
Qualified Termination of Employment	2,293,333(1)	5,767,780(2)	132,517(3)	34,848(4)	8,228,478
Involuntary termination	2,293,333	0	0	15,212(6)	2,308,545
Death	1,975,236(7)	4,628,014(8)	0(9)	0	6,603,250
Disability	400,236(7)	4,628,014(8)	1,165,154(10)	78,700(11)	6,272,104

- (1) Assumes the Committee would approve full payment under the Executive Officer Achievement Award Program for 2011; actual amount that would be paid is determined by the Committee in its discretion.
- (2) Assumes vesting of unvested performance-based restricted share units at the target level for the 2010 and 2011 grants and at the maximum level for the 2009 grant. See “Outstanding Equity Awards.” In addition, under the terms of the 2011 Plan, if the Committee were to determine that, pending a change of control, our common stock would 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 2011 Plan to employees other than our 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.
- (4) Includes an amount equal to 24 months of COBRA medical and dental coverage.

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- (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) Equals six months of COBRA medical and dental coverage and outplacement services with an estimated value of \$8,712 and \$6,500, respectively.
- (7) For death, includes the payment of benefits under Kimberly-Clark'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 2011; actual amount that would be paid is determined by the Committee in its discretion. For disability, does not include benefits payable under Kimberly-Clark'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 Kimberly-Clark- or government-provided income benefits received.
- (8) Assumes pro rata vesting of unvested performance-based restricted share units at the target level of the performance-based restricted share units for the 2010 and 2011 grants and at the maximum level for the 2009 grant. See "Outstanding Equity Awards."
- (9) For Messrs. Falk, Buthman, Abernathy and Mielke, 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.
- (10) Includes the excess of the estimated actuarial present value of the retirement benefits payable on disability for the named executive officer through December 31, 2011 (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.
- (11) Includes the value of retiree medical credits assuming total and permanent disability on December 31, 2011 of our named executive officers, other than Mr. Black. Our named executive officers would also be eligible for continuing coverage under Kimberly-Clark's group life insurance plan assuming total and permanent disability on December 31, 2011, 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) Includes the value of retiree medical credits assuming Mr. Abernathy's retirement on December 31, 2011. Mr. Abernathy would also be eligible for continuing coverage under Kimberly-Clark's group life insurance plan assuming total and permanent disability on December 31, 2011, 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.

### **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 common stock to file reports with the SEC regarding their ownership of our stock and any changes in ownership. We maintain a compliance program to assist our directors and executive officers in making these filings. Other than the exception noted below, we believe that our executive officers and directors timely complied with their filing requirements for 2011. On August 9 and 10, 2010, Robert E. Abernathy, our Group President – North Atlantic Consumer Products, gifted shares of our common stock. The Form 4 report reflecting these transactions was filed on October 6, 2011. In addition, on January 17, 2012, shares of our common stock held indirectly by John R. Alm, one of our Independent Directors, were sold. The Form 4 report reflecting this transaction was filed on February 22, 2012.

## 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 Kimberly-Clark 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 Kimberly-Clark. 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. As appropriate, 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, Kimberly-Clark'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 Kimberly-Clark.

*2011 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 2011, Bergstrom Corporation paid us \$422,000 for its share of the costs associated with these services. We believe this arrangement is fair and reasonable, advantageous to Kimberly-Clark 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.

In 2011, we purchased advertising totaling \$315,000 from entities owned directly or indirectly by Johnson Publishing Company, Inc., where Ms. Johnson Rice is Chairman. This advertising was placed in accordance with our advertising companies' independent recommendations and was not directed by Kimberly-Clark.



## 2013 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 2013 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 14, 2012. 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 Kimberly-Clark 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 Kimberly-Clark 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.



John W. Wesley  
Vice President and Secretary

KIMBERLY-CLARK CORPORATION  
P.O. Box 619100  
Dallas, Texas 75261-9100  
Telephone (972) 281-1200

March 7, 2012

Invitation to Stockholders  
Notice of 2012 Annual Meeting  
Proxy Statement







**Proxy — Kimberly-Clark Corporation**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 3, 2012:** The Notice of the Annual Meeting, the Proxy Statement, and the 2011 annual report, including Form 10-K, are available at <http://www.kimberly-clark.com/investors.aspx>.

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

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**Proxy/Voting Instructions for the Annual Meeting of Stockholders — May 3, 2012**

**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 Kimberly-Clark World Headquarters, 351 Phelps Drive, Irving, Texas on May 3, 2012 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, 2 and 3. IF YOU PREFER TO VOTE SEPARATELY ON INDIVIDUAL PROPOSALS 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 Annual Meeting, please so indicate in the space provided on the reverse side.

**IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE 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 2012 ENDED 31 MARCH 2012, FILED WITH THE SEC ON 4 MAY 2012

# KIMBERLY CLARK CORP

## FORM 10-Q (Quarterly Report)

Filed 05/04/12 for the Period Ending 03/31/12

Address	351 PHELPS DRIVE IRVING, TX 75038
Telephone	9722811200
CIK	0000055785
Symbol	KMB
SIC Code	2670 - Converted Paper And Paperboard Products, Except
Industry	Personal & Household Prods.
Sector	Consumer/Non-Cyclical
Fiscal Year	12/31

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

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**FORM 10-Q**

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(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, 2012

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

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**KIMBERLY-CLARK CORPORATION**

(Exact name of registrant as specified in its charter)

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**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)

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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

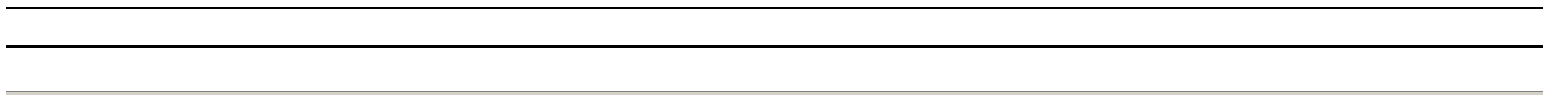
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter 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 27, 2012, there were 392,121,472 shares of the Corporation's common stock outstanding.**





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CONSOLIDATED INCOME STATEMENT**

(Unaudited)

(Millions of dollars, except per share amounts)	Three Months Ended March 31	
	2012	2011
<b>Net Sales</b>	<b>\$ 5,241</b>	<b>\$ 5,029</b>
Cost of products sold	<b>3,537</b>	3,566
<b>Gross Profit</b>	<b>1,704</b>	1,463
Marketing, research and general expenses	<b>996</b>	921
Other (income) and expense, net	<b>8</b>	(2)
<b>Operating Profit</b>	<b>700</b>	544
Interest income	<b>4</b>	4
Interest expense	<b>(71)</b>	(64)
<b>Income Before Income Taxes and Equity Interests</b>	<b>633</b>	484
Provision for income taxes	<b>(185)</b>	(152)
<b>Income Before Equity Interests</b>	<b>448</b>	332
Share of net income of equity companies	<b>39</b>	40
<b>Net Income</b>	<b>487</b>	372
Net income attributable to noncontrolling interests	<b>(19)</b>	(22)
<b>Net Income Attributable to Kimberly-Clark Corporation</b>	<b>\$ 468</b>	<b>\$ 350</b>
<b>Per Share Basis:</b>		
<b>Net Income Attributable to Kimberly-Clark Corporation</b>		
Basic	<b>\$ 1.19</b>	\$ 0.87
Diluted	<b>\$ 1.18</b>	\$ 0.86
<b>Cash Dividends Declared</b>	<b>\$ 0.74</b>	\$ 0.70

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	
	2012	2011
<b>Net Income</b>	<b>\$ 487</b>	<b>\$ 372</b>
<b>Other Comprehensive Income, Net of Tax:</b>		
Unrealized currency translation adjustments	261	222
Employee postretirement benefits	16	1
Other	(12)	(20)
<b>Total Other Comprehensive Income, Net of Tax</b>	<b>265</b>	<b>203</b>
<b>Comprehensive Income</b>	<b>752</b>	<b>575</b>
Comprehensive income attributable to noncontrolling interests	(24)	(27)
<b>Comprehensive Income Attributable to Kimberly-Clark Corporation</b>	<b>\$ 728</b>	<b>\$ 548</b>

See Notes to Consolidated Financial Statements.

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**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(Unaudited)

(Millions of dollars)	March 31 2012	December 31 2011
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 785	\$ 764
Accounts receivable, net	2,672	2,602
Inventories	2,354	2,356
Other current assets	506	561
<b>Total Current Assets</b>	<b>6,317</b>	<b>6,283</b>
<b>Property</b>	<b>18,511</b>	<b>18,240</b>
Less accumulated depreciation	10,393	10,191
<b>Net Property</b>	<b>8,118</b>	<b>8,049</b>
<b>Investments in Equity Companies</b>	<b>395</b>	<b>338</b>
<b>Goodwill</b>	<b>3,373</b>	<b>3,340</b>
<b>Other Intangible Assets</b>	<b>260</b>	<b>265</b>
<b>Long-Term Notes Receivable</b>	<b>394</b>	<b>394</b>
<b>Other Assets</b>	<b>700</b>	<b>704</b>
	<b>\$ 19,557</b>	<b>\$ 19,373</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Debt payable within one year	\$ 691	\$ 706
Trade accounts payable	2,382	2,388
Accrued expenses	1,885	2,026
Other current liabilities	291	277
<b>Total Current Liabilities</b>	<b>5,249</b>	<b>5,397</b>
<b>Long-Term Debt</b>	<b>5,707</b>	<b>5,426</b>
<b>Noncurrent Employee Benefits</b>	<b>1,423</b>	<b>1,460</b>
<b>Other Liabilities</b>	<b>993</b>	<b>1,014</b>
<b>Redeemable Preferred and Common Securities of Subsidiaries</b>	<b>547</b>	<b>547</b>
<b>Stockholders' Equity</b>		
Kimberly-Clark Corporation	5,353	5,249
Noncontrolling interests	285	280
<b>Total Stockholders' Equity</b>	<b>5,638</b>	<b>5,529</b>
	<b>\$ 19,557</b>	<b>\$ 19,373</b>

See Notes to Consolidated Financial Statements.

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**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
(Unaudited)

(Millions of dollars)	Three Months Ended March 31	
	2012	2011
<b>Operating Activities</b>		
Net income	\$ 487	\$ 372
Depreciation and amortization	218	243
Stock-based compensation	13	12
Increase in operating working capital	(215)	(151)
Deferred income taxes	115	45
Net losses on asset dispositions	11	6
Equity companies' earnings in excess of dividends paid	(37)	(39)
Postretirement benefits	(3)	(234)
Other	(4)	(4)
<b>Cash Provided by Operations</b>	<b>585</b>	<b>250</b>
<b>Investing Activities</b>		
Capital spending	(259)	(234)
Proceeds from sales of investments	—	5
Investments in time deposits	(35)	(43)
Maturities of time deposits	43	53
Other	—	1
<b>Cash Used for Investing</b>	<b>(251)</b>	<b>(218)</b>
<b>Financing Activities</b>		
Cash dividends paid	(277)	(269)
Net increase (decrease) in short-term debt	386	(20)
Proceeds from issuance of long-term debt	309	700
Repayments of long-term debt	(417)	(7)
Cash paid on redeemable preferred securities of subsidiary	(7)	(14)
Proceeds from exercise of stock options	115	81
Acquisitions of common stock for the treasury	(438)	(812)
Other	(6)	9
<b>Cash Used for Financing</b>	<b>(335)</b>	<b>(332)</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	22	9
Increase (decrease) in Cash and Cash Equivalents	21	(291)
Cash and Cash Equivalents, beginning of year	764	876
Cash and Cash Equivalents, end of period	<b>\$ 785</b>	<b>\$ 585</b>

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 material adjustments which are of a normal and recurring nature necessary for a fair presentation of the results for the periods presented have been reflected.

For further information, refer to the Consolidated Financial Statements and footnotes included in our Annual Report on Form 10-K for the year ended December 31, 2011. The terms "Corporation," "Kimberly-Clark," "K-C," "we," "our" and "us" refer to Kimberly-Clark Corporation and its consolidated subsidiaries.

*Highly Inflationary Accounting for Venezuelan Operations*

Our Venezuelan subsidiary ("K-C Venezuela") accounts 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. We determined that the Central Bank of Venezuela regulated currency exchange 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 2011 and through March 31, 2012.

*New Accounting Standards*

In May 2011, the Financial Accounting Standards Board ("FASB") and the International Accounting Standards Board ("IASB") issued Accounting Standards Update ("ASU") No. 2011-04 and IFRS 13, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*, respectively, to provide largely identical guidance about fair value measurement and disclosure requirements. The ASU does not extend the use of fair value but, rather, provides guidance about how fair value should be applied where it is already required or permitted under GAAP. We adopted this ASU effective January 1, 2012. The adoption of this update did not have a material impact on our consolidated financial statements.

In June 2011, the FASB issued ASU No. 2011-05, *Presentation of Comprehensive Income*, amending Topic 220, *Comprehensive Income*. The new standard increases the prominence of other comprehensive income in financial statements. Under this ASU, an entity will have the option to present the components of net income and comprehensive income in either one continuous or two consecutive financial statements. The ASU eliminates the option in GAAP to present other comprehensive income in the statement of changes in equity. In December 2011, the FASB issued ASU No. 2011-12, which deferred the effective date pertaining to reclassification adjustments out of accumulated other comprehensive income, which was originally proposed in ASU No. 2011-05. We adopted these ASUs effective January 1, 2012. These updates did not have a material impact on our consolidated financial statements.

In September 2011, the FASB issued ASU No. 2011-08, *Testing Goodwill for Impairment*, amending Topic 350, *Intangibles - Goodwill and Other*. This ASU permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before being required to apply the two-step goodwill impairment test. We adopted this ASU effective January 1, 2012. The adoption of this update did not have a material impact on our consolidated financial statements.

**Note 2. 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.

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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 three months ended March 31, 2012 and for full year 2011, 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 and the inputs used to develop those fair value measurements.

	March 31 2012	Fair Value Measurements		
		Level 1	Level 2	Level 3
(Millions of dollars)				
<b>Assets</b>				
Company-owned life insurance (“COLI”)	\$ 48	\$ —	\$ 48	\$ —
Available-for-sale securities	17	17	—	—
Derivatives	40	—	40	—
Total	<u>\$ 105</u>	<u>\$ 17</u>	<u>\$ 88</u>	<u>\$ —</u>
<b>Liabilities</b>				
Derivatives	<u>\$ 52</u>	<u>\$ —</u>	<u>\$ 52</u>	<u>\$ —</u>

	December 31 2011	Fair Value Measurements		
		Level 1	Level 2	Level 3
(Millions of dollars)				
<b>Assets</b>				
COLI	\$ 45	\$ —	\$ 45	\$ —
Available-for-sale securities	15	15	—	—
Derivatives	61	—	61	—
Total	<u>\$ 121</u>	<u>\$ 15</u>	<u>\$ 106</u>	<u>\$ —</u>
<b>Liabilities</b>				
Derivatives	<u>\$ 120</u>	<u>\$ —</u>	<u>\$ 120</u>	<u>\$ —</u>

The COLI policies are a source of funding primarily for our nonqualified employee benefits and are included in other assets. Available-for-sale securities are included in other assets. See Note 8 for information on the classification of derivatives in the Condensed Consolidated Balance Sheet.

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 were not significant at March 31, 2012 and December 31, 2011 and have been recorded in other comprehensive income until realized. The unrealized losses have not been recognized in earnings because we have 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 these 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 our use of derivative instruments is contained in Note 8.

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### Fair Value Disclosures

The following table includes the fair value of our financial instruments for which disclosure of fair value is required:

	Fair Value Hierarchy Level	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		March 31, 2012		December 31, 2011	
(Millions of dollars)					
<b>Assets</b>					
Cash and cash equivalents <sup>(a)</sup>	1	\$ 785	\$ 785	\$ 764	\$ 764
Time deposits <sup>(b)</sup>	1	88	88	95	95
Notes receivable <sup>(c)</sup>	3	394	380	394	373
<b>Liabilities and redeemable preferred and common securities of subsidiaries</b>					
Short-term debt <sup>(d)</sup>	2	473	473	87	87
Monetization loan <sup>(c)</sup>	3	397	391	397	386
Long-term debt <sup>(e)</sup>	2	5,528	6,477	5,648	6,671
Redeemable preferred securities of subsidiary <sup>(c)</sup>	3	506	562	506	568
Redeemable common securities of subsidiary <sup>(f)</sup>	3	41	41	41	41

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

<sup>(b)</sup> Time deposits, included in Other current assets on the Condensed Consolidated Balance Sheet, are comprised of deposits with original maturities of more than 90 days but less than one year. Time deposits are recorded at cost, which approximates fair value.

<sup>(c)</sup> The note, monetization loan and redeemable preferred securities of subsidiary 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, unobservable fair value credit spread, stated spread, maturity date and interest payment dates. The difference between the carrying amount of the note and its fair value represents an unrealized loss position for which an other-than-temporary impairment has not been recognized in earnings because we have both the intent and ability to hold the note for a period of time sufficient to allow for an anticipated recovery of fair value to the carrying amount of the note.

<sup>(d)</sup> Short-term debt is comprised of U.S. commercial paper and other similar short-term debt issued by non-U.S. subsidiaries, all of which are recorded at cost, which approximates fair value.

<sup>(e)</sup> Long-term debt excludes the monetization loan and includes the current portion (\$218 million and \$619 million at March 31, 2012 and December 31, 2011, respectively) of these debt instruments. Fair values were estimated based on quoted prices for financial instruments for which all significant inputs were observable, either directly or indirectly.

<sup>(f)</sup> The fair value of the redeemable common securities of subsidiary was based on various inputs, including an independent third-party appraisal, adjusted for current market conditions.

### Note 3. Pulp and Tissue Restructuring Actions

On January 21, 2011, we initiated a pulp and tissue restructuring plan (the "Restructuring") in order to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability and return on invested capital of our consumer tissue and K-C Professional ("KCP") businesses. The Restructuring involves the streamlining, sale or closure of six of our manufacturing facilities around the world. In conjunction with these actions, we have begun to exit certain non-strategic products, primarily non-branded offerings, and transfer some production to lower-cost facilities in order to improve overall profitability and returns.



In addition, on January 24, 2012, we announced our decision to streamline an additional manufacturing facility in North America ("Additional Streamlining") to further enhance the profitability of our consumer tissue business. Estimated charges related to this additional restructuring action are expected to range from \$30 million to \$50 million before tax.

Both restructuring actions are anticipated to be substantially completed by the end of 2012. The restructuring actions are expected to result in cumulative pre-tax charges of approximately \$550 million to \$600 million ( \$385 million to \$420 million after tax) over 2011 and 2012. Cash costs related to the streamlining of operations, sale or closure, relocation of equipment, severance and

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other expenses are expected to account for approximately 30 percent to 40 percent of the charges. Noncash charges will consist primarily of incremental depreciation.

Through March 31, 2012, cumulative pre-tax charges for the restructuring actions were \$450 million ( \$313 million after tax), including cumulative pre-tax cash charges of \$101 million . On a geographic basis, these cumulative pre-tax charges were incurred as follows: North America - \$237 million ; Australia - \$135 million and Other - \$78 million . On a business segment basis, these cumulative pre-tax charges were incurred as follows: Consumer Tissue - \$389 million ; K-C Professional & Other - \$59 million and Other (income) and expense, net - \$2 million .

The following charges were incurred in connection with the restructuring actions:

	Three Months Ended March 31			
	2012			2011
	The Restructuring	Additional Streamlining	Total	The Restructuring
	(Millions of dollars)			
Incremental depreciation	\$ 6	\$ 6	\$ 12	\$ 40
Charges for workforce reductions	1	3	4	42
Asset write-offs	8	—	8	—
Other exit costs	11	—	11	—
Cost of products sold	26	9	35	82
Provision for income taxes	(8)	(3)	(11)	(25)
Net charges	\$ 18	\$ 6	\$ 24	\$ 57

See Note 9 for additional information on the pulp and tissue restructuring charges by segment.

Pre-tax charges for the restructuring actions relate to activities in the following geographic areas:

	Three Months Ended March 31, 2012			
	North America	Australia	Other	Total
	(Millions of dollars)			
Incremental depreciation	\$ 12	\$ —	\$ —	\$ 12
Charges for workforce reductions	4	—	—	4
Asset write-offs	8	—	—	8
Other exit costs	9	2	—	11
Total charges	\$ 33	\$ 2	\$ —	\$ 35

	Three Months Ended March 31, 2011			
	North America	Australia	Other	Total
	(Millions of dollars)			
Incremental depreciation	\$ 18	\$ 19	\$ 3	\$ 40
Charges for workforce reductions	—	40	2	42
Total charges	\$ 18	\$ 59	\$ 5	\$ 82

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The following summarizes the cash charges recorded and reconciles these charges to accrued expenses for the restructuring actions:

(Millions of dollars)

Accrued expenses - December 31, 2011	\$	37
Charges for workforce reductions and other exit costs		15
Cash payments		(31)
Accrued expenses - March 31, 2012	\$	21

### Note 4. Inventories

The following schedule presents a summary of inventories by major class:

(Millions of dollars)	March 31, 2012			December 31, 2011		
	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	\$ 159	\$ 343	\$ 502	\$ 163	\$ 334	\$ 497
Work in process	212	125	337	245	126	371
Finished goods	662	787	1,449	708	760	1,468
Supplies and other	—	305	305	—	300	300
	<u>1,033</u>	<u>1,560</u>	<u>2,593</u>	<u>1,116</u>	<u>1,520</u>	<u>2,636</u>
Excess of FIFO or weighted-average cost over LIFO cost	(239)	—	(239)	(280)	—	(280)
Total	<u>\$ 794</u>	<u>\$ 1,560</u>	<u>\$ 2,354</u>	<u>\$ 836</u>	<u>\$ 1,520</u>	<u>\$ 2,356</u>

We use 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 net periodic 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			
	2012	2011	2012	2011
Service cost	\$ 12	\$ 14	\$ 4	\$ 4
Interest cost	70	76	9	11
Expected return on plan assets	(83)	(86)	—	—
Recognized net actuarial loss	27	24	—	—
Other	11	—	—	1
Net periodic benefit cost	<u>\$ 37</u>	<u>\$ 28</u>	<u>\$ 13</u>	<u>\$ 16</u>

During the first quarter of 2012 and 2011, we made cash contributions of \$45 million and \$265 million, respectively, to our pension trusts. We currently anticipate contributing between \$50 million and \$100 million for the full year 2012 to our pension trusts.

Various derivative instruments are utilized in the management of our defined benefit plan assets. These derivative instruments are used to manage risk or achieve a target asset allocation. For the U.S. pension plan, equity volatility is managed by entering into exchange-traded puts and over-the-counter calls to create equity collars with a zero net premium at initiation. The equity collar strategy is designed to reduce potential equity losses while limiting gains, resulting in lower equity volatility for the plan. As of March 31, 2012, equity collars are in place on approximately 17 percent of the U.S. plan's \$1.5 billion equity allocation.



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**Note 6. Earnings Per Share ("EPS")**

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)	Three Months Ended March 31	
	2012	2011
Average shares outstanding	393.7	402.5
Participating securities	0.1	0.9
Basic	393.8	403.4
Dilutive effect of stock options	1.9	1.4
Dilutive effect of restricted share and restricted share unit awards	1.4	1.1
Diluted	397.1	405.9

There were no outstanding options excluded from the computation of diluted EPS for the three months ended March 31, 2012 . Options outstanding during the three months ended March 31, 2011 to purchase 4.7 million shares of common stock were not included in the computation of diluted EPS mainly 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, 2012 and 2011 was 391.4 million and 395.2 million , respectively.

**Note 7. Stockholders' Equity**

Set forth below are reconciliations for the three months ended March 31, 2012 and 2011 of the carrying amount of total stockholders' equity from the beginning of the period to the end of the period. In addition, each of the reconciliations displays the amount of net income allocable to redeemable securities of subsidiaries.

(Millions of dollars)	Comprehensive Income	Stockholders' Equity Attributable to		Redeemable Securities of Subsidiaries
		The Corporation	Noncontrolling Interests	
Balance at December 31, 2011		\$ 5,249	\$ 280	\$ 547
Comprehensive Income:				
Net income	\$ 487	468	11	8
Other comprehensive income, net of tax:				
Unrealized translation	261	254	7	—
Employee postretirement benefits	16	17	(1)	—
Other	(12)	(11)	(1)	—
Total Comprehensive Income	\$ 752			
Stock-based awards exercised or vested		114	—	—
Income tax benefits on stock-based compensation		7	—	—
Shares repurchased		(469)	—	—
Recognition of stock-based compensation		13	—	—
Dividends declared		(291)	(13)	—
Other		2	2	(1)
Return on redeemable securities of subsidiaries		—	—	(7)
Balance at March 31, 2012		\$ 5,353	\$ 285	\$ 547

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The change in net unrealized currency translation adjustments for the three months ended March 31, 2012 was due to a weakening of the U.S. dollar against most foreign currencies.

In the three months ended March 31, 2012, we repurchased 6.3 million shares for a total cost of \$460 million.

(Millions of dollars)	Comprehensive Income	Stockholders' Equity Attributable to		Redeemable Securities of Subsidiaries
		The Corporation	Noncontrolling Interests	
Balance at December 31, 2010		\$ 5,917	\$ 285	\$ 1,047
Comprehensive Income:				
Net income	\$ 372	350	8	14
Other comprehensive income, net of tax:				
Unrealized translation	222	217	5	—
Employee postretirement benefits	1	1	—	—
Other	(20)	(20)	—	—
Total Comprehensive Income	<u>\$ 575</u>			
Stock-based awards		85	—	—
Income tax benefits on stock-based compensation		3	—	—
Shares repurchased		(850)	—	—
Recognition of stock-based compensation		12	—	—
Dividends declared		(281)	(12)	—
Other		—	1	(1)
Return on redeemable securities of subsidiaries		—	—	(14)
Balance at March 31, 2011		<u>\$ 5,434</u>	<u>\$ 287</u>	<u>\$ 1,046</u>

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 ("AOCI"). For these operations, changes in exchange rates generally do not affect cash flows; therefore, unrealized translation adjustments are recorded in AOCI rather than net income. Upon sale or substantially complete liquidation of any of these subsidiaries, the applicable unrealized translation adjustment would be removed from AOCI and reported as part of the gain or loss on the sale or liquidation.

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.

### **Note 8. Objectives and Strategies for Using Derivatives**

As a multinational enterprise, we are exposed to financial risks, such as changes in foreign currency exchange rates, interest rates, commodity prices and the value of investments of our defined benefit pension plans. We employ a number of practices to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. Our policies allow the use of derivatives for risk management purposes and prohibit their use for speculation. Our policies also prohibit the use of any leveraged derivative instrument. Consistent with our policies, foreign currency derivative instruments, interest rate swaps and locks, equity collars and the majority of commodity hedging contracts are entered into with major financial institutions.

On the date a derivative contract is entered into, we formally designate certain derivatives as cash flow, fair value or net investment hedges and establish 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 in earnings as they occur.

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Set forth below is a summary of the fair values of our derivative instruments classified by the risks they are used to manage:

	Assets		Liabilities	
	March 31 2012	December 31 2011	March 31 2012	December 31 2011
	(Millions of dollars)			
Foreign currency exchange risk	\$ 32	\$ 45	\$ 10	\$ 33
Interest rate risk	8	16	25	75
Commodity price risk	—	—	17	12
Total	<u>\$ 40</u>	<u>\$ 61</u>	<u>\$ 52</u>	<u>\$ 120</u>

The derivative assets are presented in the Condensed Consolidated Balance Sheet in Other current assets and Other assets, as appropriate. The derivative liabilities are presented in the Condensed Consolidated Balance Sheet in Accrued expenses and Other liabilities, as appropriate.

### *Foreign Currency Exchange Risk Management*

We have 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, our exposures to recorded non-U.S. dollar assets and liabilities and entering into derivative instruments with third parties whenever our 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 net effect on earnings from the use of these non-designated derivatives is substantially neutralized by transactional gains and losses recorded on the underlying assets and liabilities. The In-House Bank’s daily notional derivative positions with third parties averaged \$1.4 billion in the first three months of 2012 and its average net exposure for the same period was \$1.3 billion . The In-House Bank used nine counterparties for its foreign exchange derivative contracts.

We enter into derivative instruments to hedge a portion of the net foreign currency exposures of our non-U.S. operations, principally for their forecasted purchases of pulp, which are priced in U.S. dollars, and imports of intercompany finished goods and work-in-process priced predominately in U.S. dollars and euros. The derivative instruments used to manage these exposures are designated and qualify as cash flow hedges. As of March 31, 2012 , outstanding derivative contracts of \$840 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 non-functional currency denominated monetary assets and liabilities managed outside the In-House Bank, primarily intercompany loans and accounts payable, is hedged with derivative instruments with third parties. At March 31, 2012 , the notional amount of these predominantly undesignated derivative instruments was \$590 million .

### *Foreign Currency Translation Risk Management*

Translation adjustments result from translating foreign entities’ financial statements to U.S. dollars from their functional currencies. The risk to any particular entity's net assets is reduced to the extent that the entity is financed with local currency borrowing. 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 our net investment in our Mexican affiliate has been hedged. At March 31, 2012 , we had in place net investment hedges of \$136 million for a portion of our investment in our 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 related to net investment hedges as of March 31, 2012 and 2011 .

### *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. 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 or, to a lesser extent, cash flow hedges.

From time to time, we hedge the anticipated issuance of fixed-rate debt, using 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 at a future date). These contracts are designated as cash flow hedges.

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At March 31, 2012, the aggregate notional values of outstanding interest rate contracts designated as fair value hedges and cash flow hedges were \$300 million and \$280 million, respectively.

### *Commodity Price Risk Management*

We use derivative instruments to hedge a portion of our 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, 2012, outstanding commodity forward contracts were in place to hedge forecasted purchases of about 30 percent of our estimated natural gas requirements for the next twelve months 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 predominantly 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 related hedged items 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 months ended March 31, 2012 and 2011. For the three month periods ended March 31, 2012 and 2011, 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 AOCI, 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 months ended March 31, 2012 and 2011. For the three months ended March 31, 2012 and 2011, 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 March 31, 2012, an insignificant amount of after-tax losses 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 March 31, 2012 is April 2014.

### *Quantitative Information about Our Use of Derivative Instruments*

The following tables display the location and amount of pre-tax gains and losses reported in the Consolidated Income Statement and Consolidated Statement of Other Comprehensive Income.

For the three months ended March 31 (Millions of dollars):

	Income Statement Classifications	(Gain) or Loss Recognized in Income	
		2012	2011
Undesignated foreign exchange hedging instruments	Other (income) and expense, net <sup>(a)</sup>	\$ (42)	\$ (40)
<b>Fair Value Hedges</b>			
Interest rate swap contracts	Interest expense	\$ 6	\$ (5)
Hedged debt instruments	Interest expense	\$ (6)	\$ 5



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	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	
	2012	2011		2012	2011
<b>Cash Flow Hedges</b>					
Interest rate contracts	\$ (3)	\$ (1)	Interest expense	\$ —	\$ (1)
Foreign exchange contracts	13	34	Cost of products sold	(3)	6
Foreign exchange contracts	2	5	Other (income) and expense, net	2	6
Commodity contracts	8	—	Cost of products sold	4	2
Total	\$ 20	\$ 38		\$ 3	\$ 13
<b>Net Investment Hedges</b>					
Foreign exchange contracts	\$ (1)	\$ 1		\$ —	\$ —

(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-functional currency 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 on the underlying assets and liabilities.

### Note 9. Description of Business Segments

We are 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 our executive managers develop and execute global strategies to drive growth and profitability. 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 and income and expense not associated with the business segments, including the charges related to the pulp and tissue restructuring actions described in Note 3.

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

- *Personal Care* brands offer parents a trusted partner in caring for their families and deliver confidence, protection and discretion to adults, through a wide variety of innovative solutions and products such as disposable diapers, training and youth pants, swimpants, baby wipes, feminine and incontinence care products, and other related products. Products in this segment are sold under the Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.
- *Consumer Tissue* offers a wide variety of innovative solutions and trusted brands that touch and improve people's lives every day. Products in this segment include facial and bathroom tissue, paper towels, napkins and related products, and are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Hakle, Page and other brand names.
- *K-C Professional & Other* helps transform workplaces for employees and patrons, making them healthier, safer, and more productive, through a range of solutions and supporting products such as apparel, wipers, soaps, sanitizers, tissues, and towels. Key brands in this segment include: Kleenex, Scott, WypAll, Kimtech, and Jackson Safety.
- *Health Care* provides the essentials that help restore patients to better health and improve the quality of patients' lives. Through a portfolio of innovative medical device and infection prevention products, Health Care offers clinicians a range of solutions in pain management, respiratory and digestive health and medical supplies for the operating room. This business is a global leader in education to prevent healthcare-associated infections. Products are sold primarily under the Kimberly-Clark and ON-Q brand names.

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The following schedules present information concerning consolidated operations by business segment:

	Three Months Ended March 31	
	2012	2011
	(Millions of dollars)	
<b>NET SALES:</b>		
Personal Care	\$ 2,367	\$ 2,187
Consumer Tissue	1,659	1,674
K-C Professional & Other	797	768
Health Care	405	388
Corporate & Other	13	12
Consolidated	<u>\$ 5,241</u>	<u>\$ 5,029</u>
<b>OPERATING PROFIT (reconciled to Income Before Income Taxes and Equity Interests):</b>		
Personal Care	\$ 399	\$ 389
Consumer Tissue	217	150
K-C Professional & Other	125	104
Health Care	53	50
Other (income) and expense, net	8	(2)
Corporate & Other <sup>(a)</sup>	<u>(86)</u>	<u>(151)</u>
Total Operating Profit	700	544
Interest income	4	4
Interest expense	<u>(71)</u>	<u>(64)</u>
Income Before Income Taxes and Equity Interests	<u>\$ 633</u>	<u>\$ 484</u>

<sup>(a)</sup> For the three months ended March 31, 2012 and 2011, Corporate & Other includes pulp and tissue restructuring charges of \$35 million and \$82 million, respectively. The three months ended March 31, 2011 also includes a non-deductible business tax charge of \$32 million related to a law change in Colombia. See additional information in Note 3 for the pulp and tissue restructuring actions. The restructuring charges related to the business segments are as follows:

	Three Months Ended March 31	
	2012	2011
	(Millions of dollars)	
Consumer Tissue	\$ 32	\$ 75
K-C Professional & Other	3	7
Total	<u>\$ 35</u>	<u>\$ 82</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 our recent performance, financial condition and prospects. The following will be discussed and analyzed:

- Overview of First Quarter 2012 Results
- Results of Operations and Related Information
- Liquidity and Capital Resources
- Legal Matters
- Business Outlook

### **Overview of First Quarter 2012 Results**

- Net sales increased 4.2 percent primarily due to increases in net selling prices and sales volumes.
- Operating profit and net income attributable to Kimberly-Clark Corporation increased 28.7 percent and 33.7 percent, respectively.
- Net income in 2012 includes \$24 million in after tax charges (\$35 million pre-tax) for pulp and tissue restructuring actions. The prior year results include \$57 million in after tax charges (\$82 million pre-tax) for the restructuring actions as well as a non-deductible business tax charge of \$35 million related to a law change in Colombia.
- Cash provided by operations was \$585 million compared to \$250 million in the prior year.

### **Results of Operations and Related Information**

This section presents a discussion and analysis of our first quarter of 2012 net sales, operating profit and other information relevant to an understanding of the results of operations.

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*First Quarter of 2012 Compared With First Quarter of 2011*

*Analysis of Net Sales*

By Business Segment

Net Sales	2012	2011
	(Millions of dollars)	
Personal Care	\$ 2,367	\$ 2,187
Consumer Tissue	1,659	1,674
K-C Professional & Other	797	768
Health Care	405	388
Corporate & Other	13	12
Consolidated	\$ 5,241	\$ 5,029

By Geography

Net Sales	2012	2011
	(Millions of dollars)	
North America	\$ 2,678	\$ 2,637
Outside North America	2,758	2,568
Intergeographic sales	(195)	(176)
Consolidated	\$ 5,241	\$ 5,029

Commentary :

	Percent Change in Net Sales Versus Prior Year				
	Changes Due To				
	Total Change	Volume Growth	Net Price	Mix/ Other	Currency
Consolidated	4.2	1	3	1	(1)
Personal Care	8.2	6	3	—	(1)
Consumer Tissue	(0.9)	(5)	4	1	(1)
K-C Professional & Other	3.8	2	2	1	(1)
Health Care	4.4	4	1	(1)	—

- Personal care net sales in North America increased 1 percent. Net selling prices rose approximately 2 percent, driven by improved revenue realization for Huggies diapers, and product mix was favorable by 1 percent, while sales volumes decreased about 1 percent. Infant care and child care volumes were down mid- and high-single digits, respectively, primarily reflecting category declines and consumer trade-down in child care. Volumes rose high-single digits in adult care, including benefits from market share growth, sales of new Poise Hourglass Shape Pads and introductory shipments of new Depend Real Fit and Silhouette briefs. Feminine care volumes were up low-single digits.

In Europe, personal care net sales increased 4 percent, despite an unfavorable currency impact of about 3 percent. Sales volumes rose 11 percent, with growth in child care, Huggies diapers and baby wipes and non-branded offerings. Net selling prices fell approximately 5 percent, primarily due to increased promotional activity in the diaper category.

Personal care net sales increased about 17 percent in our international operations in Asia, Latin America, the Middle East, Eastern Europe and Africa ("K-C International"), which included an approximate 2 percent decline from changes in currency rates. Sales volumes were up 12 percent, with double-digit growth in each major region of K-C International. Sales volume performance was strong in a number of markets, including Australia, Brazil, China, Israel, Russia, South Africa, South Korea, Venezuela and Vietnam. Net selling prices improved about 6 percent compared to the year-ago period, driven by increases in Latin America.

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- Consumer tissue net sales in North America were even with the prior year, despite a 4 percent negative impact from lost sales in conjunction with pulp and tissue restructuring actions. Net selling prices rose 6 percent, while organic sales volumes (i.e., sales volume impacts other than the lost sales from restructuring actions) decreased 2 percent. Bathroom tissue net sales increased at a solid rate, as higher selling prices more than offset a low-single digit decline in sales volumes. Kleenex facial tissue net sales were even with year-ago, as higher selling prices and improved product mix were offset by lower volumes, which were impacted by a weak cold and flu season and sheet count reductions. Paper towel net sales and volumes rose at a double-digit rate and benefited from improved distribution levels.

In Europe, consumer tissue net sales decreased 5 percent, including an unfavorable currency impact of 2 percent. Sales volumes fell 2 percent and changes in product mix reduced sales by 1 percent, reflecting challenging economic conditions.

In K-C International, consumer tissue net sales increased about 1 percent. Net selling prices improved 4 percent and product mix advanced 3 percent, reflecting our strategies to improve net realized revenue and profitability. On the other hand, organic sales volumes fell 3 percent, lost sales in conjunction with pulp and tissue restructuring actions reduced sales volumes about 2 percent and currency rates were unfavorable by approximately 2 percent.

- Net sales of K-C Professional ("KCP") & other products in North America increased 4 percent. Increased sales volumes, higher net selling prices and changes in product mix each improved sales by approximately 1 percent. The volume gain was driven by increased washroom product volumes, reflecting some improvement in market demand and benefits from innovation and selling initiatives.

In Europe, KCP net sales decreased 4 percent. Lost sales in conjunction with pulp and tissue restructuring actions reduced sales volumes 5 percent and changes in currency rates decreased net sales by 2 percent. On the other hand, higher organic sales volumes, improved selling prices and favorable product mix each contributed 1 percent of sales growth.

KCP net sales in K-C International increased 9 percent. Sales volumes were up 7 percent, with particular strength in Latin America, and net selling prices rose 3 percent, while currency rates reduced net sales 1 percent.

- Net sales of health care products increased 4 percent over the prior year. Sales volumes rose about 4 percent and net selling prices increased approximately 1 percent. Medical supply volumes rose at a mid-single digit rate, led by growth in exam gloves and surgical products. Medical device volumes increased low-single digits, with solid growth in airway management products.

### *Analysis of Operating Profit*

By Business Segment

<b>Operating Profit</b>	<b>2012</b>	<b>2011</b>
	(Millions of dollars)	
Personal Care	\$ 399	\$ 389
Consumer Tissue	217	150
K-C Professional & Other	125	104
Health Care	53	50
Corporate & Other <sup>(a)</sup>	(86)	(151)
Other (income) and expense, net	8	(2)
Consolidated	<u>\$ 700</u>	<u>\$ 544</u>

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By Geography

<b>Operating Profit</b>	<b>2012</b>	<b>2011</b>
	(Millions of dollars)	
North America	\$ 479	\$ 467
Outside North America	315	226
Corporate & Other <sup>(a)</sup>	(86)	(151)
Other (income) and expense, net	8	(2)
<b>Consolidated</b>	<b>\$ 700</b>	<b>\$ 544</b>

<sup>(a)</sup> For the three months ended March 31, 2012 and 2011, Corporate & Other includes pulp and tissue restructuring charges of \$35 million and \$82 million, respectively. The three months ended March 31, 2011 also included a non-deductible business tax charge of \$32 million related to a law change in Colombia.

Commentary:

	Percentage Change in Operating Profit Versus Prior Year						
	Total Change	Change Due To					
		Volume	Net Price	Input Costs <sup>(a)</sup>	Cost Savings	Currency	Other <sup>(b)</sup>
Consolidated	28.7	4	28	(2)	11	(1)	(11)
Personal Care	2.6	9	17	(9)	7	—	(21)
Consumer Tissue	44.7	(14)	46	17	17	(1)	(20)
K-C Professional & Other	20.2	4	14	2	14	(2)	(12)
Health Care	6.0	7	5	(1)	(17)	2	10

<sup>(a)</sup> Includes inflation in raw materials, energy and distribution costs.

<sup>(b)</sup> Consolidated includes the impact of the charges in 2012 and 2011 related to the pulp and tissue restructuring actions and a non-deductible business tax charge in 2011 related to a law change in Colombia.

Consolidated operating profit increased compared to the prior year. The benefits of higher net sales and cost savings of \$60 million were partially offset by net inflation in key cost inputs of approximately \$10 million, higher marketing, research and general expenses, including a \$45 million increase in strategic marketing, primarily to support product innovations and targeted growth initiatives, and administrative and research spending increases, in part to build further capabilities and support future growth. In addition, the current year results include \$35 million of pre-tax charges for the pulp and tissue restructuring actions, while the prior year period includes \$82 million of pre-tax charges for the restructuring actions and a \$32 million non-deductible charge due to a legislative change in the assessment of a business tax in Colombia.

- Personal care segment operating profit increased due to higher net sales and cost savings, partially offset by input cost inflation and increased marketing, research and general expenses. In North America, operating profit decreased due to lower sales volumes, higher marketing, research and general expenses and the negative impact of lower production volumes, partially offset by higher net selling prices and cost savings. Operating profit in Europe increased slightly due to cost savings, higher sales volumes and the impact of higher production volumes, mostly offset by lower net selling prices and higher marketing, research and general expenses. In K-C International, operating profit increased as higher net selling prices, higher sales volumes and cost savings were partially offset by higher input costs and marketing, research and general expenses.
- Consumer tissue segment operating profit increased as selling price increases, input cost deflation and cost savings were partially offset by decreased sales volumes and higher marketing, research and general expenses. Operating profit in North America increased as higher net selling prices, input cost deflation and cost savings were partially offset by lower sales volumes and higher marketing, research and general expenses. In Europe, operating profit increased as cost savings and cost input deflation were partially offset by higher marketing, research and general expenses and unfavorable product mix. Operating profit in K-C International increased as higher net selling prices, cost savings and favorable product mix were partially offset by higher marketing, research and general expenses and lower sales volumes.

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- Operating profit for the KCP & Other segment increased as sales growth and cost savings were partially offset by higher marketing, research and general expenses.
- Health care segment operating profit increased driven by sales growth and lower marketing, research and general expenses.

### Pulp and Tissue Restructuring Actions:

On January 21, 2011, we initiated a pulp and tissue restructuring plan in order to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability and return on invested capital of our consumer tissue and KCP businesses. The restructuring involves the streamlining, sale or closure of six of our manufacturing facilities around the world. In conjunction with these actions, we have begun to exit certain non-strategic products, primarily non-branded offerings, and transfer some production to lower-cost facilities in order to improve overall profitability and returns.

In addition, on January 24, 2012, we announced our decision to streamline an additional manufacturing facility in North America to further enhance the profitability of our consumer tissue business.

Both restructuring actions are anticipated to be substantially completed by the end of 2012. The restructuring actions are expected to result in cumulative pre-tax charges of approximately \$550 million to \$600 million ( \$385 million to \$420 million after tax) over 2011 and 2012. Cash costs related to the streamlining of operations, sale or closure, relocation of equipment, severance and other expenses are expected to account for approximately 30 percent to 40 percent of the charges. Noncash charges will consist primarily of incremental depreciation.

As a result of the restructuring activities, versus the 2010 baseline, we expect that by 2013 annual net sales will decrease by \$250 million to \$300 million, and operating profit will increase by at least \$75 million in 2013 and at least \$100 million in 2014. Through the first quarter of 2012, we have recognized cumulative operating profit benefits of \$25 million from the restructuring actions. Most of the restructuring will impact the consumer tissue business segment.

See additional information on the pulp and tissue restructuring actions in Note 3 to the Condensed Consolidated Financial Statements.

### **Additional Income Statement Commentary**

- Interest expense for the first quarter of 2012 was \$7 million higher than the prior year primarily due to a higher level of debt.
- Our effective tax rate for the first quarter of 2012 was 29.2 percent compared to 31.4 percent in the prior year. The rate in 2011 was impacted by a non-deductible business tax law change in Colombia, partially offset by favorable audit resolutions. The rate in 2012 was impacted by favorable resolutions of matters with tax authorities.
- Our share of net income of equity companies in the first quarter of 2012 was \$1 million lower than the prior year. The year- ago results included a \$3 million charge as a result of a non-deductible business tax at one of our equity affiliates in Colombia. At Kimberly-Clark de Mexico, S.A.B. de C.V., despite increased sales volumes, net sales were even with the year-ago period and earnings were down, as a result of a decline in the value of the Mexican peso.

### **Liquidity and Capital Resources**

- Cash provided by operations for the first three months of 2012 was \$585 million compared to \$250 million in the prior year. The increase was driven by lower defined benefit plan contributions and higher cash earnings. Contributions to our defined benefit pension plans totaled \$45 million for the three months ended March 31, 2012 versus \$265 million for the three months ended March 31, 2011 . We expect to contribute \$50 million to \$100 million to our pension trusts in 2012.
- During the first quarter of 2012 , we repurchased approximately 6.3 million shares of our common stock at a cost of approximately \$460 million . In 2012 , we plan to repurchase \$900 million to \$1.1 billion of shares through open market purchases, subject to market conditions.
- Capital spending for the first three months was \$259 million compared with \$234 million last year. We anticipate that full year 2012 capital spending will be between \$1.0 and \$1.1 billion.
- At March 31, 2012 , total debt and redeemable securities was \$6.9 billion compared with \$6.7 billion at December 31, 2011 .
- Our short-term debt as of March 31, 2012 was \$473 million (included in Debt payable within one year on the Condensed Consolidated Balance Sheet) and consisted of U.S. commercial paper with original maturities up to 90 days and other similar short-term debt issued by non-U.S. subsidiaries. The average month-end balance of short-term debt for the first quarter of

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2012 was \$462 million. These short-term borrowings, which included commercial paper that we issue from time to time, provide supplemental funding for supporting our operations. The level of short-term debt during a quarter generally fluctuates depending upon the amount of operating cash flows and the timing of customer receipts and payments for items such as dividends and income taxes.

- On February 9, 2012, we issued \$300 million of 2.4% notes due March 1, 2022. Proceeds from the offering were used for general corporate purposes, including to repay a portion of our \$400 million aggregate principal amount of 5.625% notes that were due February 15, 2012.
- We have an unused revolving credit facility comprised of (1) a 5 year facility of \$1.5 billion scheduled to expire in October 2016, (2) an additional \$500 million facility scheduled to expire in October 2012, and (3) an option to increase either (but not both) the \$1.5 billion facility or the \$500 million facility by an additional \$500 million. This facility supports our commercial paper program and would provide liquidity in the event our access to the commercial paper market is unavailable for any reason.
- The Venezuelan government has currency exchange regulations that limit U.S. dollar availability to pay for the historical levels of U.S. dollar-denominated imports to support operations of our Venezuelan subsidiary (“K-C Venezuela”). At March 31, 2012, K-C Venezuela had a bolivar-denominated net monetary asset position of \$155 million and our net investment in K-C Venezuela was \$271 million, both valued at 5.4 bolivars per U.S. dollar. Net sales of K-C Venezuela represented 1 percent of Consolidated Net Sales for full-year 2011. The Venezuelan government has enacted price controls effective April 1, 2012 that will reduce the net selling prices of certain of K-C Venezuela's products. We do not expect the enacted price controls to have a material impact on our consolidated financial results.
- We believe that our ability to generate cash from operations and our 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 for the foreseeable future. Further, we do not expect restrictions or taxes on repatriation of cash held outside of the United States to have a material effect on our overall liquidity, financial condition or results of operations for the foreseeable future.

### **Legal Matters**

We are subject to various legal proceedings, claims and governmental inspections, audits or investigations pertaining to issues such as contract disputes, product liability, patents and trademarks, advertising, governmental regulations, employment and other matters. Although the results of litigation and claims cannot be predicted with certainty, we believe that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material adverse effect, individually or in the aggregate, on our business, financial condition, results of operations or liquidity.

We are subject to federal, state and local environmental protection laws and regulations with respect to our business operations and are operating in compliance with, or taking action aimed at ensuring compliance with, these laws and regulations. We have been named a potentially responsible party under the provisions of the U.S. federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statutes, at a number of waste disposal sites. None of our compliance obligations with environmental protection laws and regulations, individually or in the aggregate, is expected to have a material adverse effect on our business, financial condition, results of operations or liquidity.



## **Business Outlook**

During 2012, we expect economic conditions will remain positive in emerging markets overall. In the U.S., with the economic environment improving modestly, we do not expect a significant increase in market demand in the near term. In Europe, we expect economic conditions to remain challenging. In this global environment, we will seek to continue to increase strategic marketing faster than net sales and pursue our targeted growth initiatives. We expect commodity cost inflation to be relatively benign overall in 2012, but we believe results will likely be negatively impacted by foreign currency exchange rates weakening against the U.S. dollar. We will continue to manage our company with financial discipline, and expect to deliver cost savings to offset cost increases.

## **Information Concerning Forward-Looking Statements**

Certain matters contained in this report concerning the business outlook, including the anticipated costs, scope, timing and effects of restructuring actions, the impact of foreign government actions, cash flow, cash sources and uses of cash, economic conditions and market demand, cost inflation and input costs, anticipated currency rates and exchange risk, cost savings and reductions, anticipated financial and operating results, contingencies and anticipated transactions of Kimberly-Clark, including share repurchases and pension contributions, 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 Kimberly-Clark. There can be no assurance that these future events will occur as anticipated or that our results will be as estimated. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update them.

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 our control, including the prices and availability of our raw materials, potential competitive pressures on selling prices or advertising and promotion expenses for our products, energy costs, retail trade customer actions, and fluctuations in foreign currency exchange rates, as well as general economic and political conditions globally and in the markets in which we do business, could affect the realization of these estimates.

For a description of certain factors that could cause our future results to differ from those expressed in these forward-looking statements, see Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2011 entitled “Risk Factors.”

## **Item 4. Controls and Procedures**

As of March 31, 2012, an evaluation was performed under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of March 31, 2012. There were no changes in our internal control over financial reporting during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our 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

We repurchase shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. All our share repurchases during the first quarter of 2012 were made through a broker in the open market.

The following table contains information for shares repurchased during the first quarter of 2012 . None of the shares in this table were repurchased directly from any of our officers or directors.

<b>Period (2012)</b>	<b>Total Number of Shares Purchased <sup>(a)</sup></b>	<b>Average Price Paid Per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs <sup>(b)</sup></b>
January 1 to January 31	2,056,896	\$ 72.70	1,871,307	48,128,693
February 1 to February 29	2,058,104	71.53	3,929,411	46,070,589
March 1 to March 31	2,232,000	72.87	6,161,411	43,838,589
Total	<u>6,347,000</u>			

<sup>(a)</sup> Share repurchases were made pursuant to share repurchase programs authorized by our Board of Directors on July 23, 2007 (the "2007 Program") and January 21, 2011 (the "2011 Program"), respectively. Each program allows for the repurchase of 50 million shares in an amount not to exceed \$5 billion. Purchases in January 2012 of 185,589 shares exhausted the authority under the 2007 Program and, as a result, that program has expired. All remaining purchases in the first quarter of 2012 were made pursuant to the 2011 Program.

<sup>(b)</sup> Includes shares available under the 2011 Program only.

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### **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 2011 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

**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 4, 2012

EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
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(101).CAL	XBRL Taxonomy Extension Calculation Linkbase Document
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(101).LAB	XBRL Taxonomy Extension Label Linkbase Document
(101).PRE	XBRL Taxonomy Extension Presentation Linkbase Document

**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 2011 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 2011 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. 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
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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 401(k) and Profit Sharing 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 Director of Compensation 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 heirs) 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 2011 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 2011 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 2011. 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](http://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, Atn: 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 ( *Erklaering 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 el 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 2011 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 2011 Equity Participation Plan (the "Plan") and the Award Agreement, including any country-specific terms and conditions contained in Appendix A to this Award Agreement.

**WITNESSETH:**

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 February 27, 2015. 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.

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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.
- (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, or (ii) by the laws of descent and distribution.
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.
- The Award will be subject to any policy adopted by the Corporation relating to the recovery of such Award to the extent it is determined that the Performance Goals were not actually achieved.
- 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 2011 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 2012. 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.

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.

### *Annual Tax Reporting Obligation*

These statements must be submitted electronically through the CIRS website: [www.sii.cl](http://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.



## Appendix A-1

### Performance Goal for Kimberly-Clark Corporation Performance Restricted Stock Unit Awards Granted in 2012 <sup>1</sup>

50% of the Performance Goal will be based on attainment of Three Year Average ROIC performance set forth below for the Performance Period, and 50% of the Performance Goal will be based on attainment of the Three Year Average Net Sales growth set forth below for the Performance Period.

#### Payout as a Percentage of Target

Weight	Measure	0%	50%	100%	150%	200%
50%	Net Sales	1.0%	2.25%	3.5%	4.75%	6.0%
50%	ROIC	14.5%	15.0%	15.5%	16.0%	16.5%

Net Sales is defined as consolidated revenues as reported.

Annual ROIC is defined as consolidated after-tax operating profit plus earnings from equity companies for the year, divided by invested capital. Invested capital will be defined as the average total assets less notes receivable and non-interest bearing current liabilities.

Performance Period – January 1, 2012 through December 31, 2014.

Three Year Average ROIC shall be the Annual ROIC for each year in the Performance Period divided by three and rounded to the nearest tenth of a percent.

Three Year Average Net Sales shall be the Annual Net Sales growth for each year in the Performance Period divided by three and rounded the nearest tenth of a percent.

Any adjustment to Three Year Average Net Sales or the Three Year Average ROIC will be approved by the Management Development and Compensation Committee.

<sup>1</sup>Performance Goal - The Management Development and Compensation Committee (the "Committee") intends to exercise its discretion so that all performance restricted share unit awards granted will be paid in accordance with the Performance Goal formula set forth above. If the Committee did not exercise this discretion, each Executive Officer (as defined by Rule 3b-7 of the Securities Exchange Act of 1934) would be paid based on an award of 200% of Target provided that the Corporation has positive earnings per share for the Performance Period. In addition, the Committee awarded an amount equal to any dividends and other distributions which would have been paid on shares of Common Stock, based on the number of PRSUs that vest under this Award, provided the Corporation has positive earnings per share for the applicable calendar quarter.

**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 2011 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 Vesting table.

The Restricted Period shall begin on the date of the granting of this Award, and shall end upon the vesting of the Award. 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.

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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 or (ii) by the laws of descent and distribution.
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 or her at the 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.
- ***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 2011 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 2011. 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](http://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.

May 4, 2012

/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 4, 2012

/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 4, 2012 (“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 4, 2012

**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 4, 2012 (“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 4, 2012

EXHIBIT IV      QUARTERLY REPORT OF THE ISSUER ON FORM 10-Q FOR THE SECOND  
QUARTERLY PERIOD OF 2012 ENDED 30 JUNE 2012, FILED WITH THE SEC  
ON 3 AUGUST 2012

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

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**FORM 10-Q**

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(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, 2012

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

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**KIMBERLY-CLARK CORPORATION**

(Exact name of registrant as specified in its charter)

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**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)

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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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

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 27, 2012 , there were 394,891,086 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)

(Millions of dollars, except per share amounts)	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
<b>Net Sales</b>	\$ 5,269	\$ 5,259	\$ 10,510	\$ 10,288
Cost of products sold	3,514	3,702	7,051	7,268
<b>Gross Profit</b>	<b>1,755</b>	1,557	<b>3,459</b>	3,020
Marketing, research and general expenses	1,019	940	2,015	1,861
Other (income) and expense, net	(18)	(8)	(10)	(10)
<b>Operating Profit</b>	<b>754</b>	625	<b>1,454</b>	1,169
Interest income	5	4	9	8
Interest expense	(71)	(71)	(142)	(135)
<b>Income Before Income Taxes and Equity Interests</b>	<b>688</b>	558	<b>1,321</b>	1,042
Provision for income taxes	(213)	(173)	(398)	(325)
<b>Income Before Equity Interests</b>	<b>475</b>	385	<b>923</b>	717
Share of net income of equity companies	43	47	82	87
<b>Net Income</b>	<b>518</b>	432	<b>1,005</b>	804
Net income attributable to noncontrolling interests	(20)	(24)	(39)	(46)
<b>Net Income Attributable to Kimberly-Clark Corporation</b>	<b>\$ 498</b>	\$ 408	<b>\$ 966</b>	\$ 758
<b>Per Share Basis:</b>				
<b>Net Income Attributable to Kimberly-Clark Corporation</b>				
Basic	\$ 1.27	\$ 1.04	\$ 2.45	\$ 1.90
Diluted	\$ 1.26	\$ 1.03	\$ 2.43	\$ 1.89
<b>Cash Dividends Declared</b>	<b>\$ 0.74</b>	\$ 0.70	<b>\$ 1.48</b>	\$ 1.40

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	
	2012	2011	2012	2011
<b>Net Income</b>	<b>\$ 518</b>	<b>\$ 432</b>	<b>\$ 1,005</b>	<b>\$ 804</b>
<b>Other Comprehensive Income, Net of Tax:</b>				
Unrealized currency translation adjustments	(269)	218	(8)	440
Employee postretirement benefits	(8)	(1)	8	—
Other	12	(8)	—	(28)
<b>Total Other Comprehensive Income, Net of Tax</b>	<b>(265)</b>	<b>209</b>	<b>—</b>	<b>412</b>
<b>Comprehensive Income</b>	<b>253</b>	<b>641</b>	<b>1,005</b>	<b>1,216</b>
Comprehensive income attributable to noncontrolling interests	(19)	(29)	(43)	(56)
<b>Comprehensive Income Attributable to Kimberly-Clark Corporation</b>	<b>\$ 234</b>	<b>\$ 612</b>	<b>\$ 962</b>	<b>\$ 1,160</b>

See Notes to Consolidated Financial Statements.



**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

(Millions of dollars)	June 30 2012	December 31 2011
	(Unaudited)	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 994	\$ 764
Accounts receivable, net	2,681	2,602
Inventories	2,368	2,356
Other current assets	549	561
<b>Total Current Assets</b>	<b>6,592</b>	<b>6,283</b>
<b>Property</b>	<b>17,786</b>	<b>18,240</b>
Less accumulated depreciation	9,809	10,191
<b>Net Property</b>	<b>7,977</b>	<b>8,049</b>
<b>Investments in Equity Companies</b>	<b>390</b>	<b>338</b>
<b>Goodwill</b>	<b>3,313</b>	<b>3,340</b>
<b>Other Intangible Assets</b>	<b>250</b>	<b>265</b>
<b>Long-Term Notes Receivable</b>	<b>394</b>	<b>394</b>
<b>Other Assets</b>	<b>680</b>	<b>704</b>
	<b>\$ 19,596</b>	<b>\$ 19,373</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Debt payable within one year	\$ 572	\$ 706
Trade accounts payable	2,371	2,388
Accrued expenses	1,898	2,026
Other current liabilities	292	277
<b>Total Current Liabilities</b>	<b>5,133</b>	<b>5,397</b>
<b>Long-Term Debt</b>	<b>5,695</b>	<b>5,426</b>
<b>Noncurrent Employee Benefits</b>	<b>1,465</b>	<b>1,460</b>
<b>Other Liabilities</b>	<b>1,032</b>	<b>1,014</b>
<b>Redeemable Preferred and Common Securities of Subsidiaries</b>	<b>547</b>	<b>547</b>
<b>Stockholders' Equity</b>		
Kimberly-Clark Corporation	5,437	5,249
Noncontrolling interests	287	280
<b>Total Stockholders' Equity</b>	<b>5,724</b>	<b>5,529</b>
	<b>\$ 19,596</b>	<b>\$ 19,373</b>

See Notes to Consolidated Financial Statements.

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**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
(Unaudited)

(Millions of dollars)	Six Months Ended June 30	
	2012	2011
<b>Operating Activities</b>		
Net income	\$ 1,005	\$ 804
Depreciation and amortization	432	530
Stock-based compensation	43	31
Increase in operating working capital	(309)	(62)
Deferred income taxes	174	136
Net losses on asset dispositions	17	10
Equity companies' earnings in excess of dividends paid	(45)	(49)
Postretirement benefits	22	(361)
Other	(14)	(18)
<b>Cash Provided by Operations</b>	<b>1,325</b>	<b>1,021</b>
<b>Investing Activities</b>		
Capital spending	(486)	(435)
Proceeds from sales of investments	7	9
Investments in time deposits	(37)	(78)
Maturities of time deposits	43	71
Other	1	1
<b>Cash Used for Investing</b>	<b>(472)</b>	<b>(432)</b>
<b>Financing Activities</b>		
Cash dividends paid	(567)	(549)
Net increase in short-term debt	268	287
Proceeds from issuance of long-term debt	309	700
Repayments of long-term debt	(421)	(13)
Cash paid on redeemable preferred securities of subsidiary	(14)	(27)
Proceeds from exercise of stock options	424	202
Acquisitions of common stock for the treasury	(651)	(1,206)
Other	14	13
<b>Cash Used for Financing</b>	<b>(638)</b>	<b>(593)</b>
Effect of exchange rate changes on Cash and Cash Equivalents	15	36
Increase in Cash and Cash Equivalents	230	32
Cash and Cash Equivalents, beginning of year	764	876
Cash and Cash Equivalents, end of period	<u>\$ 994</u>	<u>\$ 908</u>

See Notes to Consolidated Financial Statements.

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**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 material adjustments which are of a normal and recurring nature necessary for a fair presentation of the results for the periods presented have been reflected.

For further information, refer to the Consolidated Financial Statements and footnotes included in our Annual Report on Form 10-K for the year ended December 31, 2011. The terms "Corporation," "Kimberly-Clark," "K-C," "we," "our" and "us" refer to Kimberly-Clark Corporation and its consolidated subsidiaries.

*Highly Inflationary Accounting for Venezuelan Operations*

Our Venezuelan subsidiary ("K-C Venezuela") accounts 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. We determined that the Central Bank of Venezuela regulated currency exchange 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 2011 and through June 30, 2012.

**Note 2. 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.

During the six months ended June 30, 2012 and for full year 2011, 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 and the inputs used to develop those fair value measurements.

	June 30 2012	Fair Value Measurements		
		Level 1	Level 2	Level 3
(Millions of dollars)				
<b>Assets</b>				
Company-owned life insurance ("COLI")	\$ 47	\$ —	\$ 47	\$ —
Available-for-sale securities	16	16	—	—
Derivatives	56	—	56	—
Total	<u>\$ 119</u>	<u>\$ 16</u>	<u>\$ 103</u>	<u>\$ —</u>
<b>Liabilities</b>				
Derivatives	<u>\$ 74</u>	<u>\$ —</u>	<u>\$ 74</u>	<u>\$ —</u>



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	December 31 2011		Fair Value Measurements		
			Level 1	Level 2	Level 3
	(Millions of dollars)				
<b>Assets</b>					
COLI	\$ 45	\$ —	\$ 45	\$ —	
Available-for-sale securities	15	15	—	—	
Derivatives	61	—	61	—	
Total	<u>\$ 121</u>	<u>\$ 15</u>	<u>\$ 106</u>	<u>\$ —</u>	
<b>Liabilities</b>					
Derivatives	\$ 120	\$ —	\$ 120	\$ —	

The COLI policies are a source of funding primarily for our nonqualified employee benefits and are included in other assets. Available-for-sale securities are included in other assets. See Note 8 for information on the classification of derivatives in the Condensed Consolidated Balance Sheet.

**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 were not significant at June 30, 2012 and December 31, 2011 and have been recorded in other comprehensive income until realized. The unrealized losses have not been recognized in earnings because we have 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 these 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 our use of derivative instruments is contained in Note 8.

*Fair Value Disclosures*

The following table includes the fair value of our financial instruments for which disclosure of fair value is required:

	Fair Value Hierarchy Level	Carrying Amount		Estimated Fair Value	
		June 30, 2012		December 31, 2011	
		(Millions of dollars)			
<b>Assets</b>					
Cash and cash equivalents (a)	1	\$ 994	\$ 994	\$ 764	\$ 764
Time deposits (b)	1	88	88	95	95
Note receivable (c)	3	394	382	394	373
<b>Liabilities and redeemable preferred and common securities of subsidiaries</b>					
Short-term debt (d)	2	354	354	87	87
Monetization loan (c)	3	397	391	397	386
Long-term debt (e)	2	5,516	6,616	5,648	6,671
Redeemable preferred securities of subsidiary (c)	3	506	557	506	568
Redeemable common securities of subsidiary (f)	3	41	41	41	41

(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. Cash equivalents are recorded at cost, which approximates fair value.

(b) Time deposits, included in Other current assets on the Condensed Consolidated Balance Sheet, are comprised of deposits with original maturities of more than 90 days but less than one year. Time deposits are recorded at cost, which approximates fair value.

(c) The note, monetization loan and redeemable preferred securities of subsidiary 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

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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, unobservable fair value credit spread, stated spread, maturity date and interest payment dates. The difference between the carrying amount of the note and its fair value represents an unrealized loss position for which an other-than-temporary impairment has not been recognized in earnings because we have both the intent and ability to hold the note for a period of time sufficient to allow for an anticipated recovery of fair value to the carrying amount of the note.

- (d) Short-term debt is comprised of U.S. commercial paper 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 excludes the monetization loan and includes the current portion ( \$218 million and \$619 million at June 30, 2012 and December 31, 2011 , respectively) of these debt instruments. Fair values were estimated based on quoted prices for financial instruments for which all significant inputs were observable, either directly or indirectly.
- (f) The fair value of the redeemable common securities of subsidiary was based on various inputs, including an independent third-party appraisal, adjusted for current market conditions.

### Note 3. Pulp and Tissue Restructuring Actions

On January 21, 2011, we initiated a pulp and tissue restructuring plan ("The Restructuring") in order to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability and return on invested capital of our consumer tissue and K-C Professional ("KCP") businesses. The Restructuring involves the streamlining, sale or closure of six of our manufacturing facilities around the world. In conjunction with these actions, we are exiting certain non-strategic products, primarily non-branded offerings, and transferring some production to lower-cost facilities in order to improve overall profitability and returns.

In addition, on January 24, 2012, we announced our decision to streamline an additional manufacturing facility in North America ("Additional Streamlining") to further enhance the profitability of our consumer tissue business.

Both restructuring actions are anticipated to be substantially completed by the end of 2012. The restructuring actions are expected to result in cumulative pre-tax charges of approximately \$550 million to \$600 million ( \$385 million to \$420 million after tax) over 2011 and 2012. Cash costs related to the streamlining of operations, sale or closure, relocation of equipment, severance and other expenses are expected to account for approximately 30 to 40 percent of the charges. Noncash charges will consist primarily of incremental depreciation.

Through June 30, 2012, cumulative pre-tax charges for the restructuring actions were \$469 million ( \$329 million after tax), including cumulative pre-tax cash charges of \$110 million . On a geographic basis, these cumulative pre-tax charges were incurred as follows: North America - \$252 million ; Australia - \$138 million and Other - \$79 million . On a business segment basis, these cumulative pre-tax charges were incurred as follows: Consumer Tissue - \$406 million ; K-C Professional & Other - \$61 million and Other (income) and expense, net - \$2 million .

The following charges were incurred in connection with the restructuring actions:

	Three Months Ended June 30			2011 The Restructuring
	The Restructuring	2012 Additional Streamlining	Total	
	(Millions of dollars)			
Incremental depreciation	\$ 1	\$ 6	\$ 7	\$ 76
Charges for workforce reductions	(1)	—	(1)	1
Asset write-offs	3	—	3	8
Other exit costs	9	—	9	—
Cost of products sold	12	6	18	85
Charges for workforce reductions included in Marketing, research and general expenses	1	—	1	5
Provision for income taxes	—	(3)	(3)	(31)
Net charges	<u>\$ 13</u>	<u>\$ 3</u>	<u>\$ 16</u>	<u>\$ 59</u>

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	Six Months Ended June 30			
	2012			2011
	The Restructuring	Additional Streamlining	Total	The Restructuring
	(Millions of dollars)			
Incremental depreciation	\$ 7	\$ 12	\$ 19	\$ 116
Charges for workforce reductions	—	3	3	43
Asset write-offs	11	—	11	8
Other exit costs	20	—	20	—
Cost of products sold	38	15	53	167
Charges for workforce reductions included in Marketing, research and general expenses	1	—	1	5
Provision for income taxes	(8)	(6)	(14)	(56)
Net charges	<u>\$ 31</u>	<u>\$ 9</u>	<u>\$ 40</u>	<u>\$ 116</u>

See Note 9 for additional information on the pulp and tissue restructuring charges by segment.

Pre-tax charges for the restructuring actions relate to activities in the following geographic areas:

	Three Months Ended June 30, 2012			
	North America	Australia	Other	Total
		(Millions of dollars)		
Incremental depreciation	\$ 6	\$ 1	\$ —	\$ 7
Asset write-offs	3	—	—	3
Other exit costs	6	2	1	9
Total charges	<u>\$ 15</u>	<u>\$ 3</u>	<u>\$ 1</u>	<u>\$ 19</u>

	Six Months Ended June 30, 2012			
	North America	Australia	Other	Total
		(Millions of dollars)		
Incremental depreciation	\$ 18	\$ 1	\$ —	\$ 19
Charges for workforce reductions	4	—	—	4
Asset write-offs	11	—	—	11
Other exit costs	15	4	1	20
Total charges	<u>\$ 48</u>	<u>\$ 5</u>	<u>\$ 1</u>	<u>\$ 54</u>

	Three Months Ended June 30, 2011			
	North America	Australia	Other	Total
		(Millions of dollars)		
Incremental depreciation	\$ 52	\$ 21	\$ 3	\$ 76
Charges for workforce reductions	—	6	—	6
Asset write-offs	6	2	—	8
Total charges	<u>\$ 58</u>	<u>\$ 29</u>	<u>\$ 3</u>	<u>\$ 90</u>

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	Six Months Ended June 30, 2011			
	North America	Australia	Other	Total
	(Millions of dollars)			
Incremental depreciation	\$ 70	\$ 40	\$ 6	\$ 116
Charges for workforce reductions	—	46	2	48
Asset write-offs	6	2	—	8
Total charges	<u>\$ 76</u>	<u>\$ 88</u>	<u>\$ 8</u>	<u>\$ 172</u>

The following summarizes the cash charges recorded and reconciles these charges to accrued expenses for the restructuring actions at June 30 :

(Millions of dollars)	2012	2011
Accrued expenses - beginning of year	\$ 37	\$ —
Charges for workforce reductions and other exit costs	24	48
Cash payments	(53)	(18)
Currency and other	—	17
Accrued expenses - June 30	<u>\$ 8</u>	<u>\$ 47</u>

**Note 4. Inventories**

The following schedule presents a summary of inventories by major class:

(Millions of dollars)	June 30, 2012			December 31, 2011		
	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	\$ 169	\$ 366	\$ 535	\$ 163	\$ 334	\$ 497
Work in process	206	121	327	245	126	371
Finished goods	676	767	1,443	708	760	1,468
Supplies and other	—	310	310	—	300	300
	<u>1,051</u>	<u>1,564</u>	<u>2,615</u>	1,116	1,520	2,636
Excess of FIFO or weighted-average cost over LIFO cost	(247)	—	(247)	(280)	—	(280)
Total	<u>\$ 804</u>	<u>\$ 1,564</u>	<u>\$ 2,368</u>	<u>\$ 836</u>	<u>\$ 1,520</u>	<u>\$ 2,356</u>

We use 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.



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**Note 5. Employee Postretirement Benefits**

The table below presents net periodic 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 June 30			
	2012	2011	2012	2011
Service cost	\$ 12	\$ 14	\$ 4	\$ 3
Interest cost	70	78	10	11
Expected return on plan assets	(82)	(87)	—	—
Recognized net actuarial loss	28	23	—	—
Other	6	2	(1)	1
Net periodic benefit cost	<u>\$ 34</u>	<u>\$ 30</u>	<u>\$ 13</u>	<u>\$ 15</u>

(Millions of dollars)	Defined Benefit Plans		Other Postretirement Benefit Plans	
	Six Months Ended June 30			
	2012	2011	2012	2011
Service cost	\$ 24	\$ 28	\$ 8	\$ 7
Interest cost	140	154	19	22
Expected return on plan assets	(165)	(173)	—	—
Recognized net actuarial loss	55	47	—	—
Other	17	2	(1)	2
Net periodic benefit cost	<u>\$ 71</u>	<u>\$ 58</u>	<u>\$ 26</u>	<u>\$ 31</u>

For the six months ended June 30, 2012 and 2011, we made cash contributions of \$45 million and \$415 million, respectively, to our pension trusts. We currently anticipate contributing between \$50 and \$100 million for the full year 2012 to our pension trusts.

**Note 6. Earnings Per Share ("EPS")**

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)	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
	Average shares outstanding	393.6	393.1	393.7
Participating securities	—	0.2	—	0.6
Basic	393.6	393.3	393.7	398.1
Dilutive effect of stock options	1.8	1.6	1.9	1.5
Dilutive effect of restricted share and restricted share unit awards	1.1	1.1	1.2	1.1
Diluted	<u>396.5</u>	<u>396.0</u>	<u>396.8</u>	<u>400.7</u>

Outstanding options during the three and six month periods ended June 30, 2012 of 0.9 million and 0.4 million, respectively, and during the three and six month periods ended June 30, 2011 of 4.3 million and 4.5 million, respectively, were not included in the computation of diluted EPS mainly 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, 2012 and 2011 was 394.6 million and 392.2 million, respectively.



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**Note 7. Stockholders' Equity**

Set forth below are reconciliations for the six months ended June 30, 2012 and 2011 of the carrying amount of total stockholders' equity from the beginning of the period to the end of the period. In addition, each of the reconciliations displays the amount of net income allocable to redeemable securities of subsidiaries.

(Millions of dollars)	Stockholders' Equity Attributable to			Redeemable Securities of Subsidiaries
	Comprehensive Income	The Corporation	Noncontrolling Interests	
Balance at December 31, 2011		\$ 5,249	\$ 280	\$ 547
Comprehensive Income:				
Net income	\$ 1,005	966	23	16
Other comprehensive income, net of tax:				
Unrealized translation	(8)	(11)	3	—
Employee postretirement benefits	8	7	1	—
Total Comprehensive Income	<u>\$ 1,005</u>			
Stock-based awards		423	—	—
Income tax benefits on stock-based compensation		27	—	—
Shares repurchased		(686)	—	—
Recognition of stock-based compensation		43	—	—
Dividends declared		(583)	(20)	—
Other		2	—	(2)
Return on redeemable securities of subsidiaries		—	—	(14)
Balance at June 30, 2012		<u>\$ 5,437</u>	<u>\$ 287</u>	<u>\$ 547</u>

In the six months ended June 30, 2012, we repurchased 8.9 million shares at a total cost of \$660 million.

(Millions of dollars)	Stockholders' Equity Attributable to			Redeemable Securities of Subsidiaries
	Comprehensive Income	The Corporation	Noncontrolling Interests	
Balance at December 31, 2010		\$ 5,917	\$ 285	\$ 1,047
Comprehensive Income:				
Net income	\$ 804	758	18	28
Other comprehensive income, net of tax:				
Unrealized translation	440	430	10	—
Other	(28)	(28)	—	—
Total Comprehensive Income	<u>\$ 1,216</u>			
Stock-based awards		202	—	—
Income tax benefits on stock-based compensation		6	—	—
Shares repurchased		(1,205)	—	—
Recognition of stock-based compensation		31	—	—
Dividends declared		(555)	(12)	—
Other		—	—	(2)
Return on redeemable securities of subsidiaries		—	—	(27)
Balance at June 30, 2011		<u>\$ 5,556</u>	<u>\$ 301</u>	<u>\$ 1,046</u>



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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 ("AOCI"). For these operations, changes in exchange rates generally do not affect cash flows; therefore, unrealized translation adjustments are recorded in AOCI rather than net income. Upon sale or substantially complete liquidation of any of these subsidiaries, the applicable unrealized translation adjustment would be removed from AOCI and reported as part of the gain or loss on the sale or liquidation.

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.

### **Note 8. Objectives and Strategies for Using Derivatives**

As a multinational enterprise, we are exposed to financial risks, such as changes in foreign currency exchange rates, interest rates, commodity prices and the value of investments of our defined benefit pension plans. We employ a number of practices to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. Our policies allow the use of derivatives for risk management purposes and prohibit their use for speculation. Our policies also prohibit the use of any leveraged derivative instrument. Consistent with our policies, foreign currency derivative instruments, interest rate swaps and locks and the majority of commodity hedging contracts are entered into with major financial institutions.

On the date a derivative contract is entered into, we formally designate certain derivatives as cash flow, fair value or net investment hedges and establish 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 in earnings as they occur.

Set forth below is a summary of the fair values of our derivative instruments classified by the risks they are used to manage:

	Assets		Liabilities	
	June 30 2012	December 31 2011	June 30 2012	December 31 2011
	(Millions of dollars)			
Foreign currency exchange risk	\$ 46	\$ 45	\$ 23	\$ 33
Interest rate risk	9	16	41	75
Commodity price risk	1	—	10	12
Total	<u>\$ 56</u>	<u>\$ 61</u>	<u>\$ 74</u>	<u>\$ 120</u>

The derivative assets are presented in the Condensed Consolidated Balance Sheet in Other current assets and Other assets, as appropriate. The derivative liabilities are presented in the Condensed Consolidated Balance Sheet in Accrued expenses and Other liabilities, as appropriate.

#### *Foreign Currency Exchange Risk Management*

We have 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, our exposures to recorded non-U.S. dollar assets and liabilities and entering into derivative instruments with third parties whenever our 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 net effect on earnings from the use of these non-designated derivatives is substantially neutralized by transactional gains and losses recorded on the underlying assets and liabilities. The In-House Bank's daily notional derivative positions with third parties averaged \$1.4 billion in the first six months of 2012 and its average net exposure for the same period was \$1.3 billion. The In-House Bank used ten counterparties for its foreign exchange derivative contracts.

We enter into derivative instruments to hedge a portion of the net foreign currency exposures of our non-U.S. operations, principally for their forecasted purchases of pulp, which are priced in U.S. dollars, and imports of intercompany finished goods and work-in-process priced predominately in U.S. dollars and euros. The derivative instruments used to manage these exposures are designated and qualify as cash flow hedges. As of June 30, 2012, outstanding derivative contracts of \$830 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 non-functional currency denominated monetary assets and liabilities managed outside the In-House Bank, primarily intercompany loans and accounts payable, is hedged with derivative instruments with third parties. At June 30, 2012, the notional amount of these predominantly undesignated derivative instruments was \$585 million.

### *Foreign Currency Translation Risk Management*

Translation adjustments result from translating foreign entities' financial statements to U.S. dollars from their functional currencies. The risk to any particular entity's net assets is reduced to the extent that the entity is financed with local currency borrowing. 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 our net investment in our Mexican affiliate has been hedged. At June 30, 2012, we had in place net investment hedges of \$98 million for a portion of our investment in our 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 related to net investment hedges as of June 30, 2012 and 2011.

### *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. 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 or, to a lesser extent, cash flow hedges.

From time to time, we hedge the anticipated issuance of fixed-rate debt, using 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 at a future date). These contracts are designated as cash flow hedges.

At June 30, 2012, the aggregate notional values of outstanding interest rate contracts designated as fair value hedges and cash flow hedges were \$300 million and \$280 million, respectively.

### *Commodity Price Risk Management*

We use derivative instruments to hedge a portion of our 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, 2012, outstanding commodity forward contracts were in place to hedge forecasted purchases of about 30 percent of our estimated natural gas requirements for the next twelve months 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 predominantly 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 related hedged items 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 six months ended June 30, 2012 and 2011. For the six months ended June 30, 2012 and 2011, 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 AOCI, 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 six months ended June 30, 2012 and 2011. For the six months ended June 30, 2012 and 2011, 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, 2012, \$13 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, 2012 is July 2014.

### *Quantitative Information about Our Use of Derivative Instruments*

The following tables display the location and amount of pre-tax gains and losses reported in the Consolidated Income Statement and Consolidated Statement of Other Comprehensive Income.

For the three months ended June 30 (Millions of dollars):

<u>Income Statement Classifications</u>	<u>(Gain) or Loss Recognized in Income</u>
---	--

				2012		2011			
Undesignated foreign exchange hedging instruments	Other (income) and expense, net <sup>(a)</sup>			\$	41	\$	(59)		
<b>Fair Value Hedges</b>									
Interest rate swap contracts	Interest expense			\$	(1)	\$	—		
Hedged debt instruments	Interest expense			\$	1	\$	—		
		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			
		2012		2011		2012		2011	
<b>Cash Flow Hedges</b>									
Interest rate contracts	\$	16	\$	9	Interest expense	\$	1	\$	(1)
Foreign exchange contracts		(28)		11	Cost of products sold	(1)		15	
Foreign exchange contracts		(5)		—	Other (income) and expense, net	(5)		(1)	
Commodity contracts		(1)		1	Cost of products sold	6		3	
Total	\$	(18)	\$	21		\$	1	\$	16
<b>Net Investment Hedges</b>									
Foreign exchange contracts	\$	(2)	\$	2		\$	—	\$	—

For the six months ended June 30 (Millions of dollars):

				Income Statement Classifications		(Gain) or Loss Recognized in Income			
						2012		2011	
Undesignated foreign exchange hedging instruments	Other (income) and expense, net <sup>(a)</sup>			\$	(1)	\$	(99)		
<b>Fair Value Hedges</b>									
Interest rate swap contracts	Interest expense			\$	5	\$	(5)		
Hedged debt instruments	Interest expense			\$	(5)	\$	5		
		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			
		2012		2011		2012		2011	
<b>Cash Flow Hedges</b>									
Interest rate contracts	\$	13	\$	8	Interest expense	\$	1	\$	(2)
Foreign exchange contracts		(15)		45	Cost of products sold	(4)		21	
Foreign exchange contracts		(3)		5	Other (income) and expense, net	(3)		5	
Commodity contracts		7		1	Cost of products sold	10		5	
Total	\$	2	\$	59		\$	4	\$	29
<b>Net Investment Hedges</b>									
Foreign exchange contracts	\$	(3)	\$	3		\$	—	\$	—

(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-functional currency 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 on the underlying assets and liabilities.

**Note 9. Description of Business Segments**

We are 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 our executive managers develop and execute global strategies to drive growth and profitability. 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 and income and expense not associated with the business segments, including the charges related to the pulp and tissue restructuring actions described in Note 3.

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

- *Personal Care* brands offer parents a trusted partner in caring for their families and deliver confidence, protection and discretion to adults, through a wide variety of innovative solutions and products such as disposable diapers, training and youth pants, swimpants, baby wipes, feminine and incontinence care products, and other related products. Products in this segment are sold under the Huggies, Pull-Ups, Little Swimmers, GoodNites, Kotex, Lightdays, Depend, Poise and other brand names.
- *Consumer Tissue* offers a wide variety of innovative solutions and trusted brands that touch and improve people's lives every day. Products in this segment include facial and bathroom tissue, paper towels, napkins and related products, and are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Hakle, Page and other brand names.
- *K-C Professional & Other* helps transform workplaces for employees and patrons, making them healthier, safer, and more productive, through a range of solutions and supporting products such as apparel, wipers, soaps, sanitizers, tissues, and towels. Key brands in this segment include: Kleenex, Scott, WypAll, Kimtech, and Jackson Safety.
- *Health Care* provides the essentials that help restore patients to better health and improve the quality of patients' lives. Health Care offers a portfolio of innovative medical devices focused on pain management, respiratory and digestive health, and surgical and infection prevention products for the operating room. This business is a global leader in education to prevent healthcare-associated infections. Products are sold primarily under the Kimberly-Clark and ON-Q brand names.



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The following schedules present information concerning consolidated operations by business segment:

	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
(Millions of dollars)				
<b>NET SALES:</b>				
Personal Care	\$ 2,415	\$ 2,341	\$ 4,782	\$ 4,528
Consumer Tissue	1,588	1,669	3,247	3,343
K-C Professional & Other	839	846	1,636	1,614
Health Care	411	391	816	779
Corporate & Other	16	12	29	24
Consolidated	<u>\$ 5,269</u>	<u>\$ 5,259</u>	<u>\$ 10,510</u>	<u>\$ 10,288</u>
<b>OPERATING PROFIT (reconciled to Income Before Income Taxes and Equity Interests):</b>				
Personal Care	\$ 406	\$ 400	\$ 805	\$ 789
Consumer Tissue	219	173	436	323
K-C Professional & Other	138	129	263	233
Health Care	56	53	109	103
Other (income) and expense, net	(18)	(8)	(10)	(10)
Corporate & Other (a)	(83)	(138)	(169)	(289)
Total Operating Profit	754	625	1,454	1,169
Interest income	5	4	9	8
Interest expense	(71)	(71)	(142)	(135)
Income Before Income Taxes and Equity Interests	<u>\$ 688</u>	<u>\$ 558</u>	<u>\$ 1,321</u>	<u>\$ 1,042</u>

(a) Corporate & Other includes pulp and tissue restructuring charges as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
(Millions of dollars)				
Consumer Tissue	\$ 17	\$ 77	\$ 49	\$ 152
K-C Professional & Other	2	13	5	20
Total	<u>\$ 19</u>	<u>\$ 90</u>	<u>\$ 54</u>	<u>\$ 172</u>

See additional information in Note 3 for the pulp and tissue restructuring actions. The six months ended June 30, 2011 also includes a non-deductible business tax charge of \$32 million related to a law change in Colombia.

## **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 our recent performance, financial condition and prospects. The following will be discussed and analyzed:

- Overview of Second Quarter 2012 Results
- Results of Operations and Related Information
- Liquidity and Capital Resources
- Legal Matters
- Business Outlook

### **Overview of Second Quarter 2012 Results**

- Net sales increased 0.2 percent primarily due to increases in net selling prices and sales volumes mostly offset by unfavorable currency effects.
- Operating profit and net income attributable to Kimberly-Clark Corporation increased 20.6 percent and 22.1 percent, respectively.
- Net income includes \$16 million in after tax charges ( \$19 million pre-tax) in 2012 and \$59 million in after tax charges ( \$90 million pre-tax) in 2011 for the pulp and tissue restructuring actions.
- Cash provided by operations was \$740 million compared to \$771 million in the prior year.

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**Results of Operations and Related Information**

This section presents a discussion and analysis of our second quarter of 2012 net sales, operating profit and other information relevant to an understanding of the results of operations.

*Second Quarter of 2012 Compared With Second Quarter of 2011*

*Analysis of Net Sales*

By Business Segment

Net Sales	2012	2011
	(Millions of dollars)	
Personal Care	\$ 2,415	\$ 2,341
Consumer Tissue	1,588	1,669
K-C Professional & Other	839	846
Health Care	411	391
Corporate & Other	16	12
Consolidated	<b>\$ 5,269</b>	<b>\$ 5,259</b>

By Geography

Net Sales	2012	2011
	(Millions of dollars)	
North America	\$ 2,718	\$ 2,704
Outside North America	2,757	2,748
Intergeographic sales	(206)	(193)
Consolidated	<b>\$ 5,269</b>	<b>\$ 5,259</b>

Commentary :

	Percent Change in Net Sales Versus Prior Year				
	Total Change	Changes Due To			
		Volume Growth	Net Price	Mix/ Other	Currency
Consolidated	0.2	1	2	—	(3)
Personal Care	3.2	4	3	—	(4)
Consumer Tissue	(4.9)	(4)	3	(1)	(3)
K-C Professional & Other	(0.8)	1	1	—	(3)
Health Care	5.1	6	—	—	(1)

- Personal care net sales in North America increased 2 percent. Net selling prices rose 4 percent, driven by improved revenue realization for Huggies diapers and baby wipes, while sales volumes decreased 1 percent. Child care and infant care volumes were down mid- and high-single digits, respectively, primarily reflecting category declines and modest consumer trade-down in infant care. Baby wipes volumes fell mid-single digits compared to strong year-ago performance. Adult care volumes rose high-single digits, including benefits from new Depend Real Fit and Silhouette briefs and new Poise Hourglass Shape Pads. Feminine care volumes were up high-single digits, with benefits from new U by Kotex products launched early in the second quarter.

In Europe, personal care net sales increased 1 percent, despite unfavorable currency effects of 9 percent. Sales volumes rose 12 percent, with growth in child care, Huggies baby wipes and non-branded offerings. Overall net selling prices fell 2 percent and product mix decreased net sales by 1 percent.

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Personal care net sales increased 5 percent in K-C International, despite a 7 percent decrease from unfavorable currency effects. Sales volumes were up 8 percent, with high-single digit growth in each major region (Asia, Latin America, and the Middle East/Eastern Europe/Africa). Volume performance was strong in a number of markets, including Brazil, China, Russia, South Africa, Venezuela and Vietnam. Overall net selling prices improved 4 percent compared to the year-ago period, driven by increases in Latin America.

- Consumer tissue net sales in North America were down 4 percent compared to the prior year, including a 5 percent decrease from lost sales in conjunction with pulp and tissue restructuring actions. Net selling prices rose 5 percent, while organic sales volumes (i.e., sales volume impacts other than the lost sales from restructuring actions) decreased 4 percent. Paper towel net sales were up double digits primarily due to higher volumes and Kleenex facial tissue net sales were up mid-single digits, driven by higher net selling prices. Bathroom tissue net sales fell low-single digits, as lower volumes were partially offset by higher net selling prices. The volume comparison was impacted by sheet count reductions, strong year-ago shipments and competitive promotional activity.

In Europe, consumer tissue net sales decreased 8 percent, including unfavorable currency effects of 7 percent. Changes in product mix reduced net sales 2 percent and net selling prices declined 1 percent, as economic conditions remain difficult. Sales volumes were up 2 percent.

Consumer tissue net sales decreased 3 percent in K-C International. Currency rates were unfavorable by 6 percent and lost sales in conjunction with pulp and tissue restructuring actions reduced sales volumes by 1 percent. On the other hand, net selling prices increased 3 percent and product mix increased net sales by 2 percent, reflecting strategies to improve net realized revenue and profitability.

- Net sales of K-C Professional ("KCP") & other products in North America rose 1 percent. Increased sales volumes and changes in product mix each improved net sales by 1 percent, while net selling prices were down 1 percent. The volume increase was mostly attributable to higher washroom product volumes, reflecting modest improvement in market demand and benefits from innovation and selling initiatives.

In Europe, KCP net sales decreased 9 percent. Currency rates were unfavorable by 8 percent and lost sales in conjunction with pulp and tissue restructuring actions reduced sales volumes by 4 percent. On the other hand, net selling prices increased 2 percent and organic sales volumes improved 1 percent.

KCP net sales increased 2 percent in K-C International, despite a 6 percent decrease from changes in currency rates. Sales volumes were up 5 percent, driven by double-digit growth in Latin America. In addition, overall net selling prices rose 3 percent and product mix improved slightly.

- Net sales of health care products increased 5 percent as sales volumes rose 6 percent while unfavorable currency effects reduced net sales by 1 percent. Surgical and infection prevention (medical supply) volumes rose at a mid-single digit rate, with solid gains in exam gloves and surgical products. Medical device volumes increased double digits, led by strong growth in digestive health and airway management products.

### *Analysis of Operating Profit*

By Business Segment

<b>Operating Profit</b>	<b>2012</b>	<b>2011</b>
	(Millions of dollars)	
Personal Care	\$ 406	\$ 400
Consumer Tissue	219	173
K-C Professional & Other	138	129
Health Care	56	53
Corporate & Other (a)	(83)	(138)
Other (income) and expense, net	(18)	(8)
Consolidated	<u>\$ 754</u>	<u>\$ 625</u>

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By Geography

<b>Operating Profit</b>	<b>2012</b>	<b>2011</b>
	(Millions of dollars)	
North America	\$ 498	\$ 487
Outside North America	321	268
Corporate & Other <sup>(a)</sup>	(83)	(138)
Other (income) and expense, net	(18)	(8)
<b>Consolidated</b>	<b>\$ 754</b>	<b>\$ 625</b>

(a) For the three months ended June 30, 2012 and 2011, Corporate & Other includes pulp and tissue restructuring charges of \$19 million and \$90 million, respectively.

Commentary :

	<b>Percentage Change in Operating Profit Versus Prior Year</b>						
	<b>Total Change</b>	<b>Change Due To</b>					<b>Other <sup>(b)</sup></b>
		<b>Volume</b>	<b>Net Price</b>	<b>Input Costs <sup>(a)</sup></b>	<b>Cost Savings</b>	<b>Currency Translation</b>	
Consolidated	20.6	1	21	5	11	(3)	(14)
Personal Care	1.5	4	19	(1)	12	(3)	(29)
Consumer Tissue	26.6	(13)	29	15	11	(2)	(13)
K-C Professional & Other	7.0	3	5	10	2	(5)	(8)
Health Care	5.7	16	1	(4)	(1)	—	(6)

(a) Includes inflation/deflation in raw materials, energy and distribution costs.

(b) Consolidated includes the impact of the charges in 2012 and 2011 related to the pulp and tissue restructuring actions.

Consolidated operating profit increased compared to the prior year due to higher net selling prices, \$85 million in cost savings, and \$30 million in deflation in key input costs from lower fiber costs of \$55 million that were partially offset by increases of \$15 million for raw materials other than fiber and \$10 million of higher distribution costs. On the other hand, lower production volumes in 2012 to manage inventory levels and unfavorable currency translation effects adversely affected operating profit comparisons by \$20 million each. In addition, overall marketing, research and general expenses increased versus the year-ago period. The higher spending included a \$35 million increase in strategic marketing, primarily to support product innovations and targeted growth initiatives. Administrative and research spending increased, in part to build further capabilities and support future growth.

In addition, the current year results include \$19 million of pre-tax charges for the pulp and tissue restructuring actions, while the prior year period includes \$90 million of pre-tax charges for the restructuring actions.

- Personal care segment operating profit in North America decreased due to lower sales volumes, higher marketing, research and general expenses and the negative impact of lower production volumes, partially offset by higher net selling prices, cost savings and lower input costs. Operating profit in Europe increased due to cost savings, higher sales volumes and the positive impact of higher production volumes, mostly offset by lower net selling prices and higher marketing, research and general expenses. In K-C International, operating profit increased as higher net selling prices, higher sales volumes and cost savings were partially offset by higher marketing, research and general expenses, unfavorable currency rates and increased input costs.
- Consumer tissue segment operating profit in North America increased as higher net selling prices, input cost deflation and cost savings were partially offset by lower sales volumes. In Europe, operating profit increased as cost savings and input cost deflation were partially offset by higher marketing, research and general expenses and unfavorable product mix. Operating profit in K-C International increased as higher net selling prices and favorable product mix were partially offset by higher marketing, research and general expenses and unfavorable currency rates.
- Operating profit for the KCP & other segment increased as sales growth, cost savings and lower input costs were partially offset by higher marketing, research and general expenses and unfavorable currency rates.
- Health care segment operating profit increased as a result of higher sales volumes, partially offset by higher input costs.

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**Additional Income Statement Commentary**

- Other (income) and expense, net benefited in year-over-year comparison by \$10 million, primarily due to the resolution of a legal matter in 2012.
- Our share of net income of equity companies in the second quarter of 2012 was \$4 million lower than the prior year. At Kimberly-Clark de Mexico, S.A.B. de C.V., although sales volumes increased double-digits, U.S. dollar earnings were down somewhat driven by a decline in the value of the Mexican peso and a higher effective tax rate.

**First Six Months of 2012 Compared With First Six Months of 2011**

**Analysis of Net Sales**

By Business Segment

<b>Net Sales</b>	<b>2012</b>	<b>2011</b>
	(Millions of dollars)	
Personal Care	\$ 4,782	\$ 4,528
Consumer Tissue	3,247	3,343
K-C Professional & Other	1,636	1,614
Health Care	816	779
Corporate & Other	29	24
<b>Consolidated</b>	<b>\$ 10,510</b>	<b>\$ 10,288</b>

By Geography

<b>Net Sales</b>	<b>2012</b>	<b>2011</b>
	(Millions of dollars)	
North America	\$ 5,397	\$ 5,340
Outside North America	5,515	5,316
Intergeographic sales	(402)	(368)
<b>Consolidated</b>	<b>\$ 10,510</b>	<b>\$ 10,288</b>

Commentary :

	<b>Percent Change in Net Sales Versus Prior Year</b>				
	<b>Total Change</b>	<b>Changes Due To</b>			
		<b>Volume Growth</b>	<b>Net Price</b>	<b>Mix/ Other</b>	<b>Currency</b>
Consolidated	2.2	1	3	—	(2)
Personal Care	5.6	5	3	—	(2)
Consumer Tissue	(2.9)	(5)	4	—	(2)
K-C Professional & Other	1.4	1	1	1	(2)
Health Care	4.7	5	—	1	(1)

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*Analysis of Operating Profit*

By Business Segment

<b>Operating Profit</b>	2012	2011
	(Millions of dollars)	
Personal Care	\$ 805	\$ 789
Consumer Tissue	436	323
K-C Professional & Other	263	233
Health Care	109	103
Corporate & Other <sup>(a)</sup>	(169)	(289)
Other (income) and expense, net	(10)	(10)
Consolidated	<u>\$ 1,454</u>	<u>\$ 1,169</u>

By Geography

<b>Operating Profit</b>	2012	2011
	(Millions of dollars)	
North America	\$ 977	\$ 953
Outside North America	636	495
Corporate & Other <sup>(a)</sup>	(169)	(289)
Other (income) and expense, net	(10)	(10)
Consolidated	<u>\$ 1,454</u>	<u>\$ 1,169</u>

<sup>(a)</sup> For the six months ended June 30, 2012 and 2011, Corporate & Other includes pulp and tissue restructuring charges of \$54 million and \$172 million, respectively. The six months ended June 30, 2011 also included a non-deductible business tax charge of \$32 million related to a law change in Colombia.

Commentary :

	Percentage Change in Operating Profit Versus Prior Year					
	Total Change	Change Due To				
	Volume	Net Price	Input Costs <sup>(a)</sup>	Cost Savings	Currency Translation	Other <sup>(b)</sup>
Consolidated	24.4	2	24	2	11	(13)
Personal Care	2.0	7	18	(5)	10	(27)
Consumer Tissue	35.0	(13)	37	16	14	(17)
K-C Professional & Other	12.9	4	9	6	7	(9)
Health Care	5.8	11	3	(3)	(9)	3

<sup>(a)</sup> Includes inflation/deflation in raw materials, energy and distribution costs.

<sup>(b)</sup> Consolidated includes the impact of the charges in 2012 and 2011 related to pulp and tissue restructuring actions and a 2011 non-deductible business tax charge related to a law change in Colombia.

Consolidated operating profit increased compared to the prior year. The benefits of higher net selling prices, cost savings, increased sales volumes and deflation in key input costs were partially offset by increased marketing, research and general expenses, including \$80 million in higher strategic marketing spending and unfavorable currency translation effects. In addition, current year results include \$54 million of pre-tax charges for the pulp and tissue restructuring actions, while the prior year includes \$172 million of pre-tax charges related to the pulp and tissue restructuring and a \$32 million business tax charge related to a law change in Colombia.

- Personal care segment operating profit increased due to higher net selling prices, cost savings and increased sales volumes, partially offset by increased marketing, research and general expenses, inflation in key input costs and unfavorable currency effects.





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- Consumer tissue segment operating profit increased due to higher net selling prices, deflation in key input costs and cost savings, partially offset by lower sales volumes, increased marketing, research and general expenses, the negative effects of lower production volumes and unfavorable currency effects.
- Operating profit for KCP products increased due to higher net selling prices, cost savings, deflation in key input costs and higher sales volumes, partially offset by increased marketing, research and general expenses and unfavorable currency effects.
- Health care segment operating profit increased due to higher sales volumes, favorable mix, and higher net selling prices, partially offset by inflation in key input costs.

### *Pulp and Tissue Restructuring Actions:*

On January 21, 2011, we initiated a pulp and tissue restructuring plan in order to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability and return on invested capital of our consumer tissue and KCP businesses. The restructuring involves the streamlining, sale or closure of six of our manufacturing facilities around the world. In conjunction with these actions, we are exiting certain non-strategic products, primarily non-branded offerings, and transferring some production to lower-cost facilities in order to improve overall profitability and returns.

In addition, on January 24, 2012, we announced our decision to streamline an additional manufacturing facility in North America to further enhance the profitability of our consumer tissue business.

Both restructuring actions are anticipated to be substantially completed by the end of 2012. The restructuring actions are expected to result in cumulative pre-tax charges of approximately \$550 to \$600 million ( \$385 to \$420 million after tax) over 2011 and 2012. Cash costs related to the streamlining of operations, sale or closure, relocation of equipment, severance and other expenses are expected to account for approximately 30 percent to 40 percent of the charges. Noncash charges will consist primarily of incremental depreciation.

As a result of the restructuring activities, versus the 2010 baseline, we expect that by 2013 annual net sales will decrease by \$250 to \$300 million, and operating profit will increase by at least \$75 million in 2013 and at least \$100 million in 2014. Through the second quarter of 2012, we have recognized cumulative operating profit benefits of \$35 million from the restructuring actions. Most of the restructuring will impact the consumer tissue business segment.

See additional information on the pulp and tissue restructuring actions in Note 3 to the Condensed Consolidated Financial Statements.

### **Liquidity and Capital Resources**

- Cash provided by operations for the first six months of 2012 was \$1.3 billion compared to \$1.0 billion in the prior year. The increase was driven by lower defined benefit plan contributions and higher cash earnings, offset partially by increases in working capital. Contributions to our defined benefit pension plans totaled \$45 million for the six months ended June 30, 2012 versus \$415 million for the six months ended June 30, 2011 . We currently anticipate contributing between \$50 to \$100 million to our pension trusts in 2012.
- During the first six months of 2012 , we repurchased 8.9 million shares of our common stock at a cost of \$660 million . In 2012 , we plan to repurchase \$1.3 billion of shares through open market purchases, subject to market conditions (increased from our prior share repurchase estimate of \$900 million to \$1.1 billion).
- Capital spending for the first six months was \$486 million compared with \$435 million last year. We anticipate that full year 2012 capital spending will be between \$1.0 and \$1.1 billion.
- At June 30, 2012 , total debt and redeemable securities was \$6.8 billion compared with \$6.7 billion at December 31, 2011 .
- Our short-term debt as of June 30, 2012 was \$354 million (included in Debt payable within one year on the Condensed Consolidated Balance Sheet) and consisted of U.S. commercial paper with original maturities up to 90 days and other similar short-term debt issued by non-U.S. subsidiaries. The average month-end balance of short-term debt for the second quarter of 2012 was \$438 million. These short-term borrowings, which included commercial paper that we issue from time to time, provide supplemental funding for supporting our operations. The level of short-term debt during a quarter generally fluctuates depending upon the amount of operating cash flows and the timing of customer receipts and payments for items such as dividends and income taxes.
- We have an unused revolving credit facility comprised of (1) a 5 year facility of \$1.5 billion scheduled to expire in October 2016, (2) an additional \$500 million facility scheduled to expire in October 2012, and (3) an option to increase either (but not both) the \$1.5 billion facility or the \$500 million facility by an additional \$500 million. This facility supports our commercial

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- paper program and would provide liquidity in the event our access to the commercial paper market is unavailable for any reason.
- The Venezuelan government has currency exchange regulations that limit U.S. dollar availability to pay for the historical levels of U.S. dollar-denominated imports to support operations of our Venezuelan subsidiary (“K-C Venezuela”). At June 30, 2012, K-C Venezuela had a bolivar-denominated net monetary asset position of \$156 million and our net investment in K-C Venezuela was \$293 million, both valued at 5.4 bolivars per U.S. dollar. Net sales of K-C Venezuela represented 1 percent of Consolidated Net Sales for full-year 2011. The Venezuelan government enacted price controls effective April 1, 2012 that reduced the net selling prices of certain of K-C Venezuela's products. The enacted price controls are not expected to have a material impact on our consolidated financial results.
- We believe that our ability to generate cash from operations and our 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 for the foreseeable future. Further, we do not expect restrictions or taxes on repatriation of cash held outside of the United States to have a material effect on our overall liquidity, financial condition or results of operations for the foreseeable future.

### **Legal Matters**

We are subject to various legal proceedings, claims and governmental inspections, audits or investigations pertaining to issues such as contract disputes, product liability, patents and trademarks, advertising, governmental regulations, employment and other matters. Although the results of litigation and claims cannot be predicted with certainty, we believe that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material adverse effect, individually or in the aggregate, on our business, financial condition, results of operations or liquidity.

We are subject to federal, state and local environmental protection laws and regulations with respect to our business operations and are operating in compliance with, or taking action aimed at ensuring compliance with, these laws and regulations. We have been named a potentially responsible party under the provisions of the U.S. federal Comprehensive Environmental Response, Compensation, and Liability Act, or analogous state statutes, at a number of waste disposal sites. None of our compliance obligations with environmental protection laws and regulations, individually or in the aggregate, is expected to have a material adverse effect on our business, financial condition, results of operations or liquidity.

### **Business Outlook**

During the second half of 2012, we expect economic conditions to continue to be volatile. In this global environment, we will seek to continue to increase strategic marketing faster than net sales, pursue targeted growth initiatives, deliver cost savings and generate cash flow. As the commodity cost environment has improved over the first half of 2012, and several currencies have recently weakened against the U.S. dollar, we are anticipating lower commodity costs and higher unfavorable currency impacts than previously estimated. We will continue to manage our company with financial discipline.

### **Information Concerning Forward-Looking Statements**

Certain matters contained in this report concerning the business outlook, including the anticipated costs, scope, timing and effects of restructuring actions, the impact of foreign government actions, cash flow, cash sources and uses of cash, economic conditions and market demand, cost savings and reductions, cost inflation and input costs, anticipated currency rates and exchange risk, anticipated financial and operating results, contingencies and anticipated transactions of Kimberly-Clark, including share repurchases and pension contributions, 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 Kimberly-Clark. There can be no assurance that these future events will occur as anticipated or that our results will be as estimated. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update them.

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 our control, including fluctuations in foreign currency exchange rates, the prices and availability of our raw materials, potential competitive pressures on selling prices for our products, energy costs and retail trade customer actions, as well as general economic and political conditions globally and in the markets in which we do business, could affect the realization of these estimates.

For a description of certain factors that could cause our future results to differ from those expressed in these forward-looking statements, see Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2011 entitled “Risk Factors.”

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**Item 4. Controls and Procedures**

As of June 30, 2012 , an evaluation was performed under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of June 30, 2012 . There were no changes in our internal control over financial reporting during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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**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

We repurchase shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. All our share repurchases during the second quarter of 2012 were made through a broker in the open market.

The following table contains information for shares repurchased during the second quarter of 2012 . None of the shares in this table were repurchased directly from any of our officers or directors.

<b>Period (2012)</b>	<b>Total Number of Shares Purchased <sup>(a)</sup></b>	<b>Average Price Paid Per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs</b>
April 1 to April 30	843,000	\$ 75.67	7,004,411	42,995,589
May 1 to May 31	880,000	79.13	7,884,411	42,115,589
June 1 to June 30	820,000	81.20	8,704,411	41,295,589
Total	<u>2,543,000</u>			

(a) Share repurchases were made pursuant to a share repurchase program authorized by our Board of Directors on January 21, 2011. This program allows for the repurchase of 50 million shares in an amount not to exceed \$5 billion.

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### **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 2011 Equity Participation Plan, filed herewith.

Exhibit No. (10)q. Agreement between Kimberly-Clark Worldwide, Inc. and Robert W. Black, incorporated by reference to Exhibit No. (10)q of the Corporation's Current Report on Form 8-K dated May 2, 2012.

Exhibit No. (10)w. Consulting Agreement between Kimberly-Clark Corporation and Jan B.C. Spencer, 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

**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 3, 2012

EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
(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.
(10)n.	Form of Award Agreements under 2011 Equity Participation Plan, filed herewith.
(10)q.	Agreement between Kimberly-Clark Worldwide, Inc. and Robert W. Black, incorporated by reference to Exhibit No. (10)q of the Corporation's Current Report on Form 8-K dated May 2, 2012.
(10)w.	Consulting Agreement between Kimberly-Clark Corporation and Jan B.C. Spencer, filed herewith.
(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).DEF	XBRL Taxonomy Extension Definition Linkbase Document
(101).LAB	XBRL Taxonomy Extension Label Linkbase Document
(101).PRE	XBRL Taxonomy Extension Presentation Linkbase Document

**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 2011 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 2011 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. 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 401(k) and Profit Sharing 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 Director of Compensation 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 heirs) 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 2011 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 2011 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 2011. 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](http://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, Atn: 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 ( *Erklaering 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 2011 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 2011 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 February 27, 2015. 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

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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.
- (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, or (ii) by the laws of descent and distribution.
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.
- The Award will be subject to any policy adopted by the Corporation relating to the recovery of such Award to the extent it is determined that the Performance Goals were not actually achieved.
- 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 2011 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 2012. 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](http://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.

## Appendix A-1

### **Performance Goal for Kimberly-Clark Corporation Performance Restricted Stock Unit Awards Granted in 2012 <sup>1</sup>**

50% of the Performance Goal will be based on attainment of Three Year Average ROIC performance set forth below for the Performance Period, and 50% of the Performance Goal will be based on attainment of the Three Year Average Net Sales growth set forth below for the Performance Period.

#### Payout as a Percentage of Target

Weight	Measure	—	0.5	1.0	1.5	2.0
50%	Net Sales	1.0%	2.25%	3.5%	4.75%	6.0%
50%	ROIC	14.5%	15.0%	15.5%	16.0%	16.5%

Net Sales is defined as consolidated revenues as reported.

Annual ROIC is defined as consolidated after-tax operating profit plus earnings from equity companies for the year, divided by invested capital. Invested capital will be defined as the average total assets less notes receivable and non-interest bearing current liabilities.

Performance Period – January 1, 2012 through December 31, 2014.

Three Year Average ROIC shall be the Annual ROIC for each year in the Performance Period divided by three and rounded to the nearest tenth of a percent.

Three Year Average Net Sales shall be the Annual Net Sales growth for each year in the Performance Period divided by three and rounded the nearest tenth of a percent.

Any adjustment to Three Year Average Net Sales or the Three Year Average ROIC will be approved by the Management Development and Compensation Committee.

<sup>1</sup> Performance Goal - The Management Development and Compensation Committee (the "Committee") intends to exercise its discretion so that all performance restricted share unit awards granted will be paid in accordance with the Performance Goal formula set forth above. If the Committee did not exercise this discretion, each Executive Officer (as defined by Rule 3b-7 of the Securities Exchange Act of 1934) would be paid based on an award of 200% of Target provided that the Corporation has positive earnings per share for the Performance Period. In addition, the Committee awarded an amount equal to any dividends and other distributions which would have been paid on shares of Common Stock, based on the number of PRSUs that vest under this Award, provided the Corporation has positive earnings per share for the applicable calendar quarter.



**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 2011 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 Vesting table.

The Restricted Period shall begin on the date of the granting of this Award, and shall end upon the vesting of the Award. 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

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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 or (ii) by the laws of descent and distribution.
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 or her at the 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 2011 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 2011. 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](http://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.



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CONSULTING AGREEMENT

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Between

Kimberly-Clark Corporation

(K-C)

and

Jan B.C. Spencer

(Mr. Spencer)

Made as of the 5 day of April, 2012

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## CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (the "Consulting Agreement") made as of the day and year first set forth above, by and between Kimberly-Clark Corporation, a Delaware corporation, with offices at 351 Phelps Drive, Irving, Texas 75038 ("K-C") and Jan B.C. Spencer ("Mr. Spencer") of 1400 Holcomb Bridge Road, Roswell, GA 30076.

### WITNESSETH

WHEREAS, K-C and its various business units have employed Mr. Spencer for years in various upper-management level positions in which Mr. Spencer has obtained knowledge of and full access to the full range of the confidential, proprietary information of K-C that is competitively valuable, much of which constitutes trade secrets; and

WHEREAS, both K-C and Mr. Spencer acknowledge that Mr. Spencer's knowledge of K-C's trade secrets and other confidential proprietary information is thorough, both in terms of the breadth (i.e. information from K-C's various business units and regarding K-C's various products), and in terms of depth (i.e. the level of detail, and information about K-C's prior, current and future activities); and

WHEREAS, both K-C and Mr. Spencer acknowledge that because of Mr. Spencer's expansive and thorough knowledge of K-C's trade secrets and other confidential proprietary information, and its business plans and strategies, K-C would suffer serious competitive harm if Mr. Spencer were to perform any services for a substantial competitor of K-C in which Mr. Spencer made or influenced any business decisions of that competitor; and

WHEREAS, both K-C and Mr. Spencer acknowledge that if Mr. Spencer were to perform services for a substantial competitor of K-C in which Mr. Spencer made or influenced any business decisions of the competitor, Mr. Spencer would inevitably use for the benefit of the

competitor and to the competitive detriment of K-C his knowledge of some K-C trade secrets or other competitively valuable confidential information: and

WHEREAS, K-C wishes to continue to retain Mr. Spencer's services as a senior executive consultant after his retirement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and specifically the payment described in Article 3 below, the parties hereto agree as follows:

ARTICLE I  
CONSULTING SERVICES

Mr. Spencer shall provide K-C consulting services (the "Services") and such other work as requested from time to time by K-C's Chief Executive Officer, or any other officers its Chief Executive Officer may designate. The Services shall be performed solely by Mr. Spencer. Mr. Spencer agrees that during the term of this Consulting Agreement, he will not have the authority to act on behalf of K-C in any situation that may arise during the performance of duties assigned to him. Further, Mr. Spencer agrees he will have no access to any K-C information and/or computer systems, including but not limited to electronic mail, software, mainframe, and other forms of information collection, without the express permission of K-C's Chief Executive Officer. It is anticipated that the consulting services will primarily be performed from Mr. Spencer's place of residence.

ARTICLE 2  
TERM AND TERMINATION

The Services to be performed by Mr. Spencer pursuant to this Consulting Agreement shall commence on July 1, 2012, and continue for a period of two years until June 30, 2104 (hereinafter referred to as the "Term"). Notwithstanding the expected Term hereof, K-C or Mr. Spencer may terminate the Services at any time in the event of the failure of the other party to comply with any of the provisions hereunder after receiving written notice of such failure and not

curing the same within 30 calendar days. This Consulting Agreement also shall terminate on the death or incapacity of Mr. Spencer except for Articles 4 through 14. In the event of early termination because of a breach of the Consulting Agreement by Mr. Spencer, Mr. Spencer shall provide K- C with written summaries of the Services performed through the date of cancellation and K- C shall compensate Mr. Spencer through the date of such termination in accordance with the terms hereof and K-C shall owe no further monies to Mr. Spencer. In the event of early termination without cause by K-C, Mr. Spencer shall provide K- C with written summaries of the Services performed through the date of cancellation and K- C shall continue to compensate Mr. Spencer as provided in Article 3 through the remainder of the Term. In the event of termination of this Consulting Agreement, for any reason whatsoever, with or without cause, the provisions of Articles 4 through 14 and any other provisions of this Consulting Agreement necessary to give efficacy thereto shall continue in full force and effect following such termination.

ARTICLE 3  
COMPENSATION

In consideration of his decision to enter into this Consulting Agreement, Mr. Spencer shall remain an employee of K-C, receiving full-time pay and all benefits to which Employee may otherwise be entitled, through June 30, 2012, and will be offered a "Reaffirmation Agreement" at the end of the employment period. The form of the Reaffirmation agreement is attached as Exhibit A. As a condition of receiving any payments under this Article, Mr. Spencer shall execute and deliver the Reaffirmation Agreement to K-C within the time specified in the Reaffirmation Agreement. Provided Mr. Spencer signs and returns the Reaffirmation Agreement in a timely manner, and does not revoke it in accordance with its terms, K-C will pay Mr. Spencer \$50,000 per quarter, in arrears, for a period of two years to be paid after the last day of each quarterly period, commencing after September 30, 2012 with the final payment

occurring after June 30, 2014. Mr. Spencer shall be available to provide Services for a maximum of 200 hours per year at such time as can reasonably be agreed by the parties. In the event that K-C requests Mr. Spencer to provide services in excess of 200 hours per year, Mr. Spencer shall be compensated at a rate to be agreed upon by the parties. K-C shall reimburse Mr. Spencer for all necessary travel and other expenses incurred in connection with the Services provided that such expenses have been incurred with K-C's prior approval and further, provided that Mr. Spencer supports such expenses with appropriate documentation. Tax withholdings may be applied to the above payments as determined by K-C in its sole discretion. Mr. Spencer is fully responsible for the payment of all taxes and K-C makes no representation as to the tax treatment of any consideration under this Agreement.

#### ARTICLE 4

#### FULL AND FINAL RELEASE

In consideration of the payments being provided to Mr. Spencer above, Mr. Spencer, for himself, his attorney, heirs, executors, administrators, successors and assigns, fully, finally and forever releases and discharges K-C, all parent, subsidiary, related and affiliated companies, including K-C, and its parent, subsidiary, related and affiliated companies, as well as its and their successors, assigns, officers, owners, directors, agents, representatives, attorneys, and employees (all of whom are referred to throughout this Article as "KCC"), of and from all claims, demands, actions, causes of action, suits, damages, losses, and expenses, of any and every nature whatsoever, as a result of actions or omissions occurring through the execution date of this Consulting Agreement. Specifically included in this waiver and release are, among other things, any and all claims of alleged employment discrimination, either as a result of the separation of Mr. Spencer's employment or otherwise, any claims under any KCC severance pay plan, under the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act

(FMLA), the Americans with Disabilities Act, the Worker Adjustment and Retraining Notification (WARN) Act, the Uniformed Services Employment and Reemployment Rights Act (USERRA), the Ledbetter Fair Pay Act, the Internal Revenue Code (IRC), the US tax code, the Employee Retirement Income Security Act (ERISA), any other federal, state or local statute, rule, ordinance, or regulation, as well as any claims for alleged wrongful discharge, negligent or intentional infliction of emotional distress, breach of contract, fraud, defamation, or any other unlawful behavior, the existence of which is specifically denied by KCC.

Nothing in this Agreement, however, shall be construed to prohibit Mr. Spencer from filing a charge or participating in any investigation or proceeding conducted by the EEOC or comparable state or local agency. Notwithstanding the foregoing, Mr. Spencer waives his right to recover monetary or other damages as a result of any charge or lawsuit filed by Mr. Spencer or by anyone else on Mr. Spencer's behalf, including a class or collective action, whether or not Mr. Spencer is named in such proceeding. Further, nothing in this Agreement is intended to waive Mr. Spencer's entitlement to vested benefits under any pension, 401(k) plan or other benefit plan provided by KCC. Finally, the above release does not waive claims that Mr. Spencer could make, if available, for unemployment or workers' compensation and also excludes any other claim which cannot be released by private agreement between the parties.

ARTICLE 5  
DEFINITIONS

- a) "Area" as used in this Agreement means the United States of America, the United Kingdom and Europe.
- b) "Business" as used in this Consulting Agreement means the development, production, sales and/or marketing of health, hygiene and/or other products of the type developed, produced, sold and/or marketed by K-C.

- c) "Competitor" as used in this Consulting Agreement means another business, whether a person, entity or organization, that is in the same or substantially the same Business as K-C anywhere in the Area, including specifically Proctor & Gamble, Johnson & Johnson, Koch Industries, Playtex Products, Inc., SCA Tissue, Ontex BVBA, Tyco International, Inc., UniCharm Corporation, Cardinal Health, Inc. and Medline Industries Inc. and any subsidiary or corporate affiliate of these companies in the same or substantially the same Business as K-C.
- d) "Confidential Information" as used in this Consulting Agreement means all information, knowledge and data relating to the Business which is or has been disclosed to Mr. Spencer or of which Mr. Spencer became aware as a consequence of or through either Mr. Spencer's prior employment with K-C or his performance of Services under the Consulting Agreement, and which has value to K-C and is not generally known to its competitors. Confidential Information shall not include any information, knowledge or data that has been voluntarily disclosed to the public by the Company (except where such disclosure has been made by Mr. Spencer without authorization) or that has been independently developed and disclosed to the general public by others, or otherwise entered the public domain through lawful means.
- e) "K-C" or the "Company" as used in this Consulting Agreement includes Kimberly-Clark Corporation and any subsidiary of Kimberly-Clark Corporation of which 50% or more of the voting shares are owned directly or indirectly by Kimberly-Clark Corporation.
- f) "K-C Information" as used in this Consulting Agreement means Confidential Information and Trade Secrets, collectively, as defined below.

- g) "Trade Secrets" as used in this Consulting Agreement means information of K-C, without regard to form, including, but not limited to, technical or nontechnical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product or service plans or lists of actual or potential customers or suppliers which is not commonly known by or available to the public and which information (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

#### ARTICLE 6

#### CONFIDENTIAL INFORMATION

Mr. Spencer shall not disclose, publish or disseminate any K-C Information or use any K-C Information for the benefit of any person or entity other than K-C, except as specifically required to perform Services for K-C or as otherwise specifically authorized by K-C. With respect to Confidential Information that does not constitute Trade Secrets, the confidentiality obligations described herein shall continue throughout the Term of this Consulting Agreement and for a period of two years after this Consulting Agreement terminates (regardless of the reason or manner of termination). With respect to Trade Secrets, the confidentiality obligations set forth herein shall continue even after the termination of this Consulting Agreement (regardless of the reason or manner of termination) for so long as the information at issue remains a Trade Secret under applicable law. Mr. Spencer agrees that, with the execution of this Consulting Agreement, he has returned to K-C all confidential and proprietary information and all other Company property, as well as all copies or excerpts of any property, files or documents obtained as a result of his employment with K-C, except those items K-C specifically agrees in writing to permit Mr. Spencer to retain. This Article is not intended to preclude Mr.



Spencer from testifying truthfully in any court of law or before an administrative agency, although Mr. Spencer agrees that he will testify as to K-C matters only if served with a lawfully executed subpoena.

ARTICLE 7  
NON-SOLICITATION

Mr. Spencer shall not, at any time during the Term of this Consulting Agreement, in the Area, directly or indirectly, take any action which would cause, serve to encourage, solicit or induce any employee of K-C with whom Mr. Spencer has material contact prior to or during the Term of this Consulting Agreement, to leave K-C's employ for employment with a Competitor.

ARTICLE 8  
NON-COMPETITION

During the Term of this Agreement, Mr. Spencer shall not, without the written consent of K-C, within the Area, either directly or indirectly, undertake for a Competitor to perform services that are the same or substantially similar to those Services he has undertaken for K-C, relating to the production, sales and/or marketing of any K-C product. The parties agree that Mr. Spencer's acceptance of a position as a member of a board of directors would not be considered the same or similar services as Mr. Spencer performed for K-C unless such position would necessarily implicate Mr. Spencer's knowledge of Confidential Information, and that Mr. Spencer shall not, without the written consent of K-C, accept a position as a member of a board of directors of a Competitor.

ARTICLE 9  
NON-DISPARAGEMENT

Mr. Spencer agrees that he has not and will not make statements to clients, customers and suppliers of K-C or to other members of the public that are in any way disparaging or negative towards K-C, K-C's products or services, or K-C's board, representatives or

employees. K-C agrees that any requests for information or requests for references regarding Mr. Spencer that are forwarded to Mr. Thomas J. Falk will be answered such that Mr. Falk's references about Mr. Spencer shall not disparage in any way Mr. Spencer or his performance during his employment with K-C.

ARTICLE 10  
NON-ADMISSION OF LIABILITY OR WRONGFUL CONDUCT

This Consulting Agreement shall not be construed as an admission by K-C of any liability or acts of wrongdoing or discrimination, nor shall it be considered to be evidence of such liability, wrongdoing, or discrimination.

ARTICLE 11  
COPYRIGHTS

Mr. Spencer and Mr. Spencer's employees, if any, agree to grant, license, release and assign to K-C all right, title and interest in all copyrights arising out of the Services. All work for authorship created by Mr. Spencer while providing the Services shall be "works made for hire." Upon request, Mr. Spencer shall provide K-C with whatever documents, information or materials are in Mr. Spencer's possession or reasonably available to Mr. Spencer to enable K-C to protect its copyrights in any materials produced pursuant to this Consulting Agreement.

ARTICLE 12  
INVENTIONS AND IDEAS

Mr. Spencer shall promptly disclose and assign to K-C any and all ideas and inventions, patentable or unpatentable, of or relating to anything done in connection with this Consulting Agreement or made or conceived which may result from or be suggested by the Services performed. All such ideas and inventions shall be and become the exclusive property of K-C, whether or not patent applications are filed thereon, and Mr. Spencer shall at any time and from time to time, upon request, at the expense of K-C, make application through representatives of K-C or its nominees for patents of the United States or any foreign jurisdiction. Mr. Spencer

shall promptly provide all reasonable assistance and shall furnish, execute and deliver any and all documents necessary to do any and all acts in securing for K-C or K-C's benefit patents in any and all countries. Termination of this Consulting Agreement shall not release Mr. Spencer from Mr. Spencer's obligations hereunder as to any inventions which, by this Consulting Agreement, Mr. Spencer has agreed to assign.

#### ARTICLE 13

#### INDEPENDENT CONTRACTOR

For the period from July 1, 2012 until June 30, 2014, Mr. Spencer shall be an independent contractor, and not an employee, and as such is not entitled to any employee benefits arising from performance under this Consulting Agreement. Mr. Spencer shall not become the agent, representative, employee or servant of K-C in the performance of the Services or any part thereof, and no express or implied representations to the contrary shall be made.

#### ARTICLE 14

#### WARRANTY AND INDEMNITY

Mr. Spencer warrants and guarantees that: (a) the terms of this Consulting Agreement do not violate any existing agreements or other obligations to which Mr. Spencer is bound; (b) the best technical practices, procedures, skill, care and judgment shall be employed in the performance of the Services; (c) the Services shall be performed in the most expeditious and economical manner consistent with K-C's best interests; and (d) Mr. Spencer shall at all times cooperate with K-C so as to further the best interests of K-C. Mr. Spencer shall defend, indemnify and hold K-C harmless from and against all claims, damages, costs and expenses (including attorneys' fees) suffered or incurred because of any injury (including death) or property damage, or both, caused by or due to the negligence of Mr. Spencer, Mr. Spencer's employees or agents or otherwise arising out of or in connection with Mr. Spencer's performance of the Services.

ARTICLE 15

NOTICES

All notices or other communications required or permitted to be given under this Consulting Agreement shall be in writing and shall be deemed to have been sufficiently given when delivered in person, transmitted by facsimile, or when deposited with the United States Postal Service, first class registered or certified mail, postage prepaid, as follows:

If to Mr. Spencer: Jan B.C. Spencer  
1400 Holcomb Bridge Road  
Roswell, Georgia 30076

If to K-C: Kimberly-Clark Corporation  
351 Phelps Drive  
Irving, TX 75038  
Attention: General Counsel

Or to such other address or individual as either party may specify from time to time in writing.

ARTICLE 16

ASSIGNMENT

Mr. Spencer shall not assign, subcontract or otherwise transfer this Consulting Agreement or any payments due or to become due hereunder without K-C's prior written approval.

ARTICLE 17

ADVICE OF COUNSEL

Mr. Spencer acknowledges that he has been advised by K-C to consult with an attorney in regard to this matter, and that he has consulted with an attorney of his choosing. He further acknowledges that he has been given more than twenty-one (21) days from the time that he received this Consulting Agreement, to consider whether to sign it. If Mr. Spencer has signed this Consulting Agreement on or before the end of this twenty-one (21) day period, it is because he freely chose to do so after carefully considering its terms This Consulting Agreement shall be

automatically cancelled if Mr. Spencer has not signed and returned the Consulting Agreement to K-C on or before the end of this twenty-one (21) day period. Finally, Mr. Spencer shall have seven (7) days from the date he signs this Consulting Agreement to change his mind and revoke the Consulting Agreement. If Mr. Spencer does not revoke this Consulting Agreement within seven days of his signing, this Consulting Agreement will become final and binding on the day following such seven-day period.

ARTICLE 18  
ACKNOWLEDGEMENTS

Mr. Spencer acknowledges that he has been advised by K-C to consult with an attorney in regard to this matter. Mr. Spencer further acknowledges that he understands the terms of this Consulting Agreement, and that he undertakes the obligations described in this Consulting Agreement of his own choice and without any duress or coercion. Additionally, Mr. Spencer agrees that if K-C enforces any aspect of this Consulting Agreement in a court of competent jurisdiction, he shall be liable to reimburse K-C for all expenses incurred in such enforcement activity, including attorneys' fees if K-C's legal action results in a decision in its favor.

ARTICLE 19  
ENTIRE AGREEMENT; AMENDMENT

This Consulting Agreement constitutes the entire understanding between the parties with respect to the provision of Services and the obligations of Mr. Spencer defined by this Consulting Agreement. No waiver, modification or amendment of any term of this Consulting Agreement shall be valid unless made in writing specifying such waiver, modification, or amendment and signed by the parties hereto. However, any noncompetition, confidentiality, nonsolicitation and/or assignment of business ideas agreements or any prior agreements between the parties related to inventions, business ideas, and confidentiality of corporate information remain intact, including, but not limited to, those attached as Exhibit A.

ARTICLE 20  
DIVISIBILITY AND PARTIAL ENFORCEMENT

If a court of competent jurisdiction determines that any aspects of the obligations imposed on Mr. Spencer hereunder are unenforceable, the parties desire that all remaining obligations shall be divisible from any unenforceable provision, and shall remain in full force and effect. The parties further desire that the court enforce any part of any unenforceable provision to the full extent permitted by law.

ARTICLE 21  
GOVERNING LAW

THIS CONSULTING AGREEMENT SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS IN THE STATE OF GEORGIA WITHOUT REGARD FOR ITS CONFLICT OF LAWS PROVISIONS AND THE PARTIES AGREE THAT THE EXCLUSIVE VENUE FOR ANY ACTION ARISING OUT OF THIS AGREEMENT, OR SEEKING TO ENFORCE THIS AGREEMENT OR ANY OF ITS PROVISIONS WILL BE THE SUPERIOR COURT OF FULTON COUNTY AND BOTH PARTIES CONSENT TO THE VENUE AND PERSONAL JURISDICTION OF SUCH COURT.

IN WITNESS WHEREOF, this Consulting Agreement has been executed on behalf of each party as of the day and year first set forth above.

/s/ Jan B.C. Spencer  
Jan B.C. Spencer

KIMBERLY-CLARK CORPORATION

By: /s/ Thomas J. Falk  
Name: Thomas J. Falk  
Title: Chief Executive Officer

**Reaffirmation of the Agreement and Full and Final Release of Claims**

This Agreement represents the understanding between Jan B.C. Spencer (Employee “”) and Kimberly-Clark Global Sales, LLC (“K-C”), pursuant to the Consulting Agreement (“Agreement”), which was executed on the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

By signing, Employee agrees that in exchange for the consideration detailed in Article 3 of the Agreement, Employee is reaffirming the Agreement in its entirety, including, but not limited to the full and final release obligation related to the above referenced Consulting Agreement, attached as Exhibit A to this Agreement.

As outlined in the Consulting Agreement, if Employee executes the Reaffirmation Agreement and delivers the executed Reaffirmation Agreement to K-C within the time specified below and does not revoke it in accordance with the terms described below, K-C will further provide the consideration detailed in Article 3 of the Consulting Agreement.

**FULL AND FINAL RELEASE**. In consideration of the payments being provided to Employee in Article 3 of the Consulting Agreement, Employee, for the Employee, Employee’s attorneys, heirs, executors, administrators, successors and assigns, fully, finally and forever releases and discharges K-C, all parent, subsidiary, related and affiliated companies, including Kimberly-Clark Corporation, and its parent, subsidiary, related and affiliated companies, as well as its and their successors, assigns, officers, owners, directors, agents, representatives, attorneys, and employees (all of whom are referred to throughout this Agreement as “KCC”), of and from all claims, demands, actions, causes of action, suits, damages, losses, and expenses, of any and every nature whatsoever, as a result of actions or omissions occurring through the execution date of this Agreement. Specifically included in this waiver and release are, among other things, any and all claims of alleged employment discrimination, either as a result of the separation of Employee’s employment or otherwise, any claims under any KCC severance pay plan, under the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act (FMLA), the Americans with Disabilities Act, the Worker Adjustment and Retraining Notification (WARN) Act, the Uniformed Services Employment and Reemployment Rights Act (USERRA), the Ledbetter Fair Pay Act, the Internal Revenue Code (IRC), the US tax code, the Employee Retirement Income Security Act (ERISA), any other federal, state or local statute, rule, ordinance, or regulation, as well as any claims for alleged wrongful discharge, negligent or intentional infliction of emotional distress, breach of contract, fraud, defamation, or any other unlawful behavior, the existence of which is specifically denied by KCC.

Nothing in this Agreement, however, shall be construed to prohibit Employee from filing a charge or participating in any investigation or proceeding conducted by the EEOC or comparable state or local agency. Notwithstanding the foregoing, Employee waives Employee’s right to recover monetary or other damages as a result of any charge or lawsuit filed by Employee or by anyone else on Employee’s behalf, including a class or collective action, whether or not Employee is named in such proceeding. Further, nothing in this Agreement is intended to waive Employee’s entitlement to vested benefits under any pension, 401(k) plan or other benefit plan provided by KCC. Finally, the above release does not waive claims that Employee could make, if available, for unemployment or workers’ compensation and also excludes any other claim which cannot be released by private agreement between the parties.

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**ADVICE OF ATTORNEY** . Employee acknowledges that Employee has been and is hereby advised to consult with an attorney in regard to this matter. Employee further acknowledges that Employee has been given twenty-one (21) days from the time that Employee receives this Agreement to consider whether to sign it. If Employee has signed this Agreement before the end of this twenty-one (21) day period, it is because Employee freely chose to do so after carefully considering its terms. Finally, Employee shall have seven (7) days from the date Employee signs this Agreement to change Employee's mind and revoke the Agreement. If Employee does not revoke this Agreement within seven (7) days of Employee's signing, this Agreement will become final and binding on the day following such seven (7) day period. If Employee elects not to sign this Agreement within twenty-one (21) days from the date that Employee receives this Agreement, the offer to enter into this Agreement shall terminate and expire automatically.

Date: \_\_\_\_\_

\_\_\_\_\_  
Jan B.C. Spencer

For: Kimberly-Clark Global Sales LLC

Date: \_\_\_\_\_

\_\_\_\_\_  
Thomas J. Falk  
Chairman of the Board & CEO



## 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 3, 2012

/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 3, 2012

/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 3, 2012 (“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 3, 2012

**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 3, 2012 (“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 3, 2012

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

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**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

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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

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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**

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**KIMBERLY-CLARK**

**SHAREPLUS**

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**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

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**TRUST DEED AND RULES**

**OF**

**KIMBERLY-CLARK SHAREPLUS UK**

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**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 Sterling<sup>3</sup> 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"	(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  (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

(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"	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 <ul style="list-style-type: none"> <li>(1) is chargeable to tax in respect of his employment under Case I of Schedule E; and</li> <li>(2) any other employee who the Directors in their absolute discretion may permit to participate in the Plan</li> </ul>

**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:
- (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;
    - (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"	(1) in relation to Free Shares, Matching Shares and Dividend Shares, the day following the last day of the applicable Holding Period;
	(2) in relation to Partnership Shares, the period beginning on the applicable Acquisition Date and ending on the third anniversary of such date;
"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"	(1) In relation to Free Shares, Partnership Shares and Matching Shares, the fifth anniversary of their Appropriation Date or Acquisition Date (as appropriate); and  (2) in relation to Dividend Shares, the third anniversary of their Appropriation Date;
"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")	COMPANY ("THE COMPANY")	TRUSTEES ("THE TRUSTEES")
Name:	Name:	Name:
Home Address:	Registered Address:	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



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**

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**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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**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 Trustees Ltd whose registered office is situated at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands ("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:

<b>“Beneficiaries”</b>	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
<b>“Employee”</b>	any person employed by the Company or any Relevant Subsidiary and “Former Employee” shall be construed accordingly
<b>“Relevant Subsidiary”</b>	any Subsidiary which has any employees or former employees participating in any of the Share Schemes
<b>“Shares”</b>	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

<b>“Share Schemes”</b>	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
<b>“Subsidiary”</b>	any subsidiary from time to time of the Company within the meaning of Section 736 of the Companies Act 1985 (as amended)
<b>“Trust”</b>	the Kimberley-Clark Employee Share Trust (Jersey), as constituted by this Deed (as amended from time to time)
<b>“Trust Fund”</b>	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
<b>“Trust Period”</b>	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**

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**TRUST DEED**  
of the  
**KIMBERLY-CLARK**  
**EMPLOYEE SHARE TRUST (UK)**

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**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 4<sup>th</sup> 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:

<b>“Beneficiaries”</b>	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
<b>“Employee”</b>	any person employed by the Company or any Relevant Subsidiary and “Former Employee” shall be construed accordingly
<b>“Relevant Subsidiary”</b>	any Subsidiary which has any employees or former employees participating in any of the Share Schemes
<b>“Shares”</b>	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

<b>“Share Schemes”</b>	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
<b>“Subsidiary”</b>	any subsidiary from time to time of the Company within the meaning of Section 736 of the Companies Act 1985 (as amended)
<b>“Trust”</b>	the Kimberly-Clark Employee Share Trust (UK), as constituted by this Deed (as amended from time to time)
<b>“Trust Fund”</b>	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*

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in this Registration Statement on Form S-8 of our reports dated February 26, 2009, 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 consolidated financial statements and the related financial statement schedule and includes an explanatory paragraph regarding the adoption of Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*, on January 1, 2008, and the adoption of Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109*, on January 1, 2007) and the effectiveness of the Corporation's internal control over financial reporting, appearing in the Annual Report on Form 10-K of the Corporation for the year ended December 31, 2008.

/s/ Deloitte & Touche LLP

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Dallas, Texas

September 18, 2009

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director and/or Officer of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Steve E. Voskuil, Thomas J. Mielke and Randy J. Vest, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned a Registration Statement on Form S-8 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of shares of the Corporation's common stock, \$1.25 par value, to be granted under and in accordance with the Kimberly-Clark Shareplus, including the Kimberly-Clark Shareplus UK Plan, and to execute any and all amendments to such Registration Statement, 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 the undersigned 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 17th day of September, 2009.

/s/ John R. Alm  
John R. Alm

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POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director and/or Officer of Kimberly-Clark Corporation, a Delaware corporation (the "Corporation"), does hereby constitute and appoint Mark A. Buthman, Steve E. Voskuil, Thomas J. Mielke and Randy J. Vest, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign on behalf of the undersigned a Registration Statement on Form S-8 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the registration under the Securities Act of shares of the Corporation's common stock, \$1.25 par value, to be granted under and in accordance with the Kimberly-Clark Shareplus, including the Kimberly-Clark Shareplus UK Plan, and to execute any and all amendments to such Registration Statement, 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 the undersigned 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 17th day of September, 2009.

/s/ Dennis R. Beresford

Dennis R. Beresford

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POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of September, 2009.

/s/ John F. Bergstrom

John F. Bergstrom

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POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of September, 2009.

/s/ Abelardo E. Bru

Abelardo E. Bru

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POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of September, 2009.

/s/ Robert W. Decherd

Robert W. Decherd

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POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of September, 2009.

/s/ Thomas J. Falk

Thomas J. Falk

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POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of September, 2009.

/s/ Mae C. Jemison  
Mae C. Jemison

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POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of September, 2009.

/s/ James M. Jenness

James M. Jenness

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POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of September, 2009.

/s/ Ian C. Read

Ian C. Read

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POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of September, 2009.

/s/ Linda Johnson Rice

Linda Johnson Rice

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POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of September, 2009.

/s/ Marc J. Shapiro

Marc J. Shapiro

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POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of September, 2009.

/s/ G. Craig Sullivan  
G. Craig Sullivan

EXHIBIT IX RESOLUTION APPROVING AMENDMENTS TO THE RULES OF THE  
KIMBERLY-CLARK SHAREPLUS AND SHAREPLUS UK PLANS

**KIMBERLY-CLARK CORPORATION**  
**SHAREPLUS MANAGEMENT**  
**COMMITTEE**  
**OF**  
**THE KIMBERLY-CLARK SHAREPLUS PLAN AND**  
**THE KIMBERLY-CLARK SHAREPLUS UK PLAN**

**JULY 20, 2012**

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**AGENDA ITEM**

**SUBJECT:       APPROVE AMENDMENTS TO THE RULES OF THE**  
**KIMBERLY-CLARK SHAREPLUS AND SHAREPLUS UK**  
**PLANS**

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**Summary**

1.       Approve the extension of the term of the Kimberly-Clark Shareplus Plan and the Kimberly-Clark Shareplus UK Plan

**Proposed Resolutions**

NOW, THEREFORE, BE IT

RESOLVED, that Rule 21.2 of the Rules of Kimberly-Clark Shareplus ("Shareplus") be, and it hereby is, amended and restated such that words and phrases in the Shareplus shall bear the same meaning except that in Rule 21.2, delete the wording and replace with:

"21.2 The Plan shall continue for a period of eighty years commencing on the date of the Trust Deed unless terminated earlier by resolution of the Directors."

RESOLVED, that Rule 23.1 of the Rules of Kimberly-Clark Shareplus UK ("Shareplus UK") be, and it hereby is, amended and restated such that words and phrases in the Shareplus UK shall bear the same meaning except that in Rule 23.1, delete the wording and replace with:

"23.1 The Plan shall continue for a period of eighty 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."

RESOLVED, that the amendments to the Rules of Shareplus and Shareplus UK (collectively "the Plans") set forth above shall be deemed to be effective as of May 1, 2012.

RESOLVED, that the Committee hereby recommends that the Management Development and Compensation Committee of the Board of Directors of Kimberly-Clark ratify and approve the amendments to the Rules of the Plans.

RESOLVED FURTHER, that each of the Vice President-Compensation, Benefits and Health Services and the European Rewards Director, and any officer or employee authorized in writing by the European Rewards Director, be, and each of them hereby is, authorized and empowered to execute, deliver and cause to be filed such contracts, deeds, instruments, documents, agreements, notes, certificates and notices, and to take all such other actions, which any of them may deem necessary or desirable in connection with the amendments to the Rules of the Plans or to effect the intent and purposes of the foregoing resolutions.

### **Attachment**

- Redlined draft of amendments

**Exhibit A**

REDLINED: Rule 21.2 of the Rules of Kimberly-Clark Shareplus:

21.2 The Plan shall continue for a period of ~~ten~~eighty years commencing on the date of the Trust Deed unless terminated earlier by resolution of the Directors.

REDLINED: Rule 23.1 of the Rules of Kimberly-Clark Shareplus UK:

23.1 The Plan shall continue for a period of ~~eighty~~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.

## EXHIBIT X 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 employee's 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 21% if certain conditions



are met, possibly increased with a 4% surcharge for employees with movable income exceeding a certain threshold), to which local taxes must be added<sup>1</sup>.

(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.

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<sup>1</sup> The application of these local taxes might be abolished in the near future, but this has not yet been officially confirmed.

## 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 contributions for calendar year 2012 is capped at CZK 1,206,576. The total base of health insurance contributions for calendar year 2012 is capped at CZK 1,809,864.

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 Shares are subject to German withholding tax at a rate of 25% plus 5.5% solidarity surcharge thereon (resulting in a rate of 26.375%) plus church tax, if applicable, provided the Shares are held by the Administrator in a custodial account maintained with a German branch of a credit or financial services institution or with a German securities trading bank or a German securities trading business. This includes any dividends reinvested on the employee's behalf by the Administrator.

If no withholding tax has been levied (eg because the Shares are not held in a custodial account as described above) or if the employee is subject to church tax and no church tax has been levied, the employee is obliged to declare dividends and capital gains in its annual tax return. The income will then, as a rule, also be taxed at a rate of 26.375% plus church tax, if applicable. Even if withholding tax has been levied, the employee may nevertheless declare the income in its tax return in certain circumstance, eg in order to deduct lump-sum expenses (see next paragraph).

Dividends qualify as income from capital investments (*Einkünfte aus Kapitalvermögen*). With respect to such income, the deduction of actually accrued expenses is not possible. However, the employee is entitled to deduct from its total income from capital investments per annum, including dividends and capital gains, a lump-sum amount (so-called *Sparer-Pauschbetrag*) of EUR 801 for single persons and EUR 1,602 for married couples filing their tax return jointly.

The employee should receive a credit for any tax paid in the US, but only up to 25%. 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.

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

Capital gains realised upon sale of an employee's Shares are subject to German withholding tax at a rate of 25% plus 5.5% solidarity surcharge thereon (resulting in a rate of 26.375%) plus church tax, if applicable, provided the Shares are held by the Administrator in a custodial account maintained with a German branch of a credit or financial services institution or with a German securities trading bank or a German securities trading business. This includes any dividends reinvested on the employee's behalf by the Administrator.

If no withholding tax has been levied (eg because the Shares are not held in a custodial account as described above) or if the employee is subject to church tax and no church tax has been levied, the employee is obliged to declare dividends and capital gains in its annual tax return. The income will then, as a rule, also be taxed at a rate of 26.375% plus church tax, if applicable. Even if withholding tax has been levied, the employee may nevertheless declare the income in its tax return in certain circumstance, eg in order to deduct lump-sum expenses (see next paragraph).

Capital gains qualify as income from capital investments (*Einkünfte aus Kapitalvermögen*). With respect to such income, the deduction of actually accrued expenses is not possible. However, the employee is entitled to deduct from its total income from capital investments per annum, including capital gains and dividends, a lump-sum amount (so-called *Sparer-Pauschbetrag*) of EUR 801 for single persons and EUR 1,602 for married couples filing their tax return jointly.

#### 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 1.23% and 2.03% 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 of up to 0.8% 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 20% 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 employee's tax basis in the Shares. The tax basis is represented by any expenses related to the acquisition of the Shares (other than interest expenses) increased by any amount that has been subject to tax as income from employment in the hands of the employee. Such capital gain will be subject to a 20% 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 50,064 for 2012). 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 total net-worth (valued on 1 January of each year) in each given year.

There is a general exemption for net-worth assets up to (in 2012) EUR 21,139 (for singles) and EUR 42,278 (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 56%.

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 21% for the first EUR 6,000, at 25% for the income obtained between EUR 6,000 and EUR 24,000 and at 27% for any excess. It should be noted that the increased rates of 25% and 27% would be applicable to any amount exceeding EUR 6,000 and EUR 24,000, respectively, 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 21% for the first EUR 6,000, at 25% for the income obtained between EUR 6,000 and EUR 24,000 and at 27% for any excess. It should be noted that the increased rates of 25% and 27% would be applicable to any amount exceeding EUR 6,000 and EUR 24,000, respectively, 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 his/her 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 him/her.

(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.

<b>Partnership Shares</b>	<b>Matching Shares</b>	<b>Dividend Shares</b>
<b>1. Withdrawal of Shares from Shareplus-UK after 5 years</b>		
No tax or national insurance is due on the value of the Shares.		No tax is due on the value of the Shares.
<b>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)</b>		
No tax or national insurance is due on the value of the Shares.		No tax is due on the value of the

	Shares.	
<b>3. Termination of employment within 3 years of buying Shares on a voluntary basis or for other reasons than those given above</b>		
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).	
<b>4. Termination of employment between 3 and 5 years of buying Shares on a voluntary basis or for other reasons than those given above</b>		
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 2012/2013 is GBP 10,600. 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 10,600 for the tax year 2012/2013). 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.