

# KIMBERLY CLARK CORP

## FORM 10-Q (Quarterly Report)

Filed 04/24/17 for the Period Ending 03/31/17

Address	351 PHELPS DRIVE IRVING, TX 75038
Telephone	9722811200
CIK	0000055785
Symbol	KMB
SIC Code	2670 - Converted Paper And Paperboard Products, Except
Industry	Personal Products
Sector	Consumer Non-Cyclicals
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, 2017  
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)

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**Delaware**  
(State or other jurisdiction of  
incorporation)

**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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth 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"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 17, 2017, there were 354,928,124 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 March 31	
	2017	2016
<b>Net Sales</b>	\$ 4,483	\$ 4,476
Cost of products sold	2,831	2,837
<b>Gross Profit</b>	<b>1,652</b>	<b>1,639</b>
Marketing, research and general expenses	813	825
Other (income) and expense, net	5	10
<b>Operating Profit</b>	<b>834</b>	<b>804</b>
Interest income	2	4
Interest expense	(83)	(76)
<b>Income Before Income Taxes and Equity Interests</b>	<b>753</b>	<b>732</b>
Provision for income taxes	(207)	(207)
<b>Income Before Equity Interests</b>	<b>546</b>	<b>525</b>
Share of net income of equity companies	29	35
<b>Net Income</b>	<b>575</b>	<b>560</b>
Net income attributable to noncontrolling interests	(12)	(15)
<b>Net Income Attributable to Kimberly-Clark Corporation</b>	<b>\$ 563</b>	<b>\$ 545</b>
<b>Per Share Basis</b>		
<b>Net Income Attributable to Kimberly-Clark Corporation</b>		
Basic	\$ 1.58	\$ 1.51
Diluted	\$ 1.57	\$ 1.50
<b>Cash Dividends Declared</b>	<b>\$ 0.97</b>	<b>\$ 0.92</b>

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	
	2017	2016
<b>Net Income</b>	<b>\$ 575</b>	<b>\$ 560</b>
<b>Other Comprehensive Income (Loss), Net of Tax</b>		
Unrealized currency translation adjustments	267	208
Employee postretirement benefits	(2)	(6)
Other	(16)	(19)
<b>Total Other Comprehensive Income (Loss), Net of Tax</b>	<b>249</b>	<b>183</b>
<b>Comprehensive Income</b>	<b>824</b>	<b>743</b>
Comprehensive income attributable to noncontrolling interests	(31)	(22)
<b>Comprehensive Income Attributable to Kimberly-Clark Corporation</b>	<b>\$ 793</b>	<b>\$ 721</b>

See notes to consolidated financial statements.

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
(2017 Data is Unaudited)

(Millions of dollars)	March 31, 2017	December 31, 2016
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 835	\$ 923
Accounts receivable, net	2,224	2,176
Inventories	1,728	1,679
Other current assets	325	337
<b>Total Current Assets</b>	<b>5,112</b>	<b>5,115</b>
<b>Property, Plant and Equipment, Net</b>	<b>7,251</b>	<b>7,169</b>
<b>Investments in Equity Companies</b>	<b>284</b>	<b>257</b>
<b>Goodwill</b>	<b>1,528</b>	<b>1,480</b>
<b>Other Assets</b>	<b>583</b>	<b>581</b>
<b>TOTAL ASSETS</b>	<b>\$ 14,758</b>	<b>\$ 14,602</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Debt payable within one year	\$ 1,328	\$ 1,133
Trade accounts payable	2,571	2,609
Accrued expenses	1,620	1,775
Dividends payable	345	329
<b>Total Current Liabilities</b>	<b>5,864</b>	<b>5,846</b>
<b>Long-Term Debt</b>	<b>6,425</b>	<b>6,439</b>
<b>Noncurrent Employee Benefits</b>	<b>1,278</b>	<b>1,301</b>
<b>Deferred Income Taxes</b>	<b>457</b>	<b>532</b>
<b>Other Liabilities</b>	<b>314</b>	<b>309</b>
<b>Redeemable Preferred Securities of Subsidiaries</b>	<b>58</b>	<b>58</b>
<b>Stockholders' Equity (Deficit)</b>		
Kimberly-Clark Corporation	136	(102)
Noncontrolling Interests	226	219
<b>Total Stockholders' Equity</b>	<b>362</b>	<b>117</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 14,758</b>	<b>\$ 14,602</b>

See notes to consolidated financial statements.

**KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT**  
(Unaudited)

(Millions of dollars)	Three Months Ended March 31	
	2017	2016
<b>Operating Activities</b>		
Net income	\$ 575	\$ 560
Depreciation and amortization	178	172
Stock-based compensation	20	15
Deferred income taxes	(25)	(34)
Equity companies' earnings in excess of dividends paid	(26)	(30)
Operating working capital	(264)	(105)
Postretirement benefits	(21)	(16)
Other	(1)	(9)
<b>Cash Provided by Operations</b>	<b>436</b>	<b>553</b>
<b>Investing Activities</b>		
Capital spending	(215)	(220)
Investments in time deposits	(37)	(59)
Maturities of time deposits	70	42
Other	4	8
<b>Cash Used for Investing</b>	<b>(178)</b>	<b>(229)</b>
<b>Financing Activities</b>		
Cash dividends paid	(329)	(318)
Change in short-term debt	196	(675)
Debt proceeds	—	796
Debt repayments	(8)	(2)
Proceeds from exercise of stock options	78	31
Acquisitions of common stock for the treasury	(295)	(140)
Other	(9)	(7)
<b>Cash Used for Financing</b>	<b>(367)</b>	<b>(315)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>21</b>	<b>7</b>
<b>Change in Cash and Cash Equivalents</b>	<b>(88)</b>	<b>16</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>923</b>	<b>619</b>
<b>Cash and Cash Equivalents - End of Period</b>	<b>\$ 835</b>	<b>\$ 635</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 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. Dollar amounts are reported in millions, except per share dollar amounts, unless otherwise noted.

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, 2016 . The terms "Corporation," "Kimberly-Clark," "K-C," "we," "our" and "us" refer to Kimberly-Clark Corporation and its consolidated subsidiaries.

Recently Adopted Accounting Standards

In 2016, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2016-09, *Compensation-Stock Compensation (Topic 718)* . The new guidance simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. We adopted this standard as of January 1, 2017. The adoption did not have a material impact on our financial position, results of operations and cash flows. Prior periods were not recast.

In 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)* providing guidance on eight specific cash flow statement classification matters. We early adopted this standard as of January 1, 2017. The adoption of this standard did not have a material impact on our cash flow statement. Prior periods were not recast.

Accounting Standards Issued - Not Yet Adopted

In 2017, the FASB issued ASU No. 2017-07, *Compensation-Retirement Benefits (Topic 715), Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The standard requires that an employer report the service cost component in the same line items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside of operating profit. The standard is effective for public companies for annual periods beginning after December 15, 2017, including interim periods within those annual periods. Prior periods are required to be recast. We will adopt this standard as of January 1, 2018. Net periodic benefit cost for pensions and other postretirement benefits for the three months ended March 31, 2017 and 2016 was \$27 and \$32 , respectively, of which \$13 and \$17 , respectively, related to service cost.

In 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory* , which removes the prohibition in ASC 740 against the immediate recognition of the current and deferred income tax effects of intra-entity transfers of assets other than inventory. The ASU is effective for public companies for fiscal years beginning after December 15, 2017, and interim periods within those annual periods. The ASU should be applied on a modified retrospective basis, recognizing the effects in retained earnings as of the beginning of the year of adoption. We will adopt this standard as of January 1, 2018. The effects of this standard on our financial position, results of operations and cash flows are not yet known.

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* . Under the new guidance, a lessee will be required to recognize assets and liabilities for all leases with lease terms of more than 12 months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. The ASU requires additional disclosures. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The ASU requires adoption based upon a modified retrospective transition approach. Early adoption is permitted. The effects of this standard on our financial position, results of operations and cash flows are not yet known.

In 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* , which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most current revenue recognition guidance. In 2016, the FASB issued four amendments to the ASU. The standard is effective for public companies for annual and interim periods beginning after December 15, 2017. We will adopt this ASU effective January 1, 2018. The



guidance is required to be adopted on either a full or modified retrospective basis. As this standard is not expected to have a material impact on our financial position, results of operations and cash flows on either a full or modified retrospective basis, we do not plan to recast prior periods.

## **Note 2 . Fair Value Information**

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

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

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

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

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

During the three months ended March 31, 2017 and for the full year 2016 , there were no significant transfers among level 1, 2, or 3 fair value determinations.

Derivative assets and liabilities are measured on a recurring basis at fair value. At March 31, 2017 and December 31, 2016 , derivative assets were \$31 and \$43 , respectively, and derivative liabilities were \$39 and \$46 , respectively. 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. Measurement of our derivative assets and liabilities is considered a level 2 measurement. Additional information on our classification and use of derivative instruments is contained in Note 5 .

Redeemable preferred securities of subsidiaries are measured on a recurring basis at fair value and were \$58 at both March 31, 2017 and December 31, 2016 . They are not traded in active markets. For certain redeemable securities, 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 or dividend payment dates. The fair value of the remaining redeemable securities was based on various inputs, including an independent third-party appraisal, adjusted for current market conditions. Measurement of the redeemable preferred securities is considered a level 3 measurement.

Company-owned life insurance ("COLI") assets are measured on a recurring basis at fair value. COLI assets were \$63 and \$61 at March 31, 2017 and December 31, 2016 , respectively. The COLI policies are a source of funding primarily for our nonqualified employee benefits and are included in other assets. The COLI policies are measured at fair value using the net asset value per share practical expedient, and therefore, are not classified in the fair value hierarchy.

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		
		March 31, 2017		December 31, 2016		
<b>Assets</b>						
Cash and cash equivalents <sup>(a)</sup>	1	\$ 835	\$ 835	\$ 923	\$ 923	
Time deposits and other <sup>(b)</sup>	1	114	114	138	138	
<b>Liabilities and redeemable securities of subsidiaries</b>						
Short-term debt <sup>(c)</sup>	2	368	368	170	170	
Long-term debt <sup>(d)</sup>	2	7,385	7,840	7,402	7,886	

- (a) Cash equivalents are composed 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 are composed of deposits with original maturities of more than 90 days but less than one year and instruments with original maturities of greater than one year, included in other current assets or other assets in the consolidated balance sheet, as appropriate. Other, included in other current assets, is composed of funds held in escrow. Time deposits and other are recorded at cost, which approximates fair value.
- (c) Short-term debt is composed of U.S. commercial paper and/or other similar short-term debt issued by non-U.S. subsidiaries, all of which are recorded at cost, which approximates fair value.
- (d) Long-term debt includes the current portion 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.

### Note 3 . Earnings Per Share ("EPS")

There are no adjustments required to be made to net income for purposes of computing 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	
	2017	2016
Basic	356.0	360.7
Dilutive effect of stock options and restricted share unit awards	2.6	2.7
Diluted	358.6	363.4

Options outstanding that were not included in the computation of diluted EPS because their exercise price was greater than the average market price of the common shares were insignificant. The number of common shares outstanding as of March 31, 2017 and 2016 was 355.2 million and 360.2 million, respectively.

### Note 4 . Stockholders' Equity

Set forth below is a reconciliation for the three months ended March 31, 2017 of the carrying amount of total stockholders' equity (deficit) from the beginning of the period to the end of the period.

	Stockholders' Equity (Deficit) Attributable to	
	The Corporation	Noncontrolling Interests
Balance at December 31, 2016	\$ (102)	\$ 219
Net Income	563	10
Other comprehensive income, net of tax	230	19
Stock-based awards exercised or vested	78	—
Recognition of stock-based compensation	20	—
Shares repurchased	(310)	—
Dividends declared	(345)	(21)
Other	2	(1)
Balance at March 31, 2017	\$ 136	\$ 226

During the three months ended March 31, 2017, we repurchased 2.4 million shares at a total cost of \$300 pursuant to a share repurchase program authorized by our Board of Directors.

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 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.

The change in net unrealized currency translation for the three months ended March 31, 2017 was primarily due to the strengthening of most foreign currencies versus the U.S. dollar, including the South Korean won, Australian dollar, Brazilian real and Taiwan dollar.

The changes in the components of AOCI attributable to Kimberly-Clark, net of tax, are as follows:

	Unrealized Translation	Defined Benefit Pension Plans	Other Postretirement Benefit Plans	Cash Flow Hedges and Other
Balance as of December 31, 2015	\$ (2,252)	\$ (1,013)	\$ (3)	\$ (10)
Other comprehensive income (loss) before reclassifications	200	(12)	—	(13)
(Income) loss reclassified from AOCI	—	7 (a)	—	(6)
Net current period other comprehensive income (loss)	200	(5)	—	(19)
Balance as of March 31, 2016	\$ (2,052)	\$ (1,018)	\$ (3)	\$ (29)
Balance as of December 31, 2016	\$ (2,351)	\$ (1,097)	\$ (31)	\$ 5
Other comprehensive income (loss) before reclassifications	248	(11)	—	(15)
(Income) loss reclassified from AOCI	—	9 (a)	—	(1)
Net current period other comprehensive income (loss)	248	(2)	—	(16)
Balance as of March 31, 2017	\$ (2,103)	\$ (1,099)	\$ (31)	\$ (11)

(a) Included in computation of net periodic pension costs.

#### Note 5 . 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, and commodity prices. We employ a number of practices to manage these risks, including operating and financing activities and, where appropriate, the use of derivative instruments. We enter into derivative instruments to hedge a portion of forecasted cash flows denominated in foreign currencies for non-U.S. operations' purchases of raw materials, which are priced in U.S. dollars, and imports of intercompany finished goods and work-in-process priced predominantly in U.S. dollars and euros. The derivative instruments used to manage these exposures are designated and qualify as cash flow hedges. The foreign currency exposure on certain non-functional currency denominated monetary assets and liabilities, primarily intercompany loans and accounts payable, is hedged with primarily undesignated derivative instruments.

Interest rate risk is managed using a portfolio of variable and fixed-rate debt composed of short and long-term instruments. Interest rate swap contracts may be used to facilitate the maintenance of the desired ratio of variable and fixed-rate debt and are designated and qualify as fair value hedges. From time to time, we also hedge the anticipated issuance of fixed-rate debt, and these contracts are designated as cash flow hedges.

We use derivative instruments, such as forward swap contracts, to hedge a limited portion of our exposure to market risk arising from changes in prices of certain commodities. These derivatives are designated as cash flow hedges of specific quantities of the underlying commodity expected to be purchased in future months.

Translation adjustments result from translating foreign entities' financial statements into 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, 2017, we had in place net investment hedges of \$112 for a portion of our investment in our Mexican affiliate.

Set forth below is a summary of the designated and undesignated fair values of our derivative instruments:

	Assets		Liabilities	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Foreign currency exchange contracts	\$ 29	\$ 38	\$ 28	\$ 44
Interest rate contracts	—	—	9	—
Commodity price contracts	2	5	2	2
Total	\$ 31	\$ 43	\$ 39	\$ 46

The derivative assets are included in the consolidated balance sheet in other current assets and other assets, as appropriate. The derivative liabilities are included in the consolidated balance sheet in accrued expenses and other liabilities, as appropriate.

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. As of March 31, 2017, there were no outstanding interest rate contracts designated as fair value hedges. Fair value hedges resulted in no significant ineffectiveness in the three months ended March 31, 2017 and 2016, and gains or losses recognized in interest expense for interest rate swaps were not significant. For the three month periods ended March 31, 2017 and 2016, no gain or loss was recognized in earnings as a result of a hedged firm commitment no longer qualifying as a fair value hedge.

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. As of March 31, 2017, outstanding commodity forward contracts were in place to hedge a limited portion of our estimated requirements of the related underlying commodities in the remainder of 2017 and future periods. As of March 31, 2017, the aggregate notional value of outstanding foreign exchange and interest rate derivative contracts designated as cash flow hedges was \$740 and \$550, respectively. Cash flow hedges resulted in no significant ineffectiveness for the three months ended March 31, 2017 and 2016, and 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, 2017, amounts to be reclassified from AOCI during the next twelve months are not expected to be material. The maximum maturity of cash flow hedges in place at March 31, 2017 is April 2019.

Gains or losses on undesignated foreign exchange hedging instruments are immediately recognized in other (income) and expense, net. A loss of \$3 and a gain of \$28 were recorded in the three months ended March 31, 2017 and 2016, respectively. The effect on earnings from the use of these non-designated derivatives is substantially neutralized by the transactional gains and losses recorded on the underlying assets and liabilities. At March 31, 2017, the notional amount of these undesignated derivative instruments was \$1.8 billion.

#### Note 6 . Business Segment Information

We are organized into operating segments based on product groupings. These operating segments have been aggregated into three reportable global business segments: Personal Care, Consumer Tissue and K-C Professional. The reportable segments were determined in accordance with how our chief operating decision maker and 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.

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

- *Personal Care* brands offer our consumers a trusted partner in caring for themselves and their families by delivering confidence, protection and discretion 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, DryNites, Kotex, U by Kotex, Intimus, Depend, Plenitud, 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, Neve and other brand names.

- *K-C Professional* partners with businesses to create Exceptional Workplaces, helping to make them healthier, safer and more productive through a range of solutions and supporting products such as wipers, tissue, towels, apparel, soaps and sanitizers. Our brands, including Kleenex, Scott, WypAll, Kimtech and Jackson Safety, are well-known for quality and trusted to help people around the world work better.

Information concerning consolidated operations by business segment is presented in the following tables:

	Three Months Ended March 31		Change
	2017	2016	
<b>NET SALES</b>			
Personal Care	\$ 2,250	\$ 2,207	+2 %
Consumer Tissue	1,455	1,496	-3 %
K-C Professional	768	763	+1 %
Corporate & Other	10	10	N.M.
<b>TOTAL NET SALES</b>	<b>\$ 4,483</b>	<b>\$ 4,476</b>	<b>—</b>
<b>OPERATING PROFIT</b>			
Personal Care	\$ 481	\$ 449	+7 %
Consumer Tissue	275	280	-2 %
K-C Professional	146	150	-3 %
Corporate & Other <sup>(a)</sup>	(63)	(65)	N.M.
Other (income) and expense, net <sup>(a)</sup>	5	10	-50 %
<b>TOTAL OPERATING PROFIT</b>	<b>\$ 834</b>	<b>\$ 804</b>	<b>+4 %</b>

(a) Corporate & Other and Other (income) and expense, net include expenses not associated with the business segments, including charges as indicated in the Non-GAAP Reconciliations.  
N.M. - Not Meaningful

#### Note 7 . Supplemental Balance Sheet Data

The following schedule presents a summary of inventories by major class:

	March 31, 2017			December 31, 2016		
	LIFO	Non-LIFO	Total	LIFO	Non-LIFO	Total
Raw materials	\$ 91	\$ 245	\$ 336	\$ 93	\$ 236	\$ 329
Work in process	113	88	201	114	89	203
Finished goods	444	620	1,064	430	600	1,030
Supplies and other	—	290	290	—	280	280
	<b>648</b>	<b>1,243</b>	<b>1,891</b>	<b>637</b>	<b>1,205</b>	<b>1,842</b>
Excess of FIFO or weighted-average cost over LIFO cost	(163)	—	(163)	(163)	—	(163)
<b>Total</b>	<b>\$ 485</b>	<b>\$ 1,243</b>	<b>\$ 1,728</b>	<b>\$ 474</b>	<b>\$ 1,205</b>	<b>\$ 1,679</b>

Inventories are valued at the lower of cost and net realizable value, determined on the FIFO or weighted-average cost methods, and at the lower of cost or market, determined on the LIFO cost method.

The following schedule presents a summary of property, plant and equipment, net:

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Land	\$ 170	\$ 163
Buildings	2,679	2,612
Machinery and equipment	13,914	13,591
Construction in progress	428	488
	<u>17,191</u>	<u>16,854</u>
Less accumulated depreciation	(9,940)	(9,685)
Total	<u>\$ 7,251</u>	<u>\$ 7,169</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 2017 Results
- Results of Operations and Related Information
- Liquidity and Capital Resources
- Legal Matters
- Business Outlook

We describe our business outside North America in two groups – Developing and Emerging Markets ("D&E") and Developed Markets. D&E markets comprise Eastern Europe, the Middle East and Africa, Latin America and Asia-Pacific, excluding Australia and South Korea. Developed Markets consist of Western and Central Europe, Australia and South Korea.

This section presents a discussion and analysis of our first quarter 2017 net sales, operating profit and other information relevant to an understanding of the results of operations. In addition, we provide commentary regarding organic sales growth, which describes the impact of changes in volume, product mix and net selling price on net sales. Changes in foreign currency rates also impact the year-over-year change in net sales. Our analysis compares the three months ended March 31, 2017 results to the same period in 2016.

Throughout this MD&A, we refer to financial measures that have not been calculated in accordance with accounting principles generally accepted in the U.S., or GAAP, and are therefore referred to as non-GAAP financial measures. These measures include adjusted operating profit, adjusted net income, adjusted earnings per share and adjusted effective tax rate. We believe these measures provide our investors with additional information about our underlying results and trends, as well as insight into some of the financial measures used to evaluate management.

Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for the comparable GAAP measures, and they should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. There are limitations to these non-GAAP financial measures because they are not prepared in accordance with GAAP and may not be comparable to similarly titled measures of other companies due to potential differences in methods of calculation and items being excluded. We compensate for these limitations by using these non-GAAP financial measures as a supplement to the GAAP measures and by providing reconciliations of the non-GAAP and comparable GAAP financial measures.

The non-GAAP financial measures exclude charges in 2016 for the 2014 Organization Restructuring as indicated in the reconciliations included later in this MD&A. In 2014, we initiated this restructuring in order to improve organization efficiency and offset the impact of stranded overhead costs resulting from the 2014 spin-off of our health care business. As a result, the company recognized restructuring charges in 2014, 2015 and 2016. Restructuring actions were completed by December 31, 2016.

### Overview of First Quarter 2017 Results

- Net sales of \$4.5 billion were even with the prior year. Changes in foreign currency exchange rates increased sales by 1 percent, while organic sales decreased 1 percent. Organic sales decreased 3 percent in North American consumer products, reflecting category softness, competitive activity and less promotion shipments. Organic sales increased 4 percent in developing and emerging markets.
- Operating profit of \$834 increased 4 percent compared to \$804 in 2016. Net income attributable to Kimberly-Clark Corporation was \$563 compared to \$545 in 2016. Diluted net income per share was \$1.57 in 2017 and \$1.50 in 2016.

## Results of Operations and Related Information

This section presents a discussion and analysis of our first quarter 2017 net sales, operating profit and other information relevant to an understanding of the results of operations.

### Consolidated

#### Selected Financial Results

	Three Months Ended March 31		
	2017	2016	Percent Change
Net Sales:			
North America	\$ 2,313	\$ 2,373	-3 %
Outside North America	2,253	2,175	+4 %
Intergeographic sales	(83)	(72)	N.M.
Total Net Sales	4,483	4,476	—
Operating Profit:			
North America	568	570	—
Outside North America	334	309	+8 %
Corporate & Other <sup>(a)</sup>	(63)	(65)	N.M.
Other (income) and expense, net <sup>(a)</sup>	5	10	-50 %
Total Operating Profit	834	804	+4 %
Share of Net Income of Equity Companies	29	35	-17 %
Net Income Attributable to Kimberly-Clark Corporation	563	545	+3 %
Diluted Earnings per Share	1.57	1.50	+5 %

(a) Corporate & Other and Other (income) and expense, net include expenses not associated with the business segments, including charges as indicated in the Non-GAAP Reconciliations.

N.M. - Not Meaningful

#### GAAP to Non-GAAP Reconciliations of Selected Financial Results

	Three Months Ended March 31, 2016		
	As Reported	Charges for 2014 Organization Restructuring	As Adjusted Non-GAAP
Cost of products sold	\$ 2,837	\$ —	\$ 2,837
Marketing, research and general expenses	825	14	811
Operating Profit	804	(14)	818
Provision for income taxes	(207)	4	(211)
Effective tax rate	28.3%	—	28.3%
Net Income Attributable to Kimberly-Clark Corporation	545	(10)	555
Diluted Earnings per Share	1.50	(0.03)	1.53



## Analysis of Consolidated Results

Net Sales	Percent Change	Adjusted Operating Profit	Percent Change
Volume	1	Volume	—
Net Price	(1)	Net Price	(8)
Mix/Other	—	Input Costs	(4)
Currency	1	Cost Savings	13
Total <sup>(a)</sup>	—	Currency Translation	1
		Other <sup>(c)</sup>	—
Organic <sup>(b)</sup>	(1)	Total	2

(a) Total does not equal the sum of volume, net price, mix/other and currency due to rounding.

(b) Combined impact of changes in volume, net price and mix/other.

(c) Includes the impact of changes in marketing, research, and general expenses, foreign currency transaction effects and other manufacturing costs.

Net sales of \$4.5 billion in the first quarter of 2017 were even with prior year. Changes in foreign currency exchange rates increased sales by 1 percent. Organic sales decreased 1 percent, as changes in net selling prices decreased sales by more than 1 percent, while volumes rose approximately 1 percent.

First quarter operating profit was \$834 in 2017 compared to \$804 in 2016. The comparison benefited from \$110 in cost savings from our FORCE (Focused On Reducing Costs Everywhere) program. Foreign currency translation effects increased operating profit by \$10, and transaction effects also benefited the comparison. Results were negatively impacted by lower net selling prices, along with \$35 of higher input costs, driven by increases in raw materials (other than pulp), energy and distribution costs.

The effective tax rate for the three months ended March 31, 2017 was 27.5 percent and 28.3 percent in prior year. The rate in both periods included benefits from certain tax planning initiatives and in 2017 was further reduced as a result of adopting ASU No. 2016-09, *Compensation-Stock Compensation (Topic 718)*.

Our share of net income of equity companies was \$29 and \$35 for the three months ended March 31, 2017 and 2016, respectively. Kimberly-Clark de Mexico, S.A.B. de C.V. ("K-C de Mexico") results were negatively impacted by a weaker Mexican peso and higher input costs, partially offset by benefits from organic sales growth and cost savings.

Diluted earnings per share for the first quarter was \$1.57 in 2017 and \$1.50 in 2016. Adjusted earnings per share were \$1.53 in 2016. The comparison benefited from cost savings and favorable currency effects, while results were negatively impacted by lower net selling prices and input cost inflation.

### Results by Business Segments

#### Personal Care

	Three Months Ended March 31			Three Months Ended March 31	
	2017	2016		2017	2016
Net Sales	\$ 2,250	\$ 2,207	Operating Profit	\$ 481	\$ 449

Net Sales	Percent Change	Operating Profit	Percent Change
Volume	2	Volume	4
Net Price	(2)	Net Price	(9)
Mix/Other	—	Input Costs	(4)
Currency	2	Cost Savings	14
Total	2	Currency Translation	1
		Other <sup>(b)</sup>	1
Organic <sup>(a)</sup>	—	Total	7

(a) Combined impact of changes in volume, net price and mix/other.

(b) Includes the impact of changes in marketing, research, and general expenses, foreign currency transaction effects and other manufacturing costs.

First quarter net sales of \$2.3 billion increased 2 percent compared to prior year. Changes in currency rates increased sales by 2 percent. Sales volumes increased 2 percent, while changes in net selling prices decreased sales by 2 percent. First quarter operating profit of \$481 increased 7 percent. The comparison benefited from volume growth, cost savings and favorable currency effects, partially offset by lower net selling prices and input cost inflation.

Net sales in North America decreased 1 percent due to lower sales volumes. Total volumes in infant and child care decreased low-single digits, as a mid-single digit decline in Huggies diapers was partially offset by a mid-single digit increase in child care. Baby wipes volumes increased mid-single digits, while feminine care volumes decreased mid-single digits.

Net sales in developing and emerging markets increased 9 percent including a 3 percent increase from favorable currency rates. Sales volumes increased 9 percent, while changes in net selling prices decreased sales by 3 percent. The volume increase included gains in China, Eastern Europe and Latin America, led by Brazil. The decline in net selling prices was primarily in China and secondarily in Eastern Europe.

Net sales in developed markets outside North America decreased 8 percent, despite a 1 percent benefit from favorable currency rates. Changes in net selling prices decreased sales by 5 percent and sales volumes decreased 4 percent, with the changes mostly in South Korea.

## Consumer Tissue

	Three Months Ended March 31			Three Months Ended March 31	
	2017	2016		2017	2016
Net Sales	\$ 1,455	\$ 1,496	Operating Profit	\$ 275	\$ 280
<b>Net Sales</b>		<b>Percent Change</b>	<b>Operating Profit</b>		<b>Percent Change</b>
Volume		(2)	Volume		(7)
Net Price		(1)	Net Price		(7)
Mix/Other		—	Input Costs		—
Currency		—	Cost Savings		10
Total		(3)	Currency Translation		—
			Other <sup>(b)</sup>		2
Organic <sup>(a)</sup>		(3)	Total		(2)

(a) Combined impact of changes in volume, net price and mix/other.

(b) Includes the impact of changes in marketing, research, and general expenses, foreign currency transaction effects and other manufacturing costs.

First quarter net sales of \$1.5 billion decreased 3 percent compared to prior year. Sales volumes decreased 2 percent and changes in net selling prices decreased sales by 1 percent. First quarter operating profit of \$275 decreased 2 percent. The comparison was impacted by lower net selling prices and volumes, mostly offset by cost savings and lower marketing, research and general spending.

Net sales in North America decreased 6 percent, as sales volumes were down approximately 7 percent. The decline was mostly in bathroom tissue, including impacts from competitive activity and lower promotion shipments.

Net sales in developing and emerging markets increased 6 percent including an approximate 6 percent benefit from favorable currency rates. Changes in net selling prices decreased sales by 3 percent, while sales volumes improved 2 percent.

Net sales in developed markets outside North America decreased 2 percent. Changes in foreign currency rates reduced sales by 4 percent. Sales volumes increased 4 percent, primarily in Western/Central Europe, while the combined impact of changes in net selling prices and product mix lowered sales 2 percent.

## K-C Professional

	Three Months Ended March 31			Three Months Ended March 31	
	2017	2016		2017	2016
Net Sales	\$ 768	\$ 763	Operating Profit	\$ 146	\$ 150
<b>Net Sales</b>		<b>Percent Change</b>	<b>Operating Profit</b>		<b>Percent Change</b>
Volume		—	Volume		(1)
Net Price		(1)	Net Price		(3)
Mix/Other		1	Input Costs		(11)
Currency		1	Cost Savings		12
Total		1	Currency Translation		1
			Other <sup>(b)</sup>		(1)
Organic <sup>(a)</sup>		—	Total		(3)

(a) Combined impact of changes in volume, net price and mix/other.

(b) Includes the impact of changes in marketing, research, and general expenses, foreign currency transaction effects and other manufacturing costs.

First quarter net sales of \$0.8 billion increased 1 percent. Changes in foreign currency rates benefited sales 1 percent. Changes in product mix increased sales by 1 percent, while lower net selling prices decreased sales by 1 percent. First quarter operating profit of \$146 decreased 3 percent. The comparison was impacted by lower net selling prices and input cost inflation, mostly offset by cost savings.

Net sales in North America decreased 2 percent due to lower net selling prices. Overall sales volumes were even with the year-ago period, as low-single digit declines in washroom and wiper products were offset by gains in other categories.

Net sales in developing and emerging markets increased 7 percent including a 5 percent benefit from changes in currency rates. The combined impact of changes in net selling prices and product mix improved sales by 3 percent, while sales volumes decreased 1 percent.

Net sales in developed markets outside North America increased 2 percent despite an approximate 3 percent negative impact from changes in currency rates. The combined impact of changes in net selling prices and product mix increased sales by 3 percent and sales volumes improved 1 percent, with the changes mostly in Western/Central Europe.

### Liquidity and Capital Resources

#### Cash Provided by Operations

Cash provided by operations was \$436 for the first three months of 2017, compared to \$553 in the prior year. The decrease was mainly due to higher tax payments in 2017.

#### Investing

During the first three months of 2017, our capital spending was \$215 compared to \$220 in the prior year. We anticipate that full-year 2017 capital spending will be between \$850 and \$950.

#### Financing

Our short-term debt, which consists of U.S. commercial paper with original maturities up to 90 days and/or other similar short-term debt issued by non-U.S. subsidiaries, was \$368 as of March 31, 2017 (included in debt payable within one year on the consolidated balance sheet). The average month-end balance of short-term debt for the first quarter of 2017 was \$353. These short-term borrowings 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 pension contributions, dividends and income taxes.

At March 31, 2017, total debt was \$7.8 billion compared to \$7.6 billion at December 31, 2016.

We maintain a \$2.0 billion revolving credit facility which expires in 2021. This facility, currently unused, 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 repurchase shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. During the first three months of 2017, we repurchased 2.4 million shares of our common stock at a cost of \$300 through a broker in the open market. We are targeting full-year 2017 share repurchases of \$800 to \$1 billion, subject to market conditions.

We engage in foreign currency denominated transactions with customers and suppliers, as well as between subsidiaries with different functional currencies. There has been a steady devaluation of the Argentine peso relative to the United States dollar in recent years, along with an increase in local inflation. As of March 31, 2017, Argentina is not designated as a highly-inflationary economy for accounting purposes. We are closely monitoring developments in Argentina and potential implications on our results and reporting for our operations in that country. Net sales of K-C Argentina were approximately 2 percent of our consolidated net sales for the three months ended March 31, 2017 and 2016.

We also continue to monitor developments related to tax legislation and government policy, including U.S. corporate tax reform and the United Kingdom's withdrawal from the European Union. The impact of these potential changes to our business and consolidated financial results cannot be determined until the relevant legislation and policies are finalized.

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 business, liquidity, financial condition or results of operations for the foreseeable future.

### **Legal Matters**

We are party to certain legal proceedings relating to our former healthcare business, Halyard Health, Inc. ("Halyard"), which we spun-off on October 31, 2014. This includes *Bahamas Surgery Center v. Kimberly-Clark Corporation, et al.*, a California consumer class action relating to the sale of surgical gowns. On April 7, 2017, the jury awarded the plaintiff class \$3.9 in compensatory damages and \$350 in punitive damages against Kimberly-Clark. We intend to challenge the jury's verdict as we believe it is contrary to the evidence presented at trial and that the punitive damage award is baseless, excessive and not consistent with California and federal laws. Under the terms of the distribution agreement we entered into with Halyard in connection with the spin-off, Halyard is obligated to indemnify Kimberly-Clark for legal proceedings, claims and other liabilities primarily related to our former healthcare business. We are also party to additional legal proceedings relating to Halyard, including civil actions, qui tam matters, a shareholder derivative suit, a securities class action and certain subpoena and document requests from the federal government. Although the results of litigation and claims cannot be predicted with certainty, we continue to believe that the final outcome of these matters will not have a material adverse effect, individually or in the aggregate, on our business, financial condition, results of operations or liquidity.

### **Business Outlook**

In 2017, we plan to continue to execute our Global Business Plan strategies, which include a focus on targeted growth initiatives, innovation and brand building, cost savings programs and shareholder-friendly capital allocation. In 2017, we expect earnings per share in a range of \$6.20 to \$6.35. Our outlook is based on the assumptions described below:

- Organic sales growth is expected to be 1 to 2 percent, driven by higher volumes. Net selling prices and product mix are expected to be similar, or down slightly, year-on-year.
- We expect net sales to increase 1 to 2 percent compared to the prior year as we expect the foreign currency translation impact on net sales (and operating profit) will be neutral year on year.
- We anticipate the net impact of changes in commodity costs to be between \$150 and \$250 of inflation, primarily due to modestly higher prices for several raw materials.
- We expect operating profit to improve compared to 2016 and to be up 2 to 4 percent compared to adjusted operating profit in 2016.
- We plan to achieve cost savings of at least \$400 from our FORCE program.
- We expect an effective tax rate similar to 2016.
- We expect net income from equity companies to decline due to lower income at K-C de Mexico as a result of a weaker Mexican peso and input cost inflation.
- We anticipate capital spending to be in a \$850 to \$950 range and share repurchases to be between \$800 and \$1 billion, subject to market conditions.
- We expect to contribute up to \$100 to our defined benefit pension plans.

### **Information Concerning Forward-Looking Statements**

Certain matters contained in this report concerning the business outlook, including the anticipated cost savings from our FORCE program, cash flow and uses of cash, growth initiatives, innovations, marketing and other spending, net sales, anticipated currency rates and exchange risks, raw material, energy and other input costs, effective tax rate, contingencies and anticipated transactions of Kimberly-Clark, including dividends, 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, 2016 entitled "Risk Factors." Other factors not presently known to us or that we presently consider immaterial could also affect our business operations and financial results.

### **Item 4. Controls and Procedures**

As of March 31, 2017, 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, 2017. 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 2017 were made through a broker in the open market.

The following table contains information for shares repurchased during the first quarter of 2017. None of the shares in this table were repurchased directly from any of our officers or directors.

Period (2017)	Total Number of Shares Purchased <sup>(a)</sup>	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
January 1 to January 31	611,000	\$ 117.58	10,322,811	29,677,189
February 1 to February 28	819,000	126.43	11,141,811	28,858,189
March 1 to March 31	936,000	133.23	12,077,811	27,922,189
Total	<u>2,366,000</u>			

(a) Share repurchases were made pursuant to a share repurchase program authorized by our Board of Directors on November 13, 2014. This program allows for the repurchase of 40 million shares in an amount not to exceed \$5 billion.

**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 December 14, 2015, incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K dated December 14, 2015.

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)q. Form of Award Agreements under 2011 Equity Participation Plan for Performance Restricted Stock Units, 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/ Maria Henry

Maria Henry  
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)

April 24, 2017



## 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.
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(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  
PERFORMANCE RESTRICTED STOCK UNIT  
AWARD AGREEMENT**

This Award, granted effective on [REDACTED], by Kimberly-Clark Corporation, a Delaware corporation (hereinafter called the "Corporation"), to [REDACTED] (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 and its 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 [REDACTED] (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, and any such attempted sale, assignment, transfer, pledge or disposal shall be void. 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 28, 2020. Holders of Awards shall have none of the rights of a shareholder with respect to such shares including, but not limited to, any right to receive dividends in cash or other property or other distribution or rights in respect of such shares except as otherwise provided in this Agreement, nor to vote such shares as the record owner thereof.

During each year in the Restricted Period, the Participant will not be paid dividend equivalents on the unvested PRSUs but the Participant will receive a credit equal to dividends declared on the Corporation's Common Stock which will be reinvested in additional PRSUs at the then fair market value of the Corporation's Common Stock on the date dividends are paid, and the additional PRSUs will be accumulated and paid if and

when the PRSUs vest, based on the actual number of PRSUs that vest . In the case of dividends paid in property other than cash, the amount of the dividend shall be deemed to be the fair market value of the property at the time of the payment of the dividend, as determined in good faith by the Corporation. The Corporation shall not be required to segregate any cash or other property of the Corporation.

- (b) Termination of Employment . Participant shall forfeit any unvested Award, including any accrued dividend equivalents, upon termination of employment unless such termination (i) is due to a Qualified Termination of Employment, or (ii) if more than six months after the Grant Date, due to death, Retirement, Total and Permanent Disability, or the shutdown or divestiture of a business unit. A termination of employment shall not be deemed to have occurred while a Participant is on military leave or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Participant retains a right to reemployment with the Corporation or an Affiliate under an applicable statute or by contract. For purposes of this subparagraph, a leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Corporation or an Affiliate. If the period of leave exceeds six months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six-month period. Notwithstanding the foregoing sentence, where a leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a 29-month period of absence is substituted for such six-month period in determining whether a termination of employment shall be deemed to have occurred. A termination of employment with the Corporation or an Affiliate to accept immediate reemployment with the Corporation or an Affiliate likewise shall not be deemed to be a termination of employment for purposes of the Plan. A Participant who is classified as an intermittent employee shall be deemed to have a termination of employment for purposes of the Plan.
- (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 Corporation 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 Corporation 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 the Award which would have otherwise been forfeited will be handled consistent with subsection 14(b) of the Plan 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 or an Affiliate, as applicable, such amount as the Corporation advises is required under applicable federal, state or local laws to withhold and pay over to governmental taxing authorities in relation 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 U.S. 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 U.S. 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 and federal courts located in the District of Delaware shall be the exclusive forum for any dispute arising out of related to the Award or the Award Agreement and the Participant consents to and waives any objection to the exercise of personal jurisdiction and venue by such courts.
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, except as required under Section 19 below, shall be addressed to the Corporation in care of its Director of Compensation located at the World Headquarters, and any notice to be given to the Participant under the terms of this Award may be addressed to him at his address as it appears on the Corporation's records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be deemed to have been duly given if and when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, registered and deposited, postage and registry fee prepaid, in a post office or branch post office regularly maintained by the United States Government or any equivalent non-U.S. postal service.
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 incentives 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 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 Agreement, including but not limited to the non-competition obligations described in Section 19 below, 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 U.S. Securities Act of 1933, as amended, the U.S. 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. Non-Competition Provisions For U.S. Participants Only .

(a) As the Award is intended to encourage the Participant to continue employment with the Corporation or an Affiliate, during which time the Participant will have access to the Corporation's or Affiliate's confidential information and trade secrets, during the term of the Participant's employment and for a period of two (2) years following the termination of employment, regardless of the reason for or the manner of termination, the Participant shall not, without the written consent of General Counsel of the Corporation or his/her designee, either in the United States of America or in any country for which Participant had development, marketing, innovation/technology (R&D), distribution, sales, administrative, operational/supply chain or manufacturing oversight responsibilities during the last twelve (12) months of Participant's employment, either directly or indirectly, perform duties or undertake responsibilities for a Competitor that are the same or substantially similar to those duties or responsibilities that the Participant performed or undertook for the Corporation or an Affiliate during the two (2) year period prior to the end of the Participant's employment with the Corporation or an Affiliate. As used herein, "Competitor" means a person or entity who engages in a business that is the same or substantially the same as any aspect of the Business of the Corporation. As used herein, "Business of the Corporation" is the development, production, sales and/or marketing of (i) health and hygiene products; (ii) washroom and workplace protective and safety products; and (iii) the materials, packaging and other components/subcomponents of such products. The foregoing restriction shall not apply if the Participant resides and/or primarily works in the State of California.

(b) During the period of two (2) years following termination of the Participant's employment with the Corporation or an Affiliate, the Participant agrees to notify the Corporation in writing prior to accepting new employment, or engaging in any other activity which may violate this Agreement, and the Participant agrees to provide in such notice information concerning the anticipated new employment or activity, including, but not limited to: name of employer; address of employer; name of new team leader; job title; and scope and responsibilities of the new position. The Participant recognizes that such duty of notification is not affected by the Participant's belief that such employment may perhaps not violate this Agreement or otherwise be unfairly competitive with the Corporation or an Affiliate. The Participant's written notice should be addressed to General Counsel, Attention: Non-Competition Agreement, Kimberly-Clark Corporation, 351 Phelps Drive, Irving, TX 75038. Provided, however, the foregoing notice requirement shall not apply if the Participant resides and/or primarily works in the State of California.

(c) During the period of two (2) years following termination of the Participant's employment with the Corporation or an Affiliate, the Participant shall provide a copy of Section 19 of this Agreement to each new employer before starting in any new employment. The Participant agrees that the Corporation may notify any third party about the Participant's obligations under Section 19 of this Agreement until such obligations are fulfilled.

(d) If any provision of this Section 19 is held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such provision shall be deemed to be severed from the Agreement and such invalidity, illegality or unenforceability will not affect

any other provision of the Agreement, all of which shall remain valid and enforceable. Notwithstanding the foregoing, if a court of competent jurisdiction determines that the covenants contained in this Section 19 are unenforceable because they are overbroad in some respect, to the full extent permitted by applicable law, the court should revise or reform any aspect of this Section 19 so as to make the scope of such Section 19 as broad as can be enforced under applicable law.

(e) In the event of an anticipated or actual breach by the Participant of this provision, the Participant acknowledges and agrees that damages would not be an adequate remedy to compensate the Corporation for the harm to the business of the Corporation and, in such event, agrees that the Corporation shall be entitled to a temporary restraining order and to temporary injunctive relief to prevent or terminate such anticipated or actual breach, provided, however, that nothing in this Agreement shall be construed to limit any permanent relief to which the Corporation may be entitled or the damages otherwise recoverable by the Corporation in any such event.

(f) If the Participant violates any aspect of this provision, or any duty of loyalty or confidentiality imposed by law, in addition to any damages that the Participant may be required to pay, the Participant understands and agrees that the Participant shall be required to reimburse the Corporation for all its costs incurred to enforce this Agreement, including but not limited to, all attorneys' fees.

(g) Notwithstanding the foregoing, no section of this Section 19 is intended to or shall limit, prevent, impede or interfere with the Participant's non-waivable right, without prior notice to the Corporation, to provide information to any federal, state or local agency (collectively "Governmental Agencies"), participate in investigations, testify in proceedings, or otherwise engage in any activities protected under whistleblower laws. This Section 19 does not limit Participant's right to receive and fully retain a monetary award for information provided to any Governmental Agencies regarding any violation of law.

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, to the extent permitted by the Plan. 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 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, and the income and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Corporation or, if different, 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, and the income and value of same, are 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 other Affiliate.
- Unless otherwise agreed with the Corporation, the Award and shares of Common Stock subject to the Award, and the income and value of same, are not granted as consideration for, or in connection with, any service I may provide as a director of any Affiliate.
- The future value of the underlying shares of Common Stock is unknown, indeterminable, 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).
- 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 (including whether I may still be considered employed while on a leave of absence).
- 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.
- Neither the Corporation, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between my local currency and the United States Dollar that may affect the value of the PRSUs or of any amounts due to me pursuant to the settlement of the PRSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.
- 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, fringe benefit tax, 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-Related Items in more than one jurisdiction, 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 their withholding 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 the 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 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, including maximum applicable rates, in which case I will receive a refund of any over-withheld amount in cash and will have no entitlement to the common stock equivalent. 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 other 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 (“Data”), for the purpose of implementing, administering and managing the Plan.***
- \* ***I understand that Data will be transferred to Merrill Lynch, 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, Merrill Lynch 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. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service and career with the Employer will not be adversely affected; the only consequence of refusing or withdrawing my consent is that the Corporation would not be able to grant me PRSUs or other equity awards or administer or maintain such awards. Therefore, I understand 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.***

- 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 District of Delaware, and no other courts, where this Award is made and/or to be performed; and waive, to the fullest extent permitted by law, any objection that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum.
- 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.
- I acknowledge that I am sufficiently proficient in English to understand the terms and conditions of this Award Agreement. Furthermore, 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 for legal or administrative reasons. Appendix A constitutes part of this Award Agreement.
- For U.S. Participants only: I acknowledge that the grant of an Award is expressly conditioned on the non-competition provisions set forth in Section 19.
- 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 for legal or administrative reasons, 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.
- A waiver by the Corporation of breach of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by me or any other participant.
- I may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, which may affect my ability to, directly or indirectly, acquire, sell, or attempt to sell shares of Common Stock or rights to shares of Common Stock (e.g., PRSUs) under the Plan during such times as I am considered to have "inside information" regarding the Corporation (as defined by the laws in the applicable jurisdictions or my country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Corporation insider trading policy. I am responsible for ensuring my compliance with any applicable restrictions and am advised to speak with my personal legal advisor on this matter.
- My country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect my ability to acquire or hold shares of Common Stock acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on shares acquired under the Plan) in a brokerage or bank account outside my country. I may be required to report such accounts, assets or transactions to the tax or other authorities in my country. I also may be required to repatriate sale proceeds or other funds received as a result of my participation in the Plan to my country through a designated bank or broker within a certain time after receipt. I acknowledge that it is my responsibility to be compliant with such regulations, and that I am advised to consult my personal legal advisor for any details.
- I acknowledge that I have reviewed the Corporation's Code of Conduct. I further acknowledge that I understand and will comply with the terms and standards contained in that Code of Conduct, including but not limited to the prohibition against retaliation, and specifically acknowledge that I have an obligation to report suspected violations of the Code of Conduct pursuant to the Corporation's Escalation Policy.

## **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. I hereby authorize the 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

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 includes additional terms and conditions that govern the Award granted to the Participant under the Plan if the Participant resides and/or works in one of the countries listed below.

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 March 2016. 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 residing and/or working, transferred or transfers employment and or residency 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. The Corporation shall, in its sole discretion, determine to what extent the terms and conditions included herein will apply to the Participant in such circumstances.

## **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.

### *Foreign Asset/Account Reporting Information*

Argentine residents must report any shares of Common Stock acquired under the Plan and held on December 31st of each year on their annual tax return for the year.

### *Exchange Control Information*

Following the sale of shares of Common Stock and/or the receipt of dividends, Argentine residents may be subject to certain restrictions in bringing such funds back into Argentina. The Argentine bank handling the transaction may request certain documentation in connection with the request to transfer proceeds into Argentina ( e.g. , evidence of the sale, proof of the source of the funds used to purchase such shares, etc.). The Participant must comply with any and all Argentine currency exchange restrictions, approvals and reporting requirements in connection with the vesting of the PRSUs, the subsequent sale of any shares acquired at vesting and the receipt of any dividends paid or such shares.

*Please note that exchange control regulations in Argentina are subject to frequent change. The Participant should consult with his or her personal legal advisor regarding any exchange control obligations the Participant may have in connection with the Participant's participation in the Plan.*

## **AUSTRALIA**

### *Australian Offer Document*

The Participant acknowledges that he or she received an Australian offer document which sets out additional information regarding the grant of the award to Australian resident employees.

### *Shutdown or Divestiture*

The following provision replaces Section 2(d) of the Award Agreement.

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. 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)) and prorated for the number of full years of employment during the Restricted Period prior to the Participant's termination of employment. Any fractional share of the Corporation resulting from such a prorated Award shall be rounded to the nearest whole share. The Award shall be paid as soon as practicable after the termination of the Participant's employment.

### *Award Forfeited on Termination of Employment*

Except for the shutdown or divestiture of a business unit, as described above, and notwithstanding any other provision in the Award Agreement, the 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 or Total and Permanent Disability.

### *Compliance with Laws*

Notwithstanding anything else in the Plan or the Award Agreement, the Participant will not be entitled to and shall not claim any benefit under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth.) (the "Act"), any other provision of the Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits. Further, the Employer is under no obligation to seek or obtain the approval of its shareholders in a general meeting for the purpose of overcoming any such limitation or restriction.

### *Exchange Control Information*

Exchange control reporting is required for cash transactions exceeding AUD10,000 and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on the Participant's behalf.

## **BAHRAIN**

There are no country-specific provisions.

## **BELGIUM**

### *Foreign Asset/Accounting Reporting Information*

Belgian residents are required to report any securities (e.g., shares acquired under the Plan) or bank accounts opened and maintained outside Belgium on their annual tax returns. Belgian residents are also required to complete a separate report providing the National Bank of Belgium with details regarding any such account, including the account number, the name of the bank in which such account is held and the country in which such account is located. The forms to complete this report are available on the website of the National Bank of Belgium. Belgian residents should consult with their personal tax advisors to determine their personal reporting obligations.

## **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.

### *Labor Law Acknowledgement*

By accepting the Award, the Participant agrees that (i) the Participant is making an investment decision; (ii) the shares of Common Stock will be issued to Participant only if the vesting and/or performance conditions are met, and (iii) the value of the underlying shares of Common Stock is not fixed and may increase or decrease in value over the Restricted Period without compensation to the Participant.

### *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.

### *Tax on Financial Transaction (IOF).*

Payments to foreign countries and repatriation of funds into Brazil (including proceeds from the sale) and the conversion of USD into BRL associated with such fund transfers may be subject to the Tax on Financial Transactions. It is the Participant's responsibility to comply with any applicable Tax on Financial Transactions arising from the Participant's participation in the Plan. The Participant should consult with his or her personal tax advisor for additional details.

## **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 Information*

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.

#### *Acknowledgment of Conditions*

The following provision supplements the Acknowledgement of Conditions section of the Award Agreement:

For the purposes of this Award Agreement, my termination of employment will be measured effective as of the date that is the earlier of: (1) the date my employment is terminated, (2) the date I receive notice of termination of employment or service from the Employer, or (3) the date I am no longer actively employed or providing services, regardless of any notice period or period of pay in lieu of such notice required under local law (including, but not limited to, statutory law, regulatory law, and/or common law); the Committee shall have the exclusive discretion to determine when I am no longer actively employed or providing services for purposes of the Award (including whether I may still be considered employed while on a leave of absence).

#### *Foreign Asset/Account Reporting Information*

Foreign property (including shares of Common Stock) held by Canadian residents must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total cost of such foreign property exceeds C\$100,000 at any time during the year. Foreign property includes shares of Common Stock acquired under the Plan and may include the PRSUs. The PRSUs must be reported - generally at a nil cost - if the \$100,000 cost threshold is exceeded because of other foreign property the Participant holds. If shares of Common Stock are acquired, their cost generally is the adjusted cost base ("ACB") of the shares. The ACB would normally equal the Fair Market Value of the shares at vesting, but if the Participant owns other shares, this ACB may have to be averaged with the ACB of the other shares. If due, the Form must be filed by April 30 of the following year. The Participant should speak with a personal tax advisor to determine the scope of foreign property that must be considered for purposes of this requirement.

#### ***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 Affiliate and the plan administrators to disclose and discuss the Plan with their advisors. The Participant further authorizes the Corporation and any Affiliate to record such information and to keep such information in the Participant's employee file.



## CHILE

### *Securities Law Information*

The PRSUs are granted and are made subject to general ruling n° 336 of the Chilean Superintendence of Securities and Insurance (“SVS”). This offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and therefore such securities are not subject to its oversight. Given that these securities are not registered in Chile, there is no obligation from the issuer to provide public information on them in Chile. These securities cannot be subject to public offering in Chile while they are not registered at the corresponding securities registry in Chile.

***La oferta privada de estos PRSUs se inicia y se acoge a las disposiciones de la norma de carácter general n° 336 de la Superintendencia de Valores y Seguros de Chile (“SVS”). Esta oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la SVS, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse de valores no inscritos en Chile, no existe la obligación por parte del emisor de entregar en Chile información pública respecto de los mismos. Estos valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el registro de valores correspondiente.***

### *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 does not repatriate the funds and uses such funds for the payment of other obligations contemplated under a different Chapter of the Foreign Exchange Regulations, the Participant must sign Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank within the first 10 days of the month immediately following the transaction.

If the Participant’s aggregate investments held outside of Chile meets or exceeds US\$5,000,000 (including the investments made under the Plan), the Participant may need to 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).

## CHINA

The following provisions apply only to Employees who are subject to exchange control restrictions imposed by the State Administration of Foreign Exchange ("SAFE"), as determined by the Corporation in its sole discretion :

### *Vesting of Awards*

The Awards will vest only if and as long as the registration of the Plan with SAFE (as completed by the Corporation) remains effective. If the Corporation is unable to maintain the registration, vesting of the Awards will be suspended.

### *Shutdown or Divestiture*

The following provision replaces Section 2(d) of the Award Agreement.

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, as determined by the Committee, and the number of shares that are considered to vest shall be determined based on the Target Level of Awards (including any accrued dividend equivalents accumulated pursuant to Section 2(a)) and by prorating the number of full years of employment during the Restricted Period prior to the Participant's termination of employment, and shall be paid within 70 days following the Participant's termination of employment. Any fractional share of the Corporation resulting from such a prorated Award shall be rounded to the nearest whole share.

### *Termination of Employment*

Except for a termination of employment due to the shutdown or divestiture of a business unit, as described above, and notwithstanding any other provision in the Award Agreement, the 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 or Total and Permanent Disability.

The Employee acknowledges and agrees that he or she must sell any shares of Common Stock issued to him or her upon vesting of the Awards as soon as practicable following the Participant's termination of employment for any reason and in no event later than three months following the Employee's termination of employment. The Employee agrees that if he or she continues to hold any of such shares of Common Stock after this time, the shares of Common Stock will be sold by the Corporation's designated broker on the Employee's behalf at the instruction of the Corporation. Therefore, by accepting the Awards, the Employee understands and agrees that the Corporation is authorized to, and may in its sole discretion, instruct its designated broker to assist with the mandatory sale of shares of Common Stock (on the Employee's behalf pursuant to this authorization) and that the Employee expressly authorizes the Corporation's designated broker to complete the sale of such shares of Common Stock. The Employee acknowledges that the Corporation's designated broker is under no obligation to arrange for the sale of the shares of Common Stock at any particular price. Upon the sale of the shares of Common Stock, the proceeds, less any Tax-Related Items and brokerage fees or commissions will be remitted to the Employee pursuant to the procedures described in the "Exchange Control Information" section below.

### *Exchange Control Information*

Shares of Common Stock issued to the Employee under the Plan must be maintained in an account with Merrill Lynch or such other broker as may be designated by the Corporation until the shares of Common Stock are sold through that broker.

The Employee understands and agrees that, to facilitate compliance with exchange control requirements, the Employee will be required to immediately repatriate to China the cash proceeds from the sale of shares of Common Stock acquired upon vesting of the Awards or from any dividends or dividend equivalents paid on the shares of Common Stock. The Employee further understands that, under local law, such repatriation of the cash proceeds will be effectuated through a special exchange control account established by the Corporation or one of its Affiliates in China, and the Employee hereby consents and agrees that the cash proceeds related to the Participant's participation in the Plan may be transferred to such special account prior to being delivered to the Employee. The Corporation may deliver the proceeds to the Employee in U.S. dollars or local currency at the Corporation's discretion. If the proceeds are paid in U.S. dollars, the Employee understands that he or she will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to the Employee. The Employee agrees to bear the risk of any currency fluctuation between the time the shares of Common Stock are sold, either through voluntary sale or through a mandatory sale arranged by the Corporation, or proceeds are otherwise realized under the Plan and the time such proceeds are distributed to the Employee through the special exchange control account.

The Employee further agrees to comply with any other requirements that may be imposed by the Corporation in the future to facilitate compliance with exchange control requirements in China.

## **COLOMBIA**

### *Securities Law Information*

The Plan is offered in Colombia on the basis that offer of the Awards and/or the sale of any shares of Common Stock under the Plan will not constitute a "public offering of securities" under Law 964 of 2005. In the event that the Corporation, in its sole discretion, determines that the offer of the Awards in Colombia may constitute a "public offer of securities" under Law 964 of 2005, the Participant understands and agrees that the Corporation may, in its sole discretion, cease to offer participation in the Plan in Colombia. In the event that the Corporation exercises its discretion to cease offering the Plan in Colombia, the Participant will no longer be permitted to participate in the Plan as of the date established by the Corporation.

### *Acknowledgment of Conditions*

The following provision supplements the Acknowledgement of Conditions section of the Award Agreement:

I acknowledge that pursuant to Article 128 of the Colombian Labor Code, the Plan and related benefits do not constitute a component of my "salary" for any legal purpose.

## **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. Even in the absence of a request from the CNB the Participant may need to report foreign direct investments with a value of CZK 2,500,000 or more in the aggregate and/or other foreign financial assets with a value of CZK 200,000,000 or more. 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.

## **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 Award 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.*

### *Foreign Asset/Account Reporting Information*

French residents holding shares of Common Stock outside of France or maintaining a foreign bank account are required to report such to the French tax authorities when filing his or her annual tax return. Further, failure to comply could trigger significant penalties.

## **GERMANY**

### *Exchange Control Information*

Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. No report is required for payments less than €12,500. In case of payments in connection with securities (including proceeds realized upon the sale of shares of Common Stock), the report must be made by the 5th day of the month following the month in which the payment was received. Effective from September 2013, the report must be filed electronically. The form of report (" *Allgemeine Meldeportal Statistik* ") can be accessed via the *Bundesbank's* website ( [www.bundesbank.de](http://www.bundesbank.de) ) and is available in both German and English. The Participant is responsible for satisfying the reporting obligation.

## **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 Plan, the Plan prospectus and the contents of this Award Agreement (i) 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, (ii) have not been reviewed by any regulatory authority in Hong Kong, and (iii) are 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 offer to the public or otherwise dispose of the shares acquired prior to the six-month anniversary of the Grant Date. Any shares of Common Stock acquired under the Plan are accepted as a personal investment.

### *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*

Notwithstanding anything in the Award Agreement, Awards granted to Participants in India do not provide any right for the Participant to receive shares of Common Stock and shall be paid only in cash through local payroll in an amount equal to the value of the shares at vesting less any Tax-Related Items. The Participant agrees to bear any currency fluctuation risk between the time the Awards vest and the time the cash payment is distributed to the Participant.

## 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 Information*

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, 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.*

This provision replaces in its entirety the data privacy section in the Acknowledgement of Conditions section of the Award Agreement:

***I understand that the Employer, the Corporation and any other Affiliate may hold certain personal information about me, including, but not limited to, my name, home address, email address and telephone number, date of birth, social insurance, passport 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 my favor ("Data"), for the exclusive purpose of implementing, managing and administering the Plan. I am aware that providing the Corporation with Data is necessary for the performance of the Plan and that my refusal to provide such Data would make it impossible for the Corporation to perform its contractual obligations and may affect my 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.***

***I understand 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 Merrill Lynch 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, I***

***understand 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.***

***I understand that 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 my consent thereto as the processing is necessary to performance of contractual obligations related to implementation, administration, and management of the Plan. I understand 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.***

***I understand that Data will be held only as long as is required by law or as necessary to implement, administer and manage my participation in the Plan. I understand that, pursuant to Section 7 of the Legislative Decree no. 196/2003, I have the right to, including but not limited to, access, delete, update, correct, or terminate, for legitimate reason, the Data processing. Furthermore, I am aware that Data will not be used for direct marketing purposes. In addition, I understand that Data provided can be reviewed and questions or complaints can be addressed by contacting my 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(g) 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 section included in this Appendix A.

#### ***Foreign Asset/Account Reporting Information***

Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and shares of Common Stock) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

## **JAPAN**

#### ***Foreign Asset/Account Reporting Information***

Japanese residents will be required to report details of any assets (including any shares of Common Stock acquired under the Plan) held outside of Japan as of December 31st of each year, to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15th of the following year. The Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to the Participant and whether the Participant will be required to report details of any outstanding PRSUs or shares of Common Stock by the Participant in the report.

## **KAZAKHSTAN**

### *Securities Law Notification*

This offer is addressed only to certain eligible employees in the form of the shares of Common Stock to be issued by the Corporation. Neither the Plan nor the Award Agreement has been approved, nor do they need to be approved, by the National Bank of Kazakhstan. This offer is intended only for the original recipient and is not for general circulation in the Republic of Kazakhstan.

### *Exchange Control Information*

Residents of Kazakhstan may be required to notify the National Bank of Kazakhstan when they acquire shares of Common Stock under the Plan if the value of such shares of Common Stock exceeds US\$100,000.

Please note that the exchange control regulations in Kazakhstan 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 vesting or receiving proceeds from the sale of shares of Common Stock acquired under the Plan. The Participant is responsible for ensuring compliance with all exchange control laws in Kazakhstan.

## **KENYA**

There are no country-specific provisions.

## **KOREA**

### *Awards Payable in Cash Only*

Notwithstanding anything in the Award Agreement, Awards granted to Participants in Korea do not provide any right for the Participant to receive shares of Common Stock and shall be paid only in cash through local payroll in an amount equal to the value of the shares at vesting less any Tax-Related Items. The Participant agrees to bear any currency fluctuation risk between the time the Awards vest and the time the cash payment is distributed to the Participant.

## **MALAYSIA**

### *Data Privacy Notice*

This provision replaces in its entirety the data privacy section in the Acknowledgement of Conditions section of the Award Agreement:

***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 other 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 ("Data"), for the purpose of implementing, administering and managing the Plan.***



***I understand that Data will be transferred to Merrill Lynch, 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 [Iris.Chiang@kcc.com](mailto:Iris.Chiang@kcc.com) at telephone number 603 78068268. I authorize the Corporation, Merrill Lynch 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. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service and career with the Employer will not be affected; the only consequence of refusing or withdrawing my consent is that the Corporation would not be able to grant me PRSUs or other equity awards or administer or maintain such awards. Therefore, I understand 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.***

*Malaysian Translation:*

***Saya dengan ini secara eksplisit dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi saya seperti yang diterangkan dalam Perjanjian Penganugerahan dan apa-apa bahan geran opsyen lain oleh dan di antara, seperti mana yang terpakai, Majikan, Syarikat dan Anak-Anak Syarikat Sekutunya untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan.***

***Saya memahami bahawa Syarikat dan Majikan mungkin memegang maklumat peribadi tertentu tentang saya, termasuk, tetapi tidak terhad kepada, nama saya, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang di Syarikat, butir-butir semua opsyen atau apa-apa hak lain atas syer dalam saham biasa yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah saya ("Data"), untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan.***

***Saya memahami bahawa Data akan dipindahkan kepada Merrill Lynch, atau pembekal perkhidmatan pelan saham yang mungkin ditetapkan oleh Syarikat pada masa depan yang membantu Syarikat dengan pelaksanaan, pentadbiran dan pengurusan Pelan. Saya memahami bahawa penerima-penerima Data mungkin berada di Amerika Syarikat atau mana-mana tempat lain dan bahawa negara penerima-penerima (contohnya di Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara saya. Saya memahami bahawa saya boleh meminta satu senarai yang mengandungi nama dan alamat penerima-penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan saya [Iris.Chiang@kcc.com](mailto:Iris.Chiang@kcc.com), T: 603 78068268. Saya memberi kuasa kepada Syarikat, Merill Lynch dan mana-mana penerima-penerima lain yang mungkin membantu Syarikat (pada masa sekarang atau pada masa depan) dengan melaksanakan, mentadbir dan menguruskan Pelan***

**untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan. Saya memahami bahawa Data hanya akan disimpan untuk tempoh yang perlu bagi melaksanakan, mentadbir, dan menguruskan penyertaan saya dalam Pelan. Saya memahami bahawa saya boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan saya. Saya selanjutnya memahami bahawa saya memberi persetujuan ini secara sukarela. Sekiranya saya tidak bersetuju, atau kemudian membatalkan persetujuan saya, status pekerjaan atau perkhidmatan dan kerjaya saya dengan Majikan tidak akan terjejas; satunya akibat jika saya tidak bersetuju atau menarik balik persetujuan saya adalah bahawa Syarikat tidak akan dapat menganugerahkan kepada saya PRSUs atau anugerah ekuiti lain atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, saya memahami bahawa keengganan atau penarikan balik persetujuan saya boleh menjejaskan keupayaan saya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keengganan saya untuk memberikan keizinan atau penarikan balik keizinan, saya memahami bahawa saya boleh menghubungi wakil sumber manusia tempatan saya.**

#### *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**

There are no country-specific provisions.

#### **NEW ZEALAND**

There are no country-specific provisions.

#### **NICARAGUA**

There are no country-specific provisions.

#### **NIGERIA**

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**

### *Securities Law Information*

The offer of this Award is considered a private offering in Peru; therefore, it is not subject to registration in Peru.

## **PHILIPPINES**

### *Awards Payable in Cash Only*

Notwithstanding anything in the Award Agreement, Awards granted to Participants in the Philippines do not provide any right for the Participant to receive shares of Common Stock and shall be paid only in cash in an amount equal to the value of shares of Common Stock at vesting less any Tax-Related Items. Participant agrees to bear any currency fluctuation risk between the time the Awards vest and the time the cash payment is distributed to Participant.

### *Fringe Benefit Tax Obligation*

By accepting the Award, the Participant consents and agrees to assume any and all liability for fringe benefit tax that may be payable by the Corporation and/or the Employer (as determined by the Corporation or the Employer in their discretion) in connection with the Award and any awards previously granted by the Corporation. Further, by accepting the Award, the Participant agrees that the Corporation and/or the Employer may collect the fringe benefit tax from the Participant by any of the means set forth in the Acknowledgment of Conditions section of the Award Agreement, or any other reasonable method established by the Corporation. The Participant agrees to execute other consents or elections to accomplish the foregoing, promptly upon request by the Corporation or the Employer.

## **PUERTO RICO**

There are no country specific provisions.

## **RUSSIA**

### *Securities Law Information*

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. In no event will shares of Common Stock issued to the Participant under the Plan be delivered to the Participant 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.

### *Exchange Control Information*

Under current exchange control regulations, the Participant must repatriate the cash proceeds resulting from sale of the shares of Common Stock to Russia. Such proceeds must be initially credited to the Participant through a foreign currency account opened in the Participant's name at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to a foreign bank in accordance with Russian exchange control laws. However, dividends (but not dividend equivalents) can be held in a foreign currency account at a foreign individual bank account opened in certain countries (including the United States).

The Participant is strongly advised to contact his or her personal advisor regarding the Participant's obligations resulting from participation in the Plan as significant penalties may apply in the case of non-compliance with exchange control requirement and because such exchange control requirements may change.

#### *Foreign Asset/Account Reporting Information*

Russian residents will be required to notify the Russian tax authorities within one month of opening or closing a foreign bank account or of changing any account details. Russian residents are also required to file with the Russian tax authorities reports of the transactions in their foreign bank accounts. The Participant should consult with his or her personal tax advisor for additional information about these reporting obligations.

#### *Data Privacy Notice*

This provision supplements the Data Privacy section in the Acknowledgement and Conditions section of the Award Agreement:

***The Participant understands and agrees that he or she must complete and return a Consent to Processing of Personal Data (the "Consent") form to the Corporation if requested. Further, the Participant understands and agrees that if the Participant does not complete and return a Consent form to the Corporation if requested, the Corporation will not be able to grant PRSUs to the Participant or other awards or administer or maintain such awards. Therefore, the Participant understands that refusing to complete a Consent form or withdrawing his or her consent may affect the Participant's ability to participate in the Plan.***

#### *Anti-Corruption Information*

Anti-corruption laws prohibit certain public servants, their spouses and their dependent children from owning any foreign source financial instruments (e.g., shares of foreign companies such as the Company). Accordingly, the Participant should inform the Corporation if he or she is covered by these laws because the Participant should not hold shares of common stock acquired under the Plan.

#### *Labor Law Information*

If the Participant continues to hold shares of Common Stock acquired at vesting of the PRSUs after an involuntary termination of employment, he or she may not be eligible to receive unemployment benefits in Russia.

## **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 (a) after six months of the Grant Date or (b) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

### *Chief Executive Officer and Director Notification Obligation*

If the Participant is the Chief Executive Officer (“CEO”) or 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 business days of (i) acquiring or disposing of any interest in the Corporation or any Affiliate, or (ii) any change in a previously-disclosed interest ( e.g. , upon vesting of the Award or when shares of Common Stock acquired under the Plan are subsequently sold). In addition, a notification of the Participant’s interests in the Corporation or any Affiliate must be made within two business days of becoming the CEO or a director, associate director or shadow director.

## **SLOVAK REPUBLIC**

### *Foreign Asset/Account Reporting Information*

If the Participant permanently resides in the Slovak Republic and, apart from being employed, carries on business activities as an independent entrepreneur (in Slovakian, *podnikateľ* ), the Participant will be obligated to report his or her foreign assets (including any foreign securities) to the National Bank of Slovakia (provided that the value of the foreign assets exceeds an amount of €2,000,000). These reports must be submitted on a monthly basis by the 15<sup>th</sup> day of the respective calendar month, as well as on a quarterly basis by the 15<sup>th</sup> day of the calendar month following the respective calendar quarter, using notification form DEV (NBS) 1-12, which may be found at the National Bank of Slovakia’s website at [www.nbs.sk](http://www.nbs.sk).

## **SLOVENIA**

There are no country-specific provisions.

## **SOUTH AFRICA**

### *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.

### *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.

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.

### *Securities Law Information*

In compliance with South African securities law, the Participant acknowledges that the documents listed below are available for review at the addresses listed below:

- a) The Corporation's most recent annual financial statements: [http://investor.kimberly-clark.com/sec.cfm?DocType=Annual&Year =](http://investor.kimberly-clark.com/sec.cfm?DocType=Annual&Year=)
- b) The Corporation's most recent Plan prospectus may be accessed online through Merrill Lynch, or such other stock plan service provider as may be selected by the Corporation in the future, at [www.benefits.ml.com](http://www.benefits.ml.com) in the Document Library.

A copy of the above documents will be sent free of charge upon written request to Stock Plan Administrator, P.O. Box 619100, Dallas, Texas 75261-9100. In addition, the Participant should contact his or her tax advisor for specific information concerning his or her personal tax situation with regard to Plan participation.

## **SPAIN**

### *Securities Law Information*

No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of this Award. The Award Agreement (including this Appendix A) has not been, nor will it be, registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

### *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 discretely 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. Vesting will cease, for example, regardless of whether (1) the Participant is considered to be unfairly dismissed without good cause (i.e., subject to a “despido improcedente”); (2) the Participant is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Participant terminates his or her employment or service relationship due to a change of work location, duties or any other employment or contractual condition; and (4) the Participant terminates his or her employment or service relationship due to a unilateral breach of contract by the Corporation or an Affiliate. Consequently, upon termination of the Participant’s employment or service relationship for any of the above reasons, the Participant may automatically lose any rights to the PRSUs that were not vested on the date of termination of the Participant’s employment or service relationship, as described in the Plan and the Award Agreement.

#### *Exchange Control Information*

The acquisition, ownership and sale of shares of Common Stock under the Plan must be declared to the Spanish Dirección General de Comercio e Inversiones (the “DGCI”), which is a department of the Ministry of Economy and Competitiveness. The participant must also declare ownership of any shares of Common Stock by filing a Form D-6 with the Directorate of Foreign Transactions each January while the shares of Common Stock are owned. In addition, the sale of shares of Common Stock must also be declared on Form D-6 filed with the DGCI in January, unless the sale proceeds exceed the applicable threshold (currently €1,502,530) (or the Participant holds 10% or more of the share capital of the Corporation or such other amount that would entitle the Participant to join the Corporation’s Board of Directors), in which case, the filing is due within one month after the sale.

When receiving foreign currency payments derived from the ownership of shares of Common Stock ( e.g. , sale proceeds) exceeding €50,000, the Participant must inform the financial institution receiving the payment of the basis upon which such payment is made. The Participant will need to provide the institution with the following information: (i) the Participant’s name, address, and tax identification number; (ii) the name and corporate domicile of the Corporation; (iii) the amount of the payment; the currency used; (iv) the country of origin; (v) the reasons for the payment; and (vi) further information that may be required.

Spanish residents are required to declare electronically to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including any shares of Common Stock acquired under the Plan) and any transactions with non-Spanish residents (including any payments of shares of Common Stock made to the Participant by the Corporation or through a U.S. brokerage account) if the value of the transactions for all such accounts during the prior year or the balances in such accounts as of December 31 of the prior year exceeds €1,000,000. If neither the total balances nor total transactions with non-residents during the relevant period exceed €50,000,000, a summarized form declaration may be used. More frequent reporting is required if such transaction value or account balance exceeds €100,000,000.

#### *Foreign Asset/Account Reporting Information*

If the Participant holds rights or assets ( e.g. , shares of Common Stock or cash held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset ( e.g. , shares of Common Stock, cash, etc.) as of December 31 each year, the Participant is required to report certain information regarding such rights and assets on tax form 720. After such rights and/or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by the following March 31.

## **SWITZERLAND**

### *Securities Law Information*

The Awards offered by the Corporation are considered a private offering in Switzerland; therefore, such offer is not subject to registration in Switzerland. Neither this document nor any other materials relating to the Awards constitute a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the Awards may be publicly distributed nor otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the PRSUs has been or will be filed with, approved or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Supervisory Authority (FINMA))

## **TAIWAN**

### *Securities Law Information*

The offer of participation in the Plan is available only for employees of the Corporation and its Affiliates. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

### *Exchange Control Information*

Taiwanese residents may acquire and remit foreign currency (including proceeds from the sale of shares of Common Stock or the receipt of dividends) 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 in a single transaction, 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*

If the proceeds from the sale of shares of Common Stock or the receipt of dividends paid on such shares are equal to or greater than US\$50,000 in a single transaction, Thai residents must repatriate all cash proceeds to Thailand immediately following the receipt of the cash proceeds and then either convert such proceeds to Thai Baht or deposit the proceeds into a foreign currency account opened with a commercial bank in Thailand within 360 days of repatriation. In addition, Thai residents 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, 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**

### *Securities Law Information*

Turkish residents are not permitted to sell shares of Common Stock acquired under the Plan in Turkey. Turkish residents must sell the shares of Common Stock acquired under the Plan outside of Turkey. The Shares are currently traded on the New York Stock Exchange in the U.S. under the ticker symbol "KMB" and shares of Common Stock may be sold on this exchange.

### *Exchange Control Information*

Under Turkish law, Turkish residents are permitted to purchase and sell securities or derivatives traded on exchanges abroad only through a financial intermediary licensed in Turkey. Therefore, the Participant may be required to appoint a Turkish broker to assist him or her with the sale of the shares of Common Stock acquired under the Plan. *The Participant should consult his or her personal legal advisor before selling any shares of Common Stock acquired under the Plan to confirm the applicability of this requirement to the Participant.*

## **UKRAINE**

### *Awards Payable in Cash Only*

Notwithstanding anything in the Award Agreement, Awards granted to Participants in Ukraine do not provide any right for the Participant to receive shares of Common Stock and shall be paid only in cash through local payroll in an amount equal to the value of the shares at vesting less any Tax-Related Items. The Participant agrees to bear any currency fluctuation risk between the time the Awards vest and the time the cash payment is distributed to Participant through local payroll.

## **UNITED ARAB EMIRATES**

### *Securities Law Information*

The offer of the Award is available only for select employees of the Corporation and its Affiliates and is in the nature of providing employee incentives in the United Arab Emirates. The Plan and the Award Agreement are intended for distribution only to such employees and must not be delivered to, or relied on, by any other person. Prospective purchasers of securities should conduct their own due diligence.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with this statement, including the Plan and the Award Agreement, or any other incidental communication materials distributed in connection with the Award. Further, neither the Ministry of Economy nor the Dubai Department of Economic Development has approved this statement nor taken steps to verify the information set out in it, and has no responsibility for it. Residents of the United Arab Emirates who have any questions regarding the contents of the Plan and the Award Agreement should obtain independent professional advice.

## **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 after the end of the U.K. tax year in which the event giving rise to the Tax-Related Items occurs 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 income tax may 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 (“HMRC”) official rate and it will be immediately due and repayable, and the Corporation and/or Employer may recover it at any time thereafter by any of the means referred to in the Acknowledgement of Conditions section of the Award Agreement.

Notwithstanding the foregoing, if the Participant is an executive officer or 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 income tax is not collected from or paid by the Participant by the Due Date, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and National Insurance Contributions may be payable. The Participant acknowledges that the Participant ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Corporation or the Employer (as applicable) for the value of any employee NICs due on this additional benefit which the Corporation and/or the Employer may recover from the Participant at any time thereafter by any of the means referred to in the Acknowledgement of Conditions section of the Award Agreement.

## **URUGUAY**

There are no country-specific provisions.

## **VIETNAM**

### *Awards Payable in Cash Only*

Notwithstanding anything in the Award Agreement, Awards granted to Participants in Vietnam do not provide any right for the Participant to receive shares of Common Stock and shall be paid only in cash through local payroll in an amount equal to the value of the shares at vesting less any Tax-Related Items. The Participant agrees to bear any currency fluctuation risk between the time the Awards vest and the time the cash payment is distributed to the Participant through local payroll.

**KIMBERLY-CLARK CORPORATION  
PERFORMANCE RESTRICTED STOCK UNIT  
AWARD AGREEMENT**

**Appendix A-1**

**Performance Goal for Kimberly-Clark Corporation  
Performance Restricted Stock Unit Awards Granted in 2017<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

<b>Weight</b>	<b>Measure</b>	<b>0%</b>	<b>100%</b>	<b>200%</b>
<b>50%</b>	<b>Net Sales</b>	(0.80%)	1.85%	4.50%
<b>50%</b>	<b>ROIC</b>	22.71%	24.21%	25.71%

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, 2017 through December 31, 2019.

Three Year Average ROIC shall be the Annual ROIC for each year in the Performance Period divided by three and rounded to the nearest hundredth 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 to the nearest hundredth 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.

## 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.

April 24, 2017

/s/ Thomas J. Falk

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Thomas J. Falk  
Chief Executive Officer

## CERTIFICATIONS

I, Maria Henry, 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.

April 24, 2017

/s/ Maria Henry

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Maria Henry

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 April 24, 2017 (“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

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Thomas J. Falk  
Chief Executive Officer

April 24, 2017



**Certification of Chief Financial Officer**  
**Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code**

I, Maria Henry, 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 April 24, 2017 (“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/ Maria Henry

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Maria Henry

Chief Financial Officer

April 24, 2017