

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

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2019

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____
Commission File Number 1-225



KIMBERLY-CLARK CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

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

P.O. Box 619100
Dallas, TX
75261-9100
(Address of principal executive offices)
(Zip code)

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock-\$1.25 par value	KMB	New York Stock Exchange
0.625% Notes due 2024	KMB24	New York Stock Exchange

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit 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" and "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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 Act). Yes No

The aggregate market value of the registrant's common stock held by non-affiliates on June 30, 2019 (based on closing stock price on the New York Stock Exchange as of such date) was approximately \$45.9 billion.

As of January 31, 2020, there were 341,795,666 shares of Kimberly-Clark common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information contained in the definitive Proxy Statement for Kimberly-Clark's Annual Meeting of Stockholders to be held on April 29, 2020 is incorporated by reference into Part III.

KIMBERLY-CLARK CORPORATION

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ITEM 1. BUSINESS

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

Dollar amounts are reported in millions, except per share dollar amounts, unless otherwise noted.

Description of Kimberly-Clark

We are organized into operating segments based on product groupings. These operating segments have been aggregated into three reportable global business segments as follows:

- *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 responsibly improve everyday living for families around the world. 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* ("KCP") 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 KleenGuard are well known for quality and trusted to help people around the world work better.

These reportable segments were determined in accordance with how our chief operating decision maker and our executive managers develop and execute our global strategies to drive growth and profitability of our personal care, consumer tissue and KCP operations. These strategies include global plans for branding and product positioning, technology, research and development programs, cost reductions including supply chain management and capacity, and capital investments for each of these businesses.

Products for household use are sold directly to supermarkets, mass merchandisers, drugstores, warehouse clubs, variety and department stores and other retail outlets, as well as through other distributors and e-commerce. Products for away-from-home use are sold through distributors and directly to manufacturing, lodging, office building, food service, and high-volume public facilities.

Net sales to Walmart Inc. as a percent of our consolidated net sales were approximately 14 percent in 2019, 2018 and 2017.

Patents and Trademarks

We own various patents and trademarks registered domestically and in many foreign countries. We consider the patents and trademarks that we own and the trademarks under which we sell certain of our products to be material to our business. Consequently, we seek patent and trademark protection by all available means, including registration.

Raw Materials

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

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

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

Competition

We have several major competitors in most of our markets, some of which are larger and more diversified than us. The principal methods and elements of competition include brand recognition and loyalty, product innovation, quality and performance, price, and marketing and distribution capabilities. For additional discussion of the competitive environment in which we conduct our business, see Item 1A, "Risk Factors."

Foreign Market Risks

We operate and market our products globally, and our business strategy includes targeted growth in Asia, Latin America, Eastern Europe, the Middle East and Africa, with a particular emphasis in China, Eastern Europe, ASEAN and Latin America. See Item 1A, "Risk Factors" for a discussion of foreign market risks that may affect our financial results.

Environmental Matters

Total capital expenditures for voluntary environmental controls or controls necessary to comply with legal requirements relating to the protection of the environment at our facilities are expected to be \$33 and \$34 in 2020 and 2021, respectively. Total operating expenses for environmental compliance, including pollution control equipment operation and maintenance costs, governmental fees, and research and engineering costs are expected to be \$113 in 2020 and \$114 in 2021.

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

Employees

In our consolidated operations, we had approximately 40,000 employees as of December 31, 2019.

Available Information

We make financial information, news releases and other information available on our corporate website at www.kimberly-clark.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge on this website as soon as reasonably practicable after we file these reports and amendments with, or furnish them to, the Securities and Exchange Commission ("SEC"). The information contained on or connected to our website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this or any other report filed with the SEC. Stockholders may also contact Stockholder Services, P.O. Box 612606, Dallas, Texas 75261-2606 or call 972-281-5317 to obtain a hard copy of these reports without charge.

ITEM 1A. RISK FACTORS

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

Increasing dependence on key retailers in Developed Markets and the emergence of new sales channels may adversely affect our business.

Our products are sold in a highly competitive global marketplace, which continues to experience increased concentration and the growing presence of large-format retailers, discounters and e-tailers. With the consolidation of retail trade, both traditional retailers and e-tailers, we are increasingly dependent on key customers, and some of these customers, including large-format retailers and large e-tailers, may have significant bargaining power. They may use this leverage to demand higher trade discounts or allowances which could lead to reduced profitability. We may also be negatively affected by changes in the policies of our retail trade customers, such as inventory de-stocking, limitations on access to shelf space, delisting of our products, additional requirements related to safety, environmental, social and other sustainability issues, and other conditions. If we lose a significant customer or if sales of

our products to a significant customer materially decrease, our business, financial condition and results of operations may be adversely affected.

Intense competition for sales of our products, changes in consumer purchasing patterns and the inability to innovate or market our products effectively could have an adverse effect on our financial results.

We operate in highly competitive domestic and international markets against well-known, branded products and low-cost or private label products. Inherent risks in our competitive strategy include uncertainties concerning trade and consumer acceptance, the effects of consolidation within retailer and distribution channels, a growing e-commerce marketplace, and customers' and competitors' actions. Our competitors for these markets include global, regional and local manufacturers, including private label manufacturers. Some of these competitors may have better access to financial resources and greater market penetration, which enable them to offer a wider variety of products and services at more competitive prices. Alternatively, some of these competitors may have significantly lower product development and manufacturing costs, particularly with respect to private label products, allowing them to offer products at a lower price. E-commerce potentially intensifies competition by simplifying distribution and lowering barriers to entry. The actions of these competitors could adversely affect our financial results. It may be necessary for us to lower prices on our products and increase spending on advertising and promotions, which could adversely affect our financial results.

We may be unable to anticipate or adequately respond to changes in consumer demand for our products. Demand for our products may change based on many factors, including shifting consumer purchasing patterns to lower cost options such as private-label products and mid to lower-tier value products, low birth rates in certain countries due to slow economic growth or other factors, negative consumer response to pricing actions, consumer shifts in distribution from traditional retailers to e-tailers, changing consumer preferences due to increased concerns in regard to post-consumer waste and packaging materials and their impact on environmental sustainability, or other changes in consumer trends or habits. If we experience lower sales due to changes in consumer demand for our products, our earnings could decrease.

Our ability to develop new products is affected by whether we can successfully anticipate consumer needs and preferences, develop and fund technological innovations, and receive and maintain necessary patent and trademark protection. In addition, we incur substantial development and marketing costs in introducing new and improved products and technologies. The introduction of a new consumer product (whether improved or newly developed) usually requires substantial expenditures for advertising and marketing to gain recognition in the marketplace. If a product gains consumer acceptance, it normally requires continued advertising and promotional support to maintain its relative market position. Some of our competitors may spend more aggressively on advertising and promotional activities, introduce competing products more quickly and respond more effectively to changing business and economic conditions. We may not be successful in developing new or improved products and technologies necessary to compete successfully in the industry, and we may not be successful in advertising, marketing, timely launching and selling our products. Also, if we fail to perfect or successfully assert our intellectual property rights, we may be less competitive, which could adversely affect our business, financial results and financial condition.

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

Our strategy includes operations growth outside the U.S., especially in developing markets such as China, Eastern Europe, ASEAN and Latin America. About half of our net sales come from markets outside the U.S. We and our equity companies have manufacturing facilities in 34 countries, and sell products in more than 175 countries. Our results may be substantially affected by a number of foreign market risks:

- Exposure to the movement of various currencies against each other and the U.S. dollar. A portion of the exposures, arising from transactions and commitments denominated in non-local currencies, is systematically managed through foreign currency forward and swap contracts where available and economically advantageous. We do not generally hedge our translation exposure with respect to foreign operations.
- Increases in currency exchange restrictions. These restrictions could limit our ability to repatriate earnings from outside the U.S. or obtain currency exchange for U.S. dollar inputs to continue operating in certain countries.
- Adverse political conditions. Risks related to political instability, expropriation, new or revised legal or regulatory constraints, difficulties in enforcing contractual and intellectual property rights, and potentially adverse tax consequences, including the United Kingdom's withdrawal from the European Union (Brexit), could adversely affect our financial results.

- Increases in dollar-based input costs for operations outside the U.S. due to weaker foreign exchange rates versus the U.S. dollar. There can be no assurance that we will be protected against substantial foreign currency fluctuations.

The inability to effectively manage foreign market risk could adversely affect our business, consolidated financial condition, results of operations or liquidity. See Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and Item 8, Note 1 to the consolidated financial statements for information regarding our adoption of highly inflationary accounting in Argentina.

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

Developing and maintaining our reputation, as well as the reputation of our brands, is a critical factor in our relationship with consumers, customers, suppliers and others. Our inability to address adverse publicity or other issues, including concerns about product safety, quality, efficacy, environmental impacts (including packaging, energy and water use and waste management) and other sustainability or similar matters, or breaches of consumer, customer, supplier, employee or other confidential information, real or perceived, could negatively impact sentiment towards us and our products and brands, and our business and financial results could suffer. In addition, our products could face withdrawal, recall or other quality issues. Consumers increasing use and reliance on social media for information could increase the risk of adverse publicity, potentially with negative perception of our products or brands. Our business and results could also be negatively impacted by the effects of product-related litigation, allegations of product tampering or contamination, or the distribution and sale of counterfeit products.

If our information technology systems suffer interruptions, failures or breaches, or we fail to comply with data privacy or similar regulations, our business operations could be disrupted and we could face financial and reputational damage.

Our information technology systems, some of which are dependent on services provided by third parties, serve an important role in the efficient and effective operation and administration of our business. These systems could be damaged or cease to function properly due to any number of causes, such as catastrophic events, power outages, security breaches, computer viruses or cyber-based attacks. While we have contingency plans in place to prevent or mitigate the impact of these events, if they were to occur and our disaster recovery plans do not effectively address the issues on a timely basis, we could suffer interruptions in our ability to manage our operations, which may adversely affect our business and financial results.

Increased cyber-security threats and computer crime also pose a potential risk to the security of our information technology systems, including those of third-party service providers with whom we have contracted, as well as the confidentiality, integrity and availability of the data stored on those systems. Further, data privacy is subject to frequently changing rules and regulations regarding the handling of personal data, such as the General Data Protection Regulation and the California Consumer Privacy Act. Any breach in our information technology security systems could result in the disclosure or misuse of confidential or proprietary information, including sensitive customer, supplier, employee or investor information maintained in the ordinary course of our business. Any such event, or any failure to comply with these data privacy requirements or other laws in this area, could cause damage to our reputation, loss of valuable information or loss of revenue and could result in legal liability, or regulatory or other penalties. In addition, we may incur large expenditures to investigate or remediate, to recover data, to repair or replace networks or information systems, or to protect against similar future events.

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

Increases in the cost and availability of raw materials, including pulp and petroleum-based materials, the cost of energy, transportation and other necessary services, supplier constraints, supplier consolidation which could limit our sources of supply for these items, an inability to maintain favorable supplier arrangements and relations or an inability to avoid disruptions in production output could have an adverse effect on our financial results.

Cellulose fiber, in the form of kraft pulp or recycled fiber from recovered waste paper, is used extensively in our tissue products and is subject to significant price fluctuations. Cellulose fiber, in the form of fluff pulp, is a key component in our personal care products. In past years, pulp prices have experienced significant volatility. Increases in pulp prices or limits in the availability of recycled fiber could adversely affect our earnings if selling prices for our finished products are not adjusted or if these adjustments significantly trail the increases in pulp prices. In some instances, we utilize negotiated short-term contract structures to reduce pulp price volatility, but we have not used derivative instruments to manage these risks.

A number of our products, such as diapers, training and youth pants, feminine pads, incontinence care products and disposable wipes, contain certain materials that are principally derived from petroleum. These materials are subject to price fluctuations based

on changes in petroleum prices, availability and other factors, with these prices experiencing significant volatility in recent years. We purchase these materials from a number of suppliers. Significant increases in prices for these materials could adversely affect our earnings if selling prices for our finished products are not adjusted, if these adjustments significantly trail the increases in prices for these materials, or if we do not utilize lower priced substitutes for these materials.

Our manufacturing operations utilize electricity, natural gas and petroleum-based fuels. To ensure we use all forms of energy efficiently and cost-effectively, we maintain energy efficiency improvement programs at our manufacturing sites. Our contracts with energy suppliers vary as to price, payment terms, quantities and duration. Our energy costs are also affected by various market factors including the availability of supplies of particular forms of energy, energy prices and local and national regulatory decisions (including actions taken to address climate change and related market responses). There can be no assurance that we will be fully protected against substantial changes in the price or availability of energy sources.

There can be no assurance that our efforts to increase selling prices in response to increased costs will be successful.

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

We continue to implement plans to improve our competitive position by achieving cost reductions in our operations, including implementing restructuring programs in functions or areas of our business where we believe such opportunities exist. In January 2018, we announced a global restructuring program. The 2018 Global Restructuring Program will reduce our structural cost base by streamlining and simplifying our manufacturing supply chain and overhead organization. In addition, we expect ongoing cost savings from our continuous improvement activities. We anticipate these cost savings will result from reducing material costs and manufacturing waste and realizing productivity gains, distribution efficiencies and overhead reductions in each of our business segments and in our corporate functions. Any negative impact these plans have on our relationships with employees, suppliers or customers or any failure to generate the anticipated efficiencies and savings could adversely affect our financial results.

Government regulations and enforcement, and potential litigation, could have an adverse effect on our financial results.

As a global company, we are subject to many laws and governmental regulations across all of the countries in which we do business, including laws and regulations involving marketing, antitrust, anti-bribery or anti-corruption, product liability, environmental, intellectual property or other matters, as well as potential litigation or administrative actions.

If we are unable to comply with all laws and regulations, it could negatively impact our reputation and our business results. We cannot provide assurance that our internal control policies and procedures, and ethics and compliance program will always protect us from acts committed by our employees or agents. While it is our policy and practice to comply with all legal and regulatory requirements applicable to our business, a finding that we are in violation of, or out of compliance with, applicable laws or regulations could subject us to civil remedies, including fines, damages, injunctions or product recalls, or criminal sanctions, any of which could adversely affect our business, results of operations, cash flows and financial condition. Even if a claim is unsuccessful, is without merit or is not fully pursued, the negative publicity surrounding such assertions regarding our products, processes or business practices could adversely affect our reputation and brand image.

In addition, new or revised laws or regulations may alter the environment in which we do business, including Brexit, which could adversely impact our financial results. For example, new legislation or regulations may result in increased costs to us, directly for our compliance, or indirectly to the extent suppliers increase prices of goods and services because of increased compliance costs, excise taxes or reduced availability of raw materials.

Disruption in our supply chain or our manufacturing or distribution operations could adversely affect our business.

Our ability to manufacture, distribute and sell products is critical to our operations. These activities are subject to inherent risks such as natural disasters, power outages, fires or explosions, labor strikes, terrorism, epidemics (including the ongoing coronavirus outbreak emanating from China), pandemics, import restrictions, regional economic, business, environmental or political events, governmental regulatory requirements or nongovernmental voluntary actions in response to global climate change or other concerns regarding the sustainability of our business, which could disrupt our supply chain and impair our ability to manufacture or sell our products. This interruption, if not mitigated in advance or otherwise effectively managed, could adversely impact our business, financial condition and results of operations, as well as require additional resources to address.

In addition, third parties manufacture some of our products and provide certain administrative services. Disruptions or delays at these third-party manufacturers or service providers due to the reasons above or the failure of these manufacturers or service

providers to otherwise satisfactorily perform, could adversely impact our operations, sales, payments to our suppliers, employees, and others, and our ability to report financial and management information on a timely and accurate basis.

New or revised tax regulations could have an adverse effect on our financial results.

We are subject to income tax requirements in various jurisdictions in the U.S. and internationally. Many of these jurisdictions have made changes to their tax policies, including tax reform in the U.S. that was enacted in December 2017. Other jurisdictions are contemplating changes or have unpredictable enforcement activity. Increases in applicable tax rates, implementation of new taxes, changes in applicable tax laws and interpretations of these tax laws and actions by tax authorities in jurisdictions in which we operate could reduce our after tax income and have an adverse effect on our results of operations.

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

We may periodically divest product lines or businesses. These divestitures may adversely impact our results if we are unable to offset the dilutive impacts from the loss of revenue associated with the divested products or businesses, or mitigate overhead costs allocated to those businesses. Furthermore, the divestitures could adversely affect our ongoing business operations, including by enhancing our competitors' positions or reducing consumer confidence in our ongoing brands and products.

We may pursue acquisitions of product lines or businesses from third parties. Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies, services and products of the acquired product lines or businesses, estimation and assumption of liabilities and contingencies, personnel turnover and the diversion of management's attention from other business concerns. We may be unable to successfully integrate and manage product lines or businesses that we may acquire in the future, or be unable to achieve anticipated benefits or cost savings from acquisitions in the timeframe we anticipate, or at all.

The inability to effectively and efficiently manage divestitures and acquisitions with the results we expect or in the timeframe we anticipate could adversely affect our business, consolidated financial condition, results of operations or liquidity.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

At December 31, 2019, we own or lease:

- our principal executive office located in the Dallas, Texas metropolitan area;
- four operating segment and geographic headquarters at two U.S. and two international locations; and
- four global business service centers at one U.S. and three international locations.

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

<u>Geographic Area:</u>	<u>Number of Facilities</u>
North America (in 15 states in the U.S.)	31
Outside North America	54
Total (in 34 countries)	85

Many of these facilities produce multiple products, some across multiple segments. Consumer tissue and KCP products are produced in 52 facilities and personal care products are produced in 47 facilities. We believe that our and our equity affiliates' facilities are suitable for their purpose, adequate to support their businesses and well maintained.

ITEM 3. LEGAL PROCEEDINGS

See Item 8, Note 9 to the consolidated financial statements, which is incorporated in this Item 3 by reference, for information on legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The names and ages of our executive officers as of February 13, 2020, together with certain biographical information, are as follows:

Achal Agarwal, 60, will serve as Chief Transformation Officer effective March 1, 2020 and will be responsible for leading the strategy and roadmap for further building our global organizational capabilities and evolving our work practices to consistently deliver results. His current role is President, K-C Asia-Pacific to which he was elected in 2012. He is responsible for our consumer business in our Asia-Pacific region. From 2008 to 2012, his title was President, K-C North Asia. Mr. Agarwal joined Kimberly-Clark from PepsiCo, Inc. where he served from March 2008 to June 2008 as Business Unit General Manager, Sub-Saharan Africa Beverages and Snacks and as Chief Operating Officer, Greater China Beverages from 2005 to February 2008.

J. Scott Boston, 57, was elected Senior Vice President and Chief Human Resources Officer in 2017. He is responsible for the design and implementation of all human capital strategies for Kimberly-Clark, including global compensation and benefits, talent management, diversity and inclusion, organizational effectiveness and labor/employee relations. From 2011 to April 2016, his title was Vice President HR K-C International and from April 2016 to December 2016, his title was Vice President of Global Talent Management, HR Strategy & Operations. Prior to joining Kimberly-Clark, Mr. Boston served as Senior Vice President, Human Resources, for McKesson Corporation.

Sergio Cruz, 53, was elected President, K-C Latin America in 2017. He is responsible for our consumer business in our Latin America region. From 2014 to January 2017, Mr. Cruz served as Vice President, K-C Brazil and from 2011 to 2013, he served as Managing Director and Vice President, K-C Eastern Europe. Mr. Cruz joined Kimberly-Clark in 2005 and has held a number of positions with increasing responsibility within our international business operations.

Maria Henry, 53, was elected Senior Vice President and Chief Financial Officer in 2015. Prior to joining Kimberly-Clark, Ms. Henry served as Chief Financial Officer of Hillshire Brands Company from 2012 to 2014, and Chief Financial Officer of Sara Lee Corporation's North American Retail and Food Service business from 2011 to 2012. Prior to joining Sara Lee (the predecessor to Hillshire Brands) in 2011, Ms. Henry was Executive Vice President and Chief Financial Officer of Culligan International, where she was responsible for finance, strategy, business development and information technology. Before Culligan, Ms. Henry served as Chief Financial Officer of Vastera, Inc. She began her career at General Electric. She also serves on the board of directors of General Mills, Inc.

Michael D. Hsu, 55, was elected Chief Executive Officer in January 2019 and Chairman of the Board in January 2020. Prior to that, he served as President and Chief Operating Officer since 2017, where he was responsible for the day-to-day operations of our business units, along with our global innovation, marketing and supply chain functions. He served as Group President, K-C North America from 2013 to 2016, where he was responsible for our consumer business in North America, as well as leading the development of new business strategies for global nonwovens. From 2012 to 2013, his title was Group President, North America Consumer Products. He has been a director of Kimberly-Clark since 2017. Prior to joining Kimberly-Clark, Mr. Hsu served as Executive Vice President and Chief Commercial Officer of Kraft Foods, Inc., from January 2012 to July 2012, as President of Sales, Customer Marketing and Logistics from 2010 to 2012 and as President of its grocery business unit from 2008 to 2010. Prior to that, Mr. Hsu served as President and Chief Operating Officer, Foodservice at H. J. Heinz Company.

Alison Lewis, 52, was elected Chief Growth Officer in July 2019. Ms. Lewis joined Kimberly-Clark from Johnson & Johnson, a health care products company, where she served as Chief Marketing Officer of the Global Consumer business since 2013. Prior to her role at Johnson & Johnson, Ms. Lewis served as Chief Marketing Officer, Senior Vice President, North America at The Coca-Cola Company.

Jeffrey Melucci, 49, was elected Senior Vice President - General Counsel in 2017. From January 2017 to September 2017, he served as Vice President, Senior Deputy General Counsel and General Counsel of Kimberly-Clark's Global Operations. From March 2013 to January 2017, he served as Vice President and Deputy General Counsel. He also served as Corporate Secretary from April 2014 to September 2017 and General Counsel of Kimberly-Clark International from March 2013 to December 2016. Mr. Melucci joined Kimberly-Clark from General Electric, where he served in multiple roles of increasing responsibility, most recently as General Counsel - Aviation Systems and Aviation Business Development.

Aaron Powell, 48, will serve as President, K-C Asia-Pacific effective March 1, 2020. His current role is President of K-C Professional to which he was elected in 2018. He is responsible for our global professional business, which includes commercial tissue and wipers, skin care, safety and do-it-yourself products. Previously, he served as President, K-C Europe, Middle East &

Africa (EMEA) from April 2018 to May 2018, and prior to that he led our K-C Professional operations in North America since 2016. Mr. Powell joined Kimberly-Clark in 2007 and has held a number of positions of increasing responsibility within our EMEA operations, including Vice President and Managing Director, Central & Eastern Europe.

Kimberly K. Underhill, 55, was elected Group President, K-C North America in 2018. She is responsible for our consumer business in North America. From 2014 to May 2018, she served as President of K-C Professional, and from 2011 to 2014, she served as President, Consumer Europe. She joined Kimberly-Clark in 1988 and has held a number of positions with increasing responsibility within research and engineering, operations and marketing. She also serves on the board of directors of Foot Locker, Inc.

Tristram Wilkinson, 51, was elected President, K-C EMEA in 2018. He is responsible for our consumer business in our EMEA region. From 2016 to 2018, he served as Vice President and Managing Director, Central & Eastern Europe. Prior to that, Mr. Wilkinson held a number of positions of increasing responsibility within our EMEA operations, including Vice President and Managing Director, United Kingdom & Ireland. Mr. Wilkinson joined Kimberly-Clark in 1995.

PART II

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

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

Quarterly dividends have been paid continually since 1935. Dividends have been paid on or about the second business day of January, April, July and October.

As of January 31, 2020, we had 18,719 holders of record of our common stock.

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

We repurchase shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. During 2019, we repurchased 6.2 million shares of our common stock at a cost of \$800 through a broker in the open market.

The following table contains information for shares repurchased during the fourth quarter of 2019. None of the shares in this table were repurchased directly from any of our officers or directors.

Period (2019)	Total Number of Shares Purchased^(a)	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
October 1 to October 31	715,700	\$ 136.22	29,215,144	10,784,856
November 1 to November 30	595,700	132.65	29,810,844	10,189,156
December 1 to December 31	550,500	136.59	30,361,344	9,638,656
Total	<u>1,861,900</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. SELECTED FINANCIAL DATA

	Year Ended December 31				
	2019 ^(a)	2018 ^(b)	2017 ^(c)	2016 ^(d)	2015 ^(e)
Net Sales	\$ 18,450	\$ 18,486	\$ 18,348	\$ 18,287	\$ 18,682
Gross Profit	6,035	5,597	6,587	6,691	6,667
Operating Profit	2,991	2,229	3,358	3,383	3,038
Share of Net Income of Equity Companies	123	103	104	132	149
Net Income	2,197	1,445	2,319	2,219	1,066
Net Income Attributable to Noncontrolling Interests	(40)	(35)	(41)	(53)	(53)
Net Income Attributable to Kimberly-Clark Corporation	2,157	1,410	2,278	2,166	1,013
Per Share Basis					
Basic	6.28	4.05	6.44	6.03	2.78
Diluted	6.24	4.03	6.40	5.99	2.77
Cash Dividends Per Share					
Declared	4.12	4.00	3.88	3.68	3.52
Paid	4.09	3.97	3.83	3.64	3.48
Total Assets	15,283	14,518	15,151	14,602	14,842
Long-Term Debt	6,213	6,247	6,472	6,439	6,106
Total Stockholders' Equity	194	(46)	882	117	40

- (a) Results include pre-tax charges of \$366, \$248 after tax, related to the 2018 Global Restructuring Program and a pre-tax property sale gain of \$31, \$24 after tax, related to the sale of property associated with a former manufacturing facility. See Item 8, Notes 2 and 13 to the consolidated financial statements for details.
- (b) Results include pre-tax charges of \$1,036, \$783 after tax, related to the 2018 Global Restructuring Program and a net charge of \$117 associated with U.S. tax reform related matters. See Item 8, Notes 2 and 11 to the consolidated financial statements for details.
- (c) Results include other expense of \$24 and an income tax benefit of \$85 for U.S. tax reform related matters. See Item 8, Notes 4 and 11 to the consolidated financial statements for details.
- (d) Results include other income of \$11 related to an updated assessment of the deconsolidation of our Venezuelan operations. Additionally, results were negatively impacted by pre-tax charges of \$35, \$27 after tax, related to the 2014 restructuring plan initiated to improve organization efficiency and offset the impact of stranded overhead costs resulting from the spin-off of our health care business (the "2014 Organization Restructuring").
- (e) Results include pre-tax charges related to pension settlements of \$1,358, \$835 after tax, a \$45 nondeductible charge related to the remeasurement of the Venezuelan balance sheet and a pre-tax charge of \$108, \$102 after tax, related to the deconsolidation of our Venezuelan operations. Additionally, results were negatively impacted by pre-tax charges of \$63, \$42 after tax, related to the 2014 Organization Restructuring, and nondeductible charges of \$23 related to the restructuring of operations in Turkey. Also included is an income tax charge of \$49 related to prior years as a result of an updated assessment of uncertain tax positions in certain of our international operations.

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

Introduction

This MD&A is intended to provide investors with an understanding of our recent performance, financial condition and prospects. This discussion and analysis compares 2019 results to 2018. For a discussion that compares our 2018 results to 2017, see Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7 of our 2018 Annual Report on Form 10-K. The reference to "N.M." indicates that the calculation is not meaningful. In addition, we provide commentary regarding organic sales growth, which describes the impact of changes in volume, product mix and net selling prices on net sales. Changes in foreign currency exchange rates and exited businesses also impact the year-over-year change in net sales. Dollar amounts are reported in millions, except per share dollar amounts, unless otherwise noted.

The following will be discussed and analyzed:

- Overview of Business
- Overview of 2019 Results
- Results of Operations and Related Information
- Unaudited Quarterly Data
- Liquidity and Capital Resources
- Critical Accounting Policies and Use of Estimates
- Legal Matters
- New Accounting Standards
- Information Concerning Forward-Looking Statements

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 gross and operating profit, adjusted net income, adjusted earnings per share, adjusted other (income) and expense, net, 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 to 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 the following items for the relevant time periods as indicated in the reconciliations included later in this MD&A:

- 2018 Global Restructuring Program - In 2018, we initiated a restructuring program to reduce our structural cost base by streamlining and simplifying our manufacturing supply chain and overhead organization. See Item 8, Note 2 to the consolidated financial statements for details.
- Property Sale Gain - In the fourth quarter of 2019, we recognized a gain on the sale of property associated with a former manufacturing facility that was closed in 2012 as part of a past restructuring.
- U.S. Tax Reform Related Matters - In 2018 we recognized a net charge associated with U.S. tax reform related matters. See Item 8, Note 11 to the consolidated financial statements for details.

Overview of Business

We are a global company focused on leading the world in essentials for a better life, with manufacturing facilities in 32 countries and products sold in more than 175 countries. Our products are sold under well-known brands such as Kleenex, Scott, Huggies, Pull-Ups, Kotex and Depend. We have three reportable business segments: Personal Care, Consumer Tissue and KCP. These business segments are described in greater detail in Item 8, Note 13 to the consolidated financial statements.

In operating our business, we seek to:

- grow our portfolio of brands through innovation, category development and commercial execution,
- leverage our cost and financial discipline to fund growth and improve margins, and
- allocate capital in value-creating ways.

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.

Overview of 2019 Results

- Net sales of \$18.5 billion were even with the year-ago period. Organic sales increased 4 percent. Changes in foreign currency exchange rates reduced sales by 3 percent.
- In North America, organic sales increased 3 percent in both consumer products and in K-C Professional.
- Outside North America, organic sales rose 6 percent in D&E Markets and 1 percent in Developed Markets.
- Operating Profit and Net Income Attributable to Kimberly-Clark were \$2,991 and \$2,157 in 2019, respectively.
- Diluted earnings per share were \$6.24 in 2019 compared to \$4.03 in 2018. Results in 2019 include net charges of \$0.72 related to the 2018 Global Restructuring Program and a net gain of \$0.07 related to the sale of property associated with a former manufacturing facility that was closed as part of a past restructuring. Results in 2018 include net charges of \$2.24 related to the 2018 Global Restructuring Program and a net charge of \$0.33 for U.S. tax reform related matters.
- We continue to focus on generating cash flow and allocating capital to shareholders. Cash provided by operations was \$2.7 billion in 2019. We raised our dividend in 2019 by 3 percent, the 47th consecutive annual increase in our dividend. Altogether, share repurchases and dividends in 2019 amounted to \$2.2 billion.

In 2020, we plan to focus on our strategies for long-term success, including growing our brands, leveraging our financial discipline and allocating capital in value-creating ways.

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

Results of Operations and Related Information

This section presents a discussion and analysis of net sales, operating profit and other information relevant to an understanding of 2019 results of operations.

Consolidated

Selected Financial Results

	Year Ended December 31		
	2019	2018	Change 2019 vs. 2018
Net Sales:			
North America	\$ 9,735	\$ 9,532	+2 %
Outside North America	8,981	9,256	-3 %
Intergeographic sales	(266)	(302)	-12 %
Total Net Sales	18,450	18,486	—
Operating Profit:			
North America	2,441	2,215	+10 %
Outside North America	1,127	1,127	—
Corporate & Other(a)	(787)	(1,112)	N.M.
Other (income) and expense, net ^(a)	210	1	—
Total Operating Profit	2,991	2,229	+34 %
Provision for income taxes	(576)	(471)	+22 %
Share of net income of equity companies	123	103	+19 %
Net Income Attributable to Kimberly-Clark Corporation	2,157	1,410	+53 %
Diluted Earnings per Share	6.24	4.03	+55 %

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

GAAP to Non-GAAP Reconciliations of Selected Financial Results

	Twelve Months Ended December 31, 2019			
	As Reported	2018 Global Restructuring Program	Property Sale Gain	As Adjusted Non-GAAP
Cost of products sold	\$ 12,415	\$ 416	\$ —	\$ 11,999
Gross Profit	6,035	(416)	—	6,451
Marketing, research and general expenses	3,254	99	—	3,155
Other (income) and expense, net	(210)	(194)	(31)	15
Operating Profit	2,991	(321)	31	3,281
Nonoperating expense	(91)	(45)	—	(46)
Provision for income taxes	(576)	118	(7)	(687)
Effective tax rate	21.7%	—	—	23.0%
Share of net income of equity companies	123	(2)	—	125
Net income attributable to noncontrolling interests	(40)	2	—	(42)
Net Income Attributable to Kimberly-Clark Corporation	2,157	(248)	24	2,381
Diluted Earnings per Share ^(a)	6.24	(0.72)	0.07	6.89

Twelve Months Ended December 31, 2018

	As Reported	2018 Global Restructuring Program	U.S. Tax Reform Related Matters	As Adjusted Non-GAAP
Cost of products sold	\$ 12,889	\$ 541	\$ —	\$ 12,348
Gross profit	5,597	(541)	—	6,138
Marketing, research and general expenses	3,367	380	—	2,987
Other (income) and expense, net	1	(12)	—	13
Operating profit	2,229	(909)	—	3,138
Nonoperating expense	(163)	(127)	—	(36)
Provision for income taxes	(471)	243	(117)	(597)
Effective tax rate	26.0%	—	—	21.0%
Share of net income of equity companies	103	(1)	—	104
Net income attributable to noncontrolling interests	(35)	11	—	(46)
Net income attributable to Kimberly-Clark Corporation	1,410	(783)	(117)	2,310
Diluted Earnings per Share ^(a)	4.03	(2.24)	(0.33)	6.61

(a) "As Adjusted Non-GAAP" may not equal "As Reported" plus "Adjustments" as a result of rounding.

Analysis of Consolidated Results

Net Sales	Percent Change		Adjusted Operating Profit	Percent Change	
	2019 vs. 2018			2019 vs. 2018	
Volume	(1)		Volume	(1)	
Net Price	4		Net Price	21	
Mix/Other	1		Input Costs	(5)	
Currency	(3)		Cost Savings ^(c)	14	
Total ^(a)	—		Currency Translation	(2)	
			Other ^(d)	(22)	
Organic ^(b)	4		Total	5	

(a) Total may 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) Combined benefits of the FORCE (Focused On Reducing Costs Everywhere) program and 2018 Global Restructuring Program.

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

Net sales of \$18.5 billion were even with the year-ago period. Operating profit was \$2,991 in 2019 and \$2,229 in 2018. Adjusted operating profit was \$3,281 in 2019, up 5 percent compared to \$3,138 in 2018. Results benefited from organic sales growth, \$260 of FORCE cost savings and \$165 of cost savings from the 2018 Global Restructuring Program. The comparison was impacted by unfavorable currency effects, \$145 of higher input costs, other manufacturing cost increases, increased advertising spending and higher selling, general and administrative costs.

Other (income) and expense, net of \$210 in 2019 primarily reflected gains on the sales of manufacturing facilities and associated real estate related to the 2018 Global Restructuring Program and property associated with a former manufacturing facility that was closed as part of a past restructuring. Adjusted other (income) and expense, net was \$15 and \$13 of expense in 2019 and 2018, respectively.

The effective tax rate of 21.7 percent in 2019 decreased compared to the effective tax rate of 26.0 percent in 2018. The rate in 2019 included a net benefit of \$47 related to a nonrecurring capital loss from a legal entity restructuring. The rate in 2018 included a net charge of \$117 related to U.S. tax reform related matters. See additional details in Item 8, Note 11 to the consolidated financial

statements. The adjusted effective tax rate was 23.0 percent in 2019 compared to 21.0 percent in 2018. The adjusted rate in 2018 benefited from planning initiatives and resolution of certain tax matters.

Our share of net income of equity companies was \$123 in 2019 and \$103 in 2018. Kimberly-Clark de Mexico, S.A.B. de C.V. ("KCM") results in 2019 benefited from organic sales growth and cost savings but were negatively impacted by higher input costs.

Diluted earnings per share were \$6.24 in 2019 and \$4.03 in 2018. Adjusted earnings per share of \$6.89 in 2019 increased 4 percent compared to \$6.61 in 2018. The increase was driven by higher adjusted operating profit, increased net income from equity companies and a lower share count, partially offset by a higher adjusted effective tax rate.

Business Segments

Personal Care

	2019	2018		2019	2018
Net Sales	\$ 9,108	\$ 9,037	Operating Profit	\$ 1,904	\$ 1,833
Net Sales	Percent Change		Operating Profit	Percent Change	
	2019 vs. 2018			2019 vs. 2018	
Volume	1		Volume	3	
Net Price	3		Net Price	15	
Mix/Other	1		Input Costs	(6)	
Currency	(4)		Cost Savings ^(c)	12	
Total ^(a)	1		Currency Translation	(3)	
			Other ^(d)	(17)	
Organic ^(b)	5		Total	4	

(a) Total may 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) Combined benefits of the FORCE program and 2018 Global Restructuring Program.

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

Net sales in North America increased 3 percent. Higher sales volumes and changes in net selling prices and product mix each increased sales by 1 percent. Volume growth was primarily driven by an increase in sales of adult care products, reflecting product innovations, increased brand investments and category growth. The improvements in net selling prices and product mix were driven by baby and child care.

Net sales in D&E Markets decreased 1 percent. Changes in foreign currency exchange rates decreased sales by 9 percent, primarily in Latin America and China. Changes in net selling prices and product mix increased sales by 7 percent and 2 percent, respectively. The higher net selling prices were led by Latin America, China and Eastern Europe. The improvements in product mix were primarily in China.

Net sales in Developed Markets outside North America decreased 5 percent. Changes in foreign currency exchange rates decreased sales by 6 percent and changes in net selling prices decreased sales by 1 percent. Changes in product mix and higher sales volumes each increased sales by 1 percent.

Operating profit of \$1,904 increased 4 percent. The comparison was positively impacted by organic sales growth and cost savings, partially offset by input cost inflation, unfavorable currency effects and higher advertising spending.

Consumer Tissue

	2019	2018		2019	2018
Net Sales	\$ 5,993	\$ 6,015	Operating Profit	\$ 1,007	\$ 875
Net Sales	Percent Change		Operating Profit	Percent Change	
	2019 vs. 2018			2019 vs. 2018	
Volume	(3)		Volume	(7)	
Net Price	5		Net Price	33	
Mix/Other	—		Input Costs	(3)	
Currency	(3)		Cost Savings ^(c)	14	
Total ^(a)	—		Currency Translation	(1)	
			Other ^(d)	(21)	
Organic ^(b)	2		Total	15	

(a) Total may 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) Combined benefits of the FORCE program and 2018 Global Restructuring Program.

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

Net sales in North America increased 2 percent. Organic sales increased 2 percent with improvement in all three major product categories of bathroom tissue, facial tissue and paper towels. Changes in net selling prices increased sales by 7 percent, reflecting disciplined execution of price increases, while sales volumes decreased 5 percent.

Net sales in D&E Markets decreased 2 percent. Changes in foreign currency exchange rates decreased sales by 5 percent, primarily in Latin America. Sales volumes decreased by 1 percent. Changes in net selling prices increased sales by 3 percent, led by improvements in Latin America. Changes in product mix increased sales by 1 percent.

Net sales in Developed Markets outside North America decreased 4 percent. Changes in foreign currency exchange rates decreased sales by 6 percent and lower sales volumes decreased sales by 1 percent. Changes in net selling prices increased sales by 2 percent. Each of the changes was driven by Western and Central Europe.

Operating profit of \$1,007 increased by 15 percent. Results benefited from higher net selling prices and cost savings. The comparison was impacted by other manufacturing cost increases, lower volumes, unfavorable currency effects, higher input costs and increased selling, general and administrative costs.

K-C Professional

	2019	2018		2019	2018
Net Sales	\$ 3,292	\$ 3,382	Operating Profit	\$ 657	\$ 634
Net Sales	Percent Change		Operating Profit	Percent Change	
	2019 vs. 2018			2019 vs. 2018	
Volume		(2)	Volume		(4)
Net Price		3	Net Price		15
Mix/Other		1	Input Costs		(2)
Exited Businesses ^(e)		(2)	Cost Savings ^(e)		13
Currency		(3)	Currency Translation		(2)
Total ^(a)		(3)	Other ^(d)		(16)
Organic ^(b)		2	Total		4

(a) Total may 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) Combined benefits of the FORCE program and 2018 Global Restructuring Program.

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

(e) Exited businesses in conjunction with the 2018 Global Restructuring Program.

Net sales in North America increased 1 percent. Changes in net selling prices and product mix increased sales by 3 percent and 1 percent, respectively, while business exits in conjunction with the 2018 Global Restructuring Program reduced sales more than 1 percent. Sales volumes decreased 1 percent.

Net sales in D&E Markets decreased 4 percent. Changes in foreign currency exchange rates decreased sales by 5 percent, primarily in Latin America. Sales volumes decreased 3 percent. Changes in net selling prices increased sales by 3 percent led by improvements in Latin America. Changes in product mix increased sales by 1 percent.

Net sales in Developed Markets outside North America decreased 6 percent. Changes in foreign currency exchange rates decreased sales by 6 percent, and lower sales volumes and business exits decreased sales by 5 percent and 1 percent, respectively. Changes in product mix and net selling prices increased sales by 3 percent and 2 percent, respectively. Each of the changes was driven by Western and Central Europe.

Operating profit of \$657 increased 4 percent. The comparison benefited from improved net selling prices and cost savings, partially offset by increased other manufacturing costs, lower volumes and unfavorable currency effects.

2018 Global Restructuring Program

Annual pre-tax savings from the 2018 Global Restructuring Program are expected to be \$500 to \$550 by 2021. Savings for 2019 were \$165, bringing cumulative savings to \$300.

To implement this program, we expect to incur incremental capital spending of approximately \$600 to \$700 by the end of 2020. See Item 8, Note 2 to the consolidated financial statements for additional information.

Unaudited Quarterly Data

	2019 ^(a)				2018 ^(a)			
	Fourth	Third	Second	First	Fourth	Third	Second	First
Net Sales	\$ 4,583	\$ 4,640	\$ 4,594	\$ 4,633	\$ 4,569	\$ 4,582	\$ 4,604	\$ 4,731
Gross Profit	1,566	1,555	1,486	1,428	1,402	1,416	1,455	1,324
Operating Profit	751	915	670	655	639	669	674	247
Net Income	556	680	495	466	421	462	465	97
Net Income Attributable to Kimberly-Clark Corporation	547	671	485	454	411	451	455	93
Per Share Basis-Diluted	1.59	1.94	1.40	1.31	1.18	1.29	1.30	0.26

(a) Quarterly results in 2019 and 2018 were impacted by charges related to the 2018 Global Restructuring Program. See Item 8, Note 2 to the consolidated financial statements for details.

Liquidity and Capital Resources

Cash Provided by Operations

Cash provided by operations was \$2.7 billion in 2019 compared to \$3.0 billion in 2018. The decrease was driven by increased working capital and tax payments, partially offset by higher earnings and lower pension contributions.

Obligations

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

	Total	2020	2021	2022	2023	2024	2025+
Long-term debt	\$ 6,985	\$ 761	\$ 258	\$ 310	\$ 468	\$ 552	\$ 4,636
Interest payments on long-term debt	3,051	232	214	206	200	193	2,006
Operating lease liabilities	454	145	102	72	51	32	52
Unconditional purchase obligations	1,579	1,249	83	57	50	39	101
Open purchase orders	2,268	2,213	41	11	2	1	—
Total contractual obligations	\$ 14,337	\$ 4,600	\$ 698	\$ 656	\$ 771	\$ 817	\$ 6,795

- The unconditional purchase obligations are for the purchase of raw materials, primarily superabsorbent materials, pulp and utilities. Although we are primarily liable for payments on the above operating leases and unconditional purchase obligations, based on historic operating performance and forecasted future cash flows, we believe exposure to losses, if any, under these arrangements is not material.
- The open purchase orders displayed in the table represent amounts for goods and services we have negotiated for delivery.

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

- We will fund our defined benefit pension plans to meet or exceed statutory requirements and currently expect to contribute approximately \$50 to these plans in 2020.
- Other postretirement benefit payments are estimated using actuarial assumptions, including expected future service, to project the future obligations. Based upon those projections, we anticipate making annual payments for these obligations of approximately \$60 through 2029.
- Accrued income tax liabilities for uncertain tax positions, deferred taxes and noncontrolling interests.

Investing

Our capital spending was \$1.2 billion in 2019 and \$0.9 billion in 2018, reflecting incremental spending in 2019 related to the 2018 Global Restructuring Program. Proceeds from dispositions of property in 2019 of \$242 million primarily reflect the proceeds from the sales of manufacturing facilities and associated real estate related to the 2018 Global Restructuring Program and property associated with a former manufacturing facility that was closed as part of a past restructuring. We expect capital spending to be approximately \$1.15 billion to \$1.35 billion in 2020, including significant spending associated with the 2018 Global Restructuring Program.

Financing

We issue long-term debt in the public market periodically. Proceeds from the offerings are used for general corporate purposes, including repayment of maturing debt or outstanding commercial paper indebtedness. See Item 8, Note 4 to the consolidated financial statements for details.

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 \$775 million as of December 31, 2019 (included in debt payable within one year on the consolidated balance sheet). The average month-end balance of short-term debt for the twelve months ended December 31, 2019 was \$1.0 billion. 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 December 31, 2019, total debt was \$7.7 billion compared to \$7.5 billion at December 31, 2018.

In February 2020, we issued \$500 million aggregate principal amount of 2.875% notes due February 7, 2050. Proceeds from the offering were used for general corporate purposes including the repayment of a portion of our commercial paper indebtedness.

We maintain a \$2.0 billion revolving credit facility which expires in June 2023 and a \$750 million revolving credit facility which expires in June 2020. These facilities, currently unused, support our commercial paper program, and would provide liquidity in the event our access to the commercial paper markets is unavailable for any reason.

We paid \$1.4 billion in dividends in 2019. The Board of Directors approved a dividend increase of 3.9 percent for 2020. We repurchase shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. During 2019, we repurchased 6.2 million shares of our common stock at a cost of \$800 million through a broker in the open market. We are targeting full-year 2020 share repurchases between \$700 million and \$900 million, subject to market conditions.

We believe that our ability to generate cash from operations and our capacity to issue short-term and long-term debt are adequate to fund working capital, payments for our 2018 Global Restructuring Program, capital spending, pension contributions, dividends and other needs for the foreseeable future. Further, we do not expect restrictions or taxes on repatriation of cash held outside of the U.S. to have a material effect on our overall business, liquidity, financial condition or results of operations for the foreseeable future.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. The critical accounting policies we used in the preparation of the consolidated financial statements are those that are important both to the presentation of our financial condition and results of operations and require significant judgments by management with regard to estimates used. The critical judgments by management relate to accruals for sales incentives and trade promotion allowances, pension and other postretirement benefits, deferred income taxes and potential income tax assessments. These critical accounting policies have been reviewed with the Audit Committee of the Board of Directors.

Sales Incentives and Trade Promotion Allowances

Trade promotion programs include introductory marketing funds such as slotting fees, cooperative marketing programs, temporary price reductions and other activities conducted by our customers to promote our products. Rebate and promotion accruals are based on estimates of the quantity of customer sales. Promotion accruals also consider estimates of the number of consumer coupons that will be redeemed and timing and costs of activities within the promotional programs. Generally, the estimated redemption value of consumer coupons and related expense are based on historical patterns of coupon redemption, influenced by judgments about current market conditions such as competitive activity in specific product categories, and the cost is recorded when the related revenue from customers is realized. Our related accounting policies are discussed in Item 8, Note 1 to the consolidated financial statements.

Employee Postretirement Benefits

Substantially all regular employees in the U.S. and the United Kingdom are covered by defined contribution retirement plans and certain U.S. and United Kingdom employees previously earned benefits covered by defined benefit pension plans that currently provide no future service benefit (the "Principal Plans"). Certain other subsidiaries have defined benefit pension plans or, in certain countries, termination pay plans covering substantially all regular employees. Our related accounting policies and account balances are discussed in Item 8, Note 6 to the consolidated financial statements.

Changes in certain assumptions could affect pension expense and the benefit obligations, particularly the estimated long-term rate of return on plan assets and the discount rate used to calculate the obligations:

- Long-term rate of return on plan assets The expected long-term rate of return is evaluated on an annual basis. In setting these assumptions, we consider a number of factors including projected future returns by asset class relative to the target asset allocation. Actual asset allocations are regularly reviewed and they are periodically rebalanced to the targeted allocations when considered appropriate.

As of December 31, 2019, the Principal Plans had cumulative unrecognized investment and actuarial losses of approximately \$1.2 billion. These unrecognized net losses may increase future pension expense if not offset by (i) actual investment returns that exceed the assumed investment returns, (ii) other factors, including reduced pension liabilities arising from higher discount rates used to calculate pension obligations, or (iii) other actuarial gains, and whether such accumulated actuarial losses at each measurement date exceed the "corridor" as required. If the expected long-term rate of return on assets for the Principal Plans were lowered by 0.25 percent, the impact on annual pension expense would not be material in 2020.

- Discount rate The discount (or settlement) rate used to determine the present value of our future U.S. pension obligation at December 31, 2019 was based on a portfolio of high quality corporate debt securities with cash flows that largely match the expected benefit payments of the plan. For the United Kingdom plan, the discount rate was determined based on yield curves constructed from a portfolio of high quality corporate debt securities. Each year's expected future benefit payments were discounted to their present value at the appropriate yield curve rate to determine the pension obligations. If the discount rate assumptions for these same plans were reduced by 0.25 percent, the increase in annual pension expense would not be material in 2020, and the December 31, 2019 pension liability would increase by about \$130.
- Other assumptions There are a number of other assumptions involved in the calculation of pension expense and benefit obligations, primarily related to participant demographics and benefit elections.

Pension expense for defined benefit pension plans is estimated to approximate \$105 in 2020, including incremental charges resulting from 2018 Global Restructuring Program actions. Pension expense beyond 2020 will depend on future investment performance,

our contributions to the pension trusts, changes in discount rates and various other factors related to the covered participants in the plans.

Substantially all U.S. retirees and employees have access to our unfunded health care and life insurance benefit plans. Changes in significant assumptions could affect the consolidated expense and benefit obligations, particularly the discount rate used to calculate the obligations and the health care cost trend rate:

- Discount rate. The determination of the discount rates used to calculate the benefit obligations of the plans is discussed in the pension benefit section above, and the methodology for each country is the same as the methodology used to determine the discount rate for that country's pension obligation. If the discount rate assumptions for these plans were reduced by 0.25 percent, the impact to 2020 other postretirement benefit expense and the increase in the December 31, 2019 benefit liability would not be material.
- Health care cost trend rate. The health care cost trend rate is based on a combination of inputs including our recent claims history and insights from external advisers regarding recent developments in the health care marketplace, as well as projections of future trends in the marketplace.

Deferred Income Taxes and Potential Assessments

As a global organization, we are subject to income tax requirements in various jurisdictions in the U.S. and internationally. Changes in certain assumptions related to income taxes could significantly affect consolidated results, particularly with regard to valuation allowances on deferred tax assets, undistributed earnings of subsidiaries outside the U.S. and uncertain tax positions. Our income tax related accounting policies, account balances and matters affecting income taxes are discussed in Item 8, Note 11 to the consolidated financial statements.

- Deferred tax assets and related valuation allowances. We have recorded deferred tax assets related to, among other matters, income tax loss carryforwards, income tax credit carryforwards and capital loss carryforwards and have established valuation allowances against these deferred tax assets. These carryforwards are primarily in non-U.S. taxing jurisdictions and in certain states in the U.S. Foreign tax credits earned in the U.S. in current and prior years, which cannot be used currently, also give rise to net deferred tax assets. In determining the valuation allowances to establish against these deferred tax assets, many factors are considered, including the specific taxing jurisdiction, the carryforward period, income tax strategies and forecasted earnings for the entities in each jurisdiction. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized.
- Undistributed earnings. As of December 31, 2019, we have accumulated undistributed earnings generated by our foreign subsidiaries of approximately \$7.7 billion. Earnings of \$5.6 billion were previously subject to tax, primarily due to the one-time transition tax on foreign earnings required by the Tax Cuts and Jobs Act. Any additional taxes due with respect to such previously-taxed earnings, if repatriated, would generally be limited to foreign and U.S. state income taxes. Deferred taxes have been recorded on \$0.9 billion of earnings, most of which were previously taxed for U.S. federal income tax purposes, of foreign consolidated subsidiaries expected to be repatriated. We do not intend to distribute the remaining \$4.7 billion of previously taxed foreign earnings and therefore have not recorded deferred taxes for foreign and U.S. state income taxes on such earnings. While the transition tax resulted in a reduction of the excess amount for financial reporting over the tax basis in our foreign subsidiaries, any remaining amount of financial reporting over tax basis after such reduction could be subject to additional taxes, if repatriated. However, we consider any excess to be indefinitely reinvested. The determination of deferred tax liabilities on the amount of financial reporting over tax basis or the \$4.7 billion of previously taxed foreign earnings is not practicable.
- Uncertain tax positions. We record our global tax provision based on the respective tax rules and regulations for the jurisdictions in which we operate. Where we believe that a tax position is supportable for income tax purposes, the item is included in our income tax returns. Where treatment of a position is uncertain, a liability is recorded based upon the expected most likely outcome taking into consideration the technical merits of the position based on specific tax regulations and facts of each matter. These liabilities may be affected by changing interpretations of laws, rulings by tax authorities or the expiration of the statute of limitations.

Legal Matters

See Item 8, Note 9 to the consolidated financial statements for information on legal matters.

New Accounting Standards

See Item 8, Note 1 to the consolidated financial statements for a description of new accounting standards and their anticipated effects on our consolidated financial statements.

Information Concerning Forward-Looking Statements

Certain matters contained in this report concerning the business outlook, including the anticipated cost savings from our FORCE program, costs and savings from the 2018 Global Restructuring Program, cash flow and uses of cash, growth initiatives, innovations, marketing and other spending, net sales, anticipated currency rates and exchange risks, including the impact in Argentina, 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, our ability to maintain key customer relationships 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.

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

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

Foreign Currency Risk

A portion of our foreign currency risk is managed through the systematic use of foreign currency forward contracts. The use of these instruments supports the management of transactional exposures to exchange rate fluctuations as the gains or losses incurred on the derivative instruments will offset, in whole or in part, gains or losses on the underlying foreign currency exposure. We also utilize cross currency swaps and foreign denominated debt to hedge certain investments in foreign subsidiaries. The gain or loss on these instruments are recognized in other comprehensive income to offset the change in value of the net investments being hedged.

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

As of December 31, 2019, a 10 percent unfavorable change in the exchange rate of the U.S. dollar against the prevailing market rates of foreign currencies involving balance sheet transactional exposures would not be material to our consolidated financial position, results of operations or cash flows. This hypothetical loss on transactional exposures is based on the difference between the December 31, 2019 rates and the assumed rates.

Our operations in Argentina are reported using highly inflationary accounting and their functional currency is the U.S. dollar. Changes in the value of an Argentine peso versus the U.S. dollar applied to our net peso monetary position are recorded in Other (income) and expense, net at the time of the change. As of December 31, 2019, K-C Argentina had a small net peso monetary position and a 10 percent unfavorable change in the exchange rate would not be material.

The translation of the balance sheets of non-U.S. operations from local currencies into U.S. dollars is also sensitive to changes in foreign currency exchange rates. Consequently, an annual test is performed to determine if changes in currency exchange rates would have a significant effect on the translation of the balance sheets of non-U.S. operations into U.S. dollars. These translation gains or losses are recorded as unrealized translation adjustments ("UTA") within stockholders' equity. The hypothetical change in UTA is calculated by multiplying the net assets of these non-U.S. operations by a 10 percent change in the currency exchange rates. As of December 31, 2019, a 10 percent unfavorable change in the exchange rate of the U.S. dollar against the prevailing market rates of our foreign currency translation exposures would have reduced stockholders' equity by approximately \$550. In the view of management, the above potential UTA adjustments resulting from these assumed changes in foreign currency exchange rates are not material to our consolidated financial position because they would not affect our cash flow.

Interest Rate Risk

Interest rate risk is managed through the maintenance of a portfolio of variable and fixed-rate debt composed of short and long-term instruments. The objective is to maintain a cost-effective mix that management deems appropriate. At December 31, 2019, the long-term debt portfolio was comprised of primarily fixed-rate debt. From time to time, we also hedge the anticipated issuance of fixed-rate debt and those contracts are designated as cash flow hedges.

In order to determine the impact of changes in interest rates on our financial position or future results of operations, we calculated the increase or decrease in the market value of fixed-rate debt using a 10 percent change in current market interest rates and the rates governing these instruments. At December 31, 2019, a 10 percent decrease in interest rates would have increased the fair value of fixed-rate debt by about \$210, which would not have a significant impact on our financial statements as we do not record debt at fair value.

Commodity Price Risk

We are subject to commodity price risk, the most significant of which relates to the price of pulp. Selling prices of tissue products are influenced, in part, by the market price for pulp. As previously discussed under Item 1A, "Risk Factors," increases in pulp prices could adversely affect earnings if selling prices are not adjusted or if such adjustments significantly trail the increases in pulp prices. In some instances, we utilize negotiated short-term contract structures, including fixed price contracts, to manage volatility for a portion of our commodity costs, but derivative instruments have not been used to manage these risks.

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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS

(Millions of dollars, except per share amounts)	Year Ended December 31		
	2019	2018	2017
Net Sales	\$ 18,450	\$ 18,486	\$ 18,348
Cost of products sold	12,415	12,889	11,761
Gross Profit	6,035	5,597	6,587
Marketing, research and general expenses	3,254	3,367	3,202
Other (income) and expense, net	(210)	1	27
Operating Profit	2,991	2,229	3,358
Nonoperating expense	(91)	(163)	(59)
Interest income	11	10	10
Interest expense	(261)	(263)	(318)
Income Before Income Taxes and Equity Interests	2,650	1,813	2,991
Provision for income taxes	(576)	(471)	(776)
Income Before Equity Interests	2,074	1,342	2,215
Share of net income of equity companies	123	103	104
Net Income	2,197	1,445	2,319
Net income attributable to noncontrolling interests	(40)	(35)	(41)
Net Income Attributable to Kimberly-Clark Corporation	\$ 2,157	\$ 1,410	\$ 2,278
Per Share Basis			
Net Income Attributable to Kimberly-Clark Corporation			
Basic	\$ 6.28	\$ 4.05	\$ 6.44
Diluted	\$ 6.24	\$ 4.03	\$ 6.40

See notes to the consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of dollars)	Year Ended December 31		
	2019	2018	2017
Net Income	\$ 2,197	\$ 1,445	\$ 2,319
Other Comprehensive Income (Loss), Net of Tax			
Unrealized currency translation adjustments	19	(428)	517
Employee postretirement benefits	12	140	118
Other	(34)	51	(45)
Total Other Comprehensive Income (Loss), Net of Tax	(3)	(237)	590
Comprehensive Income	2,194	1,208	2,909
Comprehensive income attributable to noncontrolling interests	(31)	(22)	(76)
Comprehensive Income Attributable to Kimberly-Clark Corporation	\$ 2,163	\$ 1,186	\$ 2,833

See notes to the consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Millions of dollars)	December 31	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 442	\$ 539
Accounts receivable, net	2,263	2,164
Inventories	1,790	1,813
Other current assets	562	525
Total Current Assets	5,057	5,041
Property, Plant and Equipment, Net	7,450	7,159
Investments in Equity Companies	268	224
Goodwill	1,467	1,474
Other Assets	1,041	620
TOTAL ASSETS	\$ 15,283	\$ 14,518
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Debt payable within one year	\$ 1,534	\$ 1,208
Trade accounts payable	3,055	3,190
Accrued expenses and other current liabilities	1,978	1,793
Dividends payable	352	345
Total Current Liabilities	6,919	6,536
Long-Term Debt	6,213	6,247
Noncurrent Employee Benefits	897	931
Deferred Income Taxes	511	458
Other Liabilities	520	328
Redeemable Preferred Securities of Subsidiaries	29	64
Stockholders' Equity		
Kimberly-Clark Corporation		
Preferred stock - no par value - authorized 20.0 million shares, none issued	—	—
Common stock - \$1.25 par value - authorized 1.2 billion shares; issued 378.6 million shares at December 31, 2019 and 2018	473	473
Additional paid-in capital	556	548
Common stock held in treasury, at cost - 37.1 and 33.6 million shares at December 31, 2019 and 2018, respectively	(4,454)	(3,956)
Retained earnings	6,686	5,947
Accumulated other comprehensive income (loss)	(3,294)	(3,299)
Total Kimberly-Clark Corporation Stockholders' Equity	(33)	(287)
Noncontrolling Interests	227	241
Total Stockholders' Equity	194	(46)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 15,283	\$ 14,518

See notes to the consolidated financial statements.

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

(Millions of dollars, shares in thousands, except per share amounts)	Common Stock Issued		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount		Shares	Amount				
Balance at December 31, 2016	378,597	\$ 473	\$ 600	22,029	\$ (2,571)	\$ 4,870	\$ (3,474)	\$ 219	\$ 117
Net income in stockholders' equity, excludes redeemable interests' share	—	—	—	—	—	2,278	—	36	2,314
Other comprehensive income, net of tax	—	—	—	—	—	—	555	35	590
Stock-based awards exercised or vested	—	—	(89)	(1,926)	210	—	—	—	121
Shares repurchased	—	—	—	7,388	(927)	—	—	—	(927)
Recognition of stock-based compensation	—	—	76	—	—	—	—	—	76
Dividends declared (\$3.88 per share)	—	—	—	—	—	(1,371)	—	(37)	(1,408)
Other	—	—	7	—	—	(8)	—	—	(1)
Balance at December 31, 2017	378,597	473	594	27,491	(3,288)	5,769	(2,919)	253	882
Net income in stockholders' equity, excludes redeemable interests' share	—	—	—	—	—	1,410	—	31	1,441
Other comprehensive income, net of tax	—	—	—	—	—	—	(224)	(12)	(236)
Stock-based awards exercised or vested	—	—	(90)	(1,351)	152	—	—	—	62
Shares repurchased	—	—	—	7,495	(820)	—	—	—	(820)
Recognition of stock-based compensation	—	—	39	—	—	—	—	—	39
Dividends declared (\$4.00 per share)	—	—	—	—	—	(1,391)	—	(32)	(1,423)
Other	—	—	5	—	—	159	(156)	1	9
Balance at December 31, 2018	378,597	473	548	33,635	(3,956)	5,947	(3,299)	241	(46)
Net income in stockholders' equity, excludes redeemable interests' share	—	—	—	—	—	2,157	—	37	2,194
Other comprehensive income, net of tax	—	—	—	—	—	—	6	(10)	(4)
Stock-based awards exercised or vested	—	—	(93)	(2,817)	322	—	—	—	229
Shares repurchased	—	—	—	6,331	(820)	—	—	—	(820)
Recognition of stock-based compensation	—	—	94	—	—	—	—	—	94
Dividends declared (\$4.12 per share)	—	—	—	—	—	(1,415)	—	(42)	(1,457)
Other	—	—	7	—	—	(3)	(1)	1	4
Balance at December 31, 2019	<u>378,597</u>	<u>\$ 473</u>	<u>\$ 556</u>	<u>37,149</u>	<u>\$ (4,454)</u>	<u>\$ 6,686</u>	<u>\$ (3,294)</u>	<u>\$ 227</u>	<u>\$ 194</u>

See notes to the consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS

(Millions of dollars)	Year Ended December 31		
	2019	2018	2017
Operating Activities			
Net income	\$ 2,197	\$ 1,445	\$ 2,319
Depreciation and amortization	917	882	724
Asset impairments	—	74	—
Stock-based compensation	96	41	76
Deferred income taxes	29	2	(69)
Net (gains) losses on asset dispositions	(193)	52	21
Equity companies' earnings (in excess of) less than dividends paid	(6)	18	26
Operating working capital	(288)	389	(148)
Postretirement benefits	13	(25)	2
Other	(29)	92	(22)
Cash Provided by Operations	2,736	2,970	2,929
Investing Activities			
Capital spending	(1,209)	(877)	(785)
Proceeds from dispositions of property	242	51	3
Investments in time deposits	(568)	(353)	(214)
Maturities of time deposits	542	272	183
Other	(49)	5	(38)
Cash Used for Investing	(1,042)	(902)	(851)
Financing Activities			
Cash dividends paid	(1,408)	(1,386)	(1,359)
Change in short-term debt	303	(34)	360
Debt proceeds	706	507	937
Debt repayments	(707)	(407)	(1,481)
Proceeds from exercise of stock options	228	62	121
Acquisitions of common stock for the treasury	(800)	(800)	(911)
Other	(114)	(57)	(88)
Cash Used for Financing	(1,792)	(2,115)	(2,421)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1	(30)	36
Change in Cash and Cash Equivalents	(97)	(77)	(307)
Cash and Cash Equivalents - Beginning of Year	539	616	923
Cash and Cash Equivalents - End of Year	\$ 442	\$ 539	\$ 616

See notes to the consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Accounting Policies

Basis of Presentation

The consolidated financial statements present the accounts of Kimberly-Clark Corporation and all subsidiaries in which it has a controlling financial interest as if they were a single economic entity in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All intercompany transactions and accounts are eliminated in consolidation. The terms "Corporation," "Kimberly-Clark," "we," "our," and "us" refer to Kimberly-Clark Corporation and all subsidiaries in which it has a controlling financial interest. Dollar amounts are reported in millions, except per share dollar amounts, unless otherwise noted.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting periods. Actual results could differ from these estimates, and changes in these estimates are recorded when known. Estimates are used in accounting for, among other things, sales incentives and trade promotion allowances, employee postretirement benefits, and deferred income taxes and potential assessments.

Cash Equivalents

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

Inventories and Distribution Costs

Most U.S. inventories are valued at the lower of cost, using the Last-In, First-Out ("LIFO") method, or market. The balance of the U.S. inventories and inventories of consolidated operations outside the U.S. are valued at the lower of cost or net realizable value using either the First-In, First-Out ("FIFO") or weighted-average cost methods. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Distribution costs are classified as cost of products sold.

Property and Depreciation

Property, plant and equipment are stated at cost and are depreciated on the straight-line method. Buildings are depreciated over their estimated useful lives, primarily 40 years. Machinery and equipment are depreciated over their estimated useful lives, primarily ranging from 16 to 20 years. Purchases of computer software, including external costs and certain internal costs (including payroll and payroll-related costs of employees) directly associated with developing significant computer software applications for internal use, are capitalized. Computer software costs are amortized on the straight-line method over the estimated useful life of the software, which generally does not exceed 5 years.

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

Goodwill and Other Intangible Assets

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Goodwill is not amortized, but rather is assessed for impairment annually and whenever events and circumstances indicate that impairment may have occurred. Impairment testing compares the reporting unit carrying amount, including goodwill, with its fair value. Fair value is estimated based on discounted cash flows. If the reporting unit carrying amount, including goodwill, exceeds its fair value, a goodwill impairment charge for the excess amount above fair value would be recorded. For 2019, we completed the required

annual testing of goodwill for impairment for all of our reporting units using the first day of the third quarter as the measurement date and determined through quantitative impairment testing that goodwill is not impaired.

Intangible assets with finite lives are amortized over their estimated useful lives and are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss would be indicated when estimated undiscounted future cash flows from the use of the asset are less than its carrying amount. An impairment loss would be measured as the difference between the fair value (based on discounted future cash flows) and the carrying amount of the asset. Estimated useful lives range from 2 to 20 years for trademarks and 5 to 15 years for patents, developed technologies and other intangible assets.

Investments in Equity Companies

Investments in companies which we do not control but over which we have the ability to exercise significant influence and that, in general, are at least 20 percent-owned by us, are stated at cost plus equity in undistributed net income. These investments are evaluated for impairment when warranted. An impairment loss would be recorded whenever a decline in value of an equity investment below its carrying amount is determined to be other than temporary. In judging "other than temporary," we would consider the length of time and extent to which the fair value of the equity company investment has been less than the carrying amount, the near-term and longer-term operating and financial prospects of the equity company, and our longer-term intent of retaining the investment in the equity company.

Revenue Recognition

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

Sales Incentives and Trade Promotion Allowances

The cost of promotion activities provided to customers is classified as a reduction in sales revenue. In addition, the estimated redemption value of consumer coupons and related expense are recorded when the related revenue from customers is realized. Rebate and promotion accruals are based on estimates of the quantity of customer sales. Promotion accruals also consider estimates of the number of consumer coupons that will be redeemed and timing and costs of activities within the promotional programs.

Advertising Expense

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

Research Expense

Research and development costs are charged to expense as incurred.

Foreign Currency Translation

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

As of July 1, 2018, we elected to adopt highly inflationary accounting for our subsidiaries in Argentina ("K-C Argentina"). The effect of changes in exchange rates on peso-denominated monetary assets and liabilities has been reflected in earnings in Other (income) and expense, net and was not material. As of December 31, 2019, K-C Argentina had a small net peso monetary position. Net sales of K-C Argentina were approximately 1 percent of our consolidated net sales in 2019 and 2018.

Derivative Instruments and Hedging

Our policies allow the use of derivatives for risk management purposes and prohibit their use for speculation. Our policies also prohibit the use of any leveraged derivative instrument. Consistent with our policies, foreign currency derivative instruments, interest rate swaps and locks, and the majority of commodity hedging contracts are entered into with major financial institutions.

At inception, we formally designate certain derivatives as cash flow, fair value or net investment hedges and establish how the effectiveness of these hedges will be assessed and measured. This process links the derivatives to the transactions or financial balances they are hedging. Changes in the fair value of derivatives not designated as hedging instruments are recorded in earnings as they occur. All derivative instruments are recorded as assets or liabilities on the balance sheet at fair value. Changes in the fair value of derivatives are either recorded in the income statement or other comprehensive income, as appropriate. The gain or loss on derivatives designated as fair value hedges and the offsetting loss or gain on the hedged item attributable to the hedged risk are included in income in the period that changes in fair value occur. The gain or loss on derivatives designated as cash flow hedges is included in other comprehensive income in the period that changes in fair value occur, and is reclassified to income in the same period that the hedged item affects income. The gain or loss on derivatives designated as hedges of investments in foreign subsidiaries is recognized in other comprehensive income to offset the change in value of the net investments being hedged. Certain foreign-currency derivative instruments not designated as hedging instruments have been entered into to manage certain non-functional currency denominated monetary assets and liabilities. The gain or loss on these derivatives is included in income in the period that changes in their fair values occur. Cash flows from derivatives are classified within the consolidated statement of cash flows in the same category as the items being hedged. Cash flows from derivatives are classified within Operating Activities, except for derivatives designated as net investment hedges which are classified in Investing Activities. See Note 10 for disclosures about derivative instruments and hedging activities.

Leases

Lease assets and lease liabilities are recognized at the commencement of an arrangement where it is determined at inception that a lease exists. Lease assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. These assets and liabilities are initially recognized based on the present value of lease payments over the lease term calculated using our incremental borrowing rate generally applicable to the location of the lease asset, unless the implicit rate is readily determinable. Lease assets also include any upfront lease payments made and exclude lease incentives. Lease terms include options to extend or terminate the lease when it is reasonably certain that those options will be exercised.

Variable lease payments are generally expensed as incurred and include certain index-based changes in rent, certain nonlease components, such as maintenance and other services provided by the lessor, and other charges included in the lease. Leases with an initial term of 12 months or less are not recorded on the balance sheet, and the expense for these short-term leases and for operating leases is recognized on a straight-line basis over the lease term.

Certain lease agreements with lease and nonlease components are combined as a single lease component. The depreciable life of lease assets and leasehold improvements is limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Accounting Standards - Adopted During 2019

The Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, amended by ASU 2018-11, *Leases (Topic 842): Targeted Improvements*. The new guidance requires a lessee to recognize assets and liabilities for all leases with lease terms of more than 12 months and provide additional disclosures. The ASU requires adoption using a modified retrospective transition approach with either 1) periods prior to the adoption date being recast or 2) a cumulative-effect adjustment recognized to the opening balance of retained earnings on the adoption date with prior periods not recast. We adopted this standard on January 1, 2019 using the cumulative-effect adjustment approach. We elected the package of practical expedients in transition for leases that commenced prior to January 1, 2019 whereby these contracts were not reassessed or reclassified from their previous assessment as of December 31, 2018. We also elected certain other practical expedients in transition including not reassessing existing land easements as lease contracts. For all new and modified leases after adoption of the ASU, we have taken the component election allowing us to generally account for lease components together with nonlease components in the calculation of the lease asset and corresponding liability. We implemented processes and a lease accounting system to ensure adequate internal controls were in place to assess our contracts and enable proper accounting and reporting of financial information upon adoption. No cumulative-effect adjustment was recognized as the amount was not material, and the impact on our results of operations and cash flows was also not material. See Note 8 for the financial position impact and additional disclosures.

The FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The new standard makes more financial and non-financial hedging strategies eligible for hedge accounting. It also amends presentation and disclosure requirements and changes how companies assess hedge effectiveness. This ASU requires

adoption using a modified retrospective transition approach with a cumulative-effect adjustment recognized to the opening balance of retained earnings on the adoption date with prior periods not recast. We adopted this standard on January 1, 2019 with no cumulative-effect adjustment as the amount was not material. The effects of this standard on our financial position, results of operations and cash flows were not material.

The FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820)*. The new guidance modifies disclosure requirements related to fair value measurement. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Implementation on a prospective or retrospective basis varies by specific disclosure requirement. We early adopted this standard as of July 1, 2019 on a prospective basis. The impact on our disclosures was not material.

Accounting Standards Issued - Not Adopted as of December 31, 2019

The FASB issued ASU No. 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40)*. The new guidance reduces complexity for the accounting for costs of implementing a cloud computing service arrangement and aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). We adopted this standard as of January 1, 2020 on a prospective basis. The effects of this standard on our financial position, results of operations and cash flows were not material.

The FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The new guidance simplifies the accounting for income taxes by eliminating certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, hybrid taxes and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. For public companies, the amendments in this ASU are effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. Early adoption is permitted in interim or annual periods with any adjustments reflected as of the beginning of the annual period that includes that interim period. Additionally, entities that elect early adoption must adopt all the amendments in the same period. Amendments are to be applied prospectively, except for certain amendments that are to be applied either retrospectively or with a modified retrospective approach through a cumulative effect adjustment recorded to retained earnings. The effects of this standard on our financial position, results of operations or cash flows are not expected to be material.

Note 2. 2018 Global Restructuring Program

In January 2018, we announced the 2018 Global Restructuring Program to reduce our structural cost base by streamlining and simplifying our manufacturing supply chain and overhead organization. We expect to close or sell approximately 10 manufacturing facilities and expand production capacity at several others. We expect to exit or divest some lower-margin businesses that generate approximately 1 percent of our net sales. The restructuring is expected to impact all of our business segments and our organizations in all major geographies. Workforce reductions are expected to be in the range of 5,000 to 5,500. Certain capital appropriations under the 2018 Global Restructuring Program are being finalized. Accounting for actions related to each appropriation will commence when the appropriation is authorized for execution.

The restructuring is expected to be completed by the end of 2020, with total costs anticipated to be \$1.7 billion to \$1.9 billion pre-tax (\$1.3 billion to \$1.4 billion after tax). Cash costs are expected to be \$900 to \$1.0 billion, primarily related to workforce reductions. Non-cash charges are expected to be \$800 to \$900 pre-tax and will primarily consist of incremental depreciation, asset write-offs and pension settlement and curtailment charges. Restructuring charges in 2020 are expected to be \$300 to \$500 pre-tax (\$235 to \$390 after tax).

The following net charges were incurred in connection with the 2018 Global Restructuring Program:

	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2018
Cost of products sold:		
Charges for workforce reductions	\$ 31	\$ 149
Asset impairments	—	74
Asset write-offs	54	112
Incremental depreciation	235	172
Other exit costs	96	34
Total	416	541
Marketing, research and general expenses:		
Charges for workforce reductions	(12)	243
Other exit costs	111	137
Total	99	380
Other (income) and expense, net ^(a)	(194)	(12)
Nonoperating expense ^(b)	45	127
Total charges	366	1,036
Provision for income taxes	(118)	(243)
Net charges	248	793
Net impact related to equity companies and noncontrolling interests	—	(10)
Net charges attributable to Kimberly-Clark Corporation	\$ 248	\$ 783

(a) Other (income) and expense, net in 2019 was the result of pre-tax gains on the sales of manufacturing facilities and associated real estate which were disposed of as part of the restructuring.

(b) Represents non-cash pension settlement and curtailment charges resulting from restructuring actions, primarily in the U.S., United Kingdom and Canada.

The asset impairments charge measurement was based on the excess of the carrying value of the impacted asset groups over their fair values. These fair values were measured by using discounted cash flows expected over the limited time the assets would remain in use and as a result, the assets were essentially written off. The use of discounted cash flows represents a level 3 measure under the fair value hierarchy.

The following summarizes the restructuring liabilities activity:

	2019	2018
Restructuring liabilities at January 1	\$ 210	\$ —
Charges for workforce reductions and other cash exit costs	221	559
Cash payments	(302)	(325)
Currency and other	3	(24)
Restructuring liabilities at December 31	\$ 132	\$ 210

As of December 31, 2019 and 2018, restructuring liabilities of \$93 and \$118 are recorded in Accrued expenses and other current liabilities and \$39 and \$92 are recorded in Other Liabilities, respectively. The impact related to restructuring charges is recorded in Operating working capital and Other Operating Activities, as appropriate, in our consolidated cash flow statement.

Through December 31, 2019, cumulative pre-tax charges for the 2018 Global Restructuring Program were \$1.4 billion (\$1.0 billion after tax).

Note 3. 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 2019 and 2018, there were no significant transfers to or from level 3 fair value determinations.

Derivative assets and liabilities are measured on a recurring basis at fair value. At December 31, 2019 and 2018, derivative assets were \$34 and \$30, respectively, and derivative liabilities were \$44 and \$18, 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 values of hedging instruments used to manage foreign currency risk are 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. See Note 10 for additional information on our use of derivative instruments.

Redeemable preferred securities of subsidiaries are measured on a recurring basis at fair value and were \$29 and \$64 at December 31, 2019 and 2018, respectively. 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 a discounted cash flow valuation model. 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 \$76 and \$64 at December 31, 2019 and 2018, 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	
		December 31, 2019		December 31, 2018	
Assets					
Cash and cash equivalents ^(a)	1	\$ 442	\$ 442	\$ 539	\$ 539
Time deposits ^(b)	1	275	275	256	256
Liabilities					
Short-term debt ^(c)	2	775	775	495	495
Long-term debt ^(d)	2	6,972	7,877	6,960	7,192

- (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. Time deposits 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 4. Debt and Redeemable Preferred Securities of Subsidiaries

Long-term debt is composed of the following:

	Weighted-Average Interest Rate	Maturities	December 31	
			2019	2018
Notes and debentures	3.5%	2020 - 2047	\$ 6,749	\$ 6,756
Industrial development revenue bonds	1.3%	2023 - 2045	169	169
Bank loans and other financings in various currencies	6.8%	2020 - 2038	54	35
Total long-term debt			6,972	6,960
Less current portion			759	713
Long-term portion			\$ 6,213	\$ 6,247

Scheduled maturities of long-term debt for the next five years are \$761 in 2020, \$258 in 2021, \$310 in 2022, \$468 in 2023 and \$552 in 2024.

In April 2019, we issued \$700 aggregate principal amount of 3.20% notes due April 25, 2029. Proceeds from the offering were used for general corporate purposes, including the repayment of a portion of our outstanding commercial paper indebtedness.

In October 2018, we issued \$500 aggregate principal amount of 3.95% notes due November 1, 2028. Proceeds from the offering were used for general corporate purposes, including repayment of a portion of our outstanding commercial paper indebtedness.

In December 2017, we redeemed \$500 aggregate principal amount of 7.50% notes originally due November 1, 2018. As a result, we recognized a charge of \$24 in Other (income) and expense, net.

In September 2017, we issued €500 aggregate principal amount of 0.625% notes due September 7, 2024. Proceeds from the offering were used to repay a portion of our outstanding commercial paper indebtedness.

In May 2017, we issued \$350 aggregate principal amount of 3.90% notes due May 4, 2047. Proceeds from the offering were used for general corporate purposes, including repayment of a portion of our outstanding commercial paper indebtedness.

We maintain a \$2.0 billion revolving credit facility which expires in June 2023 and a \$750 revolving credit facility which expires in June 2020. These facilities, currently unused, support our commercial paper program, and would provide liquidity in the event our access to the commercial paper markets is unavailable for any reason.

In February 2020, we issued \$500 aggregate principal amount of 2.875% notes due February 7, 2050. Proceeds from the offering were used for general corporate purposes including the repayment of a portion of our commercial paper indebtedness.

Our subsidiary in Central America has outstanding redeemable preferred securities that are held by a noncontrolling interest.

Note 5. Stock-Based Compensation

We have a stock-based Equity Participation Plan and an Outside Directors' Compensation Plan (the "Plans"), under which we can grant stock options, restricted shares and restricted share units to employees and outside directors. As of December 31, 2019, the number of shares of common stock available for grants under the Plans aggregated 12 million shares.

Stock options are granted at an exercise price equal to the fair market value of our common stock on the date of grant, and they have a term of 10 years. Stock options are subject to graded vesting whereby options vest 30 percent at the end of each of the first two 12-month periods following the grant and 40 percent at the end of the third 12-month period.

Restricted shares, time-vested restricted share units and performance-based restricted share units granted to employees are valued at the closing market price of our common stock on the grant date and vest generally at the end of three years. The number of performance-based share units that ultimately vest ranges from zero to 200 percent of the number granted, based on performance tied to return on invested capital ("ROIC") and net sales during the three-year performance period. ROIC and net sales targets are set at the beginning of the performance period. Restricted share units granted to outside directors are valued at the closing market price of our common stock on the grant date and vest when they are granted. The restricted period begins on the date of grant and expires on the date the outside director retires from or otherwise terminates service on our Board.

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

Stock-based compensation costs of \$96, \$41 and \$76 and related deferred income tax benefits of \$11, \$13 and \$26 were recognized for 2019, 2018 and 2017, respectively.

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

The weighted-average fair value of options granted was estimated at \$13.54, \$13.56 and \$12.21, in 2019, 2018 and 2017, respectively, per option on the date of grant based on the following assumptions:

	Year Ended December 31		
	2019	2018	2017
Dividend yield	3.3%	3.9%	3.2%
Volatility	17.0%	20.8%	15.6%
Risk-free interest rate	2.3%	2.8%	1.8%
Expected life - years	4.6	4.6	4.6

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

	December 31, 2019	Weighted-Average Service Years
Stock options	\$ 11	1.3
Restricted shares and time-vested restricted share units	10	1.6
Performance-based restricted share units	48	2.0

A summary of stock-based compensation is presented below:

<u>Stock Options</u>	Shares (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2019	7,186	\$ 110.27		
Granted	1,197	125.52		
Exercised	(2,239)	102.88		
Forfeited or expired	(252)	119.14		
Outstanding at December 31, 2019	5,892	115.26	6.46	\$ 128
Exercisable at December 31, 2019	3,444	113.49	4.99	\$ 81

The total intrinsic value of options exercised during 2019, 2018 and 2017 was \$62, \$22 and \$48, respectively.

<u>Other Stock-Based Awards</u>	Time-Vested Restricted Share Units		Performance-Based Restricted Share Units	
	Shares (in thousands)	Weighted- Average Grant-Date Fair Value	Shares (in thousands)	Weighted- Average Grant-Date Fair Value
Nonvested at January 1, 2019	75	\$ 117.99	1,565	\$ 119.37
Granted	163	121.05	661	122.59
Vested	(71)	113.59	(483)	125.99
Forfeited	(11)	117.67	(159)	118.98
Nonvested at December 31, 2019	156	123.15	1,584	118.71

The total fair value of restricted share units that were distributed to participants during 2019, 2018 and 2017 was \$75, \$65 and \$80, respectively.

Note 6. Employee Postretirement Benefits

Substantially all regular employees in the U.S. and the United Kingdom are covered by defined contribution retirement plans and certain U.S. and United Kingdom employees previously earned benefits covered by defined benefit pension plans that currently provide no future service benefit (the "Principal Plans"). Certain other subsidiaries have defined benefit pension plans or, in certain countries, termination pay plans covering substantially all regular employees. The funding policy for our qualified defined benefit pension plans is to contribute assets at least equal in amount to regulatory minimum requirements. Nonqualified U.S. plans providing pension benefits in excess of limitations imposed by the U.S. income tax code are not funded.

Substantially all U.S. retirees and employees have access to our unfunded health care and life insurance benefit plans. The annual increase in the consolidated weighted-average health care cost trend rate is expected to be 5.8 percent in 2020 and to decline to 4.5 percent in 2029 and thereafter. Assumed health care cost trend rates affect the amounts reported for postretirement health care benefit plans.

As a result of restructuring actions related to the 2018 Global Restructuring Program, aggregate pension settlement charges of \$46 and \$110 and curtailment gains of \$1 and curtailment charges of \$17 were recognized in Nonoperating expense during 2019 and 2018, respectively, primarily related to the defined benefit pension plans in the U.S., United Kingdom and Canada (see Note 2 for further information about the 2018 Global Restructuring Program).

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

	Pension Benefits		Other Benefits	
	Year Ended December 31			
	2019	2018	2019	2018
Change in Benefit Obligation				
Benefit obligation at beginning of year	\$ 3,687	\$ 4,296	\$ 673	\$ 765
Service cost	21	36	8	11
Interest cost	121	128	28	28
Actuarial (gain) loss ^(a)	446	(256)	36	(79)
Currency and other	51	(96)	—	(5)
Benefit payments from plans	(142)	(198)	—	—
Direct benefit payments	(10)	(8)	(52)	(48)
Settlements and curtailments	(127)	(215)	—	1
Benefit obligation at end of year	<u>4,047</u>	<u>3,687</u>	<u>693</u>	<u>673</u>
Change in Plan Assets				
Fair value of plan assets at beginning of year	3,398	3,897	—	—
Actual return on plan assets	572	(132)	—	—
Employer contributions	50	166	—	—
Currency and other	51	(116)	—	—
Benefit payments	(142)	(198)	—	—
Settlements	(126)	(219)	—	—
Fair value of plan assets at end of year	<u>3,803</u>	<u>3,398</u>	<u>—</u>	<u>—</u>
Funded Status	<u>\$ (244)</u>	<u>\$ (289)</u>	<u>\$ (693)</u>	<u>\$ (673)</u>

(a) The actuarial net losses in 2019 and the actuarial net gains in 2018 were primarily due to discount rate decreases in 2019 and discount rate increases in 2018.

Substantially all of the funded status of pension and other benefits is recognized in the consolidated balance sheet in Noncurrent Employee Benefits, with the remainder recognized in Accrued Expenses and other current liabilities and Other Assets.

Information for the Principal Plans and All Other Pension Plans

	Principal Plans		All Other Pension Plans		Total	
	Year Ended December 31					
	2019	2018	2019	2018	2019	2018
Projected benefit obligation (“PBO”)	\$ 3,406	\$ 3,094	\$ 641	\$ 593	\$ 4,047	\$ 3,687
Accumulated benefit obligation (“ABO”)	3,406	3,094	561	521	3,967	3,615
Fair value of plan assets	3,303	2,936	500	462	3,803	3,398

Approximately one-half of the PBO and fair value of plan assets for the Principal Plans relate to the U.S. qualified and nonqualified pension plans.

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

	December 31	
	2019	2018
ABO	\$ 1,956	\$ 1,826
Fair value of plan assets	1,714	1,547

Information for Pension Plans with a PBO in Excess of Plan Assets

	December 31	
	2019	2018
PBO	\$ 2,303	\$ 2,038
Fair value of plan assets	2,039	1,727

Components of Net Periodic Benefit Cost

	Pension Benefits			Other Benefits		
	Year Ended December 31					
	2019	2018	2017	2019	2018	2017
Service cost	\$ 21	\$ 36	\$ 41	\$ 8	\$ 11	\$ 12
Interest cost	121	128	129	28	28	32
Expected return on plan assets ^(a)	(144)	(166)	(156)	—	—	—
Recognized net actuarial loss	44	47	57	—	1	1
Settlements and curtailments	45	136	7	—	—	—
Other	(4)	(7)	(9)	(1)	(3)	(2)
Net periodic benefit cost	<u>\$ 83</u>	<u>\$ 174</u>	<u>\$ 69</u>	<u>\$ 35</u>	<u>\$ 37</u>	<u>\$ 43</u>

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

The components of net periodic benefit cost other than the service cost component are included in the line item Nonoperating expense in our consolidated income statement.

Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost for Years Ended December 31

	Pension Benefits				Other Benefits		
	Projected 2020	2019	2018	2017	2019	2018	2017
Discount rate	2.51%	3.40%	3.23%	3.19%	4.50%	3.91%	4.29%
Expected long-term return on plan assets	3.66%	4.39%	4.50%	4.46%	—	—	—
Rate of compensation increase	3.08%	3.08%	2.27%	2.29%	—	—	—

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

	Pension Benefits		Other Benefits	
	2019	2018	2019	2018
Discount rate	2.51%	3.40%	3.51%	4.50%
Rate of compensation increase	3.08%	3.08%	—	—

Investment Strategies for the Principal Plans

Strategic asset allocation decisions are made considering several risk factors, including plan participants' retirement benefit security, the estimated payments of the associated liabilities, the plan funded status, and Kimberly-Clark's financial condition. The resulting strategic asset allocation is a diversified blend of equity and fixed income investments. Equity investments are typically diversified across geographies and market capitalization. Fixed income investments are diversified across multiple sectors including government issues and corporate debt instruments with a portfolio duration that is consistent with the estimated payment of the associated liability. Actual asset allocation is regularly reviewed and periodically rebalanced to the strategic allocation when considered appropriate. Our 2020 target plan asset allocation for the Principal Plans is approximately 80 percent fixed income securities and 20 percent equity securities.

The expected long-term rate of return is generally evaluated on an annual basis. In setting this assumption, we consider a number of factors including projected future returns by asset class relative to the current asset allocation. The weighted-average expected long-term rate of return on pension fund assets used to calculate pension expense for the Principal Plans was 4.59 percent in 2019, 4.75 percent in 2018 and 4.72 percent in 2017, and will be 3.76 percent in 2020.

Set forth below are the pension plan assets of the Principal Plans measured at fair value, by level in the fair-value hierarchy. More than 70 percent of the assets are held in pooled funds and are measured using a net asset value (or its equivalent). Accordingly, such assets do not meet the Level 1, Level 2, or Level 3 criteria of the fair value hierarchy.

	Fair Value Measurements at December 31, 2019			
	Total Plan Assets	Assets at Quoted Prices in Active Markets for Identical Assets (Level 1)	Assets at Significant Observable Inputs (Level 2)	Assets at Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents				
Held directly	\$ 44	\$ 44	\$ —	\$ —
Held through mutual and pooled funds measured at net asset value	31	—	—	—
Fixed Income				
Held directly				
U.S. government and municipals	161	147	14	—
U.S. corporate debt	221	—	221	—
International bonds	9	—	9	—
Held through mutual and pooled funds measured at net asset value				
U.S. government and municipals	586	—	—	—
U.S. corporate debt	662	—	—	—
International bonds	504	—	—	—
Equity				
Held directly				
U.S. equity	39	39	—	—
International equity	32	32	—	—
Held through mutual and pooled funds measured at net asset value				
Non-U.S. equity	86	—	—	—
Global equity	572	—	—	—
Insurance Contracts	372	—	—	372
Other	(16)	(4)	—	—
Total Plan Assets	\$ 3,303	\$ 258	\$ 244	\$ 372

Futures contracts are used when appropriate to manage duration targets. As of December 31, 2019 and 2018, the U.S. plan held directly Treasury futures contracts with a total notional value of approximately \$345 and \$281, respectively, and an insignificant fair value. As of December 31, 2019 and 2018, the United Kingdom plan held through a pooled fund future contracts with a total notional value of approximately \$346 and \$287, and an insignificant fair value.

During 2019 and 2018, the plan assets did not include a significant amount of Kimberly-Clark common stock.

Fair Value Measurements at December 31, 2018

	Total Plan Assets	Assets at Quoted Prices in Active Markets for Identical Assets (Level 1)	Assets at Significant Observable Inputs (Level 2)	Assets at Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents				
Held directly	\$ 15	\$ 15	\$ —	\$ —
Held through mutual and pooled funds measured at net asset value	45	—	—	—
Fixed Income				
Held directly				
U.S. government and municipals	161	145	16	—
U.S. corporate debt	196	—	196	—
International bonds	13	—	13	—
Held through mutual and pooled funds measured at net asset value				
U.S. government and municipals	479	—	—	—
U.S. corporate debt	593	—	—	—
International bonds	494	—	—	—
Equity				
Held directly				
U.S. equity	30	30	—	—
International equity	31	31	—	—
Held through mutual and pooled funds measured at net asset value				
Non-U.S. equity	73	—	—	—
Global equity	448	—	—	—
Insurance Contracts	347	—	—	347
Other	11	9	—	—
Total Plan Assets	<u>\$ 2,936</u>	<u>\$ 230</u>	<u>\$ 225</u>	<u>\$ 347</u>

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

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

Fair values of equity securities and fixed income securities held through units of pooled funds are based on net asset value of the units of the pooled fund determined by the fund manager. Pooled funds are similar in nature to retail mutual funds, but are typically more efficient for institutional investors. The fair value of pooled funds is determined by the value of the underlying assets held by the fund and the units outstanding.

Equity securities held directly by the pension trusts and those held through units in pooled funds are monitored as to issuer and industry. Except for U.S. Treasuries, concentrations of fixed income securities are similarly monitored for concentrations by issuer and industry. As of December 31, 2019, there were no significant concentrations of equity or debt securities in any single issuer or industry.

No level 3 transfers (in or out) were made in 2019 or 2018. Fair values of insurance contracts are based on an evaluation of various factors, including purchase price.

We expect to contribute approximately \$50 to our defined benefit pension plans in 2020. Over the next ten years, we expect that the following gross benefit payments will occur:

	Pension Benefits	Other Benefits
2020	\$ 234	\$ 56
2021	212	61
2022	215	62
2023	216	61
2024	218	59
2025-2029	1,060	254

Defined Contribution Pension Plans

Our 401(k) profit sharing plan and supplemental plan provide for a matching contribution of a U.S. employee's contributions and accruals, subject to predetermined limits, as well as a discretionary profit sharing contribution, in which contributions will be based on our profit performance. We also have defined contribution pension plans for certain employees outside the U.S. Costs charged to expense for our defined contribution pension plans were \$131 in 2019, \$120 in 2018, and \$128 in 2017. Approximately 30 percent of these costs were for plans outside the U.S.

Note 7. Stockholders' Equity

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, 2017	\$ (1,864)	\$ (976)	\$ (39)	\$ (40)
Other comprehensive income (loss) before reclassifications	(416)	(51)	58	42
(Income) loss reclassified from AOCI	1	135 (a)	(2) (a)	9
Net current period other comprehensive income (loss)	(415)	84	56	51
Tax effects reclassified from AOCI	(18)	(125)	(5)	(8)
Balance as of December 31, 2018	(2,297)	(1,017)	12	3
Other comprehensive income (loss) before reclassifications	26	(27)	(24)	(22)
(Income) loss reclassified from AOCI	—	65 (a)	(1) (a)	(12)
Net current period other comprehensive income (loss)	26	38	(25)	(34)
Balance as of December 31, 2019	<u>\$ (2,271)</u>	<u>\$ (979)</u>	<u>\$ (13)</u>	<u>\$ (31)</u>

(a) Included in computation of net periodic pension and other postretirement benefits costs (see Note 6).

Included in the above defined benefit pension plans and other postretirement benefit plans balances as of December 31, 2019 is \$1,000 and \$8 of unrecognized net actuarial loss and unrecognized net prior service credit, respectively.

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

	Year Ended December 31		
	2019	2018	2017
Unrealized translation	\$ 21	\$ (408)	\$ 398
Tax effect ^(a)	5	(25)	89
	<u>26</u>	<u>(433)</u>	<u>487</u>
Defined benefit pension plans			
Unrecognized net actuarial loss and transition amount			
Funded status recognition	(17)	(57)	159
Amortization	44	47	56
Settlements and curtailments	46	134	7
Currency and other	(13)	29	(66)
	<u>60</u>	<u>153</u>	<u>156</u>
Unrecognized prior service cost/credit			
Funded status recognition	(1)	(22)	2
Amortization	(5)	(8)	(8)
Curtailments	(1)	2	—
Currency and other	(2)	(1)	3
	<u>(9)</u>	<u>(29)</u>	<u>(3)</u>
Tax effect ^(a)	(13)	(165)	(32)
	<u>38</u>	<u>(41)</u>	<u>121</u>
Other postretirement benefit plans			
Unrecognized net actuarial loss and transition amount and other	(35)	79	(11)
Tax effect ^(a)	10	(28)	3
	<u>(25)</u>	<u>51</u>	<u>(8)</u>
Cash flow hedges and other			
Recognition of effective portion of hedges	(23)	56	(76)
Amortization	(16)	12	18
Currency and other	(1)	(2)	(2)
Tax effect ^(a)	6	(23)	15
	<u>(34)</u>	<u>43</u>	<u>(45)</u>
Change in AOCI	\$ 5	\$ (380)	\$ 555

(a) The Tax effect for Unrealized translation, Defined benefit pension plans, Other postretirement benefit plans and Cash flow hedges and other includes reductions of \$18, \$125, \$5 and \$8, respectively, for stranded tax effects reclassified from AOCI to Retained earnings in 2018.

Amounts are reclassified from AOCI into Cost of products sold, Nonoperating expense, Interest expense, or Other (income) and expense, net, as applicable, in the consolidated income statement.

Net unrealized currency gains or losses resulting from the translation of assets and liabilities of foreign subsidiaries, except those in highly inflationary economies, are recorded in AOCI. For these operations, changes in exchange rates generally do not affect cash flows; therefore, unrealized translation adjustments are recorded in AOCI rather than net income. Upon sale or substantially complete liquidation of any of these subsidiaries, the applicable unrealized translation adjustment would be removed from AOCI and reported as part of the gain or loss on the sale or liquidation. The change in unrealized translation in 2019 is primarily due to the strengthening of foreign currencies versus the U.S. dollar. Also included in unrealized translation amounts are the effects of foreign exchange rate changes on intercompany balances of a long-term investment nature and transactions designated as hedges of net foreign investments.

Note 8. Leases and Commitments

We have entered into leases for certain facilities, vehicles, material handling and other equipment. Our operating leases have remaining contractual terms up to 13 years, some of which include options to extend the leases for up to 20 years, and some of which include options to terminate the leases within 1 year. Our operating lease agreements do not contain any material residual

value guarantees or material restrictive covenants. Our operating lease costs are primarily related to facility leases for inventory warehousing and administration offices. Our finance leases are immaterial.

Operating Lease Cost

	December 31, 2019	Income Statement Classification
Lease cost	\$ 162	Cost of products sold, Marketing, research and general expenses
Variable lease cost ^(a)	145	Cost of products sold, Marketing, research and general expenses
Total lease cost	\$ 307	

(a) Includes short-term leases, which are immaterial.

Operating Lease Assets and Liabilities

	December 31, 2019	Balance Sheet Classification
Lease assets	\$ 396	Other Assets
Current lease liabilities	\$ 130	Accrued expenses and other current liabilities
Noncurrent lease liabilities	274	Other Liabilities
Total lease liabilities	\$ 404	

Maturity of Operating Lease Liabilities

	December 31, 2019
2020	\$ 145
2021	102
2022	72
2023	51
2024	32
Thereafter	52
Total lease payments	454
Less imputed interest	50
Present value of lease liabilities	\$ 404

As of December 31, 2019, our operating leases have a weighted-average remaining lease term of 4.4 years and a weighted-average discount rate of 5.0 percent. Cash paid for amounts included in the measurement of operating lease liabilities was \$163 for the year ended December 31, 2019.

As of December 31, 2019, we have additional operating leases, primarily for facilities, that have not yet commenced of \$147. These operating leases will commence during 2020 with lease terms of 9 years.

The future minimum obligations under operating leases in effect as of December 31, 2018 having a noncancelable term in excess of one year as determined prior to the adoption of ASU Topic 842 were as follows:

	December 31, 2018
2019	\$ 160
2020	123
2021	85
2022	57
2023	41
Thereafter	72
Future minimum obligations	\$ 538

Consolidated rental expense under operating leases prior to the adoption of ASU Topic 842 was \$280 and \$281 in 2018 and 2017, respectively.

We have entered into long-term contracts for the purchase of superabsorbent materials, pulp and certain utilities. Commitments under these contracts based on current prices are \$1,249 in 2020, \$83 in 2021, \$57 in 2022, \$50 in 2023, \$39 in 2024, and \$101 beyond the year 2024.

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

Note 9. Legal Matters

We are subject to various legal proceedings, claims and governmental inquiries, inspections, audits or investigations pertaining to issues such as contract disputes, product liability, tax matters, patents and trademarks, advertising, pricing, business practices, governmental regulations, employment and other matters.

We are party to certain legal proceedings relating to our former health care business, Avanos Medical, Inc. ("Avanos", previously Halyard Health, Inc.), which we spun-off on October 31, 2014, including civil actions, consumer class actions, qui tam matters, a shareholder derivative suit, a securities class action and certain subpoena and document requests from the federal government.

The health care matters include *Bahamas Surgery Center v. Kimberly-Clark Corporation, et al.*, a California consumer class action relating to the sale of surgical gowns. In April 2017, the jury awarded the plaintiff class \$3.9 in compensatory damages and \$350 in punitive damages against us. During the first quarter of 2018, the Court reduced the punitive damages award to approximately \$19. As a result, the total compensatory and punitive damages plus pre-judgment interest awarded against Kimberly-Clark is approximately \$25. We intend to continue our vigorous defense of the Bahamas matter.

We also have received subpoenas from the United States Department of Justice (DOJ) concerning allegations of potential criminal and civil violations of federal laws, including the Food, Drug, and Cosmetic Act, in connection with the manufacturing, marketing and sale of surgical gowns by our former health care business. We continue to produce documents and cooperate in this ongoing investigation. At this stage, we are unable to predict an outcome or estimate the potential range of outcomes to resolve this matter.

Under the terms of the distribution agreement we entered into with Avanos in connection with the spin-off, Avanos is obligated to indemnify us for legal proceedings, claims and other liabilities primarily related to our former health care business. Avanos and Kimberly-Clark have each filed suits against the other seeking declaratory judgment regarding the scope of these indemnification obligations. We intend to vigorously pursue our case against Avanos and to vigorously defend their case against us.

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

Note 10. 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.

At December 31, 2019 and 2018, derivative assets were \$34 and \$30, respectively, and derivative liabilities were \$44 and \$18, respectively, primarily comprised of foreign currency exchange contracts. Derivative assets are recorded in Other current assets or Other Assets, as appropriate, and derivative liabilities are recorded in Accrued expenses and other current liabilities or Other Liabilities, as appropriate.

Foreign Currency Exchange Rate Risk

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 borrowings. A portion of our balance sheet translation exposure for certain affiliates, which results from changes in translation

rates between the affiliates' functional currencies and the U.S. dollar, is hedged with cross-currency swap contracts and certain foreign denominated debt which are designated as net investment 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.

Derivative instruments are entered into 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 as cash flow hedges.

Interest Rate Risk

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 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.

Commodity Price Risk

We use derivative instruments, such as forward 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. In addition, we utilize negotiated short-term contract structures, including fixed price contracts, to manage volatility for a portion of our commodity costs.

Fair Value Hedges

Derivative instruments that are designated and qualify as fair value hedges are predominantly used to manage interest rate risk. The fair values of these derivative instruments are recorded as an asset or liability, as appropriate, with the offset recorded in current Interest expense. The offset to the change in fair values of the related debt is also recorded in Interest expense. 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 December 31, 2019, the aggregate notional values and carrying values of outstanding interest rate contracts designated as fair value hedges were \$300 and \$308, respectively. For each of the three years ended December 31, 2019, gains or losses recognized in Interest expense for interest rate swaps were not significant.

Cash Flow Hedges

For derivative instruments that are designated and qualify as cash flow hedges, 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 income statement line and period that the hedged exposure affects earnings. As of December 31, 2019, outstanding commodity forward contracts were in place to hedge a limited portion of our estimated requirements of the related underlying commodities in 2020 and future periods. As of December 31, 2019, the aggregate notional value of outstanding foreign exchange derivative contracts designated as cash flow hedges was \$652. For each of the three years ended December 31, 2019, no significant gains or losses were reclassified into Interest expense, Cost of products sold or Other (income) and expense, net as a result of the discontinuance of cash flow hedges due to the original forecasted transaction no longer being probable of occurring. At December 31, 2019, amounts to be reclassified from AOCI into Interest expense, Cost of products sold or Other (income), net during the next twelve months are not expected to be material. The maximum maturity of cash flow hedges in place at December 31, 2019 is December 2021.

Net Investment Hedges

For derivative instruments that are designated and qualify as net investment hedges, the aggregate notional value was \$1.5 billion at December 31, 2019. We exclude the interest accruals on cross-currency swap contracts and the forward points on foreign exchange forward contracts from the assessment and measurement of hedge effectiveness. We recognize the interest accruals on cross-currency swap contracts in earnings within Interest expense. We amortize the forward points on foreign exchange contracts into earnings within Interest expense over the life of the hedging relationship. Changes in fair value of net investment hedges are recorded in AOCI and offset the change in the value of the net investment being hedged. For the year ended December 31, 2019, no significant unrealized gains or losses related to net investment hedge fair value changes were recorded in AOCI and no significant amounts were reclassified from AOCI to Interest expense.

No significant amounts were excluded from the assessment of net investment, fair value or cash flow hedge effectiveness as of December 31, 2019.

Undesignated Hedging Instruments

Gains or losses on undesignated foreign exchange hedging instruments are immediately recognized in Other (income) and expense, net. Losses of \$17 and \$52, and a gain of \$37 were recorded in the years ending December 31, 2019, 2018 and 2017, 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 December 31, 2019, the notional amount of these undesignated derivative instruments was approximately \$1.9 billion.

Note 11. Income Taxes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act made changes to the U.S. tax code, which included (1) a reduced U.S. corporate tax rate from 35 percent to 21 percent, (2) implementation of a base erosion and anti-abuse tax, (3) general elimination of U.S. federal income taxes on dividends from foreign subsidiaries, (4) a new provision designed to tax global intangible low-taxed income ("GILTI") of foreign subsidiaries which allows for the possibility of utilizing foreign tax credits to offset the tax liability (subject to some limitations), (5) a lower effective U.S. tax rate on certain revenues from sources outside the U.S., and (6) a one-time transition tax on certain undistributed earnings of foreign subsidiaries. In the period ended December 31, 2017, we recorded a provisional discrete net tax benefit associated with the Tax Act and related matters. The provisional amounts recorded in 2017 related to the transition tax, remeasurement of deferred taxes, our reassessment of permanently reinvested earnings, uncertain tax positions and valuation allowances, and actions taken in anticipation of the Tax Act were finalized and a net expense of \$36 was recorded during 2018.

During 2018, we also recorded discrete net tax expense of \$81 primarily related to new guidance issued during 2018 affecting tax benefits we recorded in the period ended December 31, 2017 for the transition tax and certain tax planning actions taken in anticipation of the Tax Act.

At December 31, 2018, we finalized our policy and have elected to use the period cost method for GILTI provisions and therefore have not recorded deferred taxes for basis differences expected to reverse in future periods.

In December 2019, we generated a nonrecurring capital loss from a legal entity restructuring. We recorded a net benefit of \$47 in the fourth quarter. There is no capital loss carryforward deferred tax asset remaining after utilization for 2019 capital gains.

An analysis of the provision for income taxes follows:

	Year Ended December 31		
	2019	2018	2017
Current income taxes			
United States	\$ 215	\$ 177	\$ 463
State	94	63	52
Other countries	238	229	330
Total	<u>547</u>	<u>469</u>	<u>845</u>
Deferred income taxes			
United States	50	16	(68)
State	(16)	22	(3)
Other countries	(5)	(36)	2
Total	<u>29</u>	<u>2</u>	<u>(69)</u>
Total provision for income taxes	<u>\$ 576</u>	<u>\$ 471</u>	<u>\$ 776</u>

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

	Year Ended December 31		
	2019	2018	2017
United States	\$ 2,252	\$ 1,606	\$ 1,995
Other countries	398	207	996
Total income before income taxes	\$ 2,650	\$ 1,813	\$ 2,991

Deferred income tax assets and liabilities are composed of the following:

	December 31	
	2019	2018
Deferred tax assets		
Pension and other postretirement benefits	\$ 253	\$ 252
Tax credits and loss carryforwards	411	387
Lease liability	104	—
Other	388	449
	1,156	1,088
Valuation allowances	(248)	(220)
Total deferred tax assets	908	868
Deferred tax liabilities		
Property, plant and equipment, net	795	789
Investments in subsidiaries	103	102
Goodwill	66	72
Lease asset	105	—
Other	108	143
Total deferred tax liabilities	1,177	1,106
Net deferred tax assets (liabilities)	\$ (269)	\$ (238)

Valuation allowances at the end of 2019 primarily relate to tax credits, capital loss carryforwards, and income tax loss carryforwards of \$860. If these items are not utilized against taxable income, \$457 of the income tax loss carryforwards will expire from 2020 through 2039. The remaining \$403 has no expiration date.

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

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

	Year Ended December 31		
	2019	2018	2017
U.S. statutory rate applied to income before income taxes	21.0 %	21.0 %	35.0 %
State income taxes, net of federal tax benefit	2.5	3.7	1.1
Statutory rates other than U.S. statutory rate	0.7	0.2	(3.1)
Routine tax incentives	(3.5)	(5.4)	(2.7)
Net tax (benefit) cost on foreign income	0.8	1.4	(0.7)
Net impact of the Tax Act	—	6.4	(2.5)
Valuation allowance	1.0	1.6	(0.1)
Nonrecurring capital loss	(1.8)	—	—
Other - net ^(a)	1.0	(2.9)	(1.1)
Effective income tax rate	21.7 %	26.0 %	25.9 %

(a) Other - net is composed of numerous items, none of which is greater than 1.05 percent and 1.75 percent of income before income taxes in 2019-2018 and 2017, respectively.

As of December 31, 2019, we have accumulated undistributed earnings generated by our foreign subsidiaries of approximately \$7.7 billion. Earnings of \$5.6 billion were previously subject to tax, primarily due to the one-time transition tax on foreign earnings required by the Tax Act. Any additional taxes due with respect to such previously-taxed earnings, if repatriated, would generally be limited to foreign and U.S. state income taxes. Deferred taxes have been recorded on \$0.9 billion of earnings, most of which were previously taxed for U.S. federal income tax purposes, of foreign consolidated subsidiaries expected to be repatriated. We do not intend to distribute the remaining \$4.7 billion of previously-taxed foreign earnings and therefore have not recorded deferred taxes for foreign and U.S. state income taxes on such earnings.

Prior to the transition tax, we had an excess of the amount for financial reporting over the tax basis in our foreign subsidiaries. While the transition tax resulted in a reduction of the excess amount for financial reporting over the tax basis in our foreign subsidiaries, any remaining amount of financial reporting over tax basis after such reduction could be subject to additional taxes, if repatriated. However, we consider any excess to be indefinitely reinvested. The determination of deferred tax liabilities on the amount of financial reporting over tax basis or the \$4.7 billion of previously taxed foreign earnings is not practicable.

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

	2019	2018	2017
Balance at January 1	\$ 298	\$ 354	\$ 321
Gross increases for tax positions of prior years	36	75	50
Gross decreases for tax positions of prior years	(13)	(86)	(23)
Gross increases for tax positions of the current year	87	41	37
Settlements	(13)	(70)	(19)
Other	(12)	(16)	(12)
Balance at December 31	\$ 383	\$ 298	\$ 354

Of the amounts recorded as unrecognized tax benefits at December 31, 2019, \$326 would reduce our effective tax rate if recognized.

We recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense. During each of the three years ended December 31, 2019, the net impact of interest and penalties was not significant. Total accrued penalties and net accrued interest was \$16 and \$20 at December 31, 2019 and 2018, respectively.

It is reasonably possible that a number of uncertainties could be resolved within the next 12 months. The aggregate resolution of the uncertainties could be up to \$180, while none of the uncertainties is individually significant. Resolution of these matters is not expected to have a material effect on our financial condition, results of operations or liquidity.

As of December 31, 2019, the following tax years remain subject to examination for the major jurisdictions where we conduct business:

Jurisdiction	Years
United States	2016 to 2019
United Kingdom	2016 to 2019
Brazil	2014 to 2019
Australia	2014 to 2019
China	2009 to 2019

Our U.S. federal income tax returns have been audited through 2015 and U.S. federal income tax amended returns are being audited for 2004, 2005, 2007 and 2013. We have various U.S. federal income tax return positions in administrative appeals for 2014 and 2015.

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

The Brazilian tax authority, Secretaria da Receita Federal do Brasil ("RFB"), concluded an audit for the taxable periods from 2008-2013. This audit included a review of our determinations of amortization of certain goodwill arising from prior acquisitions in Brazil, and the RFB has proposed adjustments that effectively eliminate the goodwill amortization benefits related to these transactions. Administrative appeals have been exhausted, and the dispute is moving into the judicial phase. The amount of the proposed tax adjustments and penalties is approximately \$90 as of December 31, 2019 (translated at the December 31, 2019 currency exchange rate). The amount ultimately in dispute will be significantly greater because of interest. We believe we have meritorious defenses and intend to vigorously defend these proposed adjustments; however, it is expected to take a number of years to reach resolution of this matter.

Note 12. Earnings Per Share ("EPS")

There are no adjustments required to be made to net income for purposes of computing basic and diluted EPS. The average number of common shares outstanding is reconciled to those used in the basic and diluted EPS computations as follows:

(Millions of shares)	2019	2018	2017
Basic	343.6	348.0	353.6
Dilutive effect of stock options and restricted share unit awards	2.0	1.6	2.3
Diluted	345.6	349.6	355.9

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 December 31, 2019, 2018 and 2017 was 341.4, 345.0 and 351.1, respectively.

Note 13. 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 KCP. 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 ongoing operations of the business segments, including the costs of corporate decisions related to the 2018 Global Restructuring Program described in Note 2.

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 responsibly improve everyday living for families around the world. 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 KleenGuard are well known for quality and trusted to help people around the world work better.

Net sales to Walmart Inc. as a percent of our consolidated net sales were approximately 14 percent in 2019, 2018 and 2017.

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

Consolidated Operations by Business Segment

	Year Ended December 31		
	2019	2018	2017
NET SALES^(a)			
Personal Care	\$ 9,108	\$ 9,037	\$ 9,078
Consumer Tissue	5,993	6,015	5,932
K-C Professional	3,292	3,382	3,297
Corporate & Other	57	52	41
TOTAL NET SALES	\$ 18,450	\$ 18,486	\$ 18,348
OPERATING PROFIT^(b)			
Personal Care	\$ 1,904	\$ 1,833	\$ 1,933
Consumer Tissue	1,007	875	1,052
K-C Professional	657	634	645
Corporate & Other ^(c)	(787)	(1,112)	(245)
Other (income) and expense, net ^(d)	(210)	1	27
TOTAL OPERATING PROFIT	\$ 2,991	\$ 2,229	\$ 3,358

- (a) Net sales in the U.S. to third parties totaled \$9,027, \$8,803 and \$8,741 in 2019, 2018 and 2017, respectively. No other individual country's net sales exceeds 10 percent of total net sales.
- (b) Segment operating profit excludes other (income) and expense, net and income and expenses not associated with the business segments.
- (c) Corporate & Other includes charges of \$515 and \$921 related to the 2018 Global Restructuring Program in 2019 and 2018, respectively. Restructuring charges for the 2018 Global Restructuring Program related to the personal care, consumer tissue and K-C Professional business segments were \$252, \$176 and \$75 for 2019 and \$528, \$229 and \$125 for 2018, respectively.
- (d) Other (income) and expense, net for 2019 includes income of \$31 from a gain on the sale of property associated with a former manufacturing facility that was closed in 2012 as part of a past restructuring, and for 2019 and 2018 includes income of \$194 and \$12 related to the 2018 Global Restructuring Program. 2017 includes a charge of \$24 for the early redemption of debt.

	Personal Care	Consumer Tissue	K-C Professional	Corporate & Other	Total
Depreciation and Amortization					
2019	\$ 430	\$ 372	\$ 111	\$ 4	\$ 917
2018	426	331	121	4	882
2017	324	283	112	5	724
Capital Spending					
2019	518	489	195	7	1,209
2018	415	299	157	6	877
2017	405	281	92	7	785
Goodwill^(a)					
2019	557	522	388	—	1,467
2018	564	522	388	—	1,474
2017	617	559	400	—	1,576
Assets					
2019	6,630	4,954	2,442	1,257	15,283
2018	6,208	4,738	2,285	1,287	14,518
2017	6,592	5,007	2,255	1,297	15,151

(a) In 2017, we acquired the remaining 50 percent of our joint venture in India, which resulted in the recognition of \$35 of personal care goodwill. All other changes in goodwill are related to currency.

Sales of Principal Products

(Billions of dollars)	2019	2018	2017
Baby and child care products	\$ 6.3	\$ 6.3	\$ 6.3
Consumer tissue products	6.0	6.0	5.9
Away-from-home professional products	3.3	3.4	3.3
All other	2.9	2.8	2.8
Consolidated	\$ 18.5	\$ 18.5	\$ 18.3

Note 14. Supplemental Data

Supplemental Income Statement Data

	Year Ended December 31		
	2019	2018	2017
Advertising expense	\$ 757	\$ 655	\$ 648
Research expense	284	317	309

Equity Companies' Data

	Net Sales	Gross Profit	Operating Profit	Net Income	Corporation's Share of Net Income
2019	\$ 2,379	\$ 727	\$ 454	\$ 255	\$ 123
2018	2,264	635	388	215	103
2017	2,191	627	378	214	104
	Current Assets	Noncurrent Assets	Current Liabilities	Noncurrent Liabilities	Stockholders' Equity
2019	\$ 1,020	\$ 1,275	\$ 749	\$ 1,196	\$ 350
2018	921	1,247	578	1,237	353
2017	828	1,232	415	1,125	520

Equity companies are principally engaged in operations in the personal care and consumer tissue businesses. At December 31, 2019, our ownership interest in KCM and subsidiaries was 47.9 percent. KCM is partially owned by the public, and its stock is publicly traded in Mexico. At December 31, 2019, our investment in this equity company was \$165, and the estimated fair value of the investment was \$3.0 billion based on the market price of publicly traded shares. Our other equity ownership interests are not significant to our consolidated balance sheet or financial results.

At December 31, 2019, undistributed net income of equity companies included in consolidated retained earnings was \$1.0 billion.

Supplemental Balance Sheet Data

	December 31	
	2019	2018
Summary of Accounts Receivable, Net		
From customers	\$ 2,131	\$ 2,050
Other	181	167
Less allowance for doubtful accounts and sales discounts	(49)	(53)
Total	\$ 2,263	\$ 2,164

	December 31					
	2019			2018		
	LIFO	Non-LIFO	Total	LIFO	Non-LIFO	Total
Summary of Inventories by Major Class						
Raw materials	\$ 85	\$ 236	\$ 321	\$ 99	\$ 263	\$ 362
Work in process	113	93	206	120	94	214
Finished goods	451	696	1,147	461	692	1,153
Supplies and other	—	271	271	—	275	275
	649	1,296	1,945	680	1,324	2,004
Excess of FIFO or weighted-average cost over LIFO cost	(155)	—	(155)	(191)	—	(191)
Total	\$ 494	\$ 1,296	\$ 1,790	\$ 489	\$ 1,324	\$ 1,813

Inventories are valued at the lower of cost or 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.

	December 31	
	2019	2018
Summary of Property, Plant and Equipment, Net		
Land	\$ 165	\$ 169
Buildings	2,877	2,787
Machinery and equipment	13,946	14,059
Construction in progress	851	699
	<u>17,839</u>	<u>17,714</u>
Less accumulated depreciation	(10,389)	(10,555)
Total	<u>\$ 7,450</u>	<u>\$ 7,159</u>

Property, plant and equipment, net in the U.S. as of December 31, 2019 and 2018 was \$3,787 and \$3,625, respectively.

	December 31	
	2019	2018
Summary of Accrued Expenses and Other Current Liabilities		
Accrued advertising and promotion	\$ 415	\$ 399
Accrued salaries and wages	463	369
Accrued rebates	241	239
Accrued taxes - income and other	231	260
Operating leases	130	—
Accrued restructuring	93	118
Accrued interest	81	75
Other	324	333
Total	<u>\$ 1,978</u>	<u>\$ 1,793</u>

Supplemental Cash Flow Statement Data

	Year Ended December 31		
	2019	2018	2017
Summary of Cash Flow Effects of Operating Working Capital			
Accounts receivable	\$ (116)	\$ 33	\$ (44)
Inventories	24	(127)	(33)
Trade accounts payable	(153)	392	174
Accrued expenses	11	115	(102)
Accrued income taxes	(6)	64	(176)
Derivatives	1	30	(47)
Currency and other	(49)	(118)	80
Total	<u>\$ (288)</u>	<u>\$ 389</u>	<u>\$ (148)</u>

	Year Ended December 31		
	2019	2018	2017
Other Cash Flow Data			
Interest paid	\$ 255	\$ 264	\$ 354
Income taxes paid	528	395	961

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Kimberly-Clark Corporation and subsidiaries (the "Corporation") as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2019, and the related notes and the financial statement schedule listed in the Table of Contents at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Corporation's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 13, 2020, expressed an unqualified opinion on the Corporation's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Sales Incentives and Trade Promotion Allowances - Refer to Note 1 to the financial statements

Critical Audit Matter Description

The Corporation utilizes various trade promotional programs globally. The cost of promotion activities is classified as a reduction in sales revenue and can result in a period of time between the date the customer earns a promotion and the date the customer claims the promotion. The Corporation records an accrual for estimated promotions using customer sales associated with valid promotion events, actual promotional claims, and forecasted information of amounts earned by the customer but not yet claimed. As of December 31, 2019, the accrual balance was approximately \$380 million.

We identified trade promotions and the related accrual as a critical audit matter because of the complexity and volume of the Corporation's processes related to trade promotion programs and the subjectivity of estimating future customer claims. This required an extensive audit effort due to the complexity and volume of the trade promotional programs and information systems utilized globally as well as the subjectivity of estimating future customer claims related to the trade promotion accrual.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the reduction in revenue associated with trade promotions and the trade promotion accrual included the following, among others:

- With the assistance of our IT specialists, we:
 - Identified the significant systems used to process trade promotion transactions and tested the general IT controls over each of these systems, including testing of user access controls, change management controls, and IT operations controls
 - Tested the effectiveness of automated controls over revenue streams, including those over the evaluation of the accuracy and completeness of trade promotions
- We tested the effectiveness of controls over the trade promotion claims and accrual, including those over the quantity of customer sales associated with valid promotional events and the estimated future promotional claims associated with the trade accrual.
- We evaluated gross sales using either analytical procedures or by evaluating individual promotional transactions. When analytical procedures were performed, we predicted gross sales based on the relationship with either cost of products sold or sales volume and average sales price per unit adjusted for changes in data such as changes in product mix, sales margin, or inflation. When individual promotional transactions were evaluated, we obtained evidence of the promotional agreement with the customer and the amounts of the promotions earned.
- We evaluated management's ability to estimate future promotional claims by comparing actual promotional claims to management's historical estimate.
- We evaluated the reasonableness of management's estimate of future promotional claims by testing the underlying data related to (1) customer sales associated with valid promotional events, (2) actual promotional claims, and (3) forecasted information.

/s/ DELOITTE & TOUCHE LLP

Deloitte & Touche LLP

Dallas, Texas

February 13, 2020

We have served as the Corporation's auditor since 1928.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of December 31, 2019, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a - 15(e) and 15d - 15(e) of the Securities Exchange Act of 1934 (Exchange Act)). Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of December 31, 2019.

Internal Control Over Financial Reporting

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

We have assessed the effectiveness of our internal control over financial reporting as of December 31, 2019. In making this assessment, we used the criteria described in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that, as of December 31, 2019, our internal control over financial reporting is effective.

Deloitte & Touche LLP has audited the effectiveness of our internal control over financial reporting as of December 31, 2019, and has expressed an unqualified opinion in their report, which appears in this report.

Changes in Internal Control Over Financial Reporting

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Kimberly-Clark Corporation and subsidiaries (the "Corporation") as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2019, of the Corporation and our report dated February 13, 2020, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Corporation's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

Definition and Limitations of Internal Control over Financial Reporting

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Deloitte & Touche LLP

Dallas, Texas

February 13, 2020

ITEM 9B. OTHER INFORMATION

None.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following sections of our 2020 Proxy Statement for the Annual Meeting of Stockholders (the "2020 Proxy Statement") are incorporated in this Item 10 by reference:

- "The Nominees" under "Proposal 1. Election of Directors," which identifies our directors and nominees for our Board of Directors.
- "Corporate Governance - Other Corporate Governance Policies and Practices - Code of Conduct," which describes our Code of Conduct.
- "Corporate Governance - Stockholder Rights," "Proposal 1. Election of Directors," "Other Information - Stockholder Director Nominees for Inclusion in Next Year's Proxy Statement," and "Other Information - Stockholder Director Nominees Not Included in Next Year's Proxy Statement," which describe the procedures by which stockholders may nominate candidates for election to our Board of Directors.
- "Corporate Governance - Board Committees - Audit Committee," which identifies members of the Audit Committee of our Board of Directors and audit committee financial experts.

Information regarding our executive officers is reported under the caption "Information About Our Executive Officers" in Part I of this Report.

ITEM 11. EXECUTIVE COMPENSATION

The information in the sections of our 2020 Proxy Statement captioned "Compensation Discussion and Analysis," "Compensation Tables," "Director Compensation," "Corporate Governance - Compensation Committee Interlocks and Insider Participation" and "Other Information - CEO Pay Ratio Disclosure" is incorporated in this Item 11 by reference.

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

The information in the sections of our 2020 Proxy Statement captioned "Compensation Tables - Equity Compensation Plan Information" and "Other Information - Security Ownership Information" is incorporated in this Item 12 by reference.

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

The information in the sections of our 2020 Proxy Statement captioned "Other Information - Transactions with Related Persons" and "Corporate Governance - Director Independence" is incorporated in this Item 13 by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information in the sections of our 2020 Proxy Statement captioned "Principal Accounting Firm Fees" and "Audit Committee Approval of Audit and Non-Audit Services" under "Proposal 2. Ratification of Auditor" is incorporated in this Item 14 by reference.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report.

1. Financial statements.

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

2. Financial statement schedules.

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

- Report of Independent Registered Public Accounting Firm

Schedule for Kimberly-Clark Corporation and Subsidiaries:

- Schedule II Valuation and Qualifying Accounts

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

3. Exhibits

Exhibit No. (2)a. [Distribution Agreement, dated October 31, 2014, between Halyard Health, Inc. and the Corporation, incorporated by reference to Exhibit No. 2.1 of the Corporation's Current Report on Form 8-K filed on November 5, 2014.](#)

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 filed on May 1, 2009.](#)

Exhibit No. (3)b. [Exhibit No. \(3\)b. By-Laws, as amended May 2, 2019, incorporated by reference to Exhibit No. \(3\)b of the Corporation's Current Report on Form 8-K filed on May 3, 2019.](#)

Exhibit No. (4)a. [First Amended and Restated Indenture dated as of March 1, 1988 between the Corporation and The Bank of New York Mellon Trust Company, N.A. \(as successor in interest to The First National Bank of Chicago\) as Trustee \(originally executed with Bank of America National Trust and Savings Association\) \(incorporated by reference to Exhibit No. 4.1 to the Registration Statement on Form S-3 filed on February 2, 1998 \(Registration No. 333-45399\)\).](#)

Exhibit No. (4)b. [First Supplemental Indenture, dated as of November 6, 1992, to the Indenture \(incorporated by reference to Exhibit No. 4.3 to the Registration Statement on Form S-3 filed on June 17, 1994 \(Registration No. 33-54177\)\).](#)

Exhibit No. (4)c. [Second Supplemental Indenture, dated as of May 25, 1994, to the Indenture \(incorporated by reference to Exhibit No. 4.4 to the Registration Statement on Form S-3 filed on June 17, 1994 \(Registration No. 33-54177\)\).](#)

Exhibit No. (4)b. 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. (4)e. [Description of the Corporation's Common Stock, filed herewith.](#)

Exhibit No. (4)f. [Description of the Corporation's 0.625% Notes due 2024, filed herewith.](#)

- Exhibit No. (10)a. [Management Achievement Award Program, as amended and restated November 13, 2008, incorporated by reference to Exhibit No. \(10\)a of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.*](#)
- Exhibit No. (10)b. [Executive Severance Plan, as amended and restated as of December 31, 2017, incorporated by reference to Exhibit No. \(10\)b of the Corporation's Current Report on Form 8-K filed on November 16, 2017.*](#)
- Exhibit No. (10)c. [Seventh Amended and Restated Deferred Compensation Plan for Directors, effective January 1, 2008, incorporated by reference to Exhibit No. \(10\)c of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.*](#)
- Exhibit No. (10)d. [Executive Officer Achievement Award Program as amended November 12, 2008, incorporated by reference to Exhibit No. \(10\)d of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.*](#)
- Exhibit No. (10)f. [Deferred Compensation Plan, as amended and restated, dated December 31, 2005, incorporated by reference to Exhibit No. \(10\)f of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2005.*](#)
- Exhibit No. (10)g. [Outside Directors' Stock Compensation Plan, as amended, incorporated by reference to Exhibit No. \(10\)g of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002.*](#)
- Exhibit No. (10)h. [Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated effective April 17, 2009, incorporated by reference to Exhibit No. \(10\)h of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2009.*](#)
- Exhibit No. (10)i. [Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated, effective April 17, 2009, incorporated by reference to Exhibit No. \(10\)i of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2009.*](#)
- Exhibit No. (10)j. [Kimberly-Clark Corporation Supplemental Retirement 401\(k\) and Profit Sharing Plan, as amended and restated, effective January 1, 2010, incorporated by reference to Exhibit No. \(10\)j of the Corporation's Current Report on Form 8-K filed on December 21, 2009.*](#)
- Exhibit No. (10)l. [2011 Outside Directors' Compensation Plan, as amended and restated, effective May 4, 2016, incorporated by reference to Exhibit No. \(10\)l of the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016.*](#)
- Exhibit No. (10)m. [2011 Equity Participation Plan, as amended and restated, effective April 21, 2011, incorporated by reference to Exhibit No. 10.2 of the Corporation's Current Report on Form 8-K filed on April 26, 2011.*](#)
- Exhibit No. (10)n. [Form of Award Agreements under 2011 Equity Participation Plan for Nonqualified Stock Options, incorporated by reference to Exhibit No. \(10\)n of the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.*](#)
- Exhibit No. (10)p. [Severance Pay Plan, amended and restated, effective January 1, 2017, incorporated by reference to Exhibit No. \(10\)p of the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017.*](#)

Exhibit No. (10)q.	<u>Form of Award Agreements under 2011 Equity Participation Plan for Performance Restricted Stock Units, filed herewith.**</u>
Exhibit No. (10)r.	<u>Form of Award Agreements under 2011 Equity Participation Plan for Time-Vested Restricted Stock Units, incorporated by reference to Exhibit No. (10)r of the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.*</u>
Exhibit No. (10)s.	<u>First Amendment to 2011 Equity Participation Plan, effective February 12, 2020, filed herewith.</u>
Exhibit No. (21).	<u>Subsidiaries of the Corporation, filed herewith.</u>
Exhibit No. (23).	<u>Consent of Independent Registered Public Accounting Firm, filed herewith.</u>
Exhibit No. (24).	<u>Powers of Attorney, filed herewith.</u>
Exhibit No. (31)a.	<u>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.</u>
Exhibit No. (31)b.	<u>Certification of Chief Financial 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.</u>
Exhibit No. (32)a.	<u>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.</u>
Exhibit No. (32)b.	<u>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.</u>
Exhibit No. (101).INS	XBRL Instance Document - the instant document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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
Exhibit No. 104	The cover page from this Current Report on Form 10-K formatted as Inline XBRL

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

** Exhibit filed herewith for the purpose of correcting a typographical error in the exhibit originally filed as Exhibit No. (10)q of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

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

KIMBERLY-CLARK CORPORATION

February 13, 2020

By: /s/ Maria Henry

Maria Henry

Senior Vice President and Chief Financial Officer

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

/s/ Michael D. Hsu Chairman of the Board and Chief Executive Officer and Director February 13, 2020
Michael D. Hsu (principal executive officer)

/s/ Maria Henry Senior Vice President and Chief Financial Officer February 13, 2020
Maria Henry (principal financial officer)

/s/ Andrew S. Drexler Vice President and Controller February 13, 2020
Andrew S. Drexler (principal accounting officer)

Directors

Abelardo E. Bru	Christa S. Quarles
Robert W. Dechard	Ian C. Read
Mae C. Jemison	Marc J. Shapiro
Nancy J. Karch	Dunia A. Shive
S. Todd Maclin	Mark T. Smucker
Sherilyn S. McCoy	Michael D. White

By: /s/ Andrew S. Drexler

Andrew S. Drexler
Attorney-in-Fact

February 13, 2020

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017
(Millions of dollars)

Description	Balance at Beginning of Period	Additions		Deductions		Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts ^(a)	Write-Offs and Reclassifications		
December 31, 2019						
Allowances deducted from assets to which they apply						
Allowance for doubtful accounts	\$ 36	\$ 2	\$ (1)	\$ 5	^(b)	\$ 32
Allowances for sales discounts	17	249	(4)	245	^(c)	17
December 31, 2018						
Allowances deducted from assets to which they apply						
Allowance for doubtful accounts	\$ 38	\$ 15	\$ (3)	\$ 14	^(b)	\$ 36
Allowances for sales discounts	18	248	(4)	245	^(c)	17
December 31, 2017						
Allowances deducted from assets to which they apply						
Allowance for doubtful accounts	\$ 50	\$ 8	\$ 2	\$ 22	^(b)	\$ 38
Allowances for sales discounts	18	247	—	247	^(c)	18

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

(b) Primarily uncollectible receivables written off.

(c) Sales discounts allowed.

Description	Balance at Beginning of Period	Additions		Deductions ^(a)	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts		
December 31, 2019					
Deferred taxes					
Valuation allowance	\$ 220	\$ 26	\$ —	\$ (2)	\$ 248
December 31, 2018					
Deferred taxes					
Valuation allowance	\$ 176	\$ 55	\$ —	\$ 11	\$ 220
December 31, 2017					
Deferred taxes					
Valuation allowance	\$ 225	\$ (59)	\$ —	\$ (10)	\$ 176

(a) Represents the net currency effects of translating valuation allowances at current rates of exchange.

Description of Common Stock

The following description is a summary and is subject to the provisions of our Amended and Restated Certificate of Incorporation, our By-laws and the relevant provisions of the law of the State of Delaware.

We are currently authorized to issue up to 1,200,000,000 shares of common stock, par value \$1.25 per share. The shares of common stock outstanding are fully paid and nonassessable.

Holders of our common stock are entitled to share equally and ratably in any dividends and in any assets available for distribution to stockholders on liquidation, dissolution or winding-up, subject, if preferred stock is then outstanding, to any preferential rights of such preferred stock. Each share of common stock entitles the holder of record to one vote at all meetings of stockholders, and the votes are noncumulative. The common stock is not redeemable, has no subscription or conversion rights and does not entitle the holder to any preemptive rights.

Dividends may be paid on our common stock out of funds legally available for dividends, as and when declared from time to time by our board of directors.

Computershare Trust Company, N.A. is the transfer agent and registrar for our common stock.

Anti-Takeover Provisions

The provisions of Delaware law and our Amended and Restated Certificate of Incorporation and By-laws we summarize below may have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in his or her best interest.

Director Nominations. Our stockholders may nominate candidates for our board of directors or propose business to be acted upon at an annual meeting only if the stockholders follow the advance notice procedures described in our By-laws. To be properly brought before an annual meeting of stockholders, any stockholder nomination must be delivered to our secretary at our principal executive office not less than 75 days nor more than 100 days prior to the annual meeting. If, however, less than 75 days' notice or prior public announcement of the date of the annual meeting is given or made to stockholders, to be timely, the stockholder's nomination must be received not later than the tenth day following the day on which notice of the meeting date was mailed or public announcement was made, whichever occurs first. Generally, a proposal for business (other than the nomination or election of directors) must be delivered to our secretary at our principal executive office not less than 75 days nor more than 100 days prior to the first anniversary of the preceding year's annual meeting. In all cases, the notice must include the name and address of, and the number and type of shares owned by, the stockholder and certain of its affiliates, any derivative positions beneficially held by the stockholder and certain of its affiliates, any rights to dividends on our shares that are separated or separable from our underlying shares, any performance-related fees (other than an asset-based fee) that the stockholder or certain of its affiliates are entitled to based on any increase or decrease in the value of our shares or any derivative position and a representation as to whether the stockholder or certain of its affiliates intend to make such a proposal or nomination and to solicit proxies in support of it. If the stockholder submits a nomination to our board of directors, in addition to the foregoing, the nomination must include certain information as to such nominee including compensation arrangements and other relationships between the stockholder and the nominee, the background and experience of the nominee, and all other information required to be disclosed in solicitations of proxies for election of directors in accordance with Section 14(a) of the Securities Exchange Act of 1934, as amended. The nominee must also provide a written consent to being named in the proxy statement as a nominee and to serving as a director if elected.

Our stockholders may nominate candidates for our board of directors or propose business to be acted upon at a special meeting if the stockholders follow the advance notice procedures described in our By-laws. If a special meeting of stockholders is called for the purpose of electing one or more directors, a stockholder may nominate a person or persons as specified in our By-laws by delivering to our secretary at our principal executive office not less than 75 days nor more than 100 days prior to such special meeting all information required as if such nomination was being made at an annual meeting of stockholders. If, however, less than 75 days' notice or prior public announcement of the date of the meeting is given or made to stockholders, to be timely, the stockholder's nomination must be received not later than the tenth day following the day on which notice of the meeting date was mailed or public announcement was made, whichever occurs first.

In addition to the director nomination provisions described above, our By-laws permit any stockholder or group of up to twenty stockholders who have maintained continuous qualifying ownership of 3% or more of our outstanding common stock for at least the previous three years to include up to a specified number of director nominees in our proxy materials for an annual meeting. The maximum number of stockholder nominees permitted under the proxy access provisions of our By-laws is the greater of two or 20% of the total number of Kimberly-Clark directors on the last day a notice of nomination may be submitted. Generally, notice of a nomination under our proxy access By-law provisions must be delivered to our secretary at our principal executive office not less than 120 days nor more than 150 days prior to the first anniversary of the date the definitive proxy statement was first sent to stockholders in connection with the preceding year's annual meeting. The notice must contain the information described above, along with certain additional information specified in our By-laws.

Director nominations that are late or that do not include all required information may be rejected. This could prevent stockholders from making director nominations.

No Action by Written Consent. Our Amended and Restated Certificate of Incorporation states that action may be taken by stockholders only at annual or special meetings of the stockholders, and that stockholders may not act by written consent.

Special Meetings of Stockholders. The Amended and Restated Certificate of Incorporation and our By-laws vest the power to call special meetings of stockholders in our chairman of the board, our chief executive officer, our board of directors or, subject to certain restrictions contained in our By-laws, the holders of not less than 25% of our issued and outstanding shares of capital stock entitled to vote to request that a special meeting of stockholders be called. Each request for a special meeting must contain certain information about the requesting stockholders described in our By-laws.

Certain Anti-Takeover Effects of Delaware Law. We are subject to Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in various "business combination" transactions with any interested stockholder for a period of three years following the date when the person became an interested stockholder, unless:

- either the business combination or the transaction which caused the stockholder to become an interested stockholder is approved by the board of directors prior to the date the interested stockholder obtained that status;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for the purposes of determining voting stock outstanding (but not voting stock owned by the interested stockholder) shares owned by certain insiders and certain employee stock plans; or
- on or subsequent to such date, the business combination is approved by the board and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

A "business combination" is defined to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder. In general, an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years, did own) 15% or more of a corporation's voting stock.

The statute could prohibit or delay mergers or other takeover or change in control attempts with respect to our company and, accordingly, may discourage attempts to acquire us even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

Description of 0.625% Notes due 2024

The notes are issued under the first amended and restated indenture dated as of March 1, 1988, as amended by the first and second supplemental indentures dated as of November 6, 1992 and May 25, 1994, respectively. The indenture has been filed as an exhibit to our Annual Report on Form 10-K of which this exhibit is a part. The following description is a summary and is subject to the provisions of the indenture.

General

The notes:

- are in an aggregate initial principal amount of €500,000,000, subject to our ability to issue additional notes which may be of the same series as described under "-Further Issues,"
- will mature on September 7, 2024,
- will bear interest at a rate of 0.625% per annum,
- will be our senior debt, ranking equally with all our other present and future unsecured and unsubordinated indebtedness,
- will be issued in euros in denominations of €100,000 and integral multiples of €1,000 in excess thereof,
- will be repaid at par at maturity,
- will be redeemable by us at any time prior to maturity as described below under "-Optional Redemption,"
- will be redeemable prior to maturity, at our option, in the event of certain changes in the tax laws of the United States, as described under "-Redemption upon Tax Event" below,
- will be subject to repurchase by us upon a Change of Control Repurchase Event as described below under "-Repurchase upon Change of Control Repurchase Event,"
- will be subject to defeasance and covenant defeasance as described below under "-Defeasance and Covenant Defeasance," and
- will not be subject to any sinking fund.

We will pay to beneficial owners of notes who are Non-U.S. Persons (as defined below) additional amounts in the event of deduction or withholding of taxes, assessments or other governmental charges imposed by the United States or any taxing authority thereof or therein as described under "-Payment of Additional Amounts" below.

The indenture and the notes do not limit the amount of indebtedness that may be incurred or the amount of securities that may be issued by us.

Interest

Interest on the notes will accrue from and include September 7, 2017 or from and include the most recent interest payment date to which interest has been paid or provided for. We will make interest payments annually on September 7 of each year, with the first interest payment being made on September 7, 2018. We will make interest payments to the person in whose name the notes are registered at the close of business on the August 23 (whether or not a business day), before the next interest payment date.

Interest payable on any interest payment date for the notes or on the maturity date for the notes will be the amount of interest accrued for the actual number of days in the period from, and including, the next preceding interest payment date for such notes in respect of which interest has been paid or duly provided for (or from and including the original issue date, if no interest has been paid or duly provided for with respect to the notes) to, but excluding, the next date on which interest is paid or duly provided for. This payment convention is referred to as Actual/Actual (ICMA) as defined in the rulebook of the International Capital Market Association.

If any interest payment date falls on a day that is not a business day, the interest payment will be made on the next succeeding business day, and we will not be liable for any additional interest as a result of the delay in payment. If a maturity date falls on a day that is not a business day, the related payment of principal and interest will be made on the next succeeding business day, and no interest will accrue on the amounts so payable for the period from and after such date to the next succeeding business day. The term "business day" means any day, other than a Saturday or a Sunday, (1) which is not a day on which banking institutions are authorized or obligated by law, regulation or executive order to close in New York City or London and (2) on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, is open.

Issuance and Payment in Euro

Initial holders will be required to pay for the notes in euro, and all payments of principal of, the redemption price of (if any), any repurchase payments following a Change of Control Repurchase Event (as defined below), additional amounts (if any), and interest on, the notes, will be payable in euro, provided, that if the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. In such event, the amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second business day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in The Wall Street Journal on or most recently prior to the second business day prior to the relevant payment date. Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default under the notes or the indenture governing the notes. Neither the trustee nor any paying agent shall have any responsibility for any calculation or conversion in connection with the foregoing. Any references in this description to payments being made in euro notwithstanding, payments shall be made in U.S. dollars to the extent set forth in this paragraph.

Investors will be subject to foreign exchange risks as to payments of principal, the redemption price (if any), additional amounts (if any) and interest that may have important economic and tax consequences to them.

Payment of Additional Amounts

We will pay to each beneficial owner of any notes who is a Non-U.S. Person additional amounts as may be necessary so that every net payment of the principal of, and interest on such beneficial owner's notes, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon that beneficial owner by the United States or any political subdivision or taxing authority thereof or therein (including any tax, assessment or other governmental charge imposed on the additional amounts so paid), will not be less than the amount provided in such beneficial owner's notes to be then due and payable. We will not be required to make any payment of additional amounts for or on account of:

- (i) any tax, assessment or other governmental charge that is imposed or withheld solely by reason of the existence of any present or former connection (other than a connection arising solely from the ownership of those notes or the receipt of payments or enforcement of rights in respect of those notes) between that beneficial owner, or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, that beneficial owner, if that beneficial owner is an estate, trust, partnership or corporation, and the United States, including that beneficial owner, or that fiduciary, settlor, beneficiary, member, shareholder or possessor, (1) being or having been a citizen or resident or treated as a resident of the United States, (2) being or having been present in, or engaged in a trade or business in, the United States, (3) being treated as having been present in, or engaged in a trade or business in, the United States, or (4) having or having had a permanent establishment in the United States;
- (ii) any estate, inheritance, gift, sales, transfer, excise, personal property or similar tax, assessment or other governmental charge;
- (iii) any tax, assessment or other governmental charge imposed by reason of that beneficial owner's past or present status as a personal holding company, a controlled foreign corporation, a passive foreign investment company or a foreign private foundation or other foreign tax-exempt organization with respect to the United States or as a corporation that accumulates earnings to avoid U.S. federal income tax;
- (iv) any tax, assessment or other governmental charge which is payable otherwise than by withholding from payment of principal of, premium, if any, on, interest on or the redemption price for such beneficial owner's notes;
- (v) any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of, premium, if any, on, interest on or the redemption price for any notes if that payment can be made without withholding by any other paying agent;
- (vi) any tax, assessment or other governmental charge that would not have been imposed but for the failure of a beneficial owner or any holder of notes to comply (to the extent that it is legally able to do so) with a request to satisfy any applicable certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of the beneficial owner or any holder of the notes, if such compliance is required by statute or by regulation of the U.S. Treasury Department as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(vii) any withholding required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or any agreement (including any intergovernmental agreement) entered into in connection therewith;

(viii) any tax, assessment or other governmental charge that is imposed or withheld by reason of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;

(ix) any tax, assessment or other governmental charge imposed on interest received by (1) a 10% shareholder (as defined in Section 871(h)(3)(B) of the Code and the regulations that may be promulgated thereunder) of our company, (2) a controlled foreign corporation that is related to us within the meaning of Section 864(d)(4) of the Code or (3) a bank receiving interest described in Section 881(c)(3)(A) of the Code;

(x) any tax, assessment or governmental charge that would not have been so imposed or withheld but for the presentation by the holder of a note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whoever occurs later; or

(xi) any combination of items (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), and (x) above.

In addition, to the extent described below, we will not pay additional amounts to a beneficial owner of a note that is a fiduciary, partnership, limited liability company or other fiscally transparent entity. This exception will apply to a beneficial owner of a note that is a fiduciary, partnership, limited liability company or other fiscally transparent entity only to the extent a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership, limited liability company or other fiscally transparent entity, would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment subject to the tax, assessment or other governmental charge as to which withholding or another deduction occurs.

As used in this discussion of the payment of additional amounts, the term "beneficial owner" includes any person holding a note on behalf of or for the account of a beneficial owner and the term "Non-U.S. Person" means a person that is not a United States Person. The term "United States Person" means an individual citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof, an estate the income of which is subject to United States federal income taxation regardless of its source, a trust subject to the primary supervision of a court within the United States and the control of one or more United States persons as described in Section 7701(a)(30) of the Code, or a trust that existed on August 20, 1996, and elected to continue its treatment as a domestic trust.

If we will be obligated to pay additional amounts under or with respect to any payment made on any of the notes, at least 30 days prior to the date of such payment, we will deliver to the trustee and the paying agent an officers' certificate stating the fact that additional amounts will be payable and the amount so payable and such other information necessary to enable the paying agent to pay additional amounts to the beneficial owner on the relevant payment date (unless such obligation to pay additional amounts arises, or we become aware of such obligation, less than 45 days prior to the relevant payment date, in which case we may deliver such officers' certificate as promptly as practicable after the date that is 30 days prior to the payment date). The trustee and the paying agent will be entitled to rely solely on such officers' certificate as conclusive proof that such payments are necessary.

Except as specifically provided under this heading "-Payment of Additional Amounts," we will not be required to make any payment for any tax, assessment or other governmental charge imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision.

Any reference in the terms of the notes to any amounts payable in respect of the notes shall be deemed also to refer to any additional amounts which may be payable under this provision.

Redemption upon Tax Event

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States (or any political subdivision or taxing authority of or in the United States), or any change in, or amendment to, an official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after the date of the prospectus supplement for the Notes, we become, or based upon a written opinion of independent counsel selected by us, will become obligated to pay additional amounts as described above under the heading "-Payment of Additional Amounts" with respect to the notes, then we may at our option redeem, in whole, but not in part, the notes on not less than 15 nor more than 45 days' prior notice, at a redemption price equal to 100% of their principal amount, together with interest accrued but unpaid on those notes to, but excluding, the date fixed for

redemption. Unless we default in payment of the redemption price upon the surrender of the notes for redemption, on and after the date fixed for redemption, interest will cease to accrue on the notes or portions thereof called for redemption.

Optional Redemption

The notes will be redeemable, as a whole or in part, at our option and from time to time. If the notes are redeemed before July 7, 2024 (the date that is two months prior to the maturity of the notes) (the "Par Call Date"), the notes will be redeemed at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the notes to be redeemed; and
- (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed if such notes matured on the Par Call Date (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on an annual basis (Actual/Actual (ICMA)) at the applicable Comparable Government Bond Rate (as defined below), plus 10 basis points, plus, in each case, accrued interest thereon to, but excluding, the date fixed for redemption.

Any notes redeemed on or after the Par Call Date will be redeemed at a redemption price equal to 100% of the principal amount of the notes then outstanding to be redeemed, plus accrued interest thereon to, but excluding, the date fixed for redemption.

The calculation of the redemption price and accrued interest payable upon a redemption shall be made by the Company or on behalf of the Company by such persons as the Company may designate; provided that such calculation shall not be the duty or obligation of the trustee unless otherwise expressly agreed.

Installments of interest on notes being redeemed that are due and payable on interest payment dates falling on or prior to a redemption date shall be payable on the interest payment date to the holders as of the close of business on the relevant regular record date according to the notes and the indenture.

"Comparable Government Bond" means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by us, a German government bond whose maturity is closest to the maturity of the notes (assuming, for this purpose, that the notes mature on the Par Call Date), or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

For purposes of the formula described above, "Comparable Government Bond Rate" means the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the notes being redeemed, if they were to be purchased at such price on the third business day prior to the date fixed for redemption, would be equal to the gross redemption yield on such business day of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by an independent investment bank selected by us. Such independent bank will calculate such gross redemption yield on the notes to be redeemed and the Comparable Government Bond in accordance with generally accepted market practices at the time of such calculations.

Notice of any redemption will be sent (or delivered by electronic transmission in accordance with the applicable procedures of Clearstream and Euroclear) at least 15 days but not more than 45 days before the redemption date to each holder of notes to be redeemed.

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the notes or portions thereof called for redemption.

If less than all of the notes are to be redeemed, the notes to be redeemed shall be selected by the trustee pro rata, by lot or such other method as the trustee, in its discretion, deems fair and appropriate.

Repurchase upon Change of Control Repurchase Event

If a Change of Control Repurchase Event occurs with respect to the notes, unless we have exercised our right to redeem the notes as described above, we will make an offer to each holder of notes to repurchase all or any part (in denominations of €100,000 and integral multiples of €1,000 in excess thereof) of that holder's notes at a repurchase price in cash equal to 101% of the aggregate principal amount of notes repurchased plus any accrued and unpaid interest on the notes repurchased to the date of repurchase. Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control (as defined below), but after the public announcement of an impending Change of Control, we will mail a notice to

each holder (or deliver by electronic transmission in accordance with the applicable procedures of Clearstream and Euroclear), with a copy to the trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (or delivered by electronic transmission in accordance with the applicable procedures of Clearstream and Euroclear). The notice shall, if mailed (or delivered by electronic transmission in accordance with the applicable procedures of Clearstream and Euroclear) prior to the date of consummation of the Change of Control, state that the offer to repurchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder, to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the notes by virtue of such conflict.

On the Change of Control Repurchase Event payment date, we will, to the extent lawful:

- accept for payment all notes or portions of notes (in denominations of €100,000 and integral multiples of €1,000 in excess thereof) properly tendered pursuant to our offer;
- deposit with the trustee an amount equal to the aggregate repurchase price in respect of all notes or portions of notes properly tendered; and
- deliver or cause to be delivered to the trustee the notes properly accepted, together with an officers' certificate stating the aggregate principal amount of notes being purchased by us.

The trustee or paying agent will promptly pay to each holder of notes properly tendered the repurchase price for the notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any unpurchased portion of any notes surrendered; provided, that each new note will be in a principal amount of €100,000 or an integral multiple of €1,000 in excess thereof.

We will not be required to make an offer to repurchase the notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us, and such third party purchases all notes properly tendered and not withdrawn under its offer.

We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we would decide to do so in the future. We could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control, but that could increase the amount of debt outstanding at such time or otherwise affect our capital structure or credit ratings.

Definitions

"Below Investment Grade Rating Event" means the notes are rated below Investment Grade by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies); provided that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Repurchase Event hereunder) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Kimberly-Clark and its subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act), other than Kimberly-Clark or one of its subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares of Kimberly-Clark's Voting Stock; or (3) the first day on which a majority of the members of Kimberly-Clark's Board of Directors are not Continuing Directors.

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Below Investment Grade Rating Event. The trustee shall be under no obligation to determine whether a "Change of Control Repurchase Event" has occurred or is continuing.

"Continuing Directors" means, as of any date of determination, any member of the Board of Directors of Kimberly-Clark who (1) was a member of such Board of Directors on the date of the issuance of the notes; or (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election (either by a specific vote or by approval of Kimberly-Clark's proxy statement in which such member was named as a nominee for election as a director).

"Fitch" means Fitch Ratings Ltd.

"Investment Grade" means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's); a rating of BBB- or better by S&P (or its equivalent under any successor rating categories of S&P); and a rating of BBB- or better by Fitch (or its equivalent under any successor rating categories of Fitch); or the equivalent investment grade credit rating from any additional Rating Agency or Rating Agencies selected by us.

"Moody's" means Moody's Investors Service Inc.

"Rating Agency" means (1) each of Fitch, Moody's and S&P; and (2) if any of Fitch, Moody's or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the Exchange Act, selected by us as a replacement agency for Fitch, Moody's or S&P, as the case may be.

"S&P" means Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc.

"Voting Stock" means Kimberly-Clark capital stock of any class or kind the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of Kimberly-Clark, even if the right so to vote has been suspended by the happening of such a contingency.

Further Issues

We may from time to time, without notice to or the consent of the holders of the notes, create and issue further notes ranking equally with the notes in all respects and with the same terms as the notes (other than the payment of interest accruing prior to the issue date of such further notes or except, in some cases, for the issue price and the first payment of interest following the issue date of such further notes). Such further notes may be consolidated and form a single series with the previously issued notes and have the same terms as to status, redemption or otherwise as the notes.

Defeasance and Covenant Defeasance

The provisions of Sections 402 and 1006 of the indenture relating to defeasance as described below under "Base Indenture Provisions-Defeasance and Covenant Defeasance" will apply to the notes provided that (a) references in Article Four of the Indenture to "money of the United States" or "money" shall be deemed to refer to euros and (b) the term "United States government securities" shall be replaced with the term "Government Obligations" which shall mean (i) direct obligations of a Participating Member State, (ii) obligations the timely payment of the principal of and interest on which is fully and unconditionally guaranteed by such Participating Member State, a central bank of a Participating Member State or a governmental agency of such Participating Member State, and (iii) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (i) or (ii) above or in any specific principal or interest payments due in respect thereof, and the term "Participating Member State" shall mean a member state of the European Union which has adopted or adopts the single currency in accordance with the Treaty establishing the European Community (as that Treaty is amended from time to time).

Concerning the Trustee, Registrar and Paying Agent

The Bank of New York Mellon Trust Company, N.A. (as the successor trustee) is the trustee under the indenture governing the notes. The Bank of New York Mellon Trust Company, N.A. is a national banking association organized under the laws of the United States of America and provides trust services and acts as indenture trustee for numerous corporate securities issuances, including for other series of debt securities of which we are the issuer. The Bank of New York Mellon Trust Company, N.A. will also be the registrar for the notes. The Bank of New York Mellon acting through its London Branch will act as the paying agent for the notes.

We may have normal banking relationships with the trustee and its affiliates in the ordinary course of business.

BASE INDENTURE PROVISIONS:

Restrictive Covenants

Meanings of Terms.

- When we use the term "attributable debt" in the context of a sale and lease-back transaction, we mean the present value (discounted at the rate of interest implicit in the terms of the lease involved in such sale and lease-back transaction, as determined by us in good faith) of our obligation thereunder for rental expenses. We exclude from this calculation any amounts we pay for maintenance and repairs, insurance, taxes, assessments, water rates or similar charges, or amounts contingent upon sales amounts.
- When we use the term "consolidated net tangible assets," we mean the total amount of our assets minus (a) applicable reserves, (b) all current liabilities (excluding any thereof which are by their terms extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed and excluding current maturities of long-term indebtedness) and (c) intangible assets. Our consolidated net tangible assets include any attributable debt with respect to a sale and lease-back transaction that is not capitalized on our balance sheet.
- When we use the term "principal property," we mean any of our mills, manufacturing plants, manufacturing facilities or timberland, located within the United States having a gross book value in excess of 1% of our consolidated net tangible assets and which is owned by us or any restricted subsidiary. However, if our board of directors decides that any facility is not of material importance, it will not be considered a principal property.
- When we use the term "restricted subsidiary," we mean any of our subsidiaries (a) which has substantially all of its property or conducts substantially all of its business in the United States, and (b) which owns a principal property. The term does not include subsidiaries whose business consists principally of financing operations outside the United States or leasing or financing installment receivables.
- When we use the term "sale and lease-back transaction," we mean any arrangement where we or any restricted subsidiary lease a principal property from a third party and the principal property has been or is to be sold or transferred by us or the restricted subsidiary to the third party with the intention of taking back the lease. The term does not include temporary leases of three years or less, including any renewal thereof, or certain intercompany leases.

Liens. Section 1004 of the indenture provides that we will not, and will not permit any restricted subsidiary to, issue, assume or guarantee any debt secured by a mortgage, security interest, pledge or lien (hereafter called a "mortgage") of or on any principal property, or any shares of capital stock or debt of any restricted subsidiary, without also providing that the debt securities (together with, if we determine, any other indebtedness issued, assumed or guaranteed by us or any restricted subsidiary and then existing or thereafter created) shall be secured by the mortgage equally and ratably with or prior to such debt. This restriction does not apply to:

- mortgages on any property acquired, constructed or improved by, or on any shares of capital stock or debt acquired by, us or any restricted subsidiary to secure debt which finances all or any part of (a) the purchase price of the property, shares or debt, or (b) the cost of constructing or improving the property, and which debt is incurred prior to or within 360 days after the acquisition, completion of construction or commencement of commercial operation of the property;
- mortgages on any property, shares of capital stock or debt existing at the time we or any restricted subsidiary acquires the property, shares or debt;
- mortgages on property of a corporation existing at the time that corporation merges or consolidates with us or any restricted subsidiary or at the time that corporation sells or transfers all or substantially all of its properties to us or any restricted subsidiary;
- mortgages on any property, shares of capital stock or debt of any corporation existing at the time that corporation becomes a restricted subsidiary;
- mortgages to secure intercompany debt among us and/or any of our restricted subsidiaries;
- mortgages in favor of governmental bodies to secure advance or progress payments or to secure the purchase price of the mortgaged property;
- and
- extensions, renewals or replacements of any existing mortgage or any mortgage referred to above.

In addition, we or any restricted subsidiary may, without equally and ratably securing the debt securities, issue, assume or guarantee debt secured by a mortgage not excepted above, if the aggregate amount of the debt, together with (a) all other debt secured by mortgages not so excepted, and (b) the attributable debt with respect to sale and lease-back transactions, does not at the time exceed 5% of our consolidated net tangible assets. For purposes of clause (b) of this calculation, certain sale and lease-back transactions in which the attributable debt has been applied to the optional prepayment or retirement of long-term debt are excluded.

Arrangements under which we or any restricted subsidiary transfer an interest in timber but retain an obligation to cut the timber in order to provide the transferee with a specified amount of money will not create a mortgage or a sale and lease-back transaction under the indenture.

Sale and Lease-Back Transactions. Section 1005 of the indenture provides that neither we nor any restricted subsidiary may engage in sale and lease-back transactions with respect to any principal property unless:

- we or the restricted subsidiary are able, without equally and ratably securing the debt securities, to incur debt secured by a mortgage on the property pursuant to the exceptions described in "Liens" above;
- we or the restricted subsidiary are able, without equally and ratably securing the debt securities, to incur debt secured by a mortgage on the property in an amount at least equal to the attributable debt with respect to the transaction; or

within 360 days after the effective date of the transaction, we or the restricted subsidiary apply an amount equal to the attributable debt with respect to the transaction to the optional prepayment or retirement of our long-term debt or that of any restricted subsidiary.

Consolidations, Mergers and Sales of Assets

Section 801 of the indenture provides that we may consolidate with or merge into, and sell or transfer all or substantially all of our property and assets to, any other corporation. The corporation formed by the consolidation or into which we merge, or the corporation which acquires all or substantially all of our property and assets, must assume, by execution of a supplemental indenture, our obligations to:

- pay the principal of, premium, if any, and interest on the debt securities when due; and
- perform and observe all the terms, covenants and conditions of the indenture.

If, upon the consolidation, merger, sale or transfer, any principal property or any shares of capital stock or debt of any restricted subsidiary would become subject to a mortgage, security interest, pledge or lien securing any debt of, or guaranteed by, the other corporation, we must secure, prior to the consolidation, merger, sale or transfer, the payment of the principal of, premium, if any, and interest on the debt securities equally and ratably with or prior to the debt secured by the mortgage, security interest, pledge or lien. This provision would not apply to any mortgage which would be permitted under "Liens" above.

Events of Default

Section 501 of the indenture provides that the following are events of default with respect to debt securities of any series:

- our failure to pay principal or premium, if any, on any debt security of that series at maturity;
- our failure to pay interest on any debt security of that series when due, continued for 30 days;
- our failure to make any sinking fund payment, when due, in respect of any debt security of that series;
- our failure to perform any other covenant or agreement in the indenture that is applicable to debt securities of that series, continued for 90 days after written notice;
- certain events involving bankruptcy, insolvency or reorganization; and
- any other event of default applicable to debt securities of that series.

An event of default with respect to a particular series of debt securities (except as to matters involving bankruptcy, insolvency or reorganization) does not necessarily mean that there is an event of default with respect to any other series of debt securities.

If an event of default occurs and continues, the trustee or the holders of at least 25% of the outstanding debt securities of that series may declare those debt securities to be due and payable. However, at any time after such a declaration of acceleration has been made, but before the stated maturity of the debt securities, the holders of a majority of the outstanding debt securities of that series may, subject to certain conditions, rescind and annul the acceleration if all events of default with respect to the debt securities, other than the non-payment of accelerated principal, have been cured or waived.

Subject to the trustee's duties in the case of an event of default, the trustee is not required to exercise any of its rights or powers under the indenture at the request or direction of any holder unless one or more of them shall have offered reasonable indemnity to the trustee. Subject to this indemnification provision and certain other rights of the trustee, the holders of a majority of the outstanding debt securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of that series.

No holder of any debt security of any series will have the right to institute any proceeding with respect to the indenture, unless:

- the holder shall have previously notified the trustee of a continuing event of default with respect to debt securities of that series and the holders of at least 25% of the outstanding debt securities of that series shall have requested, and offered reasonable indemnity to, the trustee to institute the proceeding;
- the trustee shall not have received from the holders of a majority of the outstanding debt securities of that series a direction inconsistent with the request; and
- the trustee shall have failed to institute the proceeding within 60 days.

However, the holder of any debt security will have an absolute and unconditional right to receive payment of the principal of, premium, if any, and interest on the debt security on or after the applicable due dates and to sue for the enforcement of any such payment.

The indenture requires us to furnish to the trustee annually a statement as to the absence of certain defaults under the indenture. The indenture provides that the trustee may withhold notice to the holders of debt securities of any series of any non-monetary default with respect to debt securities of the series if it considers it in the interest of the holders to do so.

Defeasance and Covenant Defeasance

Section 402 of the indenture provides that we may be discharged from most of our obligations in respect of the outstanding debt securities of any series if we irrevocably deposit with the trustee money and/or United States government securities which, together with the income from those securities, are sufficient to pay the principal of, premium, if any, and each installment of interest on the outstanding debt securities of the series on the stated maturity or redemption date, as the case may be. This arrangement requires that we (a) deliver to the trustee an opinion of counsel that we have received an Internal Revenue Service ruling, or a ruling of the Internal Revenue Service has been published that in the opinion of counsel establishes, that holders of the outstanding debt securities of the series will have no federal income tax consequences as a result of the deposit, defeasance and discharge, (b) deliver to the trustee an opinion of counsel that the outstanding debt securities of the series, if then listed on any securities exchange, will not be delisted as a result of the deposit, defeasance and discharge, and (c) deliver to the trustee an officer's certificate and opinion of counsel, each stating that all conditions precedent to the deposit, defeasance and discharge have been met.

Section 1006 of the indenture provides that we need not comply with certain restrictive covenants, including those described under "Liens" and "Sale and Lease-back Transactions" above, and that our failure to comply would not be an event of default under the outstanding debt securities of any series, if we deposit with the trustee money and/or United States government securities which, together with the income from those securities, are sufficient to pay the principal of, premium, if any, and each installment of interest on the outstanding debt securities of the series on the stated maturity or redemption date, as the case may be. Our other obligations under the indenture and the outstanding debt securities of the series would remain in full force and effect. This arrangement requires that we deliver to the trustee an opinion of counsel that (a) the holders of the outstanding debt securities of the series will have no federal income tax consequences as a result of the deposit and defeasance, (b) the outstanding debt securities of the series, if then listed on any securities exchange, will not be delisted as a result of the deposit and defeasance, and (c) deliver to the trustee an officer's certificate and an opinion of counsel, each stating that all conditions precedent relating to the defeasance have been complied with.

In the event the outstanding debt securities of the applicable series are declared due and payable because of the occurrence of an event of default, the amount of money and government securities on deposit with the trustee may not be sufficient to pay amounts due on the outstanding debt securities of the series at the time of the acceleration resulting from the event of default. However, we will remain liable to pay these amounts.

Amendments to the Indenture and Waiver of Covenants

Section 902 of the indenture provides that we may amend the indenture with the consent of the holders of at least 662/3% of the outstanding debt securities of each series affected by the amendments. However, unless we have the consent of each holder of the affected debt securities, we may not:

- change the maturity date of the principal amount of, or any installment of principal of or interest on, any debt security;
- reduce the principal amount of, premium, if any, or any interest on, any debt security or reduce the amount of principal of an original issue discount security that would be due and payable upon acceleration;
- change the place or currency of payment of the principal of, premium, if any, of or interest on, any debt security;
- impair the right to sue for payment with respect to any debt security after its maturity date; or
- reduce the percentage of outstanding debt securities of any series which is required to consent to an amendment of the indenture or to waive our compliance with certain provisions of the indenture or certain defaults.

The holders of 662/3% of the outstanding debt securities of any series may, on behalf of the holders of all debt securities of that series, waive our compliance with certain restrictive covenants of the indenture. The holders of a majority of the

outstanding debt securities of any series may, on behalf of the holders of all debt securities of that series, waive any past default under the indenture with respect to that series, except (a) a default in the payment of the principal of, premium, if any, or interest on any debt security of that series, or (b) in respect of a provision which under the indenture cannot be amended without the consent of each holder of the affected debt securities.

Governing Law

New York law will govern the indenture and the debt securities.

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

This Award, granted effective on _____ (the "Grant Date"), by Kimberly-Clark Corporation, a Delaware corporation (hereinafter called the "Corporation"), to _____ (the "Participant") is subject to the terms and conditions of the 2011 Equity Participation Plan (the "Plan") and the Award Agreement, including any country-specific terms and conditions contained in Appendix A to the Award Agreement.

W I T N E S S E T H:

WHEREAS, the Corporation has adopted the Plan to encourage those employees who materially contribute, by managerial, scientific or other innovative means, to the success of the Corporation or of an Affiliate, to acquire an ownership interest in the Corporation, thereby increasing their motivation for and interest in the Corporation's and its Affiliates' long-term success;

NOW, THEREFORE, it is agreed as follows:

1. Number of Share Units Granted. The Corporation hereby grants to the Participant Performance Restricted Stock Units ("PRSUs") at the target level of _____ (the "Target Level"), subject to the terms, conditions and restrictions set forth herein and in the Plan, and the Corporation's attainment of the Performance Goals established by the Committee as set forth on Appendix A-1. The actual number of PRSUs earned by the Participant at the end of the Restricted Period may range from 0 to 200% of the Target Level.

2. Transferability Restrictions.

(a) Restricted Period. During the Restricted Period, the Participant may not sell, assign, transfer, or otherwise dispose of, or mortgage, pledge or otherwise encumber the Award, 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. The 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, 2022. 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 Award 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, including any garden leave or similar leave, 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.

For purposes of this Award, a termination of employment includes a termination that is deemed an "unfair dismissal" or a "constructive dismissal." Further, the Participant understands that the Award is a

conditional right. Participant shall forfeit any unvested Award upon termination of employment except as provided above, for example, regardless of whether (1) the Participant is considered to be unfairly dismissed without good cause; (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; or (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 Awards 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.

(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 or an Affiliate. 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 Tax-Related Items. 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 Tax-Related items (as defined in the Acknowledgment of Conditions section) with cash or shares of Common Stock which otherwise would be delivered following the date of vesting of the Award under this Section 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 or 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 or her at the address as it appears on the Corporation's records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be deemed to have been duly given if and when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, registered and deposited, postage and registry fee prepaid, in a post office or branch post office regularly maintained by the United States Government or 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, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, leave-related payments, holiday pay, pension, retirement or welfare benefits or similar payments.

14. Data Privacy. The Participant hereby authorizes their actual employer (the "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. The Controller of personal data processing is Kimberly-Clark Corporation with registered offices at 351 Phelps Drive, Irving, Texas 75038, United States of America.

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 or countries 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. Notwithstanding the foregoing, if the Participant's residence or principal place of employment on the Grant Date is in California or any other jurisdiction where any provision of this Section 19(a) prohibiting post-employment non-compete covenants is restricted by applicable law, then the provisions of this Section 19(a) will not apply to the extent any such provision is prohibited by applicable law.

(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 Award 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 Award 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 Award Agreement

and such invalidity, illegality or unenforceability will not affect any other provision of the Award 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 the government, participate in investigations, testify in proceedings regarding the Corporation, Employer or any Affiliate's past or future conduct, engage in any activities protected under whistleblower statutes, or to receive and fully retain a monetary award from a government-administered whistleblower award program for providing information directly to a government agency. The Participant does not need prior authorization from the Corporation to make any such reports or disclosures and is not required to notify the Corporation that the Participant has made such reports or disclosures.

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

The Participant understands, acknowledges and agrees to the following conditions with respect to the Award granted 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 an exceptional, 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 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 and vesting provisions.

Participation in the Plan is voluntary and does not create a right to employment with the Participant's Employer, shall not be interpreted as forming an employment or service contract with the Corporation, and shall not interfere with the ability of the Employer to terminate the Participant's employment relationship at any time. The Participant understands that the Corporation has unilaterally, gratuitously and discretionally decided to grant Awards under the Plan to individuals who are 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.

The Award and the shares of Common Stock subject to the Award, and the income from 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 the Participant's employment contract, if any, and are not intended to replace any pension rights or compensation. As such, the Award, and the income from 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, leave-related payments, holiday pay, 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 from and value of same, are not granted as consideration for, or in connection with, any service the Participant 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 the Participant's employment by the Corporation or the Employer (regardless of the reason for such termination and whether or not the termination is later found to be invalid or in breach of employment laws).

In the event of termination of the Participant's employment (whether or not in breach of local labor laws and except as otherwise explicitly provided in the Award Agreement or the Plan), the Participant's right to receive PRSUs and vest in the Award under the Plan, if any, will terminate effective as of the date that the Participant is 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 the Participant is no longer actively employed for purposes of the Award (including whether the Participant 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 the acquisition or sale of the underlying shares of Common Stock. Further, the Participant understands that he or she should consult with his or her 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 the Participant's local currency and the United States Dollar that may affect the value of the PRSUs or of any amounts due to the Participant 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 the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Corporation or the Employer. The Participant further acknowledges 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 Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges 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, the Participant shall pay or make adequate arrangements satisfactory to the Corporation and/or the Employer to satisfy or account for all applicable withholding obligations for Tax-Related Items. In this regard, the Participant authorizes the Corporation or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations, if any, with regard to all Tax-Related Items by one or a combination of the following:

- (1) withholding from the Participant's wages or other cash compensation paid to the Participant 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 the Participant's behalf, pursuant to this authorization); or
- (3) withholding shares to be issued upon vesting of the Award;

provided, however, that if the Participant is subject to Section 16 of the U.S. Securities Exchange Act of 1934, as amended, then the Corporation will withhold in shares upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is problematic under applicable tax or law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items may be satisfied by one or a combination of methods (1), (2) and (3) above.

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 applicable jurisdictions, in which case the Participant may 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, the Participant is deemed to have been issued the full number of shares subject to the Award, notwithstanding that a number of shares is held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan.

The Participant 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 the Participant's 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 the Participant if he or she fails to comply with his or her obligations in connection with the Tax-Related Items.

The Corporation is located at 351 Phelps Drive Irving, TX 75038, USA and grants employees of the Corporation and its Affiliates the opportunity to participate in the Plan, at the Corporation's sole discretion. If the Participant would like to participate in the Plan and is an employee in a country outside the European Economic Area, the Participant understands that he or she should review the following information about the Corporation's data processing practices and declare his or her consent. If the Participant is an employee in a country that is a member of the European Economic Area, the Participant should review the information about the Corporation's data processing practices set forth in Appendix A attached hereto.

- (i) ***Data Collection and Usage. The Corporation collects, processes and uses the Participant's personal data, including, name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number, salary, citizenship, nationality, job title, any shares of stock or directorships held in the Corporation, and details of all awards, canceled, vested, or outstanding in the Participant's favor, which the Corporation receives from the Participant or the Participant's Employer. If the Corporation offers the Participant the opportunity to participate in the Plan, then the Corporation will collect the Participant's personal data for purposes of allocating stock and implementing, administering and managing the Plan. The Corporation's legal basis for the processing of the Participant's personal data would be the Participant's consent.***
 - (ii) ***Stock Plan Administration Service Providers. The Corporation transfers participant data to Merrill Lynch, an independent service provider based in the United States, which assists the Corporation with the implementation, administration and management of the Plan. In the future, the Corporation may select a different service provider and share the Participant's data with another company that serves in a similar manner. The Corporation's service provider will open an account for the Participant. The Participant will be asked to agree on separate terms and data processing practices with the service provider, which is a condition for participation in the Plan.***
 - (iii) ***International Data Transfers. The Corporation and its service providers are based in the United States. If the Participant is outside of the United States, the Participant should note that his or her country may have enacted data privacy laws that are different from the***
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United States. The Corporation's legal basis for the transfer of the Participant's personal data is the Participant's consent.

- (iv) Data Retention. The Corporation will use the Participant's personal data only as long as is necessary to implement, administer and manage his or her participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and security laws. When the Corporation no longer needs the Participant's personal data, the Corporation will remove it from its systems. If the Corporation keeps data longer, it would be to satisfy legal or regulatory obligations and the Corporation's legal basis would be relevant laws or regulations.**
- (v) Voluntariness and Consequences of Consent Denial or Withdrawal. The Participant's participation in the Plan and the Participant's grant of consent is purely voluntary. The Participant may deny or withdraw his or her consent at any time. If the Participant does not consent, or if he or she withdraws their consent, the Participant cannot participate in the Plan. This would not affect the Participant's salary as an employee; the Participant would merely forfeit the opportunities associated with the Plan.**
- (vi) Data Subject Rights. The Participant has a number of rights under data privacy laws in his or her country. Depending on where the Participant is based, the Participant's rights may include the right to (i) request access or copies of personal data the Corporation processes, (ii) rectification of incorrect data, (iii) deletion of data, (iv) restrictions on processing, (v) portability of data, (vi) to lodge complaints with competent authorities in the Participant's country, and/or (vii) a list with the names and addresses of any potential recipients of the Participant's personal data. To receive clarification regarding the Participant's rights or to exercise the rights please contact the Corporation at Attn: Long-term Incentive Plan Administration at Kimberly Clark, 351 Phelps Drive Irving, TX 75038, USA.**

The Participant also understands that the Corporation may rely on a different legal basis for the processing or transfer of data in the future and/or request that the Participant provides another data privacy consent. If applicable and upon request of the Corporation, the Participant agrees to provide an executed acknowledgment or data privacy consent form to the Corporation or the Employer (or any other acknowledgments, agreements or consents) that the Corporation and/or the Employer may deem necessary to obtain under the data privacy laws in the Participant's country, either now or in the future. The Participant understands that he or she will not be able to participate in the Plan if the Participant fails to execute any such acknowledgment, agreement or consent requested by the Corporation and/or the Employer.

If the Participant agrees with the data processing practices described in this notice, the Participant will declare his or her consent by clicking the "Accept" icon on the Merrill Lynch website.

The Participant understands that he or she is solely responsible for obtaining/providing whatever exchange control approvals, permits, licenses or notices, which may be necessary for the Award, to acquire the shares or to hold or sell the shares subject to the 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 the Participant may incur for failure to obtain any required approvals, permits or licenses or to make any required notices.

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 Appendix A, in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement, including 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 Tax-Related Items; 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 sections of both the Award Agreement and Appendix A for the Participant's country.

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.

The Participant acknowledges that he or she is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Participant to understand the terms and conditions of this Award Agreement. Furthermore, if the Participant has 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 the Participant's country. Moreover, if the Participant relocates to one of the countries included in Appendix A, the special terms and conditions

for such country will apply to the Participant, 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: The Participant acknowledges 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 the Participant's 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 the Participant 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. The Participant hereby consents 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 the Participant or any other participant.

The Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, which may affect the Participant's ability to, directly or indirectly, accept, acquire, sell, or attempt to sell or otherwise dispose of shares of Common Stock or rights to shares of Common Stock (e.g., PRSUs), or rights linked to the value of shares of Common Stock during such times as the Participant is considered to have "inside information" regarding the Corporation (as defined by the laws in the applicable jurisdictions or the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before possessing inside information. Furthermore, the Participant may be prohibited from (i) disclosing the inside information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. 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. The Participant is responsible for ensuring his or her compliance with any applicable restrictions and is advised to speak with his or her personal legal advisor on this matter.

The Participant's country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect the Participant's 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 the

Participant's country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to his or her country through a designated bank or broker within a certain time after receipt. The Participant acknowledges that it is his or her responsibility to be compliant with such regulations, and that the Participant should consult his or her personal legal advisor for any details.

The Participant acknowledges that he or she has reviewed the Corporation's Code of Conduct. The Participant further acknowledges that he or she understands 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 acknowledges that he or she has an obligation to report suspected violations of the Code of Conduct pursuant to the Corporation's Escalation Policy.

Conclusion and Acceptance

The Participant accepts this grant via electronic signature by clicking the "Accept" icon and certifies that he or she has read, understands and agrees to the terms and conditions of the 2011 Equity Participation Plan (the "Plan"), the provisions of the applicable Award Agreement and all other applicable documents (including any country-specific terms applicable to the Participant's grant). The Participant hereby authorizes 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 the Participant understands that such information shall be used only as long and to the extent necessary to administer the Participant's participation in the Plan. The Participant agrees that his or her participation in the Plan and the Awards granted to the Participant 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 January 2019. 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.

EUROPEAN ECONOMIC AREA

Data Protection

For Participants resident in a country in the European Economic Area, the following language replaces in its entirety the data privacy section in the Acknowledgment of Conditions section of the Award Agreement:

(a) ***The Participant is hereby notified of the collection, use and transfer outside of the European Economic Area, as described in the Award Agreement, in electronic or other form, of his or her Personal Data (defined below) by and among, as applicable, the Corporation***

and certain of its Affiliates for the exclusive and legitimate purpose of implementing, administering and managing the Participant's participation in the Plan.

(b) The Participant understands that the Corporation and the Employer hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Corporation, details of all entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Personal Data"), for the purpose of implementing, administering and managing the Plan.

(c) The Participant understands that providing the Corporation with this Personal Data is necessary for the performance of the Award Agreement and that the Participant's refusal to provide the Personal Data would make it impossible for the Corporation to perform its contractual obligations and may affect the Participant's ability to participate in the Plan. The Participant's Personal Data shall be accessible within the Corporation only by the persons specifically charged with Personal Data processing operations and by the persons that need to access the Personal Data because of their duties and position in relation to the performance of the Award Agreement.

(d) The Personal Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant may, at any time and without cost, contact Long-term Incentive Plan Administration at Kimberly Clark, 351 Phelps Drive Irving, TX 75038, USA to enforce his or her rights under the data protection laws in the Participant's country, which may include the right to (i) request access or copies of Personal Data subject to processing; (ii) request rectification of incorrect Personal Data; (iii) request deletion of Personal Data; (iv) request restriction on processing of Personal Data; (v) request portability of Personal Data; (vi) lodge complaints with competent authorities in the Participant's country; and/or (vii) request a list with the names and addresses of any potential recipients of Personal Data.

(e) The Corporation provides appropriate safeguards for protecting Personal Data that it receives in the U.S. through its adherence to data transfer agreements entered into between the Corporation and its Affiliates within the European Union.

(f) Further, the Participant understands that the Corporation will transfer Personal Data to Merrill Lynch and/or such other third parties as may be selected by the Corporation, which are assisting the Corporation with the implementation, administration and management of the Plan. The Corporation may select a different service provider or additional service providers and share Personal Data with such other provider(s) serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.

(g) ***Merrill Lynch is based in the United States. The Participant's country or jurisdiction may have different data privacy laws and protections than the United States. Notwithstanding, by participating in the Plan, the Participant agrees to the transfer of his or her Personal Data to Merrill Lynch for the exclusive purpose of administering the Participant's participation in the Plan. The Corporation's legal basis, where required, for the transfer of Data to Merrill Lynch is the Participant's consent.***

(h) ***Finally, the Participant may choose to opt out of allowing the Corporation to share his or her Personal Data with Merrill Lynch and others as described above, although execution of such choice may mean the Corporation cannot grant awards under the Plan to the Participant. For questions about this choice or to make this choice, the Participant should contact Long-term Incentive Plan Administration at Kimberly Clark, 351 Phelps Drive Irving, TX 75038, USA.***

ARGENTINA

Securities Law Information

The offering of the PRSUs pursuant to this Award Agreement is a private transaction. Neither the PRSUs nor the shares of Common Stock subject to the PRSUs are publicly offered or listed on any stock exchange in Argentina.

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

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. 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 on such shares.

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.

Tax Information

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to conditions in the Act).

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. If there is no Australian bank involved in the transaction, the Participant will be required to file the report him or herself.

Securities Law Information

If the Participant acquires shares of Common Stock under the Plan and offers such shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. The Participant should obtain legal advice on disclosure obligations prior to making any such offer.

BAHRAIN

Securities Law Information

The Award Agreement, Plan and all other materials the Participant may receive regarding participation in the Plan do not constitute advertising or the offering of securities in Bahrain, nor do they constitute an allotment of securities in Bahrain. Any shares of Common Stock issued upon settlement of the PRSUs will be deposited into a Corporation-designated brokerage account outside Bahrain. In no event will shares of Common Stock be issued or delivered in Bahrain. The issuance of shares of Common Stock pursuant to the PRSUs described herein has not and will not be registered in Bahrain and, hence, the shares of Common Stock described herein may not be admitted or used for offering, placement or public circulation in Bahrain. Accordingly, the Participant may not make any public advertising or announcements regarding the PRSUs or shares of Common Stock in Bahrain, promote these shares of Common Stock to legal entities or individuals in Bahrain, or sell shares of Common Stock directly to other legal entities or individuals in Bahrain. Any disposition or sale of such shares of Common Stock must take place outside Bahrain.

BELGIUM

Foreign Asset/Account 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 (e.g., any brokerage account opened in connection with the Plan) 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.

Stock Exchange Tax

From January 1, 2017, a stock exchange tax applies to transactions executed through a non-Belgian financial intermediary. The stock exchange tax likely will apply when shares of Common Stock are sold.

The Participant should consult with his or her personal tax advisor to determine his or her obligations with respect to the stock exchange tax.

Brokerage Account Tax

A brokerage account tax may apply if the average annual value of the securities the Participant holds (including shares of Common Stock acquired under the Plan) in a brokerage or other securities account exceeds certain thresholds. The Participant should consult with his or her personal tax advisor for details regarding any obligations with respect to the brokerage account tax.

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 Tax-Related Items 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 Acknowledgment

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

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 Acknowledgment of Conditions section of the Award Agreement:

Except as may otherwise be explicitly provided in the Plan or this Award Agreement, for the purposes of this Award Agreement, the Participant's termination of employment will be measured effective as of the date that is the earlier of: (1) the date the Participant's employment is terminated, (2) the date the Participant receives notice of termination of employment or service from the Employer, or (3) the date the Participant is 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 the Participant is no longer actively employed or providing services for purposes of the Award (including whether the Participant may still be considered employed while on a leave of absence).

Foreign Asset/Account Reporting Information

Foreign specified 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 specified property exceeds C\$100,000 at any time during the year. Foreign specified 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 Commission for the Financial Market ("CMF"). This offer refers to securities not registered at the securities registry or at the foreign securities registry of the CMF, 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 Comisión para el Mercado Financiero ("CMF"). Esta oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la CMF, 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.

Foreign Asset/Account Reporting Information

The Chilean Internal Revenue Service (the "CIRS") requires all taxpayers to provide information annually regarding (i) the results of investments held abroad and (ii) any taxes paid abroad which the taxpayers will use as a credit against Chilean income tax. The sworn statements disclosing this information (or Formularios) must be submitted electronically through the CIRS website, www.sii.cl, using Form 1929, which is due on June 30 each year.

CHINA

The following provisions apply only to Participants 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 Participant's Employer, Corporation any other Affiliate to which the Participant provides service must be registered with SAFE prior to settlement of the PRSUs. If the Corporation is unable to obtain registration approval or is required to obtain further approvals on behalf of the Employer, Corporation or any other Affiliate, the vesting or settlement of the PRSUs may be suspended or delayed. Further, the Corporation

is under no obligation to vest the PRSUs and/or issue shares of Common Stock if the Corporation's SAFE approval becomes invalid or ceases to be in effect by the time the Participant vests in the PRSUs.

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 Participant 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 Participant's termination of employment. The Participant agrees that if he or she continues to hold any of such shares of Common Stock after this time, the shares of Common Stock may be sold by the Corporation's designated broker on the Participant's behalf at the instruction of the Corporation. Therefore, by accepting the Awards, the Participant 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 Participant's behalf pursuant to this authorization) and that the Participant expressly authorizes the Corporation's designated broker to complete the sale of such shares of Common Stock. The Participant 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 Participant pursuant to the procedures described in the "Exchange Control Information" section below.

Exchange Control Information

Shares of Common Stock issued to the Participant 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 Participant may be required to sell any shares of Common Stock obtained under the Plan if the Corporation determines that the application of such condition is necessary or advisable for China SAFE exchange control, legal or other administrative reasons.

The Participant understands and agrees that, to facilitate compliance with exchange control requirements, the Participant 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 Participant 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 Participant 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 Participant. The Corporation may deliver the proceeds to the Participant in U.S. dollars or local currency at the Corporation's discretion. If the proceeds are paid in U.S. dollars, the Participant 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 Participant. The Participant 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 Participant through the special exchange control account.

The Participant 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". 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", 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.

Exchange Control Information

The Participant is responsible for complying with any and all Colombian foreign exchange restrictions, approvals and reporting requirements in connection with the PRSUs or any funds received under the Plan. This may include reporting obligations to the Central Bank (*Banco de la República*). The Participant should consult with his or her legal advisor regarding any obligations in connection with this reporting requirement.

The Participant may be required to sell any shares of Common Stock obtained under the Plan if the Corporation determines that the application of such condition is necessary or advisable for exchange control, legal or other administrative reasons. If shares of Common Stock are sold immediately upon receipt, no registration is required because no shares of Common Stock are held abroad. The Participant should consult with his or her personal legal advisor to ensure compliance with the applicable requirements.

Acknowledgment of Conditions

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

The Participant acknowledges that pursuant to Article 128 of the Colombian Labor Code, the Plan and related benefits do not constitute a component of the Participant's "salary" for any legal purpose. To this extent, they will not be included for purposes of calculating any labor benefits, such as legal/fringe benefits, vacation, indemnities, payroll taxes, social insurance contributions and/or any other labor-related amount.

COSTA RICA

There are no country-specific provisions.

CROATIA

Exchange Control Information

The Participant may be required to report any foreign investments (including any shares of Common Stock) to the Croatian National Bank for statistical purposes. However, because exchange control regulations may change without notice, the Participant should consult with his or her legal advisor to ensure compliance with current regulations. It is the Participant's responsibility to comply with Croatian exchange control laws.

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 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 their annual tax returns, including any accounts that were closed during the year. 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) and is available in both German and English. The Participant is responsible for satisfying the reporting obligation.

Foreign Asset/Account Reporting Information

German residents holding shares of Common Stock exceeding 1% of the Corporation's total Common Stock, must notify their local tax office of the acquisition of Common Stock if the acquisition costs for all Common Stock held exceeds €150,000 or if the resident holds 10% or more in the Corporation's total Common Stock.

GUATEMALA

Language Waiver

By participating in the Plan, the Participant acknowledges that he or she is proficient in reading and understanding English and fully understands the terms of the Plan, the Award Agreement and this Appendix A.

HONDURAS

There are no country-specific provisions.

HONG KONG

Securities Law Warning

The offer of this Award and the shares of Common Stock subject to this Award do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Corporation or its

Affiliates participating in the Plan. The Participant should be aware that the 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 Award 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.

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. The Corporation reserves the right to settle the Awards in shares of Common Stock to the extent the Corporation determines it is necessary or advisable for legal or administrative reasons.

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 Securities Law, 1968.

Broker Designation

Shares of Common Stock issued to the Participant 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.

Restricted from Online Brokerage Transactions

The Participant acknowledges and agrees that he or she will be restricted from online brokerage account transactions the Corporation's designated broker. Therefore, by accepting the Awards, the Participant understands and agrees that the Participant will call the Corporation's designated broker to initiate any sale or transfer of any shares of Common Stock issued to him or her upon vesting of the Awards. The Participant 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.

ITALY

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.

Foreign Asset Tax Information

The value of financial assets held outside of Italy (including shares of Common Stock) by Italian residents is subject to a foreign asset tax. The taxable amount will be the fair market value of the financial assets (e.g., shares of Common Stock acquired under the Plan) assessed at the end of the calendar year.

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 held 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

Tax Registration Notification

Under Tax Procedure Act, 2015, the Participant is required to complete and submit a tax registration application to the Commissioner of Income Tax with 30 days of first vesting of the PRSUs. The registration should be completed through the online portal "I TAX" and is a one-time only registration. The Participant is solely responsible for ensuring compliance with all registration requirements in Kenya.

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. The Corporation reserves the right to settle the Awards in shares of Common Stock to the extent the Corporation determines it is necessary or advisable for legal or administrative reasons.

MALAYSIA

Data Privacy Notice

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

The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Award Agreement by and among, as applicable, the Participant's Employer, the Corporation, and its other Affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Corporation and the Participant's Employer may hold certain personal information about the Participant, including, but not limited to, the Participant's 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 the Participant's favor ("Data"), for the purpose of implementing, administering and managing the Plan.

The Participant understands 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. The Participant understands 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 the Participant's country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative Frieda.Koh@kcc.com at telephone number 603 78068231. The Participant authorizes 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 the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that he or she 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 his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or later seeks to revoke his or her consent, the Participant's employment status or service and career with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Corporation would not be able to grant the Participant PRSUs or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

Malaysian Translation:

Peserta dengan ini secara eksplisit dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi Peserta 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 peserta dalam Pelan.

Peserta memahami bahawa Syarikat dan Majikan mungkin memegang maklumat peribadi tertentu tentang Peserta , termasuk, tetapi tidak terhad kepada, nama Peserta , 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 Peserta ("Data"), untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan.

Peserta 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. Peserta memahami bahawa penerima a-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 Peserta . Peserta memahami bahawa Peserta boleh meminta satu senarai yang mengandungi nama dan alamat penerima-penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan Peserta Frieda.Koh@kcc.com, T: 603 78068231. Peserta 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 Peserta dalam Pelan. Peserta memahami bahawa Data hanya akan disimpan untuk tempoh yang perlu bagi melaksanakan, mentadbir, dan menguruskan penyertaan Peserta dalam Pelan. Peserta memahami bahawa Peserta 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 Peserta . Peserta selanjutnya memahami bahawa Peserta memberi persetujuan ini secara sukarela. Sekiranya Peserta tidak bersetuju, atau kemudian membatalkan persetujuan Peserta , status pekerjaan atau perkhidmatan dan kerjaya Peserta dengan Majikan tidak akan terjejas; satunya akibat jika Peserta tidak bersetuju atau menarik balik persetujuan Peserta adalah bahawa Syarikat tidak akan dapat menganugerahkan kepada PRSUs atau anugerah ekuiti lain atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, Peserta memahami bahawa keengganan atau penarikan balik persetujuan Peserta boleh menjejaskan keupayaan Peserta untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keengganan

Peserta untuk memberikan keizinan atau penarikan balik keizinan, Peserta boleh menghubungi wakil sumber manusia tempatan .

Director Notification Obligation

If the Participant is a director of the Corporation's Malaysian Affiliate, the Participant is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when the Participant receives or disposes of an interest (e.g., an Award or shares) in the Corporation or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Corporation or any related company.

MEXICO

Modification

By accepting the Award, the Participant understands and agrees that any modification of the Plan or the Award Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Acknowledgment of the Grant

In accepting the Award, the Participant acknowledges that the Participant has received a copy of the Plan and the Award Agreement, including this Appendix A, has reviewed the Plan and the Award Agreement, including this Appendix A, in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement, including this Appendix A. The Participant further acknowledges that the Participant has read and specifically and expressly approves the Acknowledgment 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.

MOROCCO

Awards Payable in Cash Only

Notwithstanding anything in the Award Agreement, Awards granted to Participants in Morocco 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. The Corporation reserves the right to settle the

Awards in shares of Common Stock to the extent the Corporation determines it is necessary or advisable for legal or administrative reasons.

NETHERLANDS

There are no country-specific provisions.

NEW ZEALAND

Securities Law Information

The Participant is being offered PRSUs which, if vested, will entitle the Participant to acquire shares of Common Stock in accordance with the terms of the Award Agreement and the Plan. The shares of Common Stock, if issued, will give the Participant a stake in the ownership of the Corporation. The Participant may receive a return if dividends are paid.

If the Corporation runs into financial difficulties and is wound up, the Participant will be paid only after all creditors and holders of preference shares (if any) have been paid. The Participant may lose some or all of the Participant's investment, if any.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision. The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, the Participant may not be given all the information usually required. The Participant will also have fewer other legal protections for this investment. The Participant is advised to ask questions, read all documents carefully, and seek independent financial advice before committing.

The shares of Common Stock are quoted on the New York Stock Exchange ("NYSE"). This means that if the Participant acquires shares of Common Stock under the Plan, the Participant may be able to sell the shares of Common Stock on the NYSE if there are interested buyers. The Participant may get less than the Participant invested. The price will depend on the demand for the shares of Common Stock.

For information on risk factors impacting the Corporation's business that may affect the value of the shares of Common Stock, the Participant should refer to the risk factors discussion on the Corporation's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Corporation's "Investor Relations" website at <http://investor.kimberly-clark.com/index.cfm>.

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. For more information concerning the offer, please refer to the Plan, the Award Agreement and any other materials or documentation made available by the Corporation. For more information regarding the Corporation, please refer to the Corporation's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available at www.sec.gov, as well as the Corporation's "Investor Relations" website at: <http://investor.kimberly-clark.com/>

Labor Law Acknowledgment

By accepting the Award, the Participant acknowledges that the PRSUs are being granted *ex gratia* with the purpose of rewarding the Participant.

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 the shares of Common Stock 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. The Corporation reserves the right to settle the Awards in shares of Common Stock to the extent the Corporation determines it is necessary or advisable for legal or administrative reasons.

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.

POLAND

Foreign Asset/Account Reporting Information

Polish residents holding foreign securities (e.g., shares of Common Stock) and/or maintaining accounts abroad must report information to the National Bank of Poland on transactions and

balances of the securities and cash deposited in such accounts if the value of such securities

and cash (when combined with all other assets possessed abroad) exceeds PLN 7 million. If

required, the reports must be filed on a quarterly basis on special forms that are available on

the website of the National Bank of Poland. Polish residents should consult with their

personal tax advisor to determine their personal reporting obligations.

Exchange Control Information

If a Polish resident transfers funds in excess of €15,000 into Poland, the funds must be transferred via a Polish bank account or financial institution. Polish residents are required to retain the documents connected with a foreign exchange transaction for a period of five years, as measured from the end of the tax year in which such transaction occurred.

PORTUGAL

Language Consent

The Participant hereby declares that the Participant has full knowledge of the English language and has read, understood and fully accepted and agreed with the terms and conditions established in the Plan and Award Agreement.

Por meio do presente, eu declaro expressamente que tem pleno conhecimento da língua

inglesa e que li, compreendi e livremente aceitei e concordei com os termos e condições estabelecidas no Plano e no Acordo.

Exchange Control Information

If the Participant receives shares of Common Stock, the acquisition of shares of Common Stock should be reported to the *Banco de Portugal* for statistical purposes. If the shares of Common Stock are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on the Participant's behalf. If the shares of Common Stock are not deposited with a commercial bank or financial intermediary in Portugal, the Participant is responsible for submitting the report to the *Banco de Portugal*.

PUERTO RICO

There are no country-specific provisions.

RUSSIA

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

The Participant should contact his or her personal advisor regarding the obligations resulting from participation in the Plan as significant penalties may apply in the case of non-compliance with exchange control requirements 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 Acknowledgment 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 Corporation). 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

Sale Restriction

The Participant agrees that any shares of Common Stock acquired pursuant to the PRSUs will not be offered for sale in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA").

Securities Law Information

The grant of the PRSUs is being made pursuant to the "Qualifying Person" exemption" under section 273(1)(f) of the SFA under which it is exempt from the prospectus and registration requirements and is

not made with a view to the underlying shares of Common Stock being subsequently offered for sale to any other party. The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore.

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 15th day of the respective calendar month, as well as on a quarterly basis by the 15th 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.

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=>
- 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.mybenefits.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.

Labor Law Acknowledgment

By accepting the Award, the Participant acknowledges that he or she understands and agrees to participation in the Plan and that he or she has received a copy of the Plan.

The Participant understands that the Corporation has unilaterally, gratuitously and discretionally decided to grant Awards under the Plan to individuals who may be employees of the Corporation or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Corporation or any of its Affiliates on an ongoing basis. Consequently, the Participant understands that any grant is given on the assumption and condition that it shall not become a part of any employment contract (either with the Corporation or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, the Participant understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from any gratuitous and discretionary grant since the future value of the Award and the underlying shares is unknown and unpredictable. In addition, the Participant understands that this grant would not be made but for the assumptions and conditions referred to above; thus, the Participant understands, acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the Award shall be null and void.

Further, the Participant understands that the Award is a conditional right. Participant shall forfeit any unvested Award upon termination of employment unless such termination is (i) due to a Qualified Termination of Employment, or (ii) if more than six months after the Grant Date, due to death, Total and Permanent Disability, or the shutdown or divestiture of a business unit. 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

Data Privacy

The following provision supplements the data privacy section in the Acknowledgment of Conditions section of the Award Agreement:

The Participant acknowledges that he or she has read and understands the terms regarding collection, processing and transfer of data contained in the Acknowledgment of Conditions section of the Award Agreement and, by participating in the Plan the Participant agrees to such terms. In this regard, upon request of the Corporation or the Employer, the Participant agrees to provide any executed data privacy consent form to the Employer or the Corporation (or any other agreements or consents that may be required by the Employer or the Corporation) that the Corporation and/or the Employer may deem necessary to obtain under the data privacy laws now or in the future. The Participant understands that he or she will not be able to participate in the Plan if the Participant fails to execute any such consent or agreement.

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.

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. The Corporation reserves the right to settle the Awards in shares of Common Stock to the extent the Corporation determines it is necessary or advisable for legal or administrative reasons.

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:

Without limitation to the information regarding Tax-Related Items in the Award Agreement, the Participant agrees that he or she is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Corporation or, if different, the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Participant agrees to indemnify and keep indemnified the Corporation and/or the Employer for all Tax-Related Items that they are required to pay, or withhold or have paid or will pay to HMRC on the Participant's behalf (or any other tax authority or any other relevant authority) and authorizes the Corporation and/or the Employer to recover such amounts by any of the means referred to in the Acknowledgment 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 Participant understands that he or she may not be able to indemnify the Corporation for the amount of any Tax-Related Items not collected from or paid by the Participant, if the indemnification could be considered to be a loan. In this case, the Tax-Related Items not collected or paid may constitute a benefit to the Participant on which additional income tax and National Insurance contributions ("NICs") 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 paying to the Corporation or the Employer (as appropriate) the amount of any NICs due on this additional benefit which the Corporation and/or the Employer may also recover from the Participant at any time thereafter by any of the means referred to in the Acknowledgment 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. The Corporation reserves the right to settle the Awards in shares of Common Stock to the extent the Corporation determines it is necessary or advisable for legal or administrative reasons.

Appendix A-1

Performance Goal for Kimberly-Clark Corporation

Performance Restricted Stock Unit Awards Granted in 2019

50% of the Performance Goal will be based on attainment of Three Year Average ROIC performance set forth below for the Performance Period, and 50% of the Performance Goal will be based on attainment of the Three Year Average Net Sales growth set forth below for the Performance Period.

Payout as a Percentage of Target

Weight	Measure	0%	100%	200%
50%	Net Sales	(2.12%)	0.53%	3.18%
50%	ROIC	23.73%	25.23%	26.73%

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, 2019 through December 31, 2021.

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.

**1ST AMENDMENT TO
KIMBERLY-CLARK CORPORATION
2011 EQUITY PARTICIPATION PLAN
(Amended and restated effective April 21, 2011)**

Effective as of February 12, 2020

WHEREAS, Kimberly-Clark Corporation (the "Corporation") previously adopted the Kimberly-Clark Corporation 2011 Equity Participation Plan (the "Plan") as its broad-based equity participation plan intended to aid in attracting and retaining highly qualified personnel and to encourage those employees who materially contribute, by managerial, scientific or other innovative means to the success of the Corporation or an Affiliate (as those terms are defined in the Plan), to acquire an ownership interest in the Corporation, thereby increasing their motivation for and interest in the Corporation's or Affiliates' long-term success;

WHEREAS, the Management Development and Compensation Committee of the Board (the "Committee") determined that it is advisable and in the best interests of the Corporation and its stockholders to amend the Plan as proposed and presented to the Committee at its meeting on February 12, 2020; and

WHEREAS, the Plan provides that Committee may at any time amend the Plan in certain circumstances and such terms of the proposed amendment were reviewed and approved by the Committee to be effective as of February 12, 2020.

WHEREBY, Section 13 of the Plan has been amended by the Committee in its entirety to read as follows:

13. VESTING

No Award denominated in shares of Common Stock that is granted on or after February 12, 2020 may vest in less than one year from its date of grant. Notwithstanding the foregoing, (a) Awards with respect to up to 5% of the available shares of Common Stock authorized for issuance under the Plan as of February 12, 2020 may vest (in full or in part) in less than one year from their date of grant; and (b) nothing in this Section 13 shall limit the Corporation's ability to grant Awards that contain rights to accelerated vesting on a termination of employment or limit any rights to accelerated vesting in connection with a shutdown or divestiture of all or a portion of the Corporation's or its Affiliate's business or following a Change of Control of the Corporation and shall not limit the changes in capitalization provisions of Section 17.

WHEREBY, all other provisions of the Plan shall remain in full force and effect, except to the extent modified by the foregoing.

KIMBERLY-CLARK CORPORATION
CONSOLIDATED SUBSIDIARIES

Abdelia Comercial Ltda., Brazil
Bacraft Industria de Papel Ltda., Brazil
Badgers LLC, Delaware
Badgers II LLC, Delaware
Beco, Inc., Wisconsin
Colombiana Kimberly Colpapel S.A., Colombia
Delaware Overseas Finance, Inc., Wisconsin
Durafab, LLC, Wisconsin
Excell Paper Sales Company, Pennsylvania
Gerincomfort Industria e Comercio de Productos Higienicos Ltda., Brazil
Hoosiers LLC, Delaware
Hoosiers II LLC, Delaware
Housing Horizons, LLC, Texas
I-Flow, LLC, Delaware
Jackson Products, Inc., Wisconsin
K-C Advertising, Inc., Wisconsin
K-C AFC Manufacturing, S. de R.L. de C. V., Mexico
K-C Antioquia Global Ltda., Colombia
K-C Equipment Finance LP, United Kingdom
K-C Guernsey I Limited, Isle of Guernsey
K-C Guernsey II Limited, Isle of Guernsey
K-C Nevada, Inc., Nevada
K.C.S.A. Holdings (Pty) Limited, South Africa
Kalayaan Land Corporation, Philippines
KCA Super Pty Limited, Australia
KCSSA East Africa Limited, Kenya
KCSSA West Africa Limited, Nigeria
Kimberly Bolivia S.A., Bolivia
Kimberly Clark MEA DMCC, Dubai
Kimberly-Clark (China) Company Ltd, China
Kimberly-Clark (Cyprus) Limited, Cyprus
Kimberly-Clark (Hong Kong) Limited, Hong Kong
Kimberly-Clark (Nanjing) Care Products Co. Ltd., China
Kimberly-Clark (Nanjing) Personal Hygienic Products Company Limited, China
Kimberly-Clark (Tianjin) Care Products Co., Ltd., China
Kimberly-Clark (Trinidad) Ltd., Trinidad & Tobago
Kimberly-Clark (Wuxi) Equipment Technology Co., Ltd., China
Kimberly-Clark Amsterdam Holdings, B.V., Netherlands
Kimberly-Clark Argentina S.A., Argentina

Kimberly-Clark Asia Holdings Pte. Ltd, Singapore
Kimberly-Clark Asia Pacific Headquarters Pte Ltd, Singapore
Kimberly-Clark Asia Pacific Pte. Ltd, Singapore
Kimberly-Clark Atlantic Holding Limited, United Kingdom
Kimberly-Clark Australia Holdings Pty Limited, Australia
Kimberly-Clark Australia Pty. Limited, Australia
Kimberly-Clark B.V., Netherlands
Kimberly-Clark BVBA, Belgium
Kimberly-Clark Bahrain Holding Company S.P.C., Bahrain
Kimberly-Clark Brasil Holdings Limitada, Brazil
Kimberly-Clark Brasil Industria e Comercio de Produtos de Higiene Ltda, Brazil
Kimberly-Clark Brazil Holdings, LLC, Delaware
Kimberly-Clark Canada Holdings ULC, Canada
Kimberly-Clark Canada International Holdings Inc., Canada
Kimberly-Clark Cayman Islands Company, Cayman Islands
* Kimberly-Clark Central American Holdings, S.A., Panama
Kimberly-Clark Centro de Inovacao, Brazil
Kimberly-Clark Chile S.A., Chile
Kimberly-Clark Colombia Holding Limitada, Colombia
Kimberly-Clark Commercial, Inc., Wisconsin
* Kimberly-Clark Costa Rica Limitada, Costa Rica
* Kimberly-Clark de Centro America, Limitada de Capital Variable, El Salvador
* Kimberly-Clark de Honduras, S.de R.L. de C.V., Honduras
Kimberly-Clark Dominican Republic S.A., Dominican Republic
Kimberly-Clark Dominicana, S.A., Dominican Republic
Kimberly-Clark Dutch Holdings B.V., Netherlands
Kimberly-Clark Ecuador S.A., Ecuador
Kimberly-Clark Ede Holdings B.V., Netherlands
Kimberly-Clark EMEA GBS Services Spolka Z Ograniczona Odpowiedzialnoscia, Poland
Kimberly-Clark EMEA Holdings Ltd., United Kingdom
Kimberly-Clark Europe Limited, United Kingdom
Kimberly-Clark European Investment B.V., Netherlands
Kimberly-Clark European Services Limited, United Kingdom
Kimberly-Clark Finance Limited, United Kingdom
Kimberly-Clark Financial Services, Inc., Tennessee
Kimberly-Clark Germany Holding GmbH, [Germany](#)
Kimberly-Clark Global Sales, LLC, Wisconsin
Kimberly-Clark GmbH, Austria
Kimberly-Clark GmbH, Germany
Kimberly-Clark GmbH, Switzerland
* Kimberly-Clark Guatemala, Limitada, Guatemala
Kimberly-Clark Hellas EPE, Greece
Kimberly-Clark Holding Limited, United Kingdom
Kimberly-Clark Holding srl, Italy
Kimberly-Clark Holland Holdings B.V., Netherlands
Kimberly-Clark Hygiene Products Private Limited, India

Kimberly-Clark Inc., Canada
Kimberly-Clark India Private Limited, India
Kimberly-Clark Innovation Center, Brazil
Kimberly-Clark Integrated Services Corporation, Wisconsin
Kimberly-Clark Intercontinental Holding Ltd., United Kingdom
Kimberly-Clark International Holding Limited, United Kingdom
Kimberly-Clark International, S.A., Panama
Kimberly-Clark International Services Corporation, Wisconsin
Kimberly-Clark Israel Ltd, Israel
Kimberly-Clark Israel Marketing Ltd., Israel
Kimberly-Clark Japan Godo Kaisha, Japan
Kimberly-Clark Kazakhstan Limited Liability Partnership, Kazakhstan
Kimberly-Clark Latin America Investments, Inc., Wisconsin
Kimberly-Clark Latin America, Inc., Wisconsin
Kimberly-Clark LDA, Portugal
Kimberly-Clark Limited, United Kingdom
Kimberly-Clark Luxembourg Finance S.à r.l., Luxembourg
Kimberly-Clark Luxembourg Financial Holdings S.a.r.l., Luxembourg
Kimberly-Clark Luxembourg Holdings S.à r.l., Luxembourg
Kimberly-Clark Luxembourg International S.a.r.L., Luxembourg
Kimberly-Clark Luxembourg S.à r.l., Luxembourg
Kimberly-Clark Maghreb SARL, Morocco
Kimberly-Clark Magyarorszag Kft., Hungary
Kimberly-Clark Manufacturing (Thailand) Limited, Thailand
Kimberly-Clark Mediterranean Finance Company Ltd., Malta
Kimberly-Clark Netherlands Holdings B.V., Netherlands
* Kimberly-Clark Nicaragua & Compania Limitada, Nicaragua
* Kimberly-Clark Nicaragua Services & Compania Limitada, Nicaragua
Kimberly-Clark Noordzee Coöperatief U.A., Netherlands
Kimberly-Clark North Asia (HK) Limited, Hong Kong
Kimberly-Clark of South Africa (Pty) Ltd., South Africa
Kimberly-Clark Pacific Finance Company, Cayman Islands
Kimberly-Clark Pacific Holdings Pty Limited, Australia
Kimberly-Clark Paper (Shanghai) Co. Ltd, China
Kimberly-Clark Paraguay, S.A., Paraguay
Kimberly-Clark Patriot Holdings, Inc., Cayman Islands
Kimberly-Clark Pennsylvania, LLC, Wisconsin
Kimberly-Clark Pension Trusts Ltd., United Kingdom
Kimberly-Clark Personal Hygienic Products Co. Ltd., Beijing, China
Kimberly-Clark Peru S.R.L., Peru
Kimberly-Clark Philippines Inc., Philippines
Kimberly-Clark Polska Sp. Z.o.o., Poland
Kimberly-Clark Products (M) Sdn. Bhd., Malaysia
Kimberly-Clark Produtos Para Saude Limitada, Brazil
Kimberly-Clark Regional Services (M) Sdn. Bhd., Malaysia
Kimberly-Clark SAS, France

Kimberly-Clark S.L.U., Spain
Kimberly-Clark s.r.l., Italy
Kimberly-Clark s.r.o., Czech Republic
Kimberly-Clark Services Asia-Pacific Pty Limited, Australia
Kimberly-Clark Services, Inc., Wisconsin
Kimberly-Clark Singapore Intercontinental Pte. Ltd., Singapore
Kimberly-Clark Singapore Pte. Ltd., Singapore
Kimberly-Clark Southeast Asia Holdings Pte. Ltd., Singapore
Kimberly-Clark Southern Africa (Holdings) (Pty) Ltd., South Africa
Kimberly-Clark Taiwan, Cayman Islands
Kimberly-Clark Thailand Limited, Thailand
Kimberly-Clark Trading (M) Sdn. Bhd., Malaysia
* Kimberly-Clark Trading and Services Limitada, Costa Rica
Kimberly-Clark Trading Kft, Hungary
Kimberly-Clark Treasury Australia Pty Limited, Australia
Kimberly-Clark Tuketim Mallari Sanayi ve Ticaret A.S., Turkey
Kimberly-Clark Tulip Holdings, B.V., Netherlands
Kimberly-Clark U.K. Operations Limited, United Kingdom
Kimberly-Clark Uruguay S.A., Uruguay
Kimberly-Clark Utrecht Holdings B.V., Netherlands
Kimberly-Clark Ventures, LLC, Delaware
Kimberly-Clark Vietnam Holdings Pte. Ltd., Singapore
Kimberly-Clark Vietnam Ltd., Vietnam
Kimberly-Clark Worldwide Australia Holdings Pty. Limited, Australia
Kimberly-Clark Worldwide Taiwan Investment Limited, Taiwan
Kimberly-Clark Worldwide, Inc., Wisconsin
Kimberly-Clark Zimbabwe (Private) Limited, South Africa
KS & J Industria e Comercio Limitada, Brazil
Limited Liability Company Kimberly-Clark, Russia
Limited Liability Company with Foreign Investment 'Kimberly-Clark Ukraine', Ukraine
Mimo S.A., Argentina
Minnetonka Overseas Investments Limited, Cayman Islands
Nueva Arizona S.A., Argentina
Papeles del Cauca S.A., Colombia
* P.T. Kimberly-Clark Indonesia, Indonesia
Ridgeway Insurance Company Limited, Bermuda
Ropers II LLC, Delaware
SK Corporation, Taiwan
Taiwan Scott Paper Corporation, Taiwan
Technology Systems S.A., Argentina
Texans II LLC, Delaware
Three Rivers Timber Company, Washington
* VOID Technologies Limited, United Kingdom
* Yuhan-Kimberly Limited, South Korea

* Indicates a company that is not wholly owned directly or indirectly by the Corporation.

We have additional subsidiaries that, if considered in the aggregate as a single subsidiary, do not constitute a significant subsidiary.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 33-49050, 33-58402, 33-64689, 333-02607, 333-06996, 333-17367, 333-43647, 333-94139, 333-51922, 333-61010, 333-62358, 333-89314, 333-104099, 333-115347, 333-155380, 333-161986, 333-163891, 333-173725, 333-214818 and 333-233917 all on Form S-8 and No. 333-229547 on Form S-3 of our reports dated February 13, 2020, relating to the consolidated financial statements and financial statement schedule of Kimberly-Clark Corporation and subsidiaries (the "Corporation") and the effectiveness of the Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Corporation for the year ended December 31, 2019.

/s/ DELOITTE & TOUCHE LLP

Deloitte & Touche LLP

Dallas, Texas

February 7, 2019

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

/s/ Abelardo E. Bru

Abelardo E. Bru

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

/s/ Robert W. Dechard

Robert W. Dechard

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

/s/ Mae C. Jemison

Mae C. Jemison

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

/s/ Nancy J. Karch

Nancy J. Karch

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

/s/ S. Todd Maclin

S. Todd Maclin

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

/s/ Sherilyn S. McCoy

Sherilyn S. McCoy

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

/s/ Christa S. Quarles

Christa S. Quarles

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

/s/ Ian C. Read

Ian C. Read

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

/s/ Marc J. Shapiro

Marc J. Shapiro

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

/s/ Dunia A. Shive

Dunia A. Shive

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

/s/ Mark T. Smucker

Mark T. Smucker

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

/s/ Michael D. White

Michael D. White

CERTIFICATIONS

I, Michael D. Hsu, certify that:

1. I have reviewed this annual report on Form 10-K of Kimberly-Clark Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Michael D. Hsu

Michael D. Hsu
Chief Executive Officer

February 13, 2020

CERTIFICATIONS

I, Maria Henry, certify that:

1. I have reviewed this annual report on Form 10-K of Kimberly-Clark Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Maria Henry

Maria Henry
Chief Financial Officer

February 13, 2020

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

I, Michael D. Hsu, Chief Executive Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

- (1) the Form 10-K, filed with the Securities and Exchange Commission on February 13, 2020 (“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/ Michael D. Hsu

Michael D. Hsu

Chief Executive Officer

February 13, 2020

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-K, filed with the Securities and Exchange Commission on February 13, 2020 (“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

Maria Henry
Chief Financial Officer

February 13, 2020