KIMBERLY CLARK CORP
Form DEF 14A
March 11, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

Kimberly-Clark Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(1) Title of each class of securities to which transaction applies:

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Proxy Statement

For 2016 Annual Meeting of Stockholders

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March 11, 2016

Thomas J. Falk

Chairman of the Board and

Chief Executive Officer

FELLOW STOCKHOLDERS:

It is my pleasure to invite you to the Annual Meeting of Stockholders of Kimberly-Clark Corporation. The meeting will be held on Wednesday, May 4, 2016, at 9:00 a.m. at our World Headquarters, which is located at 351 Phelps Drive, Irving, Texas.

At the Annual Meeting, stockholders will be asked to elect eleven directors for a one-year term, ratify the selection of Kimberly-Clark s independent auditors, approve the compensation for our named executive officers, reapprove the performance goals under the Corporation s 2011 Equity Participation Plan, and approve the amended and restated 2011 Outside Directors Compensation Plan. These matters are fully described in the accompanying Notice of Annual Meeting and proxy statement.

Your vote is important. Regardless of whether you plan to attend the meeting, I urge you to vote your shares as soon as possible. You may vote using the proxy form by completing, signing, and dating it, then returning it by mail. Also, most of our stockholders can submit their vote by telephone or through the Internet. If telephone or Internet voting is available to you, instructions will be included on your proxy form. Additional information about voting your shares is included in the proxy statement.

Sincerely,

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Notice of Annual Meeting of Stockholders	The Annual Meeting of Stockholders of Kimberly-Clark Corporation will be held at our World Headquarters, which is located at 351 Phelps Drive, Irving, Texas, on Wednesday, May 4, 2016, at 9:00 a.m. for the following purposes:
TO BE HELD **MAY 4, 2016**	1. To elect as directors the eleven nominees named in the accompanying proxy statement;
AT OUR WORLD HEADQUARTERS **351 Phelps Drive**	2. To ratify the selection of Deloitte & Touche LLP as our independent auditors for 2016;
Irving, Texas	3. To approve the compensation for our named executive officers in an advisory vote;
	4. To reapprove the performance goals under the Corporation s 2011 Equity Participation Plan; and
	5. To approve the amended and restated 2011 Outside Directors Compensation Plan.
	Stockholders also will take action upon any other business that may properly come before the meeting.
	Stockholders of record at the close of business on March 7, 2016 are entitled to notice of and to vote at the meeting or any adjournments.
	It is important that your shares be represented at the meeting. I urge you to vote promptly by using the Internet or telephone or by signing, dating and returning your

proxy form.

The accompanying proxy statement also is being used to solicit voting instructions for shares of Kimberly-Clark common stock that are held by the trustees of our employee benefit and stock purchase plans for the benefit of the participants in the plans. It is important that participants in the plans indicate their preferences by using the Internet or telephone or by signing, dating and returning the voting instruction card, which is enclosed with the proxy statement, in the business reply envelope provided.

To attend in person, please register by following the instructions on page 11.

March 11, 2016 By Order of the Board of Directors.

Jeffrey P. Melucci

Vice President

Deputy General Counsel

and Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on May 4, 2016

The Proxy Statement and proxy card, as well as our Annual Report on

Form 10-K for the year ended December 31, 2015, are available at

http://www.kimberly-clark.com/investors.

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Proxy Summary

This section contains only selected information. Stockholders should

review the entire Proxy Statement before casting their votes.

Matters for Stockholder Voting

Proposal		Description	Board voting recommendation
1	Election of Directors	Election of 11 directors to serve for a one-year term	FOR all nominees
2	Ratification of auditors for the coming year	Approval of the Audit Committee s selection of Deloitte & Touche LLP as Kimberly-Clark s independent auditor for 2016	FOR
3	Say-on-pay	Advisory approval of our named executive officers compensation	FOR
4	Reapproval of performance goals under 2011 Equity Participation Plan	Reapproval of performance goals in order to meet requirements of Section 162(m) of the Internal Revenue Code for performance-based compensation	FOR
5	Approval of amended and restated 2011 Outside Directors Compensation Plan	Approval of amendment to add an annual limit on compensation that can be paid to an individual director	FOR

2015 Performance and Compensation Highlights

The Management Development and Compensation Committee of our Board concluded that Kimberly-Clark s management delivered financial performance in 2015 that was above-target from an overall perspective, as reflected in the financial metrics of our annual incentive program.

Performance Measures	2015 Results	2015 Target	*For details on how these measures are adjusted, see Compensation Discussion and Analysis Executive Compensation for 2015, 2015 Performance Goals, Performance Assessments and Payouts.*
Net sales	$18.59 billion	$19.00 billion	
Adjusted EPS	$5.76	$5.70	
Adjusted OPROS improvement	+120 bps	+90 bps	

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Based on this performance, the Committee approved annual cash incentives for 2015 slightly above the target amount, including an annual incentive payout for our Chief Executive Officer of 105 percent.

The chart at left shows the Total Shareholder Return for Kimberly-Clark, our Executive Compensation Peer Group (taken as a whole) and the S&P 500 for the previous five years. We believe this indicates that the execution of our global business plan and the oversight by our management and Board have been effective for the growth of Kimberly-Clark as well as for returning value to our stockholders.

Corporate Governance

In 2015, we took the following new governance actions:

- adopted a proxy access By-Law amendment

- adopted a formal stockholder engagement policy

- adopted a policy prohibiting hedging and pledging of our common stock by directors, executive officers and other designated employees, and added Michael D. White, former Chairman, President and Chief Executive Officer of DIRECTV, to our Board of Directors.

The Corporate Governance section beginning on page 12 describes our governance framework, which includes the following:

Our Corporate Governance Profile

Independent Lead Director	Stockholders have Right to Call Special Meetings
Independent Board Committees	Proxy Access Rights
Annual Board and Committee Evaluations	Stockholder Engagement Policy and Robust Outreach Program
Annually Elected Directors	Anti-Hedging and Pledging Policy
Independent Directors Meet Without Management Present	Stock Ownership Guidelines for Directors and Executive Officers
Robust Succession Planning and Risk Oversight	Codes of Conduct for Directors, Officers and Employees
Majority Voting in Director Elections	

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Our Board Nominees

Listed below are Kimberly-Clark s Board nominees. We believe they collectively possess the necessary experience and attributes to effectively guide our company and reflect the diversity of our global consumers.

Name Main Occupation	Committee Roles*	Independent	Experience Highlights
Thomas J. Falk Chairman of the Board and CEO Kimberly-Clark Corporation	EC		u Meets NYSE financial literacy requirements; background in accounting u Leadership experience as a CEO u Industry knowledge u International experience u Marketing, compensation, governance, and public company board experience
John F. Bergstrom Chairman and CEO Bergstrom Corporation	AC	ü	u Audit Committee Financial Expert u Leadership experience as a CEO

			u Provides diversity of background/viewpoint
			u Marketing, compensation, governance and public company board experience
Abelardo E. Bru	MDCC	ü	u Meets NYSE financial literacy requirements
Retired Vice Chairman	(Chair)		
Pepsico, Inc.	EC		u Leadership experience as a CEO
			u Industry knowledge
			u International experience
			u Provides diversity of background/viewpoint
			u Marketing, compensation, governance and public company board experience
Robert W. Decherd	AC	ü	u Audit Committee Financial Expert
Vice Chairman			
A.H. Belo Corporation			u Leadership experience as a CEO
			u Provides diversity of background/viewpoint
			u Marketing, compensation, governance and public company board experience
Fabian T. Garcia	MDCC	ü	u Meets NYSE financial literacy requirements
COO	NCGC		
Global Innovation and Growth,			u Leadership experience as a COO
Europe & Hill s Pet Nutrition,			
Colgate-Palmolive Company			u Industry knowledge

			u International experience u Provides diversity of background/viewpoint u Marketing, compensation and governance experience
Mae C. Jemison, M.D. President The Jemison Group	MDCC NCGC	ü	u Meets NYSE financial literacy requirements u Leadership experience with start-ups and non-profits u International experience u Provides diversity of background/viewpoint u Compensation, governance and public company board experience

* *AC* *Audit Committee*

* *EC* *Executive Committee*

* *MDCC* *Management Development and Compensation Committee*

* *NCGC* *Nominating and Corporate Governance Committee*

Our Board Nominees *(continued)*

Name Main Occupation	Committee Roles*	Independent	Experience Highlights
James M. Jenness Retired Chairman of the Board and CEO Kellogg Company	EC (Chair)	ü Independent Lead Director	u Meets NYSE financial literacy requirements u Leadership experience as a CEO u Industry knowledge u International experience u Marketing, compensation, governance and public company board experience
Nancy J. Karch Retired Director McKinsey & Co.	NCGC (Chair) EC	ü	u Meets NYSE financial literacy requirements; background in finance u Leadership experience as a Senior Executive u Industry knowledge

			u Provides diversity of background/viewpoint u Compensation, governance and public company board experience
Ian C. Read Chairman of the Board and CEO Pfizer, Inc.	AC (Chair) EC	ü	u Audit Committee Financial Expert u Leadership experience as a CEO u International experience u Provides diversity of background/viewpoint u Marketing, compensation, governance and public company board experience
Marc J. Shapiro Retired Vice Chairman, JPMorgan Chase & Co.	MDCC NCGC	ü	u Meets NYSE financial literacy requirements; background in banking/finance u Leadership experience as a CEO u Provides diversity of background/viewpoint u Compensation, governance and public company board experience
Michael D. White Former Chairman, President and Chief Executive Officer of DIRECTV	AC	ü	u Audit Committee Financial Expert u Leadership experience as a CEO u Provides diversity of background/viewpoint

- Marketing, compensation, governance and public company board experience
- Digital marketing and e-commerce experience

* *AC* *Audit Committee*

* *EC* *Executive Committee*

* *MDCC* *Management Development and Compensation Committee*

* *NCGC* *Nominating and Corporate Governance Committee*

Information About Our

Annual Meeting

On behalf of the Board of Directors of Kimberly-Clark Corporation, we are soliciting your proxy for use at the 2016 Annual Meeting of Stockholders, to be held on May 4, 2016, at 9:00 a.m. at our World Headquarters in Irving, Texas.

How We Provide Proxy Materials

We began providing our proxy statement and form of proxy to stockholders on March 11, 2016.

As Securities and Exchange Commission (SEC) rules permit, we are making our proxy statement and our annual report available to many of our stockholders via the Internet rather than by mail. This reduces printing and delivery costs and supports our sustainability efforts. You may have received in the mail a Notice of Electronic Availability explaining how to access this proxy statement and our annual report on the Internet and how to vote online. If you received this Notice but would like to receive a paper copy of the proxy materials, you should follow the instructions contained in the notice for requesting these materials.

Who May Vote

If you were a stockholder of record at the close of business on the record date of March 7, 2016, you are eligible to vote at the meeting. Each share that you own entitles you to one vote.

As of the record date, 360,669,790 shares of our common stock were outstanding.

How To Vote

You may vote in person by attending the meeting, by using the Internet or telephone, or (if you received printed proxy materials) by completing and returning a proxy form by mail. If telephone or Internet voting is available to you, see the instructions on the notice of electronic availability or the proxy form and have the notice or proxy form available when you access the Internet website or place your telephone call. To vote your proxy by mail, mark your vote on the proxy form, then follow the instructions on the card.

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

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Information About Our Annual Meeting How Abstentions will be Counted

The named proxies will vote your shares according to your directions. The voting results will be certified by independent Inspectors of Election.

If you sign and return your proxy form, or if you vote using the Internet or by telephone, but you do not specify how you want to vote your shares, the named proxies will vote your shares as follows:

FOR the election of directors named in this proxy statement

FOR ratification of the selection of our independent auditors

FOR approval of the compensation of our named executive officers

FOR reapproval of the performance goals under the 2011 Equity Participation Plan

FOR approval of the amended and restated 2011 Outside Directors   Compensation Plan

How To Revoke or Change

Your Vote

There are several ways to revoke or change your vote:

Mail a revised proxy form to the Corporate Secretary of Kimberly-Clark (the form must be received before the meeting starts). Use the following address: 351 Phelps Drive, Irving, TX 75038

Use the Internet voting website

Use the telephone voting procedures

Attend the meeting and vote in person

Votes Required

There must be a quorum to conduct business at the Annual Meeting, which is established by having a majority of the shares of our common stock present in person or represented by proxy.

Election of Directors. A director nominee will be elected if he or she receives a majority of the votes cast at the meeting in person or by proxy. If any nominee does not receive a majority of the votes cast, then that nominee will be subject to the Board s existing policy regarding resignations by directors who do not receive a majority of for votes.

Other Proposals or Matters. Approval requires the affirmative vote of a majority of shares that are present at the Annual Meeting in person or by proxy and are entitled to vote on the proposal or matter.

How Abstentions will be Counted

Election of Directors. Abstentions will have no impact on the outcome of the vote. They will not be counted for the purpose of determining the number of votes cast or as votes for or against a nominee.

Other Proposals. Abstentions will be counted:

as present in determining whether we have a quorum

in determining the total number of shares entitled to vote on a proposal as votes against a proposal

Effect of Not Instructing Your Broker

Routine Matters. If your shares are held through a broker and you do not instruct the broker on how to vote your shares, your broker may choose to leave your shares unvoted or to vote your shares on routine matters.   Proposal 2. Ratification of Auditors   is the only routine matter on the agenda at this year s Annual Meeting.

Non-Routine Matters. Without instructions, your broker cannot vote your shares on non-routine matters, resulting in what are known as   broker non-votes.   Broker non-votes will not be considered present or entitled to vote on non-routine matters and will also not be counted for the purpose of determining the number of votes cast on these proposals.

Direct Stock Purchase and Dividend Reinvestment Plan

If you participate in our Direct Stock Purchase and Dividend Reinvestment Plan, you will receive a proxy form that represents the number of full shares in your plan account plus any other shares registered in your name. There are no special instructions for voting shares held in the plan; simply use the normal voting methods described in this proxy statement.

Employee Benefit Plans

We are also sending or otherwise making this proxy statement and voting materials available to participants who hold Kimberly-Clark stock through any of our employee benefit and stock purchase plans. The trustee of each plan will vote whole shares of stock attributable to each participant s interest in the plans in accordance with the participant s directions. If a participant gives no directions, the plan committee will direct the voting of his or her shares.

Attending the Annual Meeting

If you are eligible to vote, you or a duly appointed representative may attend the Annual Meeting in person. If you do plan to attend, we ask that you inform us electronically, by telephone, or by checking the appropriate box on your proxy form. This will assist us with meeting preparations and help to expedite your admittance.

If your shares are not registered in your own name and you would like to attend the meeting, please ask the broker, trust, bank or other nominee that holds your shares to provide you with written proof of your share ownership as of the record date. This will enable you to gain admission to the meeting.

If you need directions to the meeting, please contact Stockholder Services by telephone at (972) 281-5317 or by e-mail at stockholders@kcc.com.

Costs of Solicitation

Kimberly-Clark will bear all costs of this proxy solicitation, including the cost of preparing, printing and delivering materials, the cost of the proxy solicitation and the expenses of brokers, fiduciaries and other nominees who forward proxy materials to stockholders. In addition to mail and electronic means, our employees may solicit proxies by telephone or otherwise. We have retained D. F. King & Co., Inc. to aid in the solicitation at a cost of approximately $20,000 plus reimbursement of out-of-pocket expenses.

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Corporate Governance

Our governance structure and processes are based on a number of important governance documents including our Code of Conduct, Certificate of Incorporation, Corporate By-Laws, Corporate Governance Policies and our Board Committee Charters. These documents, which are available in the Investors section of our website at www.kimberly-clark.com, guide the Board and our management in the execution of their responsibilities.

Kimberly-Clark believes that there is a direct connection between good corporate governance and long-term, sustained business success, and we believe it is important to uphold sound governance practices. As such, the Board reviews its governance practices and documents on an ongoing basis, considering changing regulatory requirements, governance trends, and issues raised by our stockholders. After careful evaluation, we may periodically make changes to maintain or enhance current governance practices and promote stockholder value.

Board Leadership Structure

The Board has established a leadership structure that allocates responsibilities between our Chairman of the Board and Chief Executive Officer (CEO) and our Lead Director. The Board believes that this allocation provides for dynamic Board leadership while maintaining strong independence and oversight.

Consistent with this leadership structure, at least once a quarter our Lead Director, who is an independent director, chairs executive sessions of our non-management directors. Members of the company s senior management team do not attend these sessions.

Chairman and Chief Executive Officer Positions

The Board s current view is that a combined Chairman and CEO position, coupled with a predominantly independent board and a proactive, independent Lead Director, promotes candid discourse and responsible corporate governance. Mr. Falk serves as Chairman of the Board and CEO. The Board believes Mr. Falk s thirty years of operational and management experience at Kimberly-Clark has demonstrated the leadership and vision necessary to lead the Board and Kimberly-Clark. Accordingly, Mr. Falk continues to serve in this combined role at the pleasure of the Board without an employment contract.

Lead Director

Mr. Jenness served as independent Lead Director in 2015. Our Corporate Governance Policies outline the significant role and responsibilities of the Lead Director, which include:

- Chairing the Executive Committee
- Chairing executive sessions at which non-management directors meet outside management s presence, and providing feedback from such sessions to the Chief Executive Officer
- Coordinating the activities of the Independent Directors
- Providing input on agendas and schedules for Board meetings
- Leading (with the Chairman of the Nominating and Corporate Governance Committee) the annual Board evaluation

Leading (with the Chairman of the Management Development and Compensation Committee) the Board s review and discussion of the Chief Executive Officer s performance

Providing feedback to individual directors following their periodic evaluations

Speaking on behalf of the Board and chairing Board meetings when the Chairman of the Board is unable to do so

Acting as a direct conduit to the Board for stockholders, employees and others according to the Board s policies

Director Independence

Our By-Laws provide that a majority of our directors must be independent (Independent Directors). We believe our independent board helps ensure good corporate governance and strong internal controls.

Our Corporate Governance Policies, as adopted by the Board, provide independence standards consistent with the rules and regulations of the SEC and the listing standards of the New York Stock Exchange (NYSE). Our independence standards can be found in Section 17 of our Corporate Governance Policies.

The Board has determined that all directors and nominees, except for Thomas J. Falk, are Independent Directors and meet the independence standards in our Corporate Governance Policies. In addition, the Board previously reviewed the independence of former directors John R. Alm, who did not stand for re-election at our 2015 Annual Meeting, and Linda Johnson Rice, who resigned in August 2015, and found that Mr. Alm and Ms. Johnson Rice were also independent. In making these determinations, the Board considered the following:

We made charitable contributions of $132,000 in 2013 and $175,000 in 2014 and paid approximately $85,000 in 2013 for venue rental to the Fox Cities Performing Arts Center in Appleton, Wisconsin, where Mr. Bergstrom is a director. We have significant operations and a significant number of employees in the Fox Cities area of Wisconsin.

Companies majority-owned by Mr. Bergstrom paid us approximately $55,000 in 2013, $57,000 in 2014 and $57,000 in 2015 to lease excess hangar space at an airport near Appleton, Wisconsin and approximately $195,000 in 2013, $200,000 in 2014 and $205,000 in 2015 for pilot services pursuant to a pilot sharing contract. In addition, these companies paid us approximately $196,000 in 2013, $197,000 in 2014 and $201,000 in 2015 for scheduling and aircraft services for their airplane.

We paid approximately $111,000 in 2013, $78,600 in 2014 and $8,000 in 2015 for automobiles and related services to car dealerships in the Neenah, Wisconsin area that are majority-owned by Mr. Bergstrom.

We made a charitable contribution of $50,000 in 2013 to the Education is Freedom Foundation, where Mr. Bru is a director.

We purchased advertising totaling $43,000 in 2014 for advertising services from entities owned directly or indirectly by A.H. Belo Corporation, where Mr. Decherd serves as Vice Chairman of the Board.

We paid approximately $51,000 in 2013 and $16,000 in 2014 for the purchase of products for cooperative marketing to Colgate-Palmolive Company, where Mr. Garcia is Chief Operating Officer, Global Innovation and Growth, Europe & Hill s Pet Nutrition.

Colgate-Palmolive Company paid us approximately $78,000 in 2013 for products.

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Pfizer, Inc., for which Mr. Read serves as Chairman and Chief Executive Officer, paid us approximately $89,000 in 2013, $42,000 in 2014 and $77,000 in 2015 for products.

We made a charitable contribution of $25,000 in each of 2013, 2014 and 2015 to the United Negro College Fund, where Ms. Johnson Rice is a director.

We purchased advertising totaling $90,000 in 2013 and $20,000 in 2014 from entities owned directly or indirectly by Johnson Publishing Company, Inc., where Ms. Johnson Rice is Chairman. These amounts constituted less than five percent of the gross revenues of Johnson Publishing Company, Inc., for 2013 and 2014, respectively.

We paid approximately $645,000 in 2013, $665,000 in 2014 and $497,000 in 2015 to JPMorgan Chase & Co. (JPMC) for investment banking services. Mr. Shapiro serves as a consultant to JPMC and as non-executive Chairman of its Texas operations. We do not believe his relationship with JPMC gives him a direct or indirect material interest in our transactions with JPMC.

The NYSE listing standards and our own Corporate Governance Policies establish certain levels at which transactions are considered to have the potential to affect a director s independence. The transactions listed above all fall below these levels.

Board Meetings

The Board of Directors met six times in 2015. All of the directors attended in excess of 75 percent of the total number of meetings of the Board and the committees on which they served.

All of our directors are encouraged to attend our annual meeting of stockholders. All of our directors attended the 2015 Annual Meeting, with the exception of Mr. Alm, who retired from the Board just prior to the 2015 Annual Meeting.

Board Committees

The standing committees of the Board include the Audit Committee, Management Development and Compensation Committee, Nominating and Corporate Governance Committee, and Executive Committee. In compliance with applicable NYSE corporate governance listing standards, the Board has adopted charters for all Committees except the Executive Committee.

Our Committee charters are available in the Investors section of our website at www.kimberly-clark.com.

As set forth in our Corporate Governance Policies, the Audit, Management Development and Compensation, and Nominating and Corporate Governance Committees all have the authority to retain independent advisors and consultants, with all costs paid by Kimberly-Clark.

Audit Committee

Chairman: Ian C. Read

Other members: John F. Bergstrom, Robert W. Decherd, and Michael D. White

The Board has determined that each Audit Committee member is an audit committee financial expert under SEC rules and regulations. In addition, all Audit Committee members satisfy the NYSE s financial literacy requirements and qualify as Independent Directors under the rules of the SEC and the NYSE, as well as under our Corporate Governance Policies. See Corporate Governance - Director Independence for additional information on Independent Directors.

No member of the Audit Committee serves on the audit committees of more than three public companies. Under our Audit Committee Charter and NYSE corporate governance listing standards, if a member were to serve on more than three such committees, the Board would then determine whether this situation impairs the member s ability to serve effectively on our Audit Committee, and we would post information about this determination on the Investors section of our website at www.kimberly-clark.com.

During 2015 the Committee met eight times.

The Committee s principal functions, as specified in its charter, include:

- Overseeing:
  - the quality and integrity of our financial statements
  - our compliance programs
  - our hedging strategies and policies
  - the independence, qualification and performance of our independent auditors

the performance of our internal auditors

Selecting and engaging our independent auditors, subject to stockholder ratification

Pre-approving all audit and non-audit services that our independent auditors provide

Reviewing the scope of audits and audit findings, including any comments or recommendations of our independent auditors

Establishing policies for our internal audit programs

Overseeing the company s risk management program (including risks related to data privacy and cybersecurity) and receiving periodic reports from management on risk assessments, the risk management process, and issues related to the risks of managing our business

For additional information about the Audit Committee s oversight activities in 2015, see Proposal 2. Ratification of Auditors - Audit Committee Report.

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Management Development and Compensation Committee

Chairman: Abelardo E. Bru

Other members: Fabian T. Garcia, Mae C. Jemison, M.D. and Marc J. Shapiro

Each member of this Committee is an Independent Director under the rules of the SEC and the NYSE, as well as under our Corporate Governance Policies. The Committee met five times in 2015.

The Committee s principal functions, as specified in its charter, include:

- Establishing and administering the policies governing annual compensation and long-term compensation, including stock option awards, restricted stock awards and restricted share unit awards, such that the policies are designed to align compensation with our overall business strategy and performance

- Setting, after an evaluation of his overall performance, the compensation level of the Chief Executive Officer

- Determining, in consultation with the Chief Executive Officer, compensation levels and performance targets for the senior executive team

- Overseeing:

  - leadership development for senior management and future senior management candidates

  - a periodic review of our long-term and emergency succession planning for the Chief Executive Officer and other key officer positions, in conjunction with our Board

  - key organizational effectiveness and engagement policies

Reviewing diversity and inclusion programs and related metrics

Annually reviewing our compensation policies and practices for the purpose of mitigating risks arising from these policies and practices that could reasonably have a material adverse effect

Roles of the Committee and the CEO in Compensation Decisions

Each year, the Committee reviews and sets the compensation of the officers that are elected by the Board (our elected officers), including our Chief Executive Officer and our other executive officers. The Committee s charter does not permit the Committee to delegate to anyone the authority to establish any compensation policies or programs for elected officers, including our executive officers. With respect to officers that have been appointed to their position (our non-elected officers), our Chief Executive Officer has the authority to establish compensation programs and to approve equity grants. However, only the Committee may make grants to elected officers, including our executive officers.

Our Chief Executive Officer makes a recommendation to the Committee each year on the appropriate target annual compensation for each of the other executive officers. The Committee makes the final determination of the target annual compensation for each executive officer, including our Chief Executive Officer. While our Chief Executive Officer and Chief Human Resources Officer typically attend Committee meetings, none of the other executive officers is present during the portion of the Committee s meetings when compensation for executive officers is set. In addition, our Chief Executive Officer is not present during the portion of the Committee s meetings when his compensation is set.

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For additional information on the Committee s processes and procedures for determining executive compensation, and for a detailed discussion of our compensation policies, see Compensation Discussion and Analysis.

Use of Compensation Consultants

The Committee s charter authorizes it to retain advisors, including compensation consultants, to assist it in its work. The Committee believes that compensation consultants can provide important market information and perspectives that can help it determine compensation programs that best meet the objectives of our compensation policies. In selecting a consultant, the Committee evaluates the independence of the firm as a whole and of the individual advisors who will be working with the Committee.

Independent Committee Consultant. In 2015, the Committee retained Semler Brossy Consulting Group as its independent executive compensation consultant. According to the Committee s written policy, the independent Committee consultant provides services solely to the Committee and not to Kimberly-Clark. Semler Brossy has no other business relationship with Kimberly-Clark and receives no payments from us other than fees for services to the Committee. Semler Brossy reports directly to the Committee, and the Committee may replace it or hire additional consultants at any time. A representative of Semler Brossy attends Committee meetings and communicates with the Chairman of the Committee between meetings from time to time.

The scope of Semler Brossy s engagement in 2015 included:

- Conducting a review of the competitive market data (including base salary, annual incentive targets and long-term incentive targets) for our executive officers, including our Chief Executive Officer

- Reviewing and commenting, as requested by the Committee, on recommendations by management and Mercer Human Resource Consulting (Mercer) concerning executive compensation programs, including program changes and redesign, special awards, change-of-control provisions, our executive compensation peer group, any executive contract provisions, promotions, retirement and related items

- Reviewing and commenting on the Committee s report for the proxy statement

- Attending Committee meetings

- Periodically consulting with the Chairman of the Committee

During 2015, at the request of the Committee, a representative of Semler Brossy attended all Committee meetings.

Kimberly-Clark Consultant. To assist management and the Committee in assessing our compensation programs and determining appropriate, competitive compensation for our executive officers, Kimberly-Clark annually engages an outside compensation consultant. In 2015, it retained Mercer for this purpose. Mercer has provided consulting services to Kimberly-Clark on a wide variety of human resources and compensation matters, both at the officer and non-officer levels. During 2015, Mercer provided advice and counsel on various matters relating to executive and director remuneration, including the following services:

- Assessing our executive compensation peer group and recommending changes as necessary

- Assessing compensation levels within our peer group for executive officer positions and other selected positions

- Reviewing historic and projected performance for peer group companies under the metrics we use in our annual and long-term incentive plans

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- Assisting in incentive plan design and modifications, as requested
- Providing market research on various issues as requested by management
- Preparing for and participating in Committee meetings, as requested
- Reviewing the Compensation Discussion and Analysis section of the proxy statement and other disclosures, as requested
- Consulting with management on compensation matters

Committee Assessment of Consultant Conflicts of Interest. The Committee has reviewed whether the work provided by Semler Brossy and Mercer represents any conflict of interest. Factors considered by the Committee include: (1) other services provided to Kimberly-Clark by the consultant; (2) what percentage of the consultant s total revenue is made up of fees from Kimberly-Clark; (3) policies or procedures of the consultant that are designed to prevent a conflict of interest; (4) any business or personal relationships between individual consultants involved in the engagement and Committee members; (5) any shares of Kimberly-Clark stock owned by individual consultants involved in the engagement; and (6) any business or personal relationships between our executive officers and the consulting firm or the individual consultants involved in the engagement. Based on its review, the Committee does not believe that any of the compensation consultants that performed services in 2015 has a conflict of interest with respect to the work performed for Kimberly-Clark or the Committee.

Committee Report

The Committee has reviewed the Compensation Discussion and Analysis section of this proxy statement and has recommended that it be included in this proxy statement. The Committee s report is located at Compensation Discussion and Analysis Management Development and Compensation Committee Report.

Nominating and Corporate Governance Committee

Chairman: Nancy J. Karch

Other Members: Fabian T. Garcia, Mae C. Jemison, M.D. and Marc J. Shapiro

Each member of this Committee is an Independent Director under the rules of the SEC and the NYSE, as well as under our Corporate Governance Policies. The Committee met four times in 2015.

The Committee s principal functions, as specified in its charter, include the following:

- Overseeing the process for Board nominations
- Overseeing corporate governance matters, including developing and recommending to the Board changes to our Corporate Governance Policies
- Advising the Board on:
  - Board organization, membership, function, performance and compensation
  - committee structure and membership
  - policies and positions regarding significant stockholder relations issues
- Reviewing director independence standards and making recommendations to the Board with respect to the determination of director independence
- Monitoring and recommending improvements to the Board s practices and procedures

Reviewing stockholder proposals and considering how to respond to them

Overseeing matters relating to Kimberly-Clark s corporate social responsibility and sustainability activities and providing input to management on these programs and their effectiveness

The Committee, in accordance with its charter and our Certificate of Incorporation, has established criteria and processes for director nominations, including those proposed by stockholders. Those criteria and processes are described in Proposal 1. Election of Directors - Process and Criteria for Nominating 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.

Executive Committee

Chairman: James M. Jenness (Lead Independent Director)

Other Members: Abelardo E. Bru, Thomas J. Falk, Nancy J. Karch and Ian C. Read

The Committee met one time in 2015.

The Committee s principal function is to exercise, when necessary between board meetings, the Board s powers to direct our business and affairs.

Compensation Committee Interlocks and Insider Participation

None of the members of the Management Development and Compensation Committee is a current or former officer or employee of Kimberly-Clark. No interlocking relationship exists between the members of our Board of Directors or the Management Development and Compensation Committee and the board of directors or compensation committee of any other company.

Stockholder Rights

Proxy Access By-Law. In December 2015, our Board adopted a proxy access By-Law, which allows eligible stockholders to nominate candidates for election to the Board. Proxy access candidates will be included in our proxy materials. The proxy access By-Law permits a stockholder, or a group of up to 20 stockholders, owning three percent or more of our outstanding common stock continuously for at least three years to nominate and include in our proxy materials directors constituting up to two individuals or 20 percent of the Board (whichever is greater). Our Board adopted the proxy access By-Law following thoughtful discussions with stockholders through our stockholder outreach program, including discussions of the key terms.

Stockholders who wish to nominate directors under our proxy access By-Law should follow the instructions under Other Information - Stockholder Proposals for Inclusion in Next Year s Proxy Statement.

Special Stockholder Meetings. Our Certificate of Incorporation allows the holders of 25 percent or more of our issued and outstanding shares of capital stock to request that a special meeting of stockholders be called, subject to procedures and other requirements set forth in our By-Laws.

Board Policy on Stockholder Rights Plans. We do not have a poison pill or stockholder rights plan. If we were to adopt a stockholder rights plan, the Board would seek prior stockholder approval of the plan unless, due to timing constraints or other reasons, a majority of Independent Directors of the Board determines that it would be in the best interests of stockholders to adopt a plan before obtaining stockholder approval. If a stockholder rights plan is adopted without prior stockholder approval, the plan must either be ratified by stockholders or must expire, without being renewed or replaced, within one year. The Nominating and Corporate Governance Committee reviews this policy statement periodically and reports to the Board on any recommendations it may have concerning the policy.

Simple Majority Voting Provisions. Our Certificate of Incorporation does not include supermajority voting provisions.

Communicating with Directors; Stockholder Engagement Policy

The Board has established a process by which stockholders and other interested parties may communicate with the Board, including the Lead Director. That process can be found in the Investors section of our website at www.kimberly-clark.com.

In 2015, we adopted a stockholder engagement policy, set forth in our Corporate Governance Policies, which formalizes the Board s commitment to interact directly with stockholders, as appropriate. Under the policy, stockholders who wish to meet directly with members of our Board may send a meeting request to our Lead Director who will consider the request in consultation with the Corporate Secretary. Requests should include information about the party (including the number of shares held), the reason for requesting the meeting and the topics to be discussed.

Investor Outreach

We conduct extensive meetings with investors throughout the year on corporate governance matters. This ensures that management and the Board understand and consider the issues that matter most to our stockholders and enables the Corporation to address them effectively. For 2015, after considering feedback received from investors, the Board determined to adopt a proxy access By-Law, as described in Stockholder Rights above.

Other Corporate Governance Policies and Practices

Corporate Governance Policies. The Board of Directors first adopted Corporate Governance Policies in 1994, and has amended them from time to time as rules and regulations change and governance practices develop. These policies guide Kimberly-Clark and the Board on matters of corporate governance, including: director responsibilities, Board committees and their charters, director independence, director compensation, performance assessments of the Board and individual directors, director orientation and education, director access to management, Board access to outside financial, business and legal advisors, management development and succession planning, and Board interaction with stockholders. To see these policies, go to the Investors section of our website at www.kimberly-clark.com.

Board and Committee Evaluations. The Board conducts annual self-evaluations to determine whether it and its committees are functioning effectively and whether its governing documents continue to remain appropriate. Each Board member is periodically evaluated on an individual basis. The process is designed and overseen by our Lead Director and our Nominating and Corporate Governance Committee, and the results of the evaluations are discussed by the full Board.

Each committee annually reviews its own performance and assesses the adequacy of its charter, and reports the results and any recommendations to the Board. The Nominating and Corporate Governance Committee oversees and reports annually to the Board its assessment of each committee s performance evaluation process.

Code of Conduct. Kimberly-Clark has a Code of Conduct that applies to all of our directors, executive officers and employees, including our Chief Executive Officer, Chief Financial Officer and Vice President and Controller. It is available in the Investors section of our website at www.kimberly-clark.com. Any amendments to or waivers of our Code of Conduct applicable to our Chief Executive Officer, Chief Financial Officer or Vice President and Controller will also be posted at that location.

Board and Management Roles in Risk Oversight. The Board is responsible for providing risk oversight with respect to our operations. In connection with this oversight, the Board particularly focuses on our strategic and operational risks, as well as related risk mitigation. In addition, the Board reviews and oversees management s response to key risks facing Kimberly-Clark.

The Board s committees review particular risk areas to assist the Board in its overall risk oversight of Kimberly-Clark:

The Audit Committee oversees our risk management program, with a particular focus on our internal controls, compliance programs, financial statement integrity and fraud risks, data privacy and cybersecurity, and related risk mitigation. In connection with this oversight, the Audit Committee receives regular reports from management on risk assessments, the risk management process, and issues related to the risks of managing our business. The Audit Committee also receives an annual enterprise risk management update, which describes our key financial, strategic, operational and compliance risks.

The Management Development and Compensation Committee reviews the risk profile of our compensation policies and practices. This process includes a review of an assessment of our compensation programs, as described in Compensation Discussion and Analysis Analysis of Compensation-Related Risks.

The Nominating and Corporate Governance Committee monitors risks relating to governance matters and recommends appropriate actions in response to those risks. In addition, it provides oversight of our Corporate Social Responsibility programs and sustainability activities and receives regular updates on the effectiveness of these programs.

Complementing the Board s overall risk oversight, our senior executive team identifies and monitors key enterprise-wide and business unit risks, providing the basis for the Board s risk review and oversight process. We have a Global Risk Oversight Committee, consisting of management members from core business units and from our finance, treasury, global risk management, compliance and legal functions. This committee identifies significant risks for review and updates our policies for risk management in areas such as hedging, foreign currency and country risks, product liability, property and casualty risks, data privacy and cybersecurity risks, and supplier and customer risks. The Board believes the allocation of risk management responsibilities described above supplements the Board s leadership structure by allocating risk areas to an appropriate committee for oversight, allows for an orderly escalation of issues as necessary, and helps the Board satisfy its risk oversight responsibilities.

Whistleblower Procedures. The Audit Committee has established procedures for receiving, recording and addressing any complaints we receive regarding accounting, internal accounting controls or auditing matters, and for the confidential and anonymous submission, by our employees or others, of any concerns about our accounting or auditing practices. We also maintain a toll-free Code of Conduct telephone line and a website, each allowing our employees and others to voice their concerns anonymously.

Chief Compliance Officer. Our Vice President and Chief Compliance Officer oversees our compliance programs. His duties include: regularly updating the Audit Committee on the effectiveness of our compliance programs, providing periodic reports to the Board, and working closely with our various compliance functions to promote coordination and sharing of best practices across these functions. Our Vice President and Chief Compliance Officer is also a member of our Global Risk Oversight Committee.

Management Succession Planning. In conjunction with the Board, the Management Development and Compensation Committee is responsible for periodically reviewing the long-term management development plans and succession plans for the Chief Executive Officer and other key officers, as well as the emergency succession plan for the Chief Executive Officer and other key officers if any of these officers unexpectedly becomes unable to perform his or her duties.

Disclosure Committee. We have established a Disclosure Committee to assist in fulfilling our obligations to maintain disclosure controls and procedures and to coordinate and oversee the process of preparing our periodic securities filings with the SEC. This committee is composed of members of management and is chaired by our Vice President and Controller.

No Executive Loans. We do not extend loans to our executive officers or directors and therefore do not have any such loans outstanding.

Charitable Contributions. The Nominating and Corporate Governance Committee has adopted guidelines for the review and approval of charitable contributions by Kimberly-Clark (or any foundation under the common control of Kimberly-Clark) to organizations or entities with which a Director or an executive officer may be affiliated. We will disclose in the Investors section of our website at www.kimberly-clark.com any contributions made by us to a tax-exempt organization under the following circumstances:

- An Independent Director serves as an executive officer of the tax-exempt organization; and

- If within the preceding three years, contributions in any single year from Kimberly-Clark to the organization exceeded the greater of $1 million or 2 percent of the tax-exempt organization s consolidated gross revenues.

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Proposal 1.

Election of Directors

As of the date of this proxy statement, the Board of Directors consists of eleven members. Each director s term will expire at this year s Annual Meeting. All the nominees standing for election at the Annual Meeting are being nominated to serve until the 2017 Annual Meeting of Stockholders and until their successors have been duly elected and qualified. All nominees have advised us that they will serve if elected; however, should any nominee become unable to serve, proxies may be voted for another person designated by the Board.

Given the independent status of the nominees, if all nominees are elected at the Annual Meeting, ten of the eleven directors on our Board will be Independent Directors.

Process for Director Elections

Our Certificate of Incorporation provides that all of our directors must be elected annually. Our By-Laws provide that, in uncontested elections, directors must be elected by a majority of votes cast rather than by a plurality. If any incumbent director does not receive a majority of votes, he or she is required to tender his or her resignation for consideration by the Board.

Process and Criteria for Nominating Directors

The Board of Directors is responsible for approving candidates for Board membership. The Board has delegated the screening and recruitment process to the Nominating and Corporate Governance Committee, in consultation with the Chairman of the Board and Chief Executive Officer and the Lead Director. The Committee therefore recommends to the Board any new appointments and nominees for election as directors at our annual meeting of stockholders. It also recommends nominees to fill any vacancies. As provided in our Certificate of Incorporation, the Board of Directors has the authority to determine the size of the Board and to fill any vacancies that occur between annual meetings of stockholders.

The Committee may receive recommendations for Board candidates from various sources, including our directors, management and stockholders. The Nominating and Corporate Governance Committee periodically retains a search firm to assist it in identifying and recruiting director candidates meeting the criteria specified by the Committee. The Committee utilized a search firm in connection with Mr. White s nomination. In addition, as described in Corporate Governance Stockholder Rights, our By-Laws provide for proxy access stockholder nominations of director candidates. Stockholders who wish to nominate directors under our proxy access By-Law should follow the instructions under Other Information Stockholder Director Nominees for Inclusion in Next Year s Proxy Statement. Stockholders who wish to nominate directors who are not intended to be included in the Corporation s proxy materials should follow the instructions under Other Information Stockholder Director Nominees Not Included in Next Year s Proxy Statement.

The Committee believes that the criteria for director nominees should foster effective corporate governance, support our strategies and businesses, take diversity into account and ensure that our directors, as a group, have an overall mix of the attributes needed for an effective Board. The criteria should also support the successful recruitment of qualified candidates.

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Proposal 1. Election of Directors Process and Criteria for Nominating Directors

Qualified candidates for director are those who, in the judgment of the Committee, possess all of the personal attributes and a sufficient mix of the experience attributes listed below to ensure effective service on the Board.

PERSONAL ATTRIBUTES

Leadership Lead in personal and professional lives.	**Collaborative** Actively participate in Board and committee matters.	**Ability to communicate** Possess good interpersonal skills.
Ethical Character Possess high standards for ethical behavior.	**Independence** Independent of management and Kimberly-Clark (for non-management directors only).	**Effectiveness** Bring a proactive and solution-oriented approach.

EXPERIENCE ATTRIBUTES

ATTRIBUTE	FACTORS THAT MAY BE CONSIDERED
Financial acumen Has good knowledge of business finance and financial statements	Satisfies the financial literacy requirements of the NYSE Qualifies as an audit committee financial expert under the rules and regulations of the

	SEC
	Has an accounting, finance or banking background
General business experience Possesses experience that will aid in judgments concerning business issues	Has leadership experience as a chief or senior executive officer
	Has experience setting compensation
Industry knowledge Possesses knowledge about our industries	Has marketing expertise, with digital marketing and e-commerce experience
	Has governance/public company board experience
Diversity of background and viewpoint Brings to the Board an appropriate level of diversity	Brings a diverse viewpoint that is representative of our customer, consumer, employee and stockholder base
	Provides a different perspective (stemming, for example, from an academic background or experience from outside the consumer packaged goods industry)
Special business experience Possesses global management experience and experience with branded consumer packaged goods	Has international experience
	Has branded consumer packaged goods experience

Committee Review of Attributes of Current Directors

The Nominating and Corporate Governance Committee has reviewed the background of each of our current directors and their service on the Board in light of the personal and experience attributes described above. The Committee has determined that each director possesses all of the personal attributes as well as a sufficient mix of the experience attributes.

For details about each nominee s specific experience attributes, see The Nominees below.

Diversity of Directors

As noted above, the Nominating and Corporate Governance Committee believes that diversity of backgrounds and viewpoints is a key attribute for directors. As a result, the Committee seeks to have a diverse Board that is representative of our customer, consumer, employee and stockholder base. While the Committee carefully considers this diversity when considering nominees for director, the Committee has not established a formal policy regarding diversity in identifying director nominees. Our Board currently includes individuals of differing ages, races and genders.

The Nominees

Director since 1987

Age 69

John F. Bergstrom

Chairman and Chief Executive Officer, Bergstrom Corporation

Mr. Bergstrom has served as Chairman and Chief Executive Officer of Bergstrom Corporation, Neenah, Wisconsin, for more than the past five years. Bergstrom Corporation owns and operates automobile sales and leasing businesses and a credit life insurance company based in Wisconsin.

Public company boards served on since 2011: Advance Auto Parts, Inc., Associated Banc-Corp, WEC Energy Group, Inc. and Wisconsin Electric Power Company.

Experience attributes: Mr. Bergstrom has been determined by our Board to be an audit committee financial expert under the SEC s rules and regulations, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, and has marketing, compensation, governance and public company board experience.

Director since 2005

Age 67

Abelardo E. Bru

Retired Vice Chairman, PepsiCo, Inc.

Mr. Bru retired as Vice Chairman of PepsiCo, a food and beverage company, in 2005. He joined PepsiCo in 1976. Mr. Bru served from 1999 to 2003 as President and Chief Executive Officer and in 2003 to 2004 as Chief Executive Officer and Chairman of Frito-Lay Inc., a division of PepsiCo. Prior to leading Frito-Lay, Mr. Bru led PepsiCo s largest international business, Sabritas Mexico, as President and General Manager from 1992 to 1999. Mr. Bru is a member of the board of directors of the Education is Freedom Foundation.

Public company boards served on since 2011: DIRECTV (from May 2013 through July 2015), Kraft Foods Group, Inc. (from October 2012 through July 2015).

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

Director since 1996

Age 65

Robert W. Decherd

Vice Chairman, A. H. Belo Corporation

Mr. Decherd has served as Vice Chairman of the Board of A. H. Belo Corporation, a newspaper publishing and Internet company, since September 2013. Prior to that, he served as Chairman of the Board, President and Chief Executive Officer of A. H. Belo Corporation since it was spun off from Belo Corp. in February 2008. Prior to February 2008, Mr. Decherd was Chief Executive Officer of Belo Corp., a broadcasting and newspaper publishing company, for 21 years. Mr. Decherd has served as a member of the Advisory Council for the Harvard University Center for Ethics and the Board of Visitors of the Columbia Graduate School of Journalism. He is presently Chairman of Parks for Downtown Dallas, a civic organization.

Public company boards served on since 2011: A. H. Belo Corporation and Belo Corp. (through December 2013).

Experience attributes: Mr. Decherd has been determined by our Board to be an audit committee financial expert under the SEC s rules and regulations, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, and has marketing, compensation, governance and public company board experience.

Proposal 1. Election of Directors The Nominees

Director since 1999

Age 57

Thomas J. Falk

Chairman of the Board and Chief Executive Officer

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

Public company boards served on since 2011: Lockheed Martin Corporation.

Experience attributes: Mr. Falk satisfies the financial literacy requirements of the NYSE and has a background in accounting, has leadership experience as a chief executive officer, has knowledge about our industries, has international experience and experience with branded consumer packaged goods, and has marketing, compensation, governance and public company board experience.

Director since 2011

Age 56

Fabian T. Garcia

Chief Operating Officer, Global Innovation and Growth, Europe & Hill s Pet Nutrition, Colgate-Palmolive Company

Mr. Garcia has served as Chief Operating Officer, Global Innovation and Growth, Europe and Hill s Pet Nutrition (added responsibility in 2012), of Colgate-Palmolive Company, a household, health care and personal products company, since 2010. From 2007 to 2010, he served as Executive Vice President and President, Colgate Latin America and Global Sustainability. He joined Colgate-Palmolive in 2003 as President, Colgate Greater Asia Pacific.

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

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Proposal 1. Election of Directors The Nominees

Director since 2002

Age 59

Mae C. Jemison, M.D.

President, The Jemison Group

Dr. Jemison is founder and President of The Jemison Group, Inc., a technology consulting company, and is also the Principal for the 100 Year Starship Project, a new initiative started by DARPA that focuses on human space travel to another star within the next 100 years. She was President and founder of BioSentient Corporation, a medical devices company from 2000 to 2012. Dr. Jemison founded the Dorothy Jemison Foundation for Excellence and developed The Earth We Share international science camp. Dr. Jemison served as a professor of Environmental Studies at Dartmouth College from 1995 to 2002. From 1987 to 1993, she served as a National Aeronautics and Space Administration (NASA) astronaut. Dr. Jemison is a member of the National Academy of Sciences   Institute of Medicine and the Greater Houston Partnership. She chaired the State of Texas Product Development and Small Business Incubator Board, and was a member of the National Advisory Council for Biomedical Imaging and Bioengineering.

Public company boards served on since 2011: Scholastic Corporation (through September 2015) and Valspar Corporation.

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

Director since 2007

Age 69

James M. Jenness

Retired Chairman of the Board and CEO, Kellogg Company

Mr. Jenness has served as a Director of Kellogg Company, a producer of cereal and convenience foods, since 2000. From 2005 to 2014 he was Executive Chairman of the Board of Kellogg and he served as Chief Executive Officer of Kellogg from February 2005 through 2006. Mr. Jenness was Chief Executive Officer of Integrated Merchandising Systems LLC, a market leader in outsource management for retail promotion and branded merchandising, from 1997 to 2004. He served in various positions of increasing responsibility at Leo Burnett Company, Kellogg s major advertising agency partner, from 1974 to 1997, including as Vice Chairman, Chief Operating Officer and Director. He serves as a Trustee of DePaul University and serves on DePaul s College of Admissions Advisory Council. He is a Regent for Mercy Home for Boys and Girls.

Public company boards served on since 2011: Kellogg Company, Prestige Brands Holdings, Inc. (since May 2015).

Experience attributes: Mr. Jenness satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, has knowledge about our industries, has international experience and experience with branded consumer packaged goods, and has marketing, compensation, governance and public company board experience.

Director since 2010

Age 68

Nancy J. Karch

Retired Director, McKinsey & Co.

Ms. Karch served as a Director (senior partner) of McKinsey & Co., an independent consulting firm, from 1988 until her retirement in 2000. She had served in various executive capacities at McKinsey since 1974. Ms. Karch is Director Emeritus of McKinsey s Stamford, Connecticut office, and serves on the boards of Northern Westchester Hospital and Northwell Health, both of which are not-for-profit entities.

Public company boards served on since 2011: CEB Inc. (through January 2015), Genworth Financial, Inc., Kate Spade & Company and Mastercard Incorporated.

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

Director since 2007

Age 62

Ian C. Read

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

Mr. Read was elected Chairman of the Board and Chief Executive Officer in December 2011 and President and Chief Executive Officer in December 2010, of Pfizer, Inc., a drug manufacturer. Mr. Read joined Pfizer in 1978 in its financial organization. He worked in Latin America through 1995, holding positions of increasing responsibility, and was appointed President of the Pfizer International Pharmaceuticals Group, Latin America/Canada in 1996. In 2000, Mr. Read was named Executive Vice President of Europe/Canada and was named a corporate Vice President in 2001. In 2006, he was named Senior Vice President of Pfizer, as well as Group President of its Worldwide Biopharmaceutical Businesses.

Public company boards served on since 2011: Pfizer, Inc.

Experience attributes: Mr. Read has been determined by our Board to be an audit committee financial expert under the SEC s rules and regulations and has a background in finance, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, has international experience, and has marketing, compensation, governance and public company board experience.

Proposal 1. Election of Directors The Nominees

Director since 2001

Age 68

Marc J. Shapiro

Retired Vice Chairman, JPMorgan Chase & Co.

Mr. Shapiro retired in 2003 as Vice Chairman of JPMorgan Chase & Co., a financial services company. Before becoming Vice Chairman of JPMorgan Chase & Co. in 1997, Mr. Shapiro was Chairman and Chief Executive Officer of Chase Bank of Texas, a wholly-owned subsidiary of JPMorgan Chase & Co., from 1989 until 1997. He now serves as a consultant to JPMorgan Chase & Co. and as non-executive Chairman of its Texas operations. Mr. Shapiro serves on the boards of the Baylor College of Medicine, the Baylor St. Luke s Medical Center Hospital, the M.D. Anderson Cancer Center, and the Baker Institute at Rice University.

Public company boards served on since 2011: The Mexico Fund and Weingarten Realty Investors.

Experience attributes: Mr. Shapiro satisfies the financial literacy requirements of the NYSE and has a banking and finance background, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, and has compensation, governance and public company board experience.

Director since September 2015

Age 64

Michael D. White

Former Chairman of the Board, President and Chief Executive Officer of DIRECTV

Mr. White served as Chairman of the Board, President and Chief Executive Officer of DIRECTV, a leading provider of digital television entertainment services, from 2010 to July 2015. From 2003 until 2009, Mr. White was Chief Executive Officer of PepsiCo International and Vice Chairman, PepsiCo, Inc. after holding positions of increasing importance with PepsiCo since 1990. Mr. White is a member of the Boston College Board of Trustees and is Chairman of the Partnership for Drug-Free Kids.

Public company boards served on since 2011: DIRECTV (through July 2015) and Whirlpool Corporation.

Experience attributes: Mr. White has been determined by our Board to be an audit committee financial expert under the SEC s rules and regulations, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, and has marketing, digital marketing, e-commerce, compensation, governance and public company board experience.

The Board of Directors unanimously recommends a vote FOR the election of each of the eleven nominees for director.

Director Compensation

Directors who are not officers or employees of Kimberly-Clark or any of our subsidiaries, affiliates or equity companies are Outside Directors for compensation purposes and are compensated for their services under our 2011 Outside Directors Compensation Plan. All Independent Directors currently on our Board are Outside Directors and are compensated under this Plan.

Our objectives for Outside Director Compensation are:

- to remain competitive with the median compensation paid to outside directors of comparable companies
- to keep pace with changes in practices in director compensation
- to attract qualified candidates for Board service
- to reinforce our practice of encouraging stock ownership by our directors

In 2014, the Nominating and Corporate Governance Committee assessed our Outside Director compensation against the median non-management director compensation for our peers. Based on this review, the Committee recommended an increase in Outside Director compensation for 2015, and the Board agreed with the Committee s recommendation.

The table below shows how we structured Outside Director compensation in 2015:

Board Members	Cash retainer: $100,000 annually, paid in four quarterly payments at the beginning of each quarter.

	Restricted share units: Annual grant with a value of $165,000, awarded and valued on the first business day of the year
Committee Chairs	Additional annual grant of restricted share units with a value of $20,000, awarded and valued on the first business day of the year
Lead Director	Additional grant of restricted share units with a value of $30,000, awarded and valued on the first business day of the year
Stockholder Alignment	Restricted share units are not paid out until retirement or other termination of Board service

New Outside Directors receive the full quarterly amount of the annual retainer for the quarter in which they join the Board. Their annual grant of restricted share units is pro-rated based on the date when they joined.

We also reimburse Outside Directors for expenses incurred in attending Board or committee meetings.

Restricted share units are not shares of our common stock. Rather, restricted share units represent the right to receive a pre-determined number of shares of our common stock within 90 days following a restricted period that begins on the date of grant and expires on the date the Outside Director retires from or otherwise terminates service on the Board. In this way, they align the director s interests with the interests of our stockholders. Outside Directors may not dispose of the units or use them in a pledge or similar transaction. Outside Directors also receive additional restricted share units equivalent in value to the dividends that would have been paid to them if the restricted share units granted to them were shares of our common stock.

2015 Outside Director Compensation

The following table shows the compensation paid to each Outside Director for his or her service in 2015.

Name[1]	Fees Earned or Paid in Cash($)	Stock Awards ($)[2][3][4]	All Other Compensation ($)[5]	Total($)[6]
John R. Alm	50,000	185,000		235,000
John F. Bergstrom	100,000	165,000	10,000	275,000
Abelardo E. Bru	100,000	185,000	10,000	295,000
Robert W. Decherd	100,000	165,000	10,000	275,000
Fabian T. Garcia	100,000	165,000		265,000
Mae C. Jemison, M.D.	100,000	165,000		265,000
James M. Jenness	100,000	195,000		295,000
Nancy J. Karch	100,000	165,000	7,000	272,000
Ian C. Read	100,000	185,000	9,000	294,000

Linda Johnson Rice	75,000	165,000		240,000
Marc J. Shapiro	100,000	165,000	10,000	275,000
Michael D. White	50,000	55,000		105,000

(1) *Mr. Alm served as a director until his retirement on April 30, 2015 and received fees for two quarters. Ms. Johnson Rice served as a director until her resignation on August 17, 2015 and received fees for three quarters. Mr. White joined the Board on September 1, 2015 and received a pro-rated stock award as well as fees for two quarters.*

(2) *Amounts shown reflect the grant date fair value of those grants, determined in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718 Stock Compensation (ASC Topic 718) for restricted share unit awards granted pursuant to our 2011 Outside Directors Compensation Plan. See Note 8 to our audited consolidated financial statements included in our Annual Report on Form 10-K for 2015 for the assumptions used in valuing these restricted share units.*

(3) *Restricted share unit awards were granted to the Outside Directors on January 2, 2015, except for Mr. White, who joined the Board and received a grant on September 1, 2015. The number of restricted share units granted is set forth below:*

Name	*Restricted Share Unit Grants in 2015(#)*
John R. Alm	*1,601*
John F. Bergstrom	*1,428*
Abelardo E. Bru	*1,601*
Robert W. Decherd	*1,428*
Fabian T. Garcia	*1,428*
Mae C. Jemison, M.D.	*1,428*

James M. Jenness	*1,688*
Nancy J. Karch	*1,428*
Ian C. Read	*1,601*
Linda Johnson Rice	*1,428*
Marc J. Shapiro	*1,428*
Michael D. White	*529*

(4) *As of December 31, 2015, Outside Directors had the following stock awards outstanding:*

Name	*Restricted Stock(#)*	*Restricted Share Units(#)*
John R. Alm		
John F. Bergstrom	*3,000*	*32,548*
Abelardo E. Bru		*26,397*
Robert W. Decherd	*3,000*	*35,760*
Fabian T. Garcia		*8,221*
Mae C. Jemison, M.D.		*32,548*
James M. Jenness		*24,100*
Nancy J. Karch		*11,779*
Ian C. Read		*20,705*

Linda Johnson Rice	
Marc J. Shapiro	*36,689*
Michael D. White	*533*

Note that Mr. Alm s and Ms. Johnson Rice s stock awards were settled upon the termination of Board service, in accordance with the terms of the awards.

(5) *Reflects charitable matching gifts paid in 2015 under the Kimberly-Clark Foundation s Matching Gifts Program to a charity designated by the director. This program is available to all our employees and directors. Under the program, the Kimberly-Clark Foundation matches employees and directors financial contributions to qualified educational and charitable organizations in the United States on a dollar-for-dollar basis, up to $10,000 per person per calendar year. Amounts paid in 2015 in connection with matching gifts for Messrs. Bergstrom, Bru, Read and Shapiro and Ms. Karch reflect donations made in 2014. Not included in this column is the value of retirement gifts to Mr. Alm, which had a value of less than $1,000. In addition, we made a charitable contribution of $50,000 in honor of Mr. Alm. This contribution was made directly by Kimberly-Clark to a charitable organization selected by Kimberly-Clark and was not made in the name or at the direction of Mr. Alm. Mr. Alm did not receive any personal benefit from this contribution and accordingly, the amount of the contribution has been excluded from the Director Compensation table.*

(6) *During 2015, Outside Directors received credit for cash dividends on restricted stock held by them. These dividends are credited to interest bearing accounts maintained by us on behalf of those Outside Directors with restricted stock. Earnings on those accounts are not included in the Outside Director Compensation Table because the earnings were not above market or preferential. Also in 2015, Outside Directors received additional restricted share units with a value equal to the cash dividends paid during the year on our common stock on the restricted share units held by them. Because we factor the value of the right to receive dividends into the grant date fair value of the restricted stock and restricted share units awards, the dividends and dividend equivalents received by Outside Directors are not included in the Outside Director Compensation table. The dividends and other amounts credited on restricted stock and additional restricted share units credited in 2015 were as follows:*

Name	*Dividends Credited on Restricted Stock($)*	*Number of Restricted Share Units Credited in 2015(#)*	*Grant Date Fair Value of Restricted Share Units Credited($)*
John R. Alm		*373.23*	*41,270*

John F. Bergstrom	*10,440*	*1,003.75*	*109,845*
Abelardo E. Bru		*810.87*	*88,719*
Robert W. Decherd	*10,440*	*1,103.83*	*120,803*
Fabian T. Garcia		*245.78*	*26,856*
Mae C. Jemison, M.D.		*1,003.75*	*109,845*
James M. Jenness		*738.64*	*80,806*
Nancy J. Karch		*356.64*	*38,994*
Ian C. Read		*633.51*	*69,299*
Linda Johnson Rice	*7,800*	*784.34*	*85,918*
Marc J. Shapiro		*1,132.80*	*123,975*
Michael D. White		*4.27*	*466*

Other than the cash retainer, grants of restricted share units and the other compensation previously described, no Outside Director received any compensation or perquisites from Kimberly-Clark for services as a director in 2015.

A director who is not an Outside Director does not receive any compensation for services as a member of the Board or any committee, but is reimbursed for expenses incurred as a result of the services.

The Nominating and Corporate Governance Committee did not make any changes to our Outside Director compensation for 2016.

In Proposal 5 of this Proxy Statement, the Board is requesting stockholder approval of an amendment to the 2011 Outside Directors Compensation Plan to add a limit on the amount of equity and cash compensation that can be paid to an Outside Director in a calendar year.

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Proposal 2.

Ratification of Auditors

The Audit Committee of the Board of Directors is directly responsible for the appointment, compensation, retention and oversight of our independent auditors. The Audit Committee is also responsible for overseeing the negotiation of the audit fees associated with retaining our independent auditors. To assure continuing auditor independence, the Audit Committee periodically considers whether a different audit firm should perform our independent audit work. Also, in connection with the mandated rotation of the independent auditor s lead engagement partner, the Audit Committee and its chairman are directly involved in the selection of the new lead engagement partner.

For 2016, the Audit Committee has selected Deloitte & Touche LLP (along with its member firms and affiliates, Deloitte) as the independent registered public accounting firm to audit our financial statements. In engaging Deloitte for 2016, the Audit Committee utilized a review and selection process that included the following:

- a review of management s assessment of the services Deloitte provided in 2015 and a comparison of this assessment to prior years reviews
- discussions, in executive session, with the Chief Financial Officer and the Vice President and Controller regarding their viewpoints on the selection of the 2016 independent auditors and on Deloitte s performance
- discussions, in executive session, with representatives of Deloitte about their possible engagement
- Audit Committee discussions, in executive session, about the selection of the 2016 independent auditors
- a review and approval of Deloitte s proposed estimated fees for 2016
- a review and assessment of Deloitte s independence
- the Audit Committee s consideration of the fact that Deloitte has served as our independent auditors since 1928, and its conclusion that this service does not impact Deloitte s independence

The Audit Committee and the Board believe that the continued retention of Deloitte to serve as our independent auditor is in the best interests of Kimberly-Clark and its stockholders, and they recommend that stockholders ratify this selection. If the stockholders do not ratify the selection of Deloitte, the Audit Committee will consider the selection of other independent auditors.

Representatives of Deloitte are expected to be present at the Annual Meeting with the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

The Board of Directors unanimously recommends a vote FOR ratification of Deloitte s selection as Kimberly-Clark s auditor for 2016.

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Proposal 2. Ratification of Auditors Audit Committee Approval of Audit and Non-Audit Services

Principal Accounting Firm Fees

Our aggregate fees to Deloitte (excluding value added taxes) with respect to the fiscal years ended December 31, 2015 and 2014, were as follows:

	2015($)	2014($)
Audit Fees[(1)]	11,346,900	13,701,800
Audit-Related Fees[(2)]	774,000	4,730,000
Tax Fees[(3)]	2,208,000	2,926,500
All Other Fees		

(1) *These amounts represent fees billed or expected to be billed for professional services rendered by Deloitte for the audit of Kimberly-Clark s annual financial statements for the fiscal years ended December 31, 2015 and December 31, 2014, reviews of the financial statements included in Kimberly-Clark s Forms 10-Q, and other services that are normally provided by the independent registered public accounting firm in connection with statutory or regulatory filings or engagements for each of those fiscal years, including: fees for consolidated financial audits, statutory audits, comfort letters, attest services, consents, assistance with and review of SEC filings and other related matters. These amounts also include fees for an audit of internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002. Fees in 2014 include $1,074,000 for audits related to the recasted financial statements to reflect discontinued operations as required due to the spin-off of our health care business.*

(2) *These amounts represent aggregate fees billed or expected to be billed by Deloitte for assurance and related services reasonably related to the performance of the audit or review of our financial statements for the fiscal years ended December 31, 2015 and 2014, that are not included in the audit fees listed above. These services include engagements related to employee benefit plans, due diligence assistance and other matters. Fees in 2014 include $3,875,000 for audits of the combined financial statements of the health care business as required for the Form 10 registration statement and other audit-related services associated with the spin-off of our health care business.*

(3) *These amounts represent Deloitte s aggregate fees for tax compliance, tax advice and tax planning for 2015 and 2014. For 2015, approximately $310,000 was for tax compliance/preparation fees.*

Audit Committee Approval of Audit and Non-Audit Services

Using the following procedures, the Audit Committee pre-approves all audit and non-audit services provided by Deloitte to Kimberly-Clark:

- At the first face-to-face Audit Committee meeting each year, our Chief Financial Officer presents a proposal, including fees, to engage Deloitte for audit services;

- Before the first face-to-face Audit Committee meeting of the year, our Vice President and Controller oversees the preparation of a detailed memorandum regarding non-audit services to be provided by Deloitte during the year. This memorandum includes the services to be provided, the estimated cost of these services, reasons why it is appropriate to have Deloitte provide these services, and reasons why the requested service is not inconsistent with applicable auditor independence rules; and

- Before each subsequent meeting of the Audit Committee, our Vice President and Controller oversees the preparation of an additional memorandum that includes updated information regarding the approved services and highlights any new audit and non-audit services to be provided by Deloitte. All new non-audit services to be provided are described in individual requests for services.

The Audit Committee reviews the requests presented in these proposals and memoranda and approves all services it finds acceptable.

To ensure prompt handling of unexpected matters, the Audit Committee has delegated to the Chairman of the Audit Committee the authority to amend or modify the list of audit and non-audit services and fees between meetings, as long as the additional or amended services do not affect Deloitte s independence under applicable rules. Any actions taken under this authority are reported to the Audit Committee at its next face-to-face Committee meeting.

All Deloitte services and fees in 2015 and 2014 were pre-approved by the Audit Committee or the Audit Committee Chairman.

Audit Committee Report

In accordance with its charter adopted by the Board, the Audit Committee assists the Board in overseeing the quality and integrity of Kimberly-Clark s accounting, auditing and financial reporting practices.

In discharging its oversight responsibility for the audit process, the Audit Committee obtained from the independent registered public accounting firm (the auditors) a formal written statement describing all relationships between the auditors and Kimberly-Clark that might bear on the auditors independence, as required by Public Company Accounting Oversight Board (PCAOB) Rule 3526, *Communication with Audit Committees Concerning Independence*, discussed with the auditors any relationships that may impact their objectivity and independence and satisfied itself as to the auditors independence. The Audit Committee also discussed with management, the internal auditors, and the auditors, the quality and adequacy of Kimberly-Clark s internal controls and the internal audit function s organization, responsibilities, budget and staffing. The Audit Committee reviewed with both the auditors and the internal auditors their audit plans, audit scope and identification of audit risks.

The Audit Committee discussed and reviewed with the auditors all communications required by the PCAOB s auditing standards, including those required by PCAOB AS 16, Communication with Audit Committees. Also, with and without management present, it discussed and reviewed the results of the auditors examination of our financial statements and our internal control over financial reporting. The Committee also discussed the results of internal audit examinations.

Management is responsible for preparing Kimberly-Clark s financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) and for establishing and maintaining Kimberly-Clark s internal control over financial reporting. The auditors have the responsibility for performing an independent audit of Kimberly-Clark s financial statements and internal control over financial reporting, and expressing opinions on the conformity of Kimberly-Clark s financial statements with GAAP and the effectiveness of internal control over financial reporting. The Audit Committee discussed and reviewed Kimberly-Clark s audited financial statements as of and for the fiscal year ended December 31, 2015, with management and the auditors. The Audit Committee also reviewed management s assessment of the effectiveness of internal controls as of December 31, 2015, and discussed the auditors examination of the effectiveness of Kimberly-Clark s internal control over financial reporting.

Based on the above-mentioned reviews and discussions with management and the auditors, the Audit Committee recommended to the Board that Kimberly-Clark s audited financial statements be included in Kimberly-Clark s Annual Report on Form 10-K for the fiscal year ended December 31, 2015, for filing with the SEC. The Audit Committee also has selected and recommended to stockholders for ratification the reappointment of Deloitte as the independent registered public accounting firm for 2016.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Ian C. Read, Chairman

John F. Bergstrom

Robert W. Decherd

Michael D. White

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Proposal 3. Advisory Vote

to Approve Named Executive

Officer Compensation

In the Compensation Discussion and Analysis that follows, we describe in detail our executive compensation program, including its objectives, policies and components. As discussed in that section, our executive compensation program seeks to align the compensation of our executives with the objectives of our Global Business Plan. To this end, the Management Development and Compensation Committee (the Committee) has adopted executive compensation policies that are designed to achieve the following objectives:

- *Pay-for-Performance*. Support a performance-oriented environment that rewards achievement of our financial and non-financial goals.

- *Focus on Long-Term Success*. Reward executives for long-term strategic management and stockholder value enhancement.

- *Stockholder Alignment*. Align the financial interests of our executives with those of our stockholders.

- *Quality of Talent*. Attract and retain executives whose abilities are considered essential to our long-term success.

For a more detailed discussion of how our executive compensation program reflects these objectives and policies, including information about the fiscal year 2015 compensation of our named executive officers, see Compensation Discussion and Analysis, below.

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

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

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

At our 2011 Annual Meeting, stockholders voted to adopt the recommendation of our Board to vote on the say-on-pay proposal every year at our annual meeting. As a result, we will continue to submit our say-on-pay proposal to our stockholders at each annual meeting, until stockholders next vote on the frequency for the proposal in 2017.

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

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Compensation Discussion

and Analysis

This Compensation Discussion and Analysis is intended to provide investors with an understanding of our compensation policies and decisions regarding 2015 compensation for our named executive officers.

For 2015, our named executive officers are:

Named Executive Officer	Title
Thomas J. Falk	Chairman of the Board and Chief Executive Officer
Maria G. Henry	Senior Vice President and Chief Financial Officer*
Michael D. Hsu	Group President K-C North America
Sandra J. MacQuillan	Senior Vice President and Chief Supply Chain Officer**
Elane B. Stock	Group President K-C International
Mark A. Buthman	Former Chief Financial Officer*

**In February 2015, Mr. Buthman announced his intention to retire at the end of 2015. On April 27, 2015, Ms. Henry joined Kimberly-Clark and succeeded Mr. Buthman as Chief Financial Officer. On that date, Mr. Buthman assumed the title of Executive Vice President and served during a management transition period until he retired on December 31, 2015.*

***Ms. MacQuillan joined Kimberly-Clark on April 20, 2015.*

2015 Compensation Highlights

As measured under our annual incentive program, we delivered the results below in net sales, adjusted earnings per share (EPS) and adjusted operating profit return on sales (OPROS).

Performance Measure*	2015 Results	2015 Target
Net sales	$18.59 billion	$19.00 billion
Adjusted EPS	$5.76	$5.70
Adjusted OPROS Improvement	+120 bps	+90 bps

* *See 2015 Performance Goals, Performance Assessments and Payouts for additional information on how we use these measures to promote our pay-for-performance culture.*

Based on our 2015 performance, the Management Development and Compensation Committee of our Board (the Committee) concluded that:

- management delivered a strong financial performance in 2015 with below target level net sales and above target adjusted earnings per share and adjusted OPROS growth, as well as solid organic sales growth highlighted by a 4 percent increase in volumes, and

- management continues to make good progress executing strategies for our long-term success, including:

  - focusing on targeted growth initiatives and product innovations,

  - generating cost savings to help fund brand investments and improve margins, and

  - focusing on cash generation and allocating capital in stockholder-friendly ways.

Based on this performance, the Committee approved annual cash incentives for 2015 at slightly above the target amount, including an annual incentive payout for the Chief Executive Officer of 105 percent of his target payment amount.

Performance-Based Compensation

Pay-for-performance is a key objective of our compensation programs. Consistent with that objective, performance-based compensation constituted a significant portion of our named executive officers direct annual compensation targets for 2015. Also, to further align the financial interests of our executives with those of our stockholders, a majority of our executives target direct annual compensation for 2015 was equity-based.

Committee Consideration of 2015 Stockholder Advisory Vote

At our 2015 Annual Meeting, our executive compensation program received the support of approximately 94 percent of shares represented at the meeting. The Committee has considered the results of this vote and views this outcome as evidence of stockholder support of its executive compensation decisions and policies. Accordingly, the Committee has not made any substantial changes to its executive compensation policies for 2016. The Committee will continue to review the annual stockholder votes on our executive compensation program and determine whether to make any changes in light of the results.

CEO Target Direct Compensation and Realizable Direct Compensation

The following chart compares the Chief Executive Officer s target direct annual compensation and realizable direct compensation over the last three years. Realizable direct compensation reflects the actual compensation received for base salary and annual cash incentive plus the intrinsic value of the long-term equity incentives granted in that year, determined as follows:

- For stock options, intrinsic value is the amount by which our 2015 year-end stock price ($127.30) exceeds the exercise price, multiplied by the number of options granted, and

- For performance-based restricted share units, intrinsic value is the number of units that were paid out based on actual performance (for the grant made in 2013) or are expected to be paid out based on projected performance (for the grants made in 2014 and 2015), multiplied by our 2015 year-end stock price.

(Where applicable, the stock option exercise prices and numbers of stock options throughout this proxy statement have been adjusted for our Halyard Health spin-off on October 31, 2014. Also, on October 31, 2014, all outstanding performance-based restricted share units received a dividend equivalent for the Halyard Health spin-off, as described on page 71 (footnote 4).)

Key factors causing realizable direct compensation to differ from target direct annual compensation over these three years are:

- Improved performance that resulted in annual cash incentives to be paid out at 132 percent of target (2013), 105 percent of target (2014) and 105 percent of target (2015), and

- A rising stock price over the last three years that significantly impacted the intrinsic value of stock options and the dollar value of performance-based restricted share units granted in each year. Our stock prices on the dates stock options were granted to our Chief Executive Officer were $98.92 (2013), $107.51 (2014) and $110.72 (2015) (as adjusted for our Halyard Health spin-off in the case of options granted in 2013 and 2014).

The Committee believes that this chart demonstrates that our Chief Executive Officer s realizable direct compensation varies from his target direct annual compensation based on our performance and stock price consistent with our pay-for-performance philosophy.

Executive Compensation Objectives and Policies

The Committee is responsible for establishing and administering our policies governing the compensation of our elected officers, including our named executive officers. The Committee reviews its compensation philosophy annually, including determining whether this philosophy supports our business objectives and is consistent with the Committee s charter.

The Committee has adopted executive compensation policies that are designed to achieve the following objectives:

Objective	Description	Related Policies
Pay-for-Performance	Support a performance-oriented environment that rewards achievement of our financial and non-financial goals.	*The majority of our named executive officers pay varies with the levels at which annual and long-term performance goals are achieved. The Committee chooses performance goals that align with our strategies for sustained growth and profitability.*
Focus on Long-Term Success	Reward executives for long-term strategic management and stockholder value enhancement.	*The largest single component of our named executive officers annual target compensation is in the form of performance-based restricted share units. The number of shares actually received on payout of these units depends on our performance over a three-year period.*

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Compensation Discussion and Analysis Executive Compensation Objectives and Policies

Objective	Description	Related Policies
Stockholder Alignment	Align the financial interests of our executives with those of our stockholders.	*Equity-based awards make up the largest part of our named executive officers annual target compensation. As part of this, named executive officers receive stock options, which vest over time and have value only if our stock value rises after the option grants are made. We also have other policies that link our executives interests with those of our stockholders, including target stock ownership guidelines.*
Quality of Talent	Attract and retain highly skilled executives whose abilities are considered essential to our long-term success as a global company operating our personal care, consumer tissue and K-C professional businesses.	*The Committee reviews peer group data to ensure our executive compensation program remains competitive so we can continue to attract and retain this talent.*

These compensation objectives and policies seek to align the compensation of our elected officers, including our named executive officers, with the objectives of our Global Business Plan. Our Global Business Plan, established by our senior management and the Board, is designed to make Kimberly-Clark a stronger and more competitive company and to increase our total return to stockholders by:

- managing our business portfolio to balance growth, margin and cash flow
- investing in brands, innovation and growth initiatives
- delivering sustainable cost reduction
- providing disciplined capital management to improve return on invested capital and return cash to stockholders

Components of Our Executive Compensation Program

The table below gives an overview of the compensation components used in our program and matches each with one or more of the objectives described above.

Component	Objectives	Purpose	Target Competitive Position
Base salary	Quality of talent	Provide annual cash income based on:	u Compared to median of peer group
	Pay-for-performance	u level of responsibility, experience and performance	u Actual base salary will vary based on the individual s level of responsibility, experience in the position and performance
		u comparison to market pay information	
Annual cash incentive	Pay-for-performance	Motivate and reward achievement of the following annual performance goals:	u Target compared to median of peer group
		u corporate key financial goals	u Actual payout will vary based on actual corporate and business unit or staff function performance
		u other corporate financial and strategic performance goals	

		u performance of the business unit or staff function of the individual	
Long-term equity incentive	Stockholder alignment Focus on long-term success Pay-for-performance Quality of talent	Provide an incentive to deliver stockholder value and to achieve our long-term objectives, through awards of: u performance-based restricted share units u stock options Time-vested restricted share units may be granted from time to time for recruiting, retention or other purposes	u Target compared to median of peer group u Actual payout of performance-based restricted share units will vary based on actual corporate performance u Actual payout will also vary based on actual stock price performance
Retirement benefits	Quality of talent	Provide competitive retirement plan benefits through 401(k) plan and other defined contribution plans	u Benefits comparable to those of peer group
Perquisites	Quality of talent	Provide minimal market-based additional benefits	u Subject to review and approval by the Committee
Post-termination compensation (severance and change of control)	Quality of talent	Encourage attraction and retention of executives critical to our long-term success and competitiveness: u Severance Pay Plan, which provides eligible employees, including executives, with payments and benefits in the event of certain involuntary terminations	u Subject to review and approval by the Committee

- Executive Severance Plan, which provides eligible employees, including executives, payments in the event of a qualified separation of service following a change of control

Setting Annual Compensation

This section describes how the Committee thinks about annual compensation and the processes that it followed in setting 2015 target annual compensation for our named executive officers.

Focus on Direct Annual Compensation

In setting 2015 compensation for our executive officers, including our Chief Executive Officer, the Committee focused on direct annual compensation, which consists of annual cash compensation (base salary and annual cash incentive) and long-term equity incentive compensation (performance-based restricted share units and stock options). The Committee considered annual cash and long-term equity incentive compensation both separately and as a package to help ensure that our executive compensation objectives are met.

Executive Compensation Peer Group

To ensure that our executive compensation programs are reasonable and competitive in the marketplace, the Committee compares our programs to those at other companies. In setting compensation in February 2015 for our named executive officers, the Committee used a peer group consisting of the following consumer goods and business to business companies:

2015 Executive Compensation Peer Group

u 3M	u DuPont	u Kraft Foods
u Avon Products	u General Mills	u Mondelēz International

- Campbell Soup
- Clorox
- Coca-Cola
- Colgate-Palmolive
- ConAgra Foods
- Hershey
- Honeywell International
- Johnson & Johnson
- Kellogg
- Newell Rubbermaid
- Nike
- PepsiCo
- Procter & Gamble

The Committee generally seeks to select companies with whom Kimberly-Clark competes for talent. We believe that we generally compete for talent with consumer goods and business-to-business companies with annual revenues ranging from approximately one-half to two times our annual revenues. However, the Committee concluded that it was appropriate also to include certain companies outside of this annual revenue range because we directly compete with them for talent.

In developing the peer group, the Committee does not consider individual company compensation practices, and no company has been included or excluded because it is known to pay above-average or below-average compensation. The Committee (working with compensation consultants retained separately by the Committee and the company), reviews the peer group annually to ensure that it continues to serve as an appropriate comparison for our compensation program.

For purposes of setting executive compensation for 2016, the Committee did not make any changes to the peer group. Kraft Foods merged with H.J. Heinz in July 2015 and the surviving company, Kraft Heinz, remained in the peer group.

Process for Setting Direct Annual Compensation Targets

In setting the direct annual compensation of our executive officers, the Committee evaluates both market data provided by the compensation consultants and information on the performance of each executive officer for prior years. To remain competitive in the marketplace for executive talent, the target levels for the executive officers compensation components, including our Chief Executive Officer, are compared to the median of the peer group.

To reinforce a pay-for-performance culture, targets for individual executive officers may be set above or below this median depending on the individual s performance in prior years and experience in the position. The Committee believes that comparing target levels to the median, setting targets as described above, and providing incentive compensation opportunities that will enable executives to earn above-target compensation if they deliver above-target performance on their performance goals, are consistent with the objectives of our compensation policies. In particular, the Committee believes that this approach enables us to attract and retain skilled and talented executives to guide and lead our businesses and supports a pay-for-performance culture. At times, the Committee may award long-term equity incentive compensation to key individuals to address retention concerns.

When setting annual compensation for our executive officers, the Committee considers each compensation component (base salary, annual cash incentive and long-term equity incentive), but its decision regarding a particular component does not necessarily impact its decision about other components.

In setting compensation for executive officers that join us from other companies, the Committee evaluates both market data for the position to be filled and the candidate s compensation history. The Committee recognizes that in order to successfully recruit a candidate to leave his or her current position and to join Kimberly-Clark, the candidate s compensation package may have to exceed his or her current compensation, resulting in a package above the median of our peer group.

CEO Direct Annual Compensation

The Committee determines Mr. Falk s direct annual compensation in the same manner as the direct annual compensation of the other named executive officers. Mr. Falk s direct annual target compensation is at or near the median of direct annual compensation of chief executive officers of companies included in the peer group.

The difference between Mr. Falk s compensation and that of the other named executive officers reflects the significant difference in their relative responsibilities. Mr. Falk s responsibilities for management and oversight of a global enterprise are significantly greater than those of the other executive officers. As a result, the market pay level for Mr. Falk is appropriately higher than the market pay for our other executive officer positions.

Direct Annual Compensation Targets for 2015

Consistent with its focus on direct annual compensation, the Committee approved 2015 direct annual compensation targets for each of our named executive officers. The Committee believes that these target amounts, which formed the basis for the Committee s compensation decisions for 2015, were appropriate and consistent with our executive compensation objectives:

Name	2015 Direct Annual Compensation Target($)
Thomas J. Falk	12,510,000
Maria G. Henry	3,625,000
Michael D. Hsu	3,948,500
Sandra J. MacQuillan	1,702,000
Elane B. Stock	3,948,500
Mark A. Buthman	3,920,000

These 2015 direct annual compensation target amounts differ from the amounts set forth in the Summary Compensation Table in the following ways:

- Base salaries are adjusted on April 1 of each year, while the Summary Compensation Table includes salaries for the calendar year. See Executive Compensation for 2015 Base Salary.
- Annual cash incentive compensation is included at the target level, while the Summary Compensation Table reflects the actual amount earned for 2015.
- As described below under Long-Term Equity Incentive Compensation 2015 Stock Option Awards, for compensation purposes the Committee values stock options differently than the way they are required to be reflected in the Summary Compensation Table. Also, target-level annual long-term incentive compensation amounts do not include off-cycle awards such as the one-time sign-on award to Ms. MacQuillan reported in the Summary Compensation Table.
- In setting direct annual compensation targets, the Committee does not include increases in pension or deferred compensation earnings or other compensation, while those amounts are required to be included in the Summary Compensation Table.

Executive Compensation for 2015

To help achieve the objectives discussed above, our executive compensation program for 2015 consists of fixed and performance-based components, as well as short-term and long-term components.

Base Salary

To attract and retain high caliber executives, we pay our executives an annual fixed salary that the Committee considers competitive in the marketplace.

Salary ranges and individual salaries for executive officers are reviewed annually, and salary adjustments generally are effective on April 1 of each year. In determining individual salaries, the Committee considers the salary levels for similar positions at our peer group companies, as well as the executive s performance and experience in his or her position. This performance evaluation is based on how the executive performs during the year against results-based objectives established at the beginning of the year. In general, an experienced executive who is performing at a satisfactory level will receive a base salary at or around the median of our peer group companies. However, executives may be paid above or below the median depending on their experience and performance. From time to time, if warranted, executives and other employees may receive additional salary increases because of promotions, changes in duties and responsibilities, retention concerns or market conditions.

For purposes of setting 2015 base salaries, each executive s leadership performance was measured against the following set of behaviors viewed as characteristic of executives who are adept at leading the strategic, operational and organizational aspects of our global business:

u building trust

u making decisions

u winning consistently

u thinking customer

u continuously improving

u building talent

In the case of Ms. Henry and Ms. MacQuillan, the Committee determined base salaries when the company extended employment offers to these officers, taking into account their prior salaries, prior experience and peer company data.

The Committee approved the following base salaries for our named executive officers, effective April 2015:

Name	2015 Base Salary($)
Thomas J. Falk	1,300,000
Maria G. Henry	750,000
Michael D. Hsu	815,000
Sandra J. MacQuillan	560,000
Elane B. Stock	815,000
Mark A. Buthman	800,000

Annual Cash Incentive Program

Consistent with our pay-for-performance compensation objective, our executive compensation program includes an annual cash incentive program to motivate and reward executives in achieving annual performance objectives.

2015 Targets

The target payment amount for annual cash incentives is a percentage of the executive s base salary. The Committee determines this target payment amount as described above under Setting Annual Compensation Process for Setting Direct Annual Compensation Targets. The range of possible payouts is expressed as a percentage of the target payment amount. The Committee sets this range based on competitive factors.

TARGET PAYMENT AMOUNTS AND RANGE OF POSSIBLE PAYOUTS

FOR 2015 ANNUAL CASH INCENTIVE PROGRAM

	Target Payment Amount	Potential Payout
Chief Executive Officer	170% of base salary	0% - 200% of target payment amount
Senior Vice President and Chief Supply Chain Officer	70% of base salary	0% - 200% of target payment amount
Other Named Executive Officers	90% of base salary	0% - 200% of target payment amount

2015 Performance Goals, Performance Assessments and Payouts

Payment amounts under the annual cash incentive program are dependent on performance measured against corporate goals and business unit or staff function goals established by the Committee at the beginning of each year. These performance goals, which are communicated to our executives at the beginning of each year, are derived from our financial and strategic goals.

As shown in the table below, the Committee established goals for three different performance elements for 2015. It then weighted the three elements for each executive (note that the business unit or staff function performance goals did not apply to our CEO because his responsibilities are company-wide). As it does each year, the Committee chose weightings that are intended to strike an appropriate balance between aligning each executive s individual objectives with our overall corporate objectives and holding the executive accountable for performance in the executive s particular area of responsibility.

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* *Mr. Buthman served as Chief Financial Officer until April 27, 2015, when he assumed the title of Executive Vice President. As Executive Vice President, Mr. Buthman s goals were weighted 70% for Element 1 and 30% for Element 2. Mr. Buthman s 2015 payout amount was prorated between the two weighting structures.*

Below we describe the three elements of performance, explain how performance was assessed for each element, and show the payouts that were determined in each case.

n ELEMENT 1: CORPORATE KEY FINANCIAL GOALS

For 2015, the Committee chose the following as corporate key financial goals for the annual cash incentive program:

2015 Goal	Explanation	Reason for Use as a Performance Measure
Net sales	Net sales for 2015	A key indicator of our overall growth
Adjusted EPS	Consists of diluted net income per share that is then adjusted to eliminate the effect of items or events that the Committee determines in its discretion should be excluded for compensation purposes(1)	A key indicator of our overall performance
Adjusted OPROS	After net sales and adjusted EPS are determined as described above, a multiplier based on adjusted OPROS is applied to the calculation result to determine the final payout percentage(2)	A measure of margin efficiency and a helpful method of tracking our cost structure performance

[(1)] *In 2015 the following adjustments were made to diluted net income per share to determine adjusted EPS:*

Diluted Net Income Per Share	*$2.77*
Adjustment for:	
Add Charges related to Venezuelan operations	*$0.40*
Add Charges related to uncertain tax positions	*$0.13*
Add Charges related to 2014 organization restructuring	*$0.11*
Add Charges related to restructuring in Turkey	*$0.06*
Add Charges related to pension settlements	*$2.28*
Rounding	*$0.01*
Adjusted EPS	*$5.76*

For more information regarding these adjustments, see Management s Discussion and Analysis of Financial Condition and Results of Operations in our 2015 Annual Report on Form 10-K.

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(2) *For purposes of determining annual cash incentive amounts, we calculate adjusted OPROS using our reported financial results, adjusted for the same items described above in determining adjusted EPS.*

Because Element 1 represents key company-wide goals, it produces the same payout percentage for each named executive officer. To determine this percentage, the Committee follows the following process.

First, it determines an initial payout percentage based on how Kimberly-Clark performed against the net sales and adjusted EPS goals established in February of each year. For 2015, the Committee set these goals and the corresponding initial payout percentages at the following levels:

Measure (each weighted 50%)	**Range of Performance Levels**		
	Threshold	**Target**	**Maximum**
Net sales (billions)	$ 17.48	$ 19.00	$ 20.52
Adjusted EPS	$ 5.25	$ 5.70	$ 6.15
Initial Payout Percentage	**0%**	**100%**	**200%**

Second, it applies a multiplier to this initial payout percentage. The multiplier is based on how Kimberly-Clark performed against the adjusted OPROS goals also established in February. Depending on the level of basis point improvement, the multiplier may either decrease or increase the initial payout percentage (but the amount of the final payout percentage cannot exceed a 200 percent cap).

For 2015, the Committee set the following ranges for this adjusted OPROS multiplier:

	Range of Performance Levels		
	Threshold	Target	Maximum
Adjusted OPROS (bps improvement)	+40 bps	+90 bps	+140 bps
Adjusted OPROS Multiplier Applied to Initial Payout Percentage	**0.8 x**	**1.0 x**	**1.2 x**

Actual results. For 2015, our net sales result was $18.59 billion and our adjusted EPS result was $5.76. Based on these results, the initial payout percentage was determined to be 93 percent. To this percentage, we then applied an adjusted OPROS multiplier of 1.12, which was based on the actual 2015 improvement of 120 bps.

The resulting 2015 payout percentage for achieving the corporate key financial goals was 104 percent of each named executive officer s target payment amount.

n ELEMENT 2: ADDITIONAL CORPORATE FINANCIAL AND STRATEGIC PERFORMANCE GOALS

At the beginning of 2015, the Committee also established additional corporate financial and non-financial strategic performance goals that are intended to challenge our executives to exceed our long-term objectives. At the end of the year, it determined a payout percentage based on its assessment of the degree to which these goals are achieved.

The Committee does not use a formula to assess the performance of these goals but instead takes a holistic approach and considers performance of all the goals collectively. Although it does review each goal separately, the key consideration for the Committee is how it views Kimberly-Clark s performance for the year in all of these categories, taken as a whole.

The chart below shows the 2015 goals and how the Committee assessed Kimberly-Clark s performance against each one:

Additional Corporate Financial and Strategic Performance Goals for 2015		Final Result		
		Below Goal	At Goal	Above Goal
Quality of earnings:	u Gross profit growth percentage exceeding the net sales growth rate.			X
	u Advertising spending growth percentage exceeding the net sales growth rate.	X		
	u Attaining cost savings goals.			X
	u Operating profit growth percentage exceeding the net sales growth rate.			X
Brand equity and market performance:	u Increasing market share in select markets.		X	
Innovation:	u Attaining net sales from innovation goals (based on a rolling three-year review) in new products and line extensions in 2015.	X		
	u Attaining net sales from innovation goals (based on launches in 2015).			X
Diversity and inclusion	u Making progress on goals for women in senior roles globally and ethnic minorities in senior roles in the United States.			X

Actual payout percentage. After taking into account performance on all of these goals, the Committee determined that the payout percentage for achieving these other financial and strategic goals should be 105 percent of target.

n ELEMENT 3: BUSINESS UNIT OR STAFF FUNCTION PERFORMANCE GOALS

In addition to the performance goals established by the Committee, our CEO establishes individual business unit or staff function performance goals that are intended to challenge the executives to exceed the objectives for that unit or function. These objectives include strategic performance goals for the business units and staff functions, as well as financial goals for the business units.

Following the end of the year, the executives performance is analyzed to determine whether performance for the goals was above target, on target or below target. Our CEO then provides the Committee with an assessment of each individual business unit s or staff function s performance against the objectives for that unit or function.

Actual payout percentages. Based on the assessed performance of the relevant business unit or staff function against its pre-established performance goals, and taking into account the CEO s recommendations, the Committee determined the following payout percentages for business unit or staff function performance for our named executive officers:

Name	2015 Business Unit/Staff Function Payout Percentage
Thomas J. Falk	N/A
Maria G. Henry	110%
Michael D. Hsu	138%
Sandra J. MacQuillan	116%
Elane B. Stock	106%
Mark A. Buthman (prior to April 27)	111%

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Annual Cash Incentive Payouts for 2015

The following table shows the payout opportunities and the actual payouts of annual cash incentives for 2015 for each of our named executive officers. Payouts were based on the payout percentages for each element, weighted for each executive as shown on page 49.

	Annual Incentive Target		Annual Incentive Maximum		2015 Annual Incentive Payout	
Name	% of Base Salary	Amount($)	% of Target	Amount($)	% of Target	Amount($)
Thomas J. Falk	170%	2,210,000	200%	4,420,000	105%	2,310,615
Maria G. Henry	90%	675,000	200%	1,350,000	106%	712,483
Michael D. Hsu	90%	733,500	200%	1,467,000	121%	890,683
Sandra J. MacQuillan	70%	392,000	200%	784,000	107%	418,668
Elane B. Stock	90%	733,500	200%	1,467,000	105%	771,904
Mark A. Buthman	90%	720,000	200%	1,440,000	105%	755,780

Summary of Annual Cash Incentive Payouts: 2010 through 2015

Generally, the Committee seeks to set the minimum, target and maximum levels such that the relative difficulty of achieving the target level is consistent from year to year. From 2010 through 2015, total payout percentages (including business unit or staff function performance) for our named executive officers in those years ranged from 58 percent to 132 percent of each executive s target award opportunity. The Committee believes that these payouts are consistent with how Kimberly-Clark performed during these years and reflect the pay-for-performance objectives of our executive compensation.

PAYOUTS FOR CORPORATE GOALS AND AVERAGE TOTAL

PAYOUT PERCENTAGES FOR NAMED EXECUTIVE OFFICERS

	2015	2014	2013	2012	2011	2010	Average
Payout for Corporate Goals Combination of corporate key financial goals and	105%	105%	132%	129%	75%	67%	102%

additional corporate financial and strategic performance goals							
Average Total Payout Percentages (including business unit or staff function performance) for named executive officers	108%	105%	128%	123%	79%	77%	103%

Long-Term Equity Incentive Compensation

The Committee awards long-term equity incentive grants to executive officers as part of their overall compensation package. These awards are consistent with the Committee s objectives of aligning our senior leaders interests with the financial interests of our stockholders, focusing on our long-term success, supporting our performance-oriented environment and offering competitive compensation packages.

Information regarding long-term equity incentive awards granted to our named executive officers can be found under Summary Compensation, Grants of Plan-Based Awards, and Discussion of Summary Compensation and Plan-Based Awards Tables.

2015 Grants

In determining the 2015 long-term equity incentive award amounts for our named executive officers, the Committee considered the following factors, among others: the specific responsibilities and performance of the executive, our business performance, retention needs, our stock price performance and other market factors. Because these awards are part of our annual compensation program that compares direct annual compensation to the median of our peer group comparison, grants from prior years were not considered when setting 2015 targets or granting awards.

To determine target values, it first compared each executive s direct annual compensation to the median of our peer group, and then considered individual performance and the other factors listed above, as applicable. Target grant values were approved in February 2015 and were divided into two types:

- Performance-based restricted share units (75 percent of the target grant value). For valuation purposes, each unit is assigned the same value as one share of our common stock on the date of grant.

- Stock options (25 percent of the target grant value). For valuation purposes, one option has the same value as 10 percent of the price of one share of our common stock on the date of grant of the stock option.

The Committee believes this allocation between performance-based restricted share units and stock options supports the pay-for-performance and stockholder alignment objectives of its executive compensation program.

In addition to her annual long-term incentive award, the Committee granted a one-time time-vested restricted share unit award to Ms. MacQuillan as an incentive to join the company and to replace certain compensation and benefits she forfeited upon leaving her former employer.

Performance Goals and Potential Payouts for

2015 - 2017 Performance-Based Restricted Share Units

For the performance-based restricted share unit awards granted in 2015, the actual number of shares to be received by our named executive officers can range from zero to 200 percent of the target levels established by the Committee for each executive, depending on the degree to which the performance objectives for these awards are met over a three-year period.

The performance objectives for the 2015 awards are based on average annual net sales growth and the average adjusted return on invested capital (ROIC) for the period January 1, 2015 through December 31, 2017. Adjusted ROIC is a measure of the return we earn on the capital invested in our businesses. It is calculated using our reported financial results, adjusted for the same items that we use in determining adjusted EPS. The formula we use to calculate adjusted ROIC can be found under the Investors section of our website at www.kimberly-clark.com. The performance objectives for the awards reflect assumed annual organic sales growth of 3 to 5 percent for 2015 through 2017, with significantly unfavorable foreign exchange rate effects in 2015.

2015 - 2017 PERFORMANCE-BASED RESTRICTED SHARE UNITS:

POTENTIAL PAYOUTS AT VARYING PERFORMANCE LEVELS

Goals (Each weighted 50%)	**Performance Levels**				
Annual net sales growth	(1.40)%	(0.15)%	1.10%	2.35%	3.60%
Adjusted ROIC	20.25%	20.75%	21.25%	21.75%	22.25%
Potential Payout (as a percentage of target)	**0%**	**50%**	**100%**	**150%**	**200%**

Payout of 2012 - 2014 Performance-Based Restricted Share Units

In February 2015, the Committee evaluated the results of the three-year performance period for the performance-based restricted share units that were granted in 2012. The performance objectives for these 2012 awards were based on average annual adjusted net sales growth and average adjusted ROIC for the period January 1, 2012 through December 31, 2014, each weighted equally.

Goals (Each weighted 50%)	Performance Levels					
Annual adjusted net sales growth*	1.00%	2.25%	3.50%	4.75%	6.00%	1.52%
Adjusted ROIC**	14.50%	15.00%	15.50%	16.00%	16.50%	17.01%
Potential Payout (as a percentage of target)	**0%**	**50%**	**100%**	**150%**	**200%**	**Actual**

* *For purposes of calculating annual adjusted net sales growth, the Committee added $1.59 billion to 2014 net sales to neutralize the impact of the Halyard Health spin-off on October 31, 2014. The adjustment represents the estimated net sales that our health care business would have contributed in 2014 had the spin-off not occurred. The adjustment represents, (1) for January through October, the actual results for our health care business (which are reported as discontinued operations in our 2014 Annual Report on Form 10-K) and (2) for November and December, pro-forma results determined by multiplying our health care business actual year-to-date performance for January through October, expressed as a percentage of target, by the target performance level attributable to November and December.*

** *For purposes of calculating average adjusted ROIC, the Committee (1) added $29.8 million of lost earnings to 2014 operating profit to neutralize the impact of the Halyard Health spin-off and (2) excluded from the calculation of operating profit and invested capital the impacts of charges related to (a) the Halyard Health spin-off, (b) an exchange rate change in Venezuela, (c) our 2014 organization restructuring, (d) a regulatory dispute in the Middle East and (e) our European restructurings.*

Based on this review, the Committee determined that we achieved our performance goal for adjusted ROIC but did not achieve our performance goal for adjusted net sales growth. As a result, the payout percentage for the share units was 111 percent of target. The following table includes information about the opportunities and payouts (including reinvested dividends) regarding these grants to our named executive officers:

	Share Amount		2012 - 2014 Performance-Based Restricted Share Unit Award (Paid in February 2015)		
Name	Target	Maximum	% of Target	Amount of Shares(#)	Value of Shares on Date Received($)
Thomas J. Falk	90,114	180,228	111%	100,026	10,968,851
Maria G. Henry*					
Michael D. Hsu*					
Sandra J. MacQuillan*					
Elane B. Stock	7,209	14,418	111%	8,002	877,499
Mark A. Buthman	21,627	43,254	111%	24,006	2,632,498

* *Mmes. Henry and MacQuillan and Mr. Hsu joined Kimberly-Clark after these grants were made.*

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

The shares underlying these performance-based restricted share unit awards were distributed to our named executive officers in February 2015 and are included in the table below entitled Option Exercises and Stock Vested in 2015.

Vesting Levels of Outstanding Performance-Based Restricted Share Unit Awards

As of February 10, 2016, the performance-based restricted share units granted in 2015 and 2014 were on pace to vest at 100 percent.

The Committee has determined that the 2013 award vested at 100 percent. Payouts under these awards will be reflected in 2016 compensation.

2015 Stock Option Awards

As noted above, 25 percent of the annual long-term equity incentive grants to executive officers in 2015 consisted of stock options. Stock option grants vest in three annual installments of 30 percent, 30 percent and 40 percent, beginning on the first anniversary of the grant date. The Committee believes that stock options help further align our executives interest with those of our stockholders and encourage executives to remain with the company through the multi-year vesting schedule.

For purposes of determining the number of options to be granted, stock options are valued on the basis that one option has the same value as 10 percent of the price of one share of our common stock on the date of grant. The value we use for this purpose differs from, and in April 2015 was higher than, the value of approximately 6.7 percent that we use for financial statement purposes (resulting in fewer options being granted than if the financial statement value had been used). The Committee believes that this value is an appropriate way to determine the number of options to be granted because it provides more consistent application and is not subject to the volatility inherent in the valuation method (Black-Scholes-Merton) used for financial statement purposes. Information regarding stock options granted to our named executive officers can be found under Summary Compensation, Grants of Plan-Based Awards, and Discussion of Summary Compensation and Plan-Based Awards Tables.

Benefits and

Other Compensation

Retirement Benefits

Our named executive officers receive contributions from us under the Kimberly-Clark Corporation 401(k) and Profit Sharing Plan (the 401(k) Profit Sharing Plan) and the Kimberly-Clark Supplemental Retirement 401(k) and Profit Sharing Plan (the Supplemental 401(k) Plan) and some executive officers participate in our frozen defined benefit pension plans depending on their hire date. These plans are consistent with those maintained by our peer group companies and are therefore necessary to remain competitive with them for recruiting and retaining executive talent. The Committee believes that these retirement benefits are important parts of our compensation program. For more information, see Nonqualified Deferred Compensation 401(k) Profit Sharing Plan and Supplemental 401(k) Plan and Pension Benefits.

Other Compensation

A review conducted in 2014 indicated that perquisites provided to our executive officers are below the median of those provided by our peer group. In addition, the Committee has adopted a policy providing that executive officers will no longer receive tax reimbursement and a related gross-up for perquisites (including personal use of corporate aircraft), except for certain relocation benefits.

Perquisites include personal financial planning services under our Executive Financial Counseling Program, an executive health screening program where executives may receive comprehensive physical examinations from an independent health care provider, and permitted personal use of corporate aircraft consistent with our policy. The personal financial planning program is designed to provide executives with access to knowledgeable financial advisors that understand our compensation and benefit plans and can assist our executives in efficiently and effectively managing their financial and tax planning issues. Our Chief Executive Officer does not receive personal financial planning services pursuant to this program. The executive health screening program provides executives with additional services that help maintain their overall health.

Under an executive security program for our Chief Executive Officer, approved by the Board of Directors, our Chief Executive Officer is expected to use our corporate aircraft for all business and personal travel, consistent with our policy, and security services are provided for him at all times, including at his office, other company locations and his residences. Periodically, an independent security consultant conducts a security assessment, and the Board reviews the program, to ensure that security measures provided by us are appropriate. The Board considers these security arrangements to be appropriate and reasonable in light of the security risks identified in the independent security assessment. In addition, if a corporate aircraft is already scheduled for business purposes and can accommodate additional passengers, executive officers and their guests may, under certain circumstances, join flights for personal travel. The incremental cost to us of providing security services at Mr. Falk s residences and personal travel for Mr. Falk and his guests on our corporate aircraft is included in All Other Compensation in the Summary Compensation Table.

Post-Termination Benefits

We maintain two severance plans that cover our executive officers: the Severance Pay Plan and the Executive Severance Plan. An executive officer may not receive severance payments under more than one severance plan. Benefits under these plans are payable only if the executive s employment terminates under the conditions specified in the applicable plan. We believe that our severance plans are consistent with those maintained by our peer group companies and that they are therefore important for attracting and retaining executives who are critical to our long-term success and competitiveness. For more information about these severance plans and their terms, see Potential Payments on Termination or Change of Control Severance Benefits.

Severance Pay Plan

Our Severance Pay Plan provides severance benefits to most of our U.S. hourly and salaried employees, including our named executive officers, who are involuntarily terminated under the circumstances described in the plan. The objective of this plan is to facilitate the employee s transition to his or her next position, and it is not intended to serve as a reward for the employee s past service.

Executive Severance Plan

Our Executive Severance Plan provides severance benefits to eligible employees, including our named executive officers, in the event of a qualified termination of employment (as defined in the plan) in connection with a change of control. For an eligible employee to receive a payment under this plan, two things must occur: there must be a change of control of Kimberly-Clark, and the employee must have been involuntarily terminated without cause or have resigned for good reason (as defined in the plan) within two years of the change of control (often referred to as a double trigger). Each of our named executive officers has entered into an agreement under the plan that expires on December 31, 2017.

Executive Compensation for 2016

2016 Base Salary

In February 2016, the Committee approved the following base salaries for our named executive officers, effective April 1, 2016:

Name	2016 Base Salary($)
Thomas J. Falk	1,325,000
Maria G. Henry	780,000
Michael D. Hsu	840,000
Sandra J. MacQuillan	570,000
Elane B. Stock	840,000

2016 Annual Cash Incentive Targets

In February 2016, the Committee also established objectives for 2016 annual cash incentives, which will be payable in 2017. The target payment amounts and range of possible payouts for 2016 were as follows:

	Target Payment Amount	Possible Payout
Thomas J. Falk	170% of base salary	0% - 200% of target payment amount
Maria G. Henry	90% of base salary	0% - 200% of target payment amount
Michael D. Hsu	90% of base salary	0% - 200% of target payment amount
Sandra J. MacQuillan	70% of base salary	0% - 200% of target payment amount
Elane B. Stock	90% of base salary	0% - 200% of target payment amount

As discussed in 2015 Performance Goals, Performance Assessments and Payouts above, the Committee sets the appropriate split among the different elements of performance that make up our performance goals. The following are the 2016 performance goals and relative weights for our named executive officers:

The corporate key financial goals for 2016 are designed to encourage a continued focus on executing our long-term Global Business Plan objectives and include achieving net sales, adjusted EPS and adjusted OPROS goals.

The Committee also established other corporate financial and non-financial goals for 2016. These goals, intended to further align compensation with achieving our Global Business Plan, include:

- Focusing on gross profit growth, advertising spending growth, cost savings and operating profit growth

- Focusing on market share improvement in global markets
- Driving innovation
- Diversity and inclusion

In addition, goals have been established for each named executive officer, other than our Chief Executive Officer, relating to his or her business unit or specific staff function.

2016 Long-Term Equity Compensation Incentive Awards

In February 2016, the Committee approved long-term incentive compensation awards for the named executive officers consisting of awards of performance-based restricted share units with a value equal to 75 percent of the target grant value for long-term equity incentive compensation, with the balance of the value to be granted in stock options. The performance objectives for the performance-based restricted share unit awards granted in 2016 are based on average annual net sales growth and average adjusted ROIC improvement for the period January 1, 2016 through December 31, 2018. The actual number of shares to be received by our named executive officers will range from zero to 200 percent of the target levels established by the Committee for each executive, depending on the degree to which the performance objectives are met.

PERFORMANCE-BASED RESTRICTED SHARE UNITS GRANTED IN 2016

Name	Target Amount of Shares(#)	Maximum Amount of Shares(#)
Thomas J. Falk	57,559	115,118
Maria G. Henry	13,814	27,628
Michael D. Hsu	15,253	30,506
Sandra J. MacQuillan	4,893	9,786
Elane B. Stock	15,253	30,506

In February 2016, the Committee also approved the dollar amount of stock options to be granted to our named executive officers in May 2016, along with our annual stock option grants to other employees. The number of options they will receive will be based on the fair market value of our stock on the date of grant.

Name	Value of Stock Options to be Granted($)
Thomas J. Falk	2,500,000
Maria G. Henry	600,000
Michael D. Hsu	662,500
Sandra J. MacQuillan	212,500
Elane B. Stock	662,500

Additional Information about Our Compensation Practices

As a matter of sound governance, we follow certain practices with respect to our compensation program. We regularly review and evaluate our compensation practices in light of regulatory developments, market standards and other considerations.

Use of Independent Compensation Consultant

As previously discussed, the Committee engaged Semler Brossy Consulting Group as its independent consultant to assist it in determining the appropriate executive officer compensation in 2015 under our compensation policies described above. Consistent with the Committee s policy in which its independent consultant may provide services only to the Committee, Semler Brossy had no other business relationship with Kimberly-Clark and received no payments from us other than fees and expenses for services to the Committee. See Corporate Governance - Management Development and Compensation Committee for information about the use of compensation consultants.

Adjustment of Financial Measures for Annual and Long-Term Equity Incentives

Financial measures for the annual and long-term equity incentive programs are developed based on expectations about our planned activities and reasonable assumptions about the performance of our key business drivers for the applicable period. From time to time, however, discrete items or events may arise that were not contemplated by these plans or assumptions. These could include accounting and tax law changes, tax credits or charges from items not within the ordinary course of our business operations, charges relating to currency exchange rate changes, restructuring and write-off charges, significant acquisitions or dispositions, and significant gains or losses from litigation settlements.

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

Pricing and Timing of Stock Option Grants and

Timing of Performance-Based Equity Grants

Our policies and the 2011 Plan require stock options to be granted at no less than the closing price of our common stock on the date of grant. Stock option grants to our elected officers, including our executive officers, are generally made annually at a meeting of the Committee that is scheduled at least one year in advance, and the grants are effective on the date of this meeting. However, if the meeting occurs during the period beginning on the first day of the final month of a calendar quarter and ending on the date of our earnings release, the stock option grants will not be effective until the first business day following the earnings release. Our executives are not permitted to choose the grant date for their individual stock option grants.

The Chairman of the Board and Chief Executive Officer has been delegated the authority to approve equity grants, including stock options, to employees who are not elected officers of Kimberly-Clark. These grants include scheduled annual grants, which are subject to an annual limit set by the

Committee, and recruiting and special employee recognition and retention grants, which may not exceed 200,000 shares in any calendar year. The Chairman of the Board and Chief Executive Officer is not permitted to make any grants to any of our elected officers, including our executive officers.

Annual stock option grants to non-elected officers are effective on the same date as the annual stock option grants to our elected officers. Recruiting, special recognition and retention stock-based awards are made on a pre-determined date following our quarterly earnings release. In April 2015, our Chief Executive Officer authorized an aggregate of 1.69 million options, performance-based restricted share units and time-vested restricted share units to employees who are not elected officers. In 2015, our Chief Executive Officer also authorized an aggregate of 27,301 shares underlying recruiting and retention grants, consisting of options, performance-based restricted share units and time-vested restricted share units.

With respect to grants of performance-based restricted share units to executive officers, the Committee s current practice is to approve the grants at its February meeting and the grants are effective on the last business day of February. (Prior to 2016, grants were effective on the date of the Committee s February meeting.) We believe this practice is consistent with award practices at other large public companies. Our executives are not permitted to choose the grant date for their individual restricted stock or restricted share unit awards.

Policy on Incentive Compensation Clawback

As described in detail above, a significant percentage of our executive officer compensation is incentive-based. The determination of the extent to which the incentive objectives are achieved is based in part on the Committee s discretion and in part on our published financial results. The Committee has the right to reassess its determination of the performance awards if the financial statements on which it relied are restated. The Committee has the right to direct Kimberly-Clark to seek to recover from any executive officer any amounts determined to have been inappropriately received by the individual executive officer. In addition, under the 2011 Plan, the Committee may require awards with performance goals under the 2011 Plan to be subject to any policy we may adopt relating to the recovery of that award to the extent it is determined that performance goals relating to the awards were not actually achieved. Further, the Sarbanes-Oxley Act of 2002 mandates that the chief executive officer and the chief financial officer reimburse us for any bonus or other incentive-based or equity-based compensation paid to them in a year following the issuance of financial statements that are later required to be restated as a result of misconduct. The Committee intends to review and revise the incentive compensation clawback policy once the SEC issues final regulations on clawbacks under the Dodd-Frank legislation enacted in 2010.

Stock Ownership Guidelines

We strongly believe that the financial interests of our executives should be aligned with those of our stockholders. Accordingly, the Committee has established stock ownership guidelines for our elected officers, including our named executive officers.

TARGET STOCK OWNERSHIP AMOUNTS

Position	Ownership Level
Chief Executive Officer	Six times annual base salary
Other named executive officers	Three times annual base salary

Failure to attain these targeted stock ownership levels within five years from date of hire for, or appointment to, an eligible position can result in the reduction of part or all of the executive s annual cash incentive (with a corresponding grant of time-vested restricted share units or restricted stock in that amount), or a reduction in future long-term equity incentive awards, either of which may continue until the ownership guideline is achieved. In determining whether our stock ownership guidelines have been met, any time-vested restricted share units held are counted as owned, but performance-based restricted share units are excluded until they vest. Executive officer stock ownership levels were reviewed in 2015 for compliance with these guidelines. Based on our stock price as of the compliance date for this review, the stock ownership levels specified by the guidelines have been met or exceeded by each of our named executive officers.

Insider Trading Policy; Anti-Hedging and Pledging Policy

We require all executive officers to pre-clear transactions involving our common stock (and other securities related to our common stock) with our Legal Department.

Our insider trading policy prohibits any director, executive officer or any other officer or employee subject to its terms (approximately 200 people) from entering into short sales or derivative transactions to hedge their economic exposure to our common stock. In addition, these directors, officers and employees are prohibited from pledging our stock, including through holding our stock in margin accounts.

Committee Exercise of Discretion to Reduce Annual Cash Incentive Payment

In establishing performance goals and target levels under the annual cash incentive program, the Committee is exercising its discretion to limit the amount of the incentive payments, consistent with our pay-for-performance objective. In the absence of this exercise of discretion, each of the executive officers would be entitled to an award equal to 0.3 percent of our earnings before unusual items; however, the Committee has exercised its discretion to limit the amount of the incentive payments each year of the program, and this potential maximum award has never been paid to any of the executive officers.

Corporate Tax Deduction for Executive Compensation

The United States income tax laws generally limit the deductibility of compensation paid to the chief executive officer and each of the three highest-paid executive officers (not including the chief financial officer) to $1,000,000 per annum. However, an exception exists for performance-based compensation that meets certain regulatory requirements. Several classes of our executive compensation, including option awards and portions of our long-term equity grants to executive officers, are designed to meet the requirements for deductibility. Other classes of our executive compensation, including portions of the long-term equity grants described above, may be subject to the $1,000,000 deductibility limit.

Although deductibility of compensation is preferred, tax deductibility is not a primary objective of our compensation programs. In the Committee s view, meeting the compensation objectives set forth above is more important than the benefit of being able to deduct the compensation for tax purposes.

Management Development and Compensation Committee Report

In accordance with its written charter adopted by the Board, the Management Development and Compensation Committee has oversight of compensation policies designed to align elected officers compensation with our overall business strategy, values and management initiatives. In discharging its oversight responsibility, the Committee has retained an independent compensation consultant to advise the Committee regarding market and general compensation trends.

The Committee has reviewed and discussed the Compensation Discussion and Analysis with our management, which has the responsibility for preparing the Compensation Discussion and Analysis. Based upon this review and discussion, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference in our Annual Report on Form 10-K filed with the SEC for the fiscal year ended December 31, 2015.

MANAGEMENT DEVELOPMENT AND COMPENSATION

COMMITTEE OF THE BOARD OF DIRECTORS

Abelardo E. Bru, Chairman

Fabian T. Garcia

Mae C. Jemison, M.D.

Marc J. Shapiro

Analysis of Compensation- Related Risks

The Committee, with the assistance of its independent consultant and Kimberly-Clark s compensation consultant, has reviewed an assessment of our compensation programs for our employees, including our executive officers, to analyze the risks arising from our compensation systems.

Based on this assessment, the Committee believes that the design of our compensation programs, including our executive compensation program, does not encourage our executives or employees to take excessive risks and that the risks arising from these programs are not reasonably likely to have a material adverse effect on Kimberly-Clark.

Several factors contributed to the Committee s conclusion, including:

- The Committee believes Kimberly-Clark maintains a values-driven, ethics-based culture supported by a strong tone at the top.

- The performance targets for annual cash incentive programs are selected to ensure that they are reasonably attainable in a manner consistent with our Global Business Plan without encouraging executives or employees to take inappropriate risks.

- An analysis by Kimberly-Clark s consultant indicated that our compensation programs are consistent with those of our peer group. In addition, the analysis noted that target levels for direct annual compensation are compared to the median of our peer group.

- The Committee believes the allocation among the components of direct annual compensation provides an appropriate balance between annual and long-term incentives and between fixed and performance-based compensation.

- Annual cash incentives and long-term performance-based restricted share unit awards under our executive compensation program are capped at 200 percent of the target award, and all other material non-executive cash incentive programs are capped at reasonable levels, which the Committee believes protects against disproportionately large incentives.

- The Committee believes the performance measures and the multi-year vesting features of the long-term equity incentive compensation component encourage participants to seek sustainable growth and value creation.

- The Committee believes inclusion of share-based compensation through the long-term equity incentive compensation component encourages appropriate decision-making that is aligned with the long-term interests of stockholders.

- Our stock ownership guidelines further align the interests of management and stockholders.

Compensation Tables

Summary Compensation

The following table contains information concerning compensation awarded to, earned by, or paid to our named executive officers in the last three years. Additional information regarding the items reflected in each column appears below the table and on page 69.

SUMMARY COMPENSATION TABLE

ame and incipal Position	Year	Salary($)	Stock Awards($)	Option Awards($)	Non-Equity Incentive Plan Compen-sation($)	Change in Pension Value and Nonqualified Deferred Compen-sation Earnings($)[1]	All Other Compen-sation($)	Total($
homas J. Falk hairman of the	2015	1,300,000	6,749,972	1,501,759	2,310,615		298,147	12,160,493
oard and Chief ecutive Officer	2014	1,300,000	6,749,976	1,601,556	2,328,677	3,057,191	357,781	15,395,181
	2013	1,300,000	5,999,979	1,384,455	2,908,360		321,210	11,914,004
aria G. Henry[2] nior Vice esident and Chief	2015	511,364	1,649,949	367,098	712,483		205,333	3,446,227

nancial Officer								
ichael D. Hsu	2015	805,000	1,800,015	400,471	890,683		112,835	4,009,004
oup President								
C North America	2014	746,250	1,500,044	355,899	671,545		113,808	3,387,546
	2013	657,500	1,237,481	285,542	692,031		66,395	2,938,949
ndra J. MacQuillan(2) nior Vice	2015	392,424	2,262,453	125,150	418,668		232,943	3,431,638
esident and Chief								
pply Chain Officer								
ane B. Stock(2)	2015	805,000	1,800,015	400,471	771,904		118,593	3,895,983
oup President								
C International	2014	718,750	1,500,044	355,899	752,650		89,434	3,416,777
ark A. Buthman	2015	800,000	1,800,015	400,471	755,780		123,303	3,879,569
rmer Senior Vice								
esident and Chief	2014	796,250	1,649,960	391,494	767,650	618,724	127,439	4,351,517
nancial Officer								
	2013	781,250	1,350,046	311,504	873,097		116,719	3,432,616

(1) *For 2015, the aggregate value of pension benefits for Messrs. Falk and Buthman decreased by $614,183 and $157,264, respectively. For 2013, the aggregate values for these officers decreased by $1,735,962 and $378,044, respectively. Because these amounts decreased, they have been excluded from the table above under the SEC s regulations. Mmes. Henry, MacQuillan and Stock and Mr. Hsu are not participants in our pension plans.*

(2) *Mmes. Henry and MacQuillan were not named executive officers in 2013 or 2014 and Ms. Stock was not a named executive officer in 2013. Therefore, no compensation information for these years appears in this table for these officers.*

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Compensation Tables

Salary. The amounts in this column represent base salary earned during the year.

Stock Awards and Option Awards. The amounts in these columns reflect the dollar value of restricted share unit awards and stock options, respectively, granted under our stockholder-approved 2011 Equity Participation Plan (the 2011 Plan).

The restricted share unit awards either vest over time or are based on the achievement of performance-based standards.

The amounts for each year represent the grant date fair value of the awards, computed in accordance with ASC Topic 718. See Notes 8, 10, and 9 to our audited consolidated financial statements included in our Annual Reports on Form 10-K for 2015, 2014 and 2013, respectively, for the assumptions we used in valuing and expensing these restricted share units and stock option awards in accordance with ASC Topic 718.

For awards that are subject to performance conditions, the value is based on the probable outcome of the conditions at grant date. This value, as well as the value of the awards at the grant date assuming the highest level of performance conditions will be achieved and using the grant date stock price, is set forth below:

Name	Year	Stock Awards at Grant Date Value($)	Stock Awards at Highest Level of Performance Conditions($)
Thomas J. Falk	2015	6,749,972	13,499,944
	2014	6,749,976	13,499,952
	2013	5,999,979	11,999,958
Maria G. Henry	2015	1,649,949	3,299,898
Michael D. Hsu	2015	1,800,015	3,600,030
	2014	1,500,044	3,000,088
	2013	1,237,481	2,474,962
Sandra J. MacQuillan	2015	562,458	1,124,916
Elane B. Stock	2015	1,800,015	3,600,030
	2014	1,500,044	3,000,088
Mark A. Buthman	2015	1,800,015	3,600,030
	2014	1,649,960	3,299,920
	2013	1,350,046	2,700,092

Non-Equity Incentive Plan Compensation. The amounts in this column are the annual cash incentive payments described in Compensation Discussion and Analysis. These amounts were earned during the years indicated and were paid to our named executive officers in February of the following year.

Change In Pension Value and Nonqualified Deferred Compensation Earnings. The amounts in this column reflect the aggregate change during the year in actuarial present value of accumulated benefits under all defined benefit and actuarial plans (including supplemental pension plans). With respect to the supplemental pension plans, amounts have been calculated to reflect an approximate 30-year Treasury bond rate to determine the amount of the earlier retirement age lump sum benefit in a manner consistent with our financial statements. We describe the assumptions we used in determining the amounts and provide additional information about these plans in Pension Benefits.

Mr. Falk has compensation from before 2005 that he elected to defer pursuant to a Deferred Compensation Plan then in effect. Beginning in 2010, each of our named executive officers participates in the Supplemental 401(k) Plan, a non-qualified defined contribution plan, and prior to

2010, Mr. Buthman participated in its predecessor plan, the supplemental Retirement Contribution Program. Earnings on each of these plans are not included in the Summary Compensation Table because the earnings were not above-market or preferential. See Nonqualified Deferred Compensation for a discussion of these plans and each named executive officer s earnings under these plans in 2015.

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

Name	Year	Perquisites ($)[1]	Defined Contribution Plan Amounts($)[2]	Tax Gross-Ups($)[3]	Total ($)[4]
Thomas J. Falk	2015	40,511	257,636		298,147
	2014	63,196	294,585		357,781
	2013	22,823	298,387		321,210
Maria G. Henry	2015	148,326	36,207	20,800	205,333
Michael D. Hsu	2015	8,000	104,835		112,835
	2014	13,128	100,680		113,808
	2013	10,522	55,873		66,395
Sandra J. MacQuillan	2015	143,392	27,862	61,689	232,943
Elane B. Stock	2015	8,000	110,593		118,593
	2014	8,000	81,434		89,434
Mark A. Buthman	2015	12,000	111,303		123,303
	2014	10,585	116,854		127,439
	2013	1,872	114,847		116,719

(1) *Perquisites. For a description of the perquisites we provide executive officers, and the reasons why, see Compensation Discussion and Analysis Benefits and Other Compensation Other Compensation. Perquisites for our named executive officers in 2015 included the following:*

Name	*Executive Financial Counseling*	*Personal Use of Corporate Aircraft($)*	*Security Services($)*	*Executive Health Screening*	*Relocation Expenses($)*	*Total($)*

	Program($)[a]			*Program($)*		
Thomas J. Falk		*29,900*	*10,611*			*40,511*
Maria G. Henry				*3,802*	*144,524*	*148,326*
Michael D. Hsu	*8,000*					*8,000*
Sandra J. MacQuillan					*143,392*	*143,392*
Elane B. Stock	*8,000*					*8,000*
Mark A. Buthman	*12,000*					*12,000*

(a) *Our Chief Executive Officer does not receive personal financial counseling under this program.*

(2) *Defined Contribution Plan Amounts. Matching contributions were made under the 401(k) Profit Sharing Plan and accrued under the Supplemental 401(k) Plan in 2015, 2014 and 2013 for all named executive officers, as applicable. A profit-sharing contribution was also made under the 401(k) Profit Sharing Plan and the Supplemental 401(k) Plan in February 2016, 2015 and 2014 with respect to our performance in 2015, 2014 and 2013, respectively, for the named executive officers as follows:*

Name	*Performance Year*	*Profit Sharing Contribution($)*
Thomas J. Falk	*2015*	*112,489*
	2014	*126,251*
	2013	*132,617*
Maria G. Henry	*2015*	*15,852*
Michael D. Hsu	*2015*	*45,773*
	2014	*43,148*
	2013	*24,832*
Sandra J. MacQuillan	*2015*	*12,165*
Elane B. Stock	*2015*	*48,287*
	2014	*34,900*
Mark A. Buthman	*2015*	*48,597*
	2014	*50,080*
	2013	*51,043*

See Nonqualified Deferred Compensation for a discussion of these plans. The profit sharing contribution varies depending on our performance for the applicable year, contributing to fluctuations from year to year in the amounts in the All Other Compensation column.

(3) *Tax Gross Ups. The amounts shown for Mmes. Henry and MacQuillan reflect tax reimbursement for moving and related expenses incurred for a relocation in connection with joining the company.*

(4)

Certain Dividends. Dividend equivalents on unvested performance-based and time-vested restricted share units are accumulated and will be paid in additional shares after the restricted share units vest, based on the actual number of shares that vest. See Outstanding Equity Awards for information on these reinvested dividend equivalents. In connection with the Halyard Health spin-off on October 31, 2014, performance-based restricted share units and time-vested restricted share units (and the dividend equivalents credited to these restricted share units equal to cash dividends on our Common Stock as described above) were credited with reinvested dividend equivalents equal to the value of the Halyard Health stock dividend distributed on our common stock to maintain the value of the awards before and after the spin-off.

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Compensation Tables

Grants of Plan-Based Awards

The following table sets forth plan-based awards granted to our named executive officers during 2015 on a grant-by-grant basis.

GRANTS OF PLAN-BASED AWARDS IN 2015

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)						
	Grant Type	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)(3)	All Other Option Awards: Number of Securities Underlying Options (#)(4)	Exercise or Base Price of Option Awards ($/Sh)	G Date Val Stock Op Aw
as J.	Annual cash incentive award			2,210,000	4,420,000							
	Performance-based RSU	2/17/2015					60,663	121,326				6,749
		4/29/2015								203,215	110.72	1,50

	Time-vested stock option									
G.	Annual cash incentive award		675,000	1,350,000						
	Performance-based RSU	4/29/2015			14,902	29,804				1,64
	Time-vested stock option	4/29/2015						49,675	110.72	36
el D.	Annual cash incentive award		733,500	1,467,000						
	Performance-based RSU	2/17/2015			16,177	32,354				1,80
	Time-vested stock option	4/29/2015						54,191	110.72	40
J. uillan	Annual cash incentive award		392,000	784,000						
	Performance-based RSU	4/29/2015			5,080	10,160				56
	Time-vested stock option	4/29/2015						16,935	110.72	12
	Time-vested RSU	4/29/2015					15,354			1,69
B.	Annual cash incentive award		733,500	1,467,000						
	Performance-based RSU	2/17/2015			16,177	32,354				1,80
	Time-vested stock option	4/29/2015						54,191	110.72	40
A. an	Annual cash incentive award		720,000	1,440,000						
	Performance-based RSU	2/17/2015			16,177	32,354				1,80
	Time-vested stock option	4/29/2015						54,191	110.72	40

(1) *Represents the potential annual performance-based incentive cash payments each named executive officer could earn in 2015. These awards were granted under our Executive Officer Achievement Award Program, which is our annual cash incentive program for executive officers, which was approved by stockholders in 2002. Actual amounts earned in 2015 were based on the 2015 objectives established by the Management Development and Compensation Committee at its February 17, 2015 meeting. See Compensation Discussion and Analysis Executive Compensation for 2015 Annual Cash Incentive Program. At the time of the grant, the incentive payment could range from the threshold amount to the maximum amount depending on the extent to which the 2015 objectives were met. The actual amounts paid in 2016 based on the 2015 objectives are set forth in the Summary Compensation Table under the column entitled Non-Equity Incentive Plan Compensation.*

(2) *Performance-based restricted share units granted under the 2011 Plan to our named executive officers on February 17, 2015, except for the grants to Mmes. Henry and MacQuillan, which occurred on April 29, 2015. The*

number of performance-based restricted share units granted in 2015 that will ultimately vest on the third anniversary of the grant date could range from the threshold number to the maximum number depending on the extent to which the average annual net sales growth and average adjusted ROIC performance objectives for those awards are met. See Compensation Discussion and Analysis Long-Term Equity Incentive Compensation 2015 Grants.

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Compensation Tables

(3) *Time-vested restricted stock units granted under the 2001 Plan to Ms. MacQuillan on April 29, 2015.*

(4) *Time-vested stock options granted under the 2011 Plan to our named executive officers on April 29, 2015.*

(5) *Grant date fair value is determined in accordance with ASC Topic 718 and, for performance-based restricted share units, is the value at grant date based on the probable outcome of the performance condition and is consistent with the estimate of aggregate compensation cost to be recognized over the service period determined as of the grant date, excluding the effect of estimated forfeitures. See Notes 8, 10, and 9 to our audited consolidated financial statements included in our Annual Reports on Form 10-K for 2015, 2014 and 2013, respectively, for the assumptions used in valuing and expensing these restricted share units and stock option awards in accordance with ASC Topic 718.*

Discussion of Summary Compensation and Plan-Based Awards Tables

Our executive compensation policies and practices, pursuant to which the compensation set forth in the Summary Compensation Table and the Grants of Plan-Based Awards in 2015 table was paid or awarded, are described under Compensation Discussion and Analysis.

Other than the executive severance plans described below, none of our named executive officers has an employment agreement with us. See Potential Payments on Termination or Change of Control.

Executive officers may receive long-term equity incentive awards of stock options, restricted stock or restricted share units, or a combination of stock options, restricted stock and restricted share units under the 2011 Plan, which was approved by stockholders in 2011. The 2011 Plan provides the Committee with discretion to require performance-based standards to be met before awards vest. The Committee awarded time-vested restricted share units to Ms. MacQuillan in 2015 in connection with her hire which vest in one-fifth increments on each of the first through fifth anniversaries of the grant date. In 2014, the Committee did not award time-vested restricted share units to our named executive officers. In 2013, the Committee awarded time-vested restricted share units to Ms. Stock for retention purposes which vest on the third anniversary of the date of grant. In 2015, each named executive officer received grants of stock options and performance-based restricted share units under the 2011 Plan.

For grants of stock options, the 2011 Plan provides that the option price per share shall be no less than the closing price per share of our common stock at the grant date. The term of any option is no more than ten years from the grant date. Options granted in 2015 become exercisable in three annual installments of 30 percent, 30 percent and 40 percent, beginning on the first anniversary of the grant date; however, all of the options become exercisable for three years upon death or total and permanent disability, and for the earlier of five years or the remaining term of the options, upon retirement of the officer. In addition, options generally become exercisable upon a termination of employment following a change of control, and certain options granted to our named executive officers are subject to our Executive Severance Plan. See Potential Payments on Termination or Change of Control. The officers may transfer the options to family members or certain entities in which family members have interests.

Performance-based restricted share unit awards granted in 2015 vest three years following the grant date in a range from zero to 200 percent of the target levels based on our average annual net sales growth and average adjusted ROIC performance during the three years. As of February 10, 2016, the performance-based restricted share units granted in 2015 and 2014 were on pace to vest at 100 percent. The Committee has determined that the 2013 award vested at 100 percent.

Dividend equivalents on unvested performance-based restricted share units equal to cash dividends on our common stock are accumulated and will be paid in additional shares after the performance-based restricted share units vest, based on the actual number of shares that vest. Dividend equivalents on the time-vested restricted share units granted to Ms. MacQuillan in 2015 and Ms. Stock in 2013, will be accumulated and paid in additional shares when the time-vested restricted share units vest.

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Outstanding Equity Awards

The following table sets forth information concerning outstanding equity awards for our named executive officers as of December 31, 2015. Option awards were granted for ten-year terms, ending on the option expiration date set forth in the table. Stock awards were granted as indicated in the footnotes to the table. Where applicable, the numbers of shares subject to option awards and option exercise prices in this table and throughout this proxy statement reflect adjustments for the Halyard Health spin-off on October 31, 2014.

OUTSTANDING EQUITY AWARDS AS OF DECEMBER 31, 2015[1]

		Option Awards[2]				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)[3]	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)[4][5]	Market Value of Shares or Units of Stock That Have Not Vested ($)[6]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)[4][7]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[6]
Thomas J. Falk									
	4/29/2015		203,215	110.72	4/29/2025				
	2/17/2015							62,159	7,912,841
	4/30/2014	62,786	146,505	107.51	4/30/2024				
	2/25/2014							67,593	8,604,589
	5/1/2013		80,871	98.92	5/1/2023				

	2/20/2013	74,428	9,474,684
Maria G. Henry			
	4/29/2015		