

# **Kimberly-Clark Corporation**

## **Audit Committee Charter**

Adopted on November 12, 2002  
[As amended through November 16, 2005]

### ***Organization***

This charter governs the operations of the Audit Committee. The Audit Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes of the charter to the Board for approval. The Corporation's Nominating and Corporate Governance Committee, in consultation with the Chairman of the Board, shall recommend members for appointment to, and the Chairman of, the Audit Committee to the Board for its approval. The Audit Committee shall be comprised of at least three directors, each of whom shall meet the independence requirements of the New York Stock Exchange ("NYSE"), the Securities Exchange Act of 1934, and the rules and regulations of the Securities and Exchange Commission ("SEC"). All Audit Committee members shall be financially literate, and the Committee desires that at least one member of the Audit Committee be an "audit committee financial expert," as defined by the rules and regulations of the SEC. No member of the Audit Committee shall serve on the audit committee of more than two other public companies without reviewing this service in advance with the Board. The Audit Committee shall maintain minutes of its meetings and report to the Board.

### ***Policy***

The Audit Committee shall assist the Board in fulfilling its oversight responsibilities to stockholders, the investment community and others for monitoring (1) the quality and integrity of the financial statements of the Corporation; (2) the Corporation's compliance with ethical policies contained in the Corporation's Code of Conduct and legal and regulatory requirements; (3) the independence, qualification and performance of the Corporation's independent auditors; and (4) the performance of the Corporation's internal auditors. The Audit Committee shall have the authority to retain special legal, accounting or other consultants to advise the Audit Committee. The Audit Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditors to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

### ***Responsibilities and Processes***

The Audit Committee, in carrying out its responsibilities, shall review its policies and procedures periodically in order to best react to changing conditions and circumstances. The Audit Committee shall take appropriate actions to ensure a management environment for quality financial reporting, sound business risk practices, and ethical behavior. The following shall be the principal duties and responsibilities of the Audit Committee. These are set forth as a guide with the understanding that the Audit Committee may supplement them as appropriate.

In carrying out its responsibilities, the Audit Committee shall:

1. Engage, subject to stockholder approval, the independent auditors of the Corporation to conduct the examination of the books and records of the Corporation and its affiliates, and to terminate any such engagement if circumstances warrant. The independent auditors are ultimately accountable to, and shall report directly to, the Audit Committee. The Audit Committee shall have the sole authority to approve all audit and non-audit engagement fees and terms. The Audit Committee shall provide oversight of the work of the independent auditors, including resolution of disagreements between management and the independent auditors regarding financial reporting.
2. Pre-approve all audit services and, to the extent permitted by law, all non-audit services provided by the independent auditors. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any Audit Committee member to whom pre-approval authority is delegated shall be presented to the full Audit Committee at its next scheduled meeting.
3. Meet with the Corporation's independent auditors and management to review the scope of the proposed annual audit (and related quarterly reviews), the audit procedures to be followed and, at the conclusion of the audit, review the principal audit findings including any comments or recommendations of the Corporation's independent auditors.
4. Discuss with the Corporation's independent auditors and management information relating to the auditors' judgments about the quality, not just the acceptability, of the Corporation's accounting principles and matters identified by the auditors during their interim reviews. Also, the Committee shall discuss the results of the annual audit and any other matters that may be required to be communicated to the Audit Committee by the Corporation's independent auditors.
5. In accordance with SEC rules, review management's assertion on its assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditors' report thereon. Review and discuss with management and the independent auditors any significant issues as to the adequacy of the Corporation's internal controls and the adequacy of disclosures about internal controls over financial reporting.
6. At least annually, receive from and discuss with the independent auditors and management, separately or together as determined by the Committee, a report on (1) all critical accounting policies and practices to be used; (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the Corporation, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and (3) other material written communications between the independent auditors and management of the Corporation, such as any management letter or schedule of unadjusted audit differences.

7. Obtain assurance from the Corporation's independent auditors that they have complied with their obligation to identify and report fraud in connection with their audit of the financial statements of the Corporation.
8. Prior to filing with the SEC, discuss the Corporation's annual audited financial statements and unaudited quarterly financial statements with management and the independent auditors, including management's discussion and analysis of financial condition and results of operations. Discuss other matters with the Corporation's independent auditors as required by the SEC and, if appropriate, recommend that the audited financial statements be included in the Corporation's Form 10-K.
9. Approve the content of the report of the Audit Committee required by the SEC to be included in the Corporation's annual Proxy Statement.
10. Provide sufficient opportunity at its meetings to meet separately in executive session with the Corporation's independent auditors, members of management and representatives of internal audit. Among the items to be discussed with the Corporation's independent auditors are (1) the independent auditors' evaluation of the Corporation's financial and accounting personnel; (2) the cooperation that the independent auditors received during the course of their audit; (3) any management letter provided by the independent auditors and management's response; and (4) any other matters the Audit Committee may determine from time to time.
11. At least annually, obtain and review a report by the independent auditors describing: (1) the firm's internal quality-control procedures; and (2) any material issues raised by the most recent internal quality-control review, peer review or Public Company Accounting Oversight Board review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting any independent audits carried out by the firm and any steps taken to deal with any such items.
12. At least annually, receive reports from the Corporation's independent auditors regarding the auditors' independence from management and the Corporation (including the identification of all relationships between the independent auditors and the Corporation), discuss such reports with the independent auditors, consider whether the provision of non-audit services by the independent auditors is compatible with the auditors' independence, and, if determined by the Audit Committee, recommend that the Board take action to satisfy itself of the independence of the auditors.
13. Evaluate the performance of the Corporation's independent auditors and lead audit partner, and report its conclusions to the full Board. Ascertain that the Corporation's independent auditors are in compliance with the audit partner rotation rules of the SEC.
14. Set hiring policies that conform to applicable SEC or other external guidelines for employment by the Corporation of employees and former employees of the independent auditors. At least annually, receive a report from management on the Corporation's hiring of former employees of the independent auditors.

15. Review major changes to the Corporation's auditing and accounting principles and practices as suggested by the independent auditors, internal auditors or management.
16. Discuss with the Corporation's independent auditors, the internal audit executive and management the adequacy and effectiveness of the Corporation's internal auditing, accounting and financial controls, and elicit any recommendations for improvement.
17. Review the internal audit function, budgeting and staffing, including appointment or replacement of the senior internal auditing executive and the proposed audit scope for the year. At least annually, review the performance of the senior internal auditing executive. The senior internal auditing executive is accountable to, and shall report directly to, the Audit Committee.
18. Receive from the internal audit executive a summary of findings from completed audits (and management's response) and a progress report on the proposed internal audit plan with explanations for any deviations from the original plan.
19. Provide oversight of the Corporation's compliance program and receive periodic reports from management on compliance program effectiveness and significant issues. Review periodic reports from the internal audit executive with respect to, and advise the Board regarding compliance with, the Corporation's Code of Conduct.
20. Review periodic reports from management with respect to related party transactions and review potential conflict of interest situations where appropriate.
21. Discuss with management the outline of press releases regarding results of operations, as well as general policies on earnings guidance to be provided to analysts, rating agencies, and the general public. Review any relevant items with management and the Corporation's independent auditors prior to release of any such press releases or earnings guidance. The review shall be with the Chairman of the Audit Committee or the full Audit Committee, as may be appropriate.
22. Meet, at least annually, with management to discuss, as appropriate, significant accounting accruals, estimates and reserves; litigation matters; management's representations to the independent auditors; new or proposed regulatory accounting and reporting rules; any significant off-balance sheet transactions and variable interest entities; and any significant financial reporting issues or judgments disputed with the Corporation's independent auditors.
23. Discuss with management policies with respect to risk assessment and risk management.
24. Review with the Corporation's general counsel legal matters that may have a material impact on the financial statements.
25. Establish procedures for (1) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls,

or auditing matters, and (2) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

26. Report regularly to the Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements.

27. In consultation with the Nominating and Corporate Governance Committee, conduct an annual evaluation of the performance and effectiveness of the Audit Committee and report the results of that evaluation to the Board.

While the Audit Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Management is responsible for preparing the Corporation's financial statements and the Corporation's independent auditors are responsible for auditing the annual financial statements and for reviewing the unaudited interim financial statements. Nor is it the duty of the Audit Committee to conduct investigations to assure compliance with laws and regulations and the Corporation's Code of Conduct.