

III. Corporate Governance

Kimberly-Clark de México S.A.B. de C.V. (KCM) is incorporated under Mexican law as a *Sociedad Anónima Bursátil de Capital Variable* (G4-3, G4-7), and its corporate bylaws are subject to the General Mercantile Corporations Law and the Securities Market Law. Its Corporate Governance is solid and transparent.

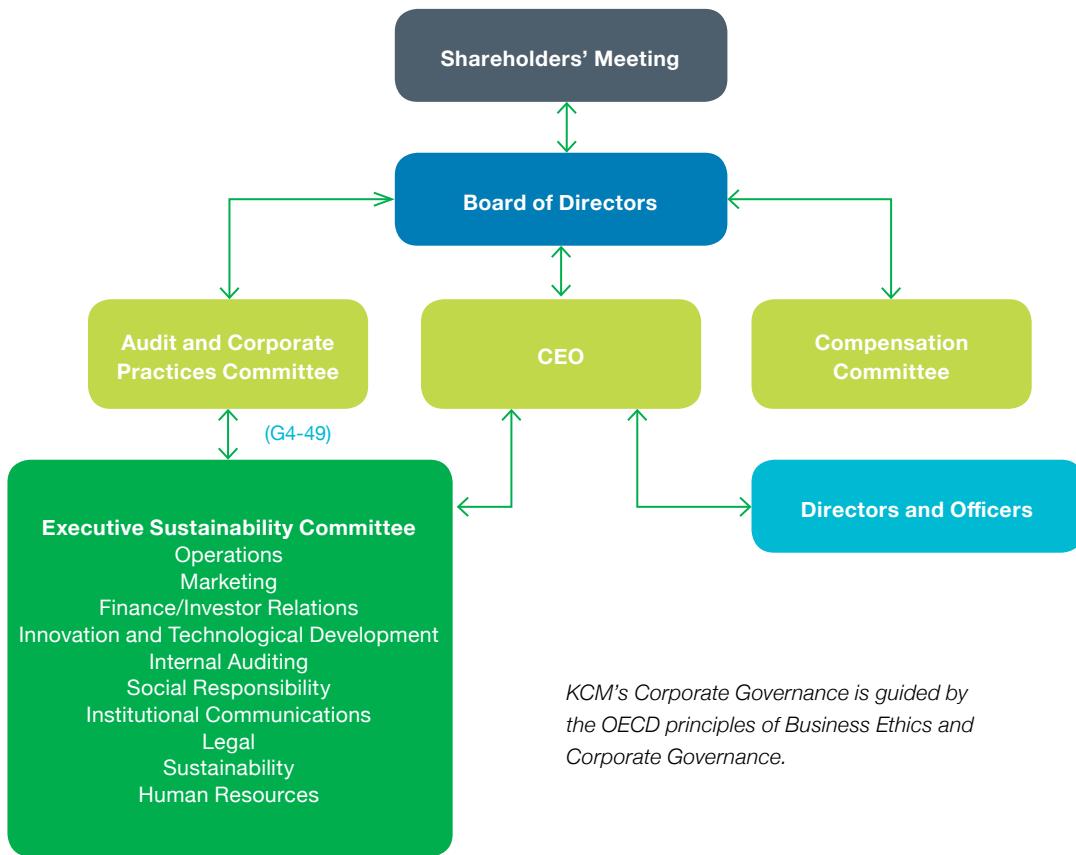
KCM shares have been listed on the Mexican Stock Exchange (BMV) for 54 years and, since 2011, they have been included in the BMV's Sustainable Price and Quotations Index. Approximately 48% of the company's shares are owned by Kimberly-Clark Corporation (KCC) (G4-7) and the rest by the investing public. All of the shares representing the company's capital stock confer equal rights and obligations upon their holders, according to their respective class and series.

We comply with the principles of business ethics, our Corporate Bylaws and the Code of Best Corporate Practices.





Corporate Governance Structure (G4-34 to G4-55)



The company's outstanding shares are divided into two series: Series A (exclusively for investors considered Mexican) and Series B (unrestricted subscription). The Company has a program of Certificates of Ordinary Participation (CPOs), each of them representing one Series A share, as well as a program of American Depositary Receipts (ADRs), each of them representing five CPOs, listed on the over-the-counter (OTC) market in the United States.

KCM Series A shares, which account for approximately 35% of its capital stock, are linked to the trust established November 24, 1989 by NAFIN for the issuance of certificates of ordinary participation (including the CPOs). This trust was created to allow foreign investors to acquire certificates of ordinary participation representing an economic interest in shares issued by various Mexican companies whose bylaws limit foreign ownership of their capital.

Shareholders' Meeting

The Shareholders' Meeting is the company's highest governance body, and is made up of owners of company shares. The meeting is responsible for approving and ratifying all KCM operations, and for appointing the Chairman, the Board of Directors and its members in general.

Based on the General Mercantile Corporations Law and the Securities Market Law, the Shareholders' Meeting meets regularly each year (G4-47) and, when necessary, can be called for extraordinary meetings.

In 2016, shareholders of Kimberly-Clark de México S.A.B. de C.V. were called, pursuant to the Code of Best Corporate Practices (CBCP)'s Best Practice 6, through the Emisnet website, the company's webpage and widely circulated periodicals in Mexico, to an Ordinary Meeting held February 25, 2016, at which 97% of the outstanding shares were represented.

The Shareholders' Meeting is responsible for approving and ratifying all KCM operations, and for appointing the Chairman, Board of Directors and its members in general.

For the Shareholders' Meeting, in keeping with Best Corporate Practices, a form was sent to shareholders fifteen calendar days before the meeting, providing detailed, relevant and accurate information on the company, profiles of its board members, and possible voting choices, in order for shareholders to exercise their right to vote on each point on the Order of Business (G4-50).

Each series A and B share entitles its owner to one vote in the Meeting. Details about the procedure for voting and distribution of dividends to shareholders according to series (A and B, CPOs and ADRs) can be found at the following link: <http://www.kimberly-clark.com.mx/sustainability/additional-information>

Among the matters approved in the 2016 Ordinary Annual Meeting were (G4-13, G4-50):

- Approval of the report of the CEO and Chairman of the Board for fiscal year 2016. The report discusses material aspects regarding company operations, including social and environmental responsibility aspects (G4-49, G4-50).
- The Board of Directors' Opinion on the Chief Executive Officer's Report.
- Approval of all parts of the individual and consolidated Financial Statements.
- Approval of the report submitted pursuant to Article 28, section IV, point a) of the Securities Market Law on the activities of the Audit and Corporate Practices Committee for the fiscal year ended December 31, 2015.
- Approval of a resolution to pay a cash dividend out of the earnings generated by the Company in the year 2015 and prior, in accordance with the Financial Statements as of December 2015, duly approved with the notes that formed an integral part thereof, under the terms of article 172 of the General Mercantile Corporations Law. The dividend was to

be paid out of the net fiscal earnings account up until the year 2013, in an amount of Ps.1.52 (one Mexican peso 52/100) per share, in installments of Ps.0.38 (thirty-eight Mexican cents) each, on April 7, July 7, October 6 and December 1, 2016, for each of the ordinary Series A and B shares representing the paid-in capital stock that had been issued, subscribed, paid-in and released as of each of the dates on which those installments were to be paid, against submission of coupons 49, 50, 52 and 52 of the outstanding shares.

- Shareholders ratified the position of each of the Regular and Alternate members of the Board of Directors and determined the independence of board members designated as independence (G4-44).



- Approval of the compensation scheme for Regular and Alternate Board Members and the Board Secretary (G4-51).
- Approval of the Board of Directors' Report to the Shareholders' Meeting, presented in keeping with Article 172 point b) of the General Mercantile Corporations Law, regarding the main accounting and information policies and procedures followed in preparing the Company's financial information, corresponding to the fiscal year from January 1 to December 31, 2015.
- Approval of the report presented pursuant to section XIX of Article 76 of the current Income Tax Law regarding compliance with the company's individual tax obligations for the corporate and fiscal year ended December 31, 2014.
- Approval of a resolution to allocate all of the net earnings for the fiscal year ended December 31, 2015, totaling Ps.4,332,533,394.00 (four billion three hundred thirty-two million five hundred thirty-three thousand three hundred ninety four Mexican pesos 00/100), including equity in the results of subsidiary companies totaling Ps.367,157,000.00 (three hundred sixty seven million one hundred fifty seven thousand Mexican pesos 00/100), presented in the individual Income Statement for the Company for the fiscal year ended December 31, 2015, to the account of retained earnings from prior fiscal years.
- Acceptance of the resignation of Mr. Mark Buthman from his position as Regular Board Member, and appointment of Ms. Maria Henry to replace him in that position.
- Ratification of the positions of each of the other Regular and Alternate members of the Board of Directors; ratification of the post of Emilio Carrillo Gamboa as Chairman of the Audit and Corporate Practices Committee, effective as of the date of the Meeting, and a determination of the independence of the other Board Members, in keeping with Article 26 of the Securities Market Law.

Shareholders ratified the positions of each of the Regular and Alternate members of the Board of Directors and determined the independence of the other Board Members.



- Approval of compensation paid to Regular and Alternate members of the Board of Directors and the Board Secretary for the fiscal year ended December 31, 2016, and until otherwise approved in another Meeting, in the amount of Ps.75,000 for each meeting of the Board of Directors and its Committees that they attend.
- Approval of the report presented to the Meeting by the Board regarding the repurchase of the company's own shares, and approval of a maximum of Ps.1,300,000,000 to be used for that purpose during fiscal year 2016.

- The cancellation of 27,766,598 ordinary registered shares with no par value, class I, acquired through the stock repurchase program and held in the Corporate Treasury, 14,337,071 of which were Series A and 13,429,527 were series B. These had been repurchased according to approval in the Meeting held February 23, 1995.
- As a result of the cancellation of shares certified and approved according to the foregoing resolution, as well as the reduction in the theoretic value of shares representing the capital stock in connection with the reimbursement authorized in the Meeting held February 26, 2015, the fixed portion of the capital stock was reduced by a total of Ps.76,413.35 (seventy six thousand four hundred thirteen Mexican pesos 35/100); which is equal to the theoretic value of the canceled shares. The capital stock was thus reduced to Ps.8,469,815.37 (eight million four hundred sixty nine thousand eight hundred fifteen Mexican pesos 37/100), represented by 3,099,090,878 (three billion ninety nine million ninety thousand eight hundred seventy eight) shares, of which 1,612,136,688 (one billion six hundred twelve million one hundred thirty six thousand six hundred eighty eight) were series A shares and 1,486,954,190 (one billion four hundred eighty six million nine hundred fifty four thousand one hundred ninety) were series B shares, and all were representative of the fixed portion of the capital stock.
- Approval of an amendment to paragraph one of Article Five of the company's bylaws to reflect the corresponding reduction in the fixed portion of its capital stock.

Agreements approved by the Ordinary Shareholders' Meeting held February 25, 2016 can be viewed on the company's webpage, in the Finance section, at the following link:

<http://www.kimberly-clark.com.mx/en/reports/other-documents>

Because KCM recognizes that there are stakeholders who have a legitimate interest in its stability and performance, it provides timely and regular access to public information on the legal and financial situation of the company as well as its sustainability practices (G4-37) (*CBCP Best Practice 6*), through the company's webpage, the BMV Emisnet website, and by opening channels of communication and dialogue for hearing their complaints or suggestions (G4-26, G4-31).

Among the documents available on the company's webpage are:

- Quarterly and annual financial statements for the prior fiscal period, in keeping with the Securities Market Law.
- Comparative Quarterly Reports.
- Annual Sustainability Report.
- Legal Information: Notice of shareholders' meetings, summary of agreements adopted in the shareholders' meetings, minutes of shareholders' meetings, accompanied by the attendance list signed by the selected examiners, indicated number of shares corresponding to each shareholder and, for proxy votes, the total number of shares represented.
- Total number of shares representing the company's capital stock, dividend payments, shares distributed or exchanged.
- Notice to shareholders or investing public.
- Material events, as established by the Securities Market Law and the General Provisions.



KCM's Board of Directors is made of twelve regular members, 50% of which are Independent.

- Annual Report of the Chairman of the Board of Directors and the Chief Executive Officer presented to the Shareholders' meeting, including material aspects of the activities and members of the Audit And Corporate Practices Committee and the Compensation Committee (*CBCP Best Practice 5*).
- Compensation policy.
- Board member profiles.
- On June 29, 2016, we sent our responses to a questionnaire by the Mexican Stock Exchange regarding our degree of adhesion to the Code of Best Corporate practices, which may be viewed on the BMV's Emisnet webpage at: https://www.bmv.com.mx/es/emisoras/informacionfinanciera/KIMBER-5524-CGEN_CAPIT

Board members appointment process (G4-40)

In keeping with the company's bylaws and article 26 of the Securities Market Law, both independent and related board members are evaluated and selected (**G4-44**) on the basis of their experience, capacity and professional prestige, and also are expected to perform their functions free of conflicts of interest and without regard to their personal, equity or economic interests. (**G4-41**)

Members of the Board of Directors are appointed or ratified by shareholders in the Ordinary Annual Meeting, which invests them with the authority necessary to carry out the administration of the company and to take all legal and material action directly or indirectly related to the corporate purpose.

Minority shareholders who hold at least 8.5% of the capital stock have the right to appoint one regular member and that member's alternate on the Board of Directors.

In the meeting held on February 25, 2016, shareholders voted to accept the resignation of board member Mark Buthman, and to nominate Ms. Maria Henry, currently Senior Vice President and Chief Financial Officer of Kimberly-Clark Corporation, to take Mr. Buthman's place as a regular Related Board Member of the company (**G4-44**). In the same meeting, shareholders ratified Emilio Carrillo Gamboa as Chairman of the Audit and Corporate Practices Committee, and confirmed the positions of the remaining regular and alternate board members.

Also in that meeting, shareholders determined the independence of Board Members so designated, a distinction maintained in order to prevent conflicts of interest (**G4-41**).

The definition of independence, conflict of interest, and procedure for appointing Board Members is contained in KCM's corporate bylaws, which can be viewed at:

<http://www.kimberly-clark.com.mx/data/global/reportes/Escritura%2070,309%2024%20de%20marzo%20de%202014.pdf>

Board of Directors

The Board of Directors is the entity responsible for administering and directing the company, ensuring that it adheres to its mission and vision, while protecting the interest and equity of its shareholders as stipulated in the corporate bylaws, the applicable Mexican laws and Code of Best Corporate Practices (*CBCP*).

To this end, the Board establishes general strategies to guide the company's businesses and oversees the management and direction of the company in an effort to create value for the company itself and for society at large.



The board is made up of twelve regular members, 50% of whom are independent (*CBCP Best Practice 12 stipulates a minimum of 25%*), who are also Board Members of other companies included in the BMV's Sustainable IPC Index.

In addition, an alternate is appointed for each independent member, and members may be reelected in the annual shareholders' meeting (*CBCP Best Practice 10*). The Board of Directors has a Secretary, who is independent of the company and participates in meetings with the right to speak but not to vote.

Composition of the Board of Directors as of December 31, 2016 (G4-34, G4-38, G4-39, G4-40)

NAME	POSITION	DATE APPOINTED	AGE
Claudio X. González Laporte	Chairman	13 December 1961	82
	Related member		
Valentín Diez Morodo	Vice Chairman	21 April 1983	76
	Independent member		
Pablo R. González Guajardo	Related member	25 February 2010	49
Thomas J. Falk	Vice Chairman	28 February 1992	58
	Related member		
Emilio Carrillo Gamboa	Independent member	26 February 1981, ratified without interruption each year since then, except for 1988 when he was serving as Mexico's ambassador to Canada.	79
Jorge Ballesteros Franco	Independent member	28 February 1997	70
María Henry	Related member	25 February, 2016	50
Antonio Cosío Ariño	Independent member	25 February 1987	80
Michael Hsu	Related member	27 February 2014	52
Esteban Malpica Fomperosa	Independent member	20 March 1996	67
Elane Stock	Related member	26 February 2015	52
Fernando Senderos Mestre	Independent member	23 February 1994	66

On February 25, 2016, shareholders approved the appointment of Ms. María Henry to succeed Mr. Mark Buthman. Ms. Henry is currently Senior Vice President and Chief Financial Officer of Kimberly-Clark Corporation.

In the past two years (2014 and 2015), the company's Board of Directors has incorporated two members who replaced outgoing members, and both of these new members are women; KCM has thus included women within the highest governing body of the corporation.

Up to date profiles of KCM Board Members as of December 31, 2016 (*CBCP Best Practice 14*) can be found at: <http://www.kimberly-clark.com.mx/en/about-kcm/board-members-profiles>

Duties of the Board of Directors

The duties of the Board of Directors are as follows (*CBCP Best Practice 7*):

- Define the strategic Mission and Vision and oversee Company operations ([G4-42](#)), with the aim of creating value and ensuring the sustainable development of the company.
- Appoint and evaluate the Chief Executive Officer and other senior management ([G4-40](#)).
- Ensure that shareholders are treated equally and have access to sufficient information.
- Promote the ethical management of the business and the transparency of its administration ([G4-57](#)).
- Establish policies on and approve transactions with related parties ([G4-57](#)).
- Ensure mechanisms are put in place to identify, analyze, manage, control and disclose risk ([G4-46](#)).
- Promote the company's social responsibility, declare its ethical principles and fundamental values, involving stakeholders in decisions on responsible business conduct and sustainability programs in the social and environmental spheres ([G4-42, G4-45, G4-46](#)).



- Respond to shareholder concerns through quarterly conference calls, press releases and notices of material events communicated to the BMV (*CBCP Best Practices 4 and 6*); ensure that investor relations prepares a prompt response to any concerns presented ([G4-35, G4-37, G4-49](#)).
- Address inquiries or concerns from any stakeholder regarding economic, social or environmental issues, which may be dealt with, depending on its importance, in meetings of the Board of Directors, of the intermediate Board Committees and the Executive Sustainability Committee; when necessary, involving the Institutional Communications and Sustainability areas.

Meetings of the Board of Directors ([G4-47](#))

In 2016, recognizing the importance of maintaining a solid Corporate Governance, the Board of Directors met seven times, which is three times more than is required under the Securities Market Law and *CBCP Best Practice 17*. Average attendance by Board Members was 83.33%.

The dates of those meetings were:

- January 19
- February 9
- March 14
- April 19
- July 19
- October 19
- December 13

In these meetings, the Chairman of the Board of Directors shares with Board Members his view on the economic, environmental and social outlook, as well as domestic and global political matters, enriching the collective knowledge of the company's highest governance body ([G4-43](#)).

Among the issues dealt with in the Board Meetings (G4-43, G4-50) were:

- Reports by the Chief Executive Officer.
- The company's financial statements.
- Commercial strategy and business challenges.
- Quarterly progress against Board authorized goals.
- Accounting criteria, capital expenditure and stock repurchase programs, debt management.
- Reports by the Audit and Corporate Practices Committee based on the guidelines on internal control and auditing, and by the external auditor.
- Report by the Compensation Committee.
- Review of the Annual Sustainability Report, including any pertinent comments on that matter.
- Compliance with the various responsibilities imposed by law.
- Follow-up on business management strategies.
- Oversight of company management's performance.
- Evaluation of the company's progress in terms of its economic, financial and administrative situation.
- Follow-up on business risks and situations in which it is exposed in performance of its corporate purpose.
- Follow-up on development of innovations.
- Follow-up on stock repurchase program.

Support Committees

To fully carry out its duties in connection with the Company's administration and to take all legal and



material actions relating directly or indirectly to its corporate purpose, the Board of Directors is supported by a Compensation Committee, an Audit and Corporate Practices Committee, and the Office of the Chief Executive, which are in turn supported by the Executive Sustainability Committee (*CBCP Best Practice 15*).

Compensation Committee

This committee supports the Board of Directors in handling issues relating to human capital and compensation (*CBCP Best Practices 39, 40, 41, 43, 43, and 44*). This committee reviews the individual

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The Audit and Corporate Practices Committee supports the Board in establishing policies on transactions with related parties, the process for approving them and the conditions on which they are to be negotiated.

performance of company officers and executives, and establishes the compensation policies, taking into account, among other factors, the competitiveness of this compensation in the labor market and the extent to which the executives have met company goals (G4-44, G4-51, G4-52).

The current Committee members, who are appointed by the Board of Directors, are: Valentín Diez Morodo (Chairman and Independent Member), Thomas J. Falk (Related regular member) and Fernando Senderos Mestre (Independent member). (GR4-38).

The Committee met in January 2016 to review:

- The organizational chart of the company's senior management.
- Succession plans for each department, including the professional background of each employee, as well as those considered high potential and which had been showing growth and development.
- Financial and market data relevant to decisions on wage and salary increases for union and non-union personnel.

- Market competitiveness study prepared by an independent consultant, currently Mercer, for the ten top positions in the company, including its Chief Executive Officer.
- Goals for the fiscal year and results, as well as proposed targets for the current fiscal year, in relation to the Executive Bonus Plan and Virtual Share Awards Plan.
- Authorization to assign the Virtual Share Awards Plan to executives (G4-42).
- Beginning with that meeting, the Committee Chairman reports to the Board of Directors on its activities or recommends matters for Board approval (G4-43).

Audit and Corporate Practices Committee

The main duties and responsibilities of this Committee have to do with approval, follow-up, review, opinion and oversight in the areas of: financial statements, Code of Conduct, internal and external audits, execution of the agreements passed in Shareholders' Meetings and Board Meetings, internal control systems, risk management, legal and regulatory aspects, sustainability issues and other Corporate Practices matters (CSCP Best Practices 23, 24, 25, 28, 30, 31, 32, 33, 34, 35, 36, 37 and 38).



In accordance with the Securities Market Law, the Committee receives and, when necessary, investigates observations from the company's stakeholders—shareholders, board members, directors, employees and, in general, any other party—regarding a possible breach of the Company's operating guidelines and policies, internal control systems, internal audit and accounting records. (G4-38).

The Audit and Corporate Practices Committee, whose members are appointed by the Board of Directors, is made up of three independent regular members and one independent alternate. The Chairman can only be appointed and/or removed by the Shareholders'

Meeting (G4-38). The current members of the Committee are: Emilio Carrillo Gamboa (Chairman), Fernando Ruiz Sahagún, Antonio Cosío Ariño and Esteban Malpica Fomperosa (G4-38).

On February 8, 2017, the Audit and Corporate Practices Committee submitted its report for fiscal year 2016 to the Board of Directors, which it forwarded without observations to shareholders for their approval in the February 26, 2016 meeting. The Committee met four times in 2016, on the following dates:

- February 8
- April 18
- July 18
- October 17

Additionally, the committee issued its opinion that, in 2016, the company duly complied with legal provisions applicable to it (*CBCP Best Practice 38*) and did not incur any fines or sanctions in connection with any breach of laws or regulations, nor did it make any financial or in-kind contributions to political parties or institutions (G4-57, G4-SO8, G4-PR7, G4-PR9).

Transactions with related parties and conflicts of interest (G4-41)

In keeping with Best Corporate Practice 26, the Audit and Corporate Practices Committee supports the Board in establishing policies on transactions with related parties, the process for approving them and the conditions on which they are to be negotiated.

Matters handled by the Audit and Corporate Practices Committee:

Reviews conducted during the period	Progress report on annual audit program	Review of location evaluation statistics	Review of complaints received regarding violations to the Code of Conduct
Meeting of the Audit Committee without company executives present	Review of Financial Statements for the period	Presentation of material aspects of the company's Sustainability Report	Report on significant lawsuits involving the company

The company also has Internal Control Procedures by which senior executives are obligated to notify the Board and General Counsel, when such is the case, of any material interest they may have, whether direct, indirect or through another party, in any transaction or matter directly affecting the company.

In keeping with the applicable laws, corporate bylaws and policies on transactions with related parties, such transactions by KCM must be evaluated and approved by the Audit and Corporate Practices Committee.

Under these guidelines, the committee reported that the company had not conducted any transactions with related parties in which there was a possible conflict of interest.

In 2016, KCM carried out transactions with KCC for the purchase of products and technical services amounting to Ps.1.35 billion in 2015 and Ps.1.41 billion in 2016.

In each of the above mentioned fiscal years, KCM obtained revenues from KCC in connection with the sale of finished products overseas in the amount of US\$7.6 million. These transactions were carried out at market terms (in other words, at terms similar to those which would have been applied in a transaction with any third party).

Further information on transactions with related parties can be found in the annual financial report sent to the Mexican Stock Exchange and published on the Emisnet website.

Internal Audits

In keeping with the applicable laws and regulations and with best practices (*CBCP Best Practice 29*), the company has an Internal Audit area whose general guidelines and work plans are approved by the Board of Directors. This area is responsible for conducting audits of the various business, operating and administrative areas of KCM, as well as its subsidiaries and distribution centers, to monitor compliance with the policies, controls and guidelines on internal control, information systems, environmental and social matters, human rights, corruption, and correct application of the Code of Conduct.

In 2016, a total of 35 audits were carried out (34 planned and 1 unplanned) of the company and its subsidiaries, in areas such as finance, operations, sales and marketing, purchasing, distribution, human resources, information systems and project administration areas, as well as vendors ([G4-SO3](#), [G4-HR5](#), [G4-HR6](#), [G4-HR9](#)).

Last year, as in preceding years, there were no incidents or lawsuits regarding monopolistic practices or unfair competition ([G4-SO7](#)). The audits also found no fines or sanctions for violation of environmental regulations ([G4-EN29](#)).

The Internal Audit Area is related to the Internal Control Policies, that can be found in the Complementary Information section of the 2016 report, which can be viewed at: <http://www.kimberly-clark.com.mx/sustainability/additional-information>

General Management

(*CBCP Best Practices 46, 47, 48, 49, 50, and 51*).

The Board of Directors invests the Chief Executive Officer with authority over economic, social and environmental matters ([G4-35](#)).

The Chief Executive Officer is appointed by the Board of Directors, and the post is currently occupied by



Pablo R. González Guajardo. In keeping with Best Practice 8 of the CBCP, the activities of the CEO are separate from those of the Board, in order to ensure a transparent chain of command and a clear delineation of responsibilities ([G4-39](#)).

This area is in charge of strategic planning for the company following the goals established by the Board of Directors. Based on these goals, the office of the CEO establishes lines of action and follow-up for the committees, so they can present operating information to the Board of Directors, which reports directly to shareholders during the Annual Meeting ([G4-38](#), [G4-46](#), [G4-49](#)).

The company has an Internal Audit area whose general guidelines and work plans are approved by the Board of Directors.

The Executive Sustainability Committee is a multi-functional body, responsible for designing, implementing and keeping up to date the company's Sustainability Strategy.

Executive Sustainability Committee (G4-36)

This Executive Sustainability Committee (ESC) reports directly to the office of the CEO. It is made up of directors from the Operations, Social Responsibility, Institutional Communications, Innovation, Sustainability, Legal, Human Resources, Finance and Internal Audit areas.

The CES is responsible for designing, implementing and keeping up to date the company's Sustainability Strategy. It is a multi-functional body because its strategy covers essentially all of the company's operations and activities, thus requiring the active participation of all the personnel. It is in turn responsible for designing and submitting sustainability policies, vision and goals to the company's Chief Executive Officer for approval, so they can be embodied in guidelines that are the basis for specific action plans (G4-36, G4-42, G4-43, G4-48).

These plans entail targets and results of the Sustainability Strategy with regard to economic, social, workplace safety and environmental matters, which are incorporated into individual incentive targets for senior executives and managerial personnel, depending on the operating or administrative area (G4-52).

In addition, the Committee designs and conducts the KCM materiality study, in order to determine and disclose the aspects most relevant to the company's stakeholders (G4-36, G4-37).

In 2016, the ESC held three meetings, attended by the pertinent executors and internal and external auditors. On the basis of these meetings the Executive

Sustainability Committee informed the Chief Executive officer of material aspects pertaining to the Sustainability Strategy, its objectives, global trends and evaluations provided by outside parties on matters of Corporate Governance, social responsibility, workplace safety and environment, on which the CEO and Support Committees report to the Board of Directors. These reports enable the Board to evaluate the company's sustainable development based on indicators of its performance against the established targets, and design strategies to mitigate or eliminate risks and their potential impact (G4-35, G4-36, G4-42, G4-43, G4-45, G4-46, G4-49).

In the Board Meeting held July 19, 2016, the Annual Sustainability Report for the year 2015 was presented, which was approved by the ESC together with the CEO (G4-48). A summary of the most important aspects and an assessment of performance indicators against our 2015 Vision was also provided (G4-44).

Management team (G4-36)

Our management team is made up of professional people who are committed to KCM, have a long history with the company, and perform their duties based on the institutional values of leadership, innovation, passion and achievement.

You can learn more about these professionals at:
<http://www.kimberly-clark.com.mx/en/about-kcm/senior-management-team>

