



INFORME DE SOSTENIBILIDAD 2020

**INNOVACIÓN • RESILIENCIA  
COMPROMISO SOSTENIBLE**



**Kimberly-Clark** de México

## Governance & Economic Dimension

### Board Structure

<b>Regular Members</b>	<b>Position</b>	<b>Date Appointed</b>	<b>Age</b>
Claudio X. González Laporte	Chairman / Related Regular Member	December 13, 1961	85
Valentín Diez Morodo	Vice-Chairman / Independent Regular Member	April 21, 1983	79
Sr. Michael Hsu	Related Regular Member	February 27, 2014	55
Sr. Jorge Ballesteros Franco	Independent Regular Member	February 28, 1997	73
Sr. Emilio Carrillo Gamboa	Independent Regular Member	February 26, 1981, ratified each year since then, except for 1998 when he was serving as Mexico's ambassador to Canada.	82
Sr. Antonio Cosío Ariño	Independent Regular Member	February 25, 1987	83
Lic. Pablo R. González Guajardo	Related Regular Member	February 25, 2010	52
Mrs. María Henry	Related Regular Member	February 25, 2016	53
Mrs. Alison Lewis	Related Regular Member	February 27, 2020	52
Sr. Esteban Malpica Fomperosa	Independent Regular Member	March 20, 1996	70
Sr. Fernando Senderos Mestre	Independent Regular Member	February 23, 1994	69
Mrs. Kim Underhill	Related Regular Member	February 27, 2020	49

## **Board Diversity Policy**

Our company have a formal, publicly available board diversity policy that clearly requires diversity factors such as gender, race, ethnicity, country of origin, nationality or cultural background in the board nomination process.

In keeping with the company's bylaws and article 26 of the Securities Market Act, both independent and related board members are evaluated and selected on the basis of their experience, capacity and professional prestige, and they are also expected to perform their duties free from conflicts of interest and without regard for their own personal, equity or economic interests.

## **CEO Compensation - Success Metrics**

Our company have predefined financial returns and/or relative financial metrics relevant for Chief Executive Officer's variable compensation.

Relative Financial Metrics (e.g. comparison to peers using metrics such as total shareholder return, Tobin's Q, growth, etc.). Please list all metrics used for this category: The variable compensation of our CEO depends on the evaluation made by the Compensation Committee of the company, the annual sales growth, and the operating profit of the last immediate fiscal year compared to surrounding scenarios of the Mexican market.

## **CEO Compensation - Long-Term Performance Alignment**

Our company have the following compensation structures in place to align with long-term performance.

The CEO's compensation is made up of a fixed part that includes the Base Salary, Christmas Bonus, Vacation Bonus and Savings Fund (the CEO does not have Employee Profit Sharing), an Annual Results Bonus and a Stock Plan, called the Virtual Units Plan. Depending on the results of the year and other factors that affect the variable compensation plans (Bonus and Shares), the composition of the total compensation may vary, more generally it is around 40% in the fixed part, 20% - 30% on the Bonus and 30% - 40% on the Virtual Units Plan.

## **Deferral of Bonus for Short-term CEO Compensation**

The annual Performance Bonus is paid annually in the month of March following the results that are evaluated. The objectives that are scored may vary from year to year depending on what is defined by the Compensation Committee of the Board of Directors, being that in recent years they have been on the annual growth in Net Sales and Operating Income. In the case of the CEO, the result of the Bonus is 100% determined by the achievement of the objectives on these two factors.

In the case of the Virtual Units Plan, this is an allocation program of "Restricted Shares by Results" (Performance Stock Option Plan), by which a certain number of Virtual Units are assigned that mature after three years and depending on the achievement of financial objectives, from 0% to 150% of the assigned shares are awarded. The Goals are about the average of the last three years of the R.O.I.C. and the increase in the Annual Net Sales. The results are compared with the determined objectives and the number of shares deposited in the participant's contract is awarded.

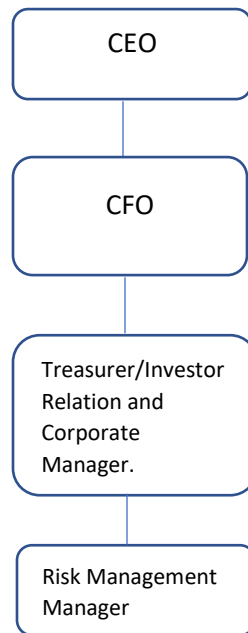
What is the longest performance period applied to evaluate variable compensation (based on predefined targets, either relative or absolute), covered in your executive compensation plan? Is there a clawback policy in place? Please note that compensation that only is time vested is not considered as performance-based compensation in this part of the question.

The longest performance period applied to evaluate variable compensation for the CEO is **3 years**.  
The Time Vesting for Variable CEO compensation is 3 years.

## **RISK Governance Structure**

Please indicate which people, departments and committees are responsible and accountable for enterprise risk management in terms of risk appetite & tolerance as well as risk monitoring & reporting. Please also indicate the expertise and training applicable to non-executive directors as well as the corporate structure of risk management functions. Please provide supporting evidence.

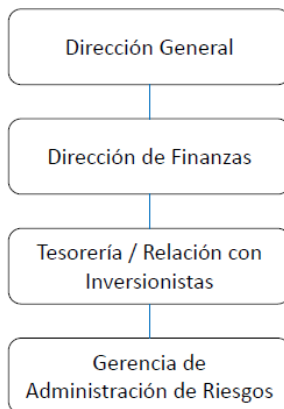
Risk Management Organization Chart



(In Spanish)



Organigrama Administración de Riesgos KCM



## Emerging Risks

Two important long-term emerging risks that the company identifies as having the most significant impact on the business in the future and indicate any mitigating actions that your company has taken in light of these risks. Please provide supporting evidence from **your public reporting** for the description of the risk, the business impact and any mitigating actions, and select the category to which the risk belongs.

**Water** shortages or inability to maintain existing water concessions could adversely affect our business

Water is an essential component in the manufacturing processes of our products, obtaining it from various sources of supply for our plants.

Water concessions are generally awarded based on studies of the existing and predicted availability of groundwater, as well as based on volumes of use. Our existing water concessions may be terminated under circumstances or may not be renewed on satisfactory terms.

Our contracts may be terminated or may not be renewed on terms satisfactory to the Company. At some of our production facilities, our existing water supply may not be sufficient for our future needs and the available water supply may be affected by shortages or changes in government regulations, standards, and climate change.

Furthermore, we cannot assure that we will be able to find alternative sources to meet our water needs in the event that the water supply is not sufficient to meet the present or future needs of the Company.

**Pandemics** - There could be various impacts on the economic environment derived from COVID 19.

The spread of COVID-19 around the world, the declaration of it as a pandemic and the actions that the governments, companies and people all over the planet have generated high volatility in global financial markets. The Company cannot ensure that the current health situation in Mexico or the world is fully controlled, nor can it anticipate the effects of virus outbreaks and epidemic or pandemic diseases, nor can it be assured that there will be no more outbreaks of this virus or other diseases. pandemics in Mexico or in the rest of the world in the future. Such outbreaks could generate economic slowdown, recession and even instability, which could result in an unfavorable situation and could affect the company's operating and financial results.

**Reporting on breaches**

KCM publicly report on breaches (e.g. number of breaches, cases etc.) against our codes of conduct/ethics.

Type	Closed	Complaint deemed valid	Complaint deemed invalid
Workplace harassment	12	8	3
Sexual Harassment	1	1	0
Discrimination	1	0	0
Corruption	2	1	0
Bribery	7	2	3
Others	0	0	0
Total	23	12	6

**Contributions & Other Spendings**

Total monetary contributions to and spending for political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups.

KCM does not make monetary contributions and total annual expenses for political campaigns, political organizations, pressure groups or organizations, trade associations and other tax-exempt groups

**Largest Contributions & Expenditures**

KCM does not make contributions or expenses to political campaigns or organizations, lobbyists, trade associations, tax-exempt entities, or other groups whose role is to influence the political campaigns or public policies and legislation.

## ESG Integration in SCM Strategy

The main priorities of our company's general supply chain management strategy as well as the environmental, social and governance (ESG) objectives that have been identified in your company. ESG factors are integrated in your supplier selection decisions

Our strategy is focused on guaranteeing the growth and continuity of the business in the long term, with a supply of materials that meet our high-quality standards at the best market price, as well as the development of sustainable and competitive innovations. The previous thing is with strategic alliances framed in the ethics, the human rights and the reasonable use of the resources.

### Key ESG Objective 1

**There is a plan to increase the national purchase of fiber** -> Guarantee the supply of materials that meet quality standards at the best market price.

### Key ESG Objective 1

**Reduce packaging and packaging of products and integrate sustainable materials within them** -> Development of sustainable and competitive innovations reflected in innovated products for the consumers.

### Integration of ESG factors into supplier selection

The Code of Social Standards is sent to the suppliers so that they are informed, and in addition, in the audits that are carried out, they are given to know this Code again. Each Purchase Order on the back carries this Code and is signed by the suppliers.

### Our minimum quantitative/qualitative threshold required are:

Dignity and Respect. Protection against child labor and abuse of labor. Workplace safe and healthy. Business Integrity. Environmental care. Demonstration of compliance.

KCM % of ESG in the overall assessment of supplier: 60% for Tier 1

## Supply Chain Transparency & Reporting

### Supply chain awareness

We do not inform it publicly because it is a competitive advantage for the company. Our Purchasing and Quality areas are constantly working to develop new suppliers

### ESG integration in supply chain management strategy

Sustainable development with our suppliers: We are committed with our suppliers in the exchange of best sustainable practices and the identification of projects to develop raw materials manufactured to high standards in the care and environmental protection, thus KCM expects its suppliers being an essential part of the value chain to become integrated with KCM's environmental protection strategy KCM expects suppliers to fully comply with the laws, regulations and official standards that apply to them in environmental matters, both in Mexico and in the countries where they have operations. In addition, KCM expects suppliers to support the commitment to maximize the value and quality of their products by responsibly using renewable and non-renewable resources, while striving to reduce the environmental footprint of their operations. For instance, by fostering the KCM's Sustainable Innovation program "less is more", which is aimed at reducing weight, volume and the number of components in the products without detracting them from their

quality and functional performance. It is desirable suppliers set medium- and long-term goals to reduce their consumption of water, energy, production waste and air emissions, and to establish programs to reduce, recycle and recover solid waste. Likewise, it is desirable that KCM's suppliers develop performance indicators to be reported annually.

## **Tax Strategy and Governance**

Compliance is carried out in strict compliance with the laws and regulations in force applicable to the Entity.

KCM does not allow the transfer of the generated value to ... everything related to the transfer of value to the tax jurisdiction, the use of tax structures aimed at evasion tax, the use of secret jurisdictions or the so-called "tax havens".

## **Cybersecurity Policy:**

### **Objective:**

Kimberly-Clark cybersecurity policy states that all the personnel that have access, manage and create sensitive or confidential information take responsibility for the custody and proper safe and use of it.

### **Scope:**

This policy applies to all Kimberly-Clark de Mexico (KCM) and its subsidiaries.

### **Definition:**

Information Security is defined as protecting, safeguarding, caring for and managing the information generated or stored in any medium, be it paper, systems, computers, hard drives or servers, compact discs, CD-ROM or DVD; as well as preventing any person, outside or unauthorized, from having access to KCM information that could be disclosed or used and cause any damage to the company.

### **Information protection and classification:**

The information must be classified by the following:

- **Public:** Routine operational information
- **K-C Internal Use Only:** Determined categories, such as addresses or general reports.
- **K-C Confidential:** Valuable data, such as intellectual property or client information.
- **K-C Sensitive:** Liable information to legal requirements, such as medical and social security requirements.

It falls on the responsibility of each manager establish and verify protection controls for:

- a) Identify and classify the information that requires special management
- b) Safe backup of the essential information in case of any sinister



- c) Assign to a specific person as responsible of all the essential, sensitive and confidential information.
- d) Determine who will have access to specific information and who will need any type of information; and how will be managed the classified information.
- e) Determined who and how the classified information should move from one site to another.
- f) Instruct the staff so that all external requests for classified information that are received are referred to the management of their area to obtain express approval, before providing any data.
- g) Train the staff to prevent talking about confidential information like projects, work plans, etc. in public places such as: taxi, elevators, clubs, planes, restaurants, lobbies, etc.  
In addition, be aware of the comments referring to the company to friends and significant others.

### **Authorization**

The director or manager are the only authorities that can authorize to the employees, to fulfill their duties, to have access to classified information from their area.

### **Management**

It is the responsibility of the user of the confidential information, that it is not visible or accessible, since other people outside the company or the function, can obtain data about it

The information should be kept in a safe place and / or removed from the computer monitor screen when someone is near you or when the user leaves their work area.

Whenever sensitive information is moved, whether it is on paper, "USB" or any electronic means, it must be placed in an envelope and hand delivered to the recipient.

### **Storage**

The user of the confidential information contained in paper or electronic media, such as: compact discs, plans, manuals, business plans, etc. you must ensure that they are locked when you leave your office.

The hard drives of the PC's must ensure the integrity of the information, having an access key (password) to protect it.

It is the responsibility of the managements to have an advance backup of the information contained in the PC's of the personnel who stop providing their services in the company.

**(IN SPANISH)**

## **OBJETIVO:**

Es política de Kimberly-Clark de México que el personal que por motivos de su trabajo tenga acceso, maneje o elabore información sensible o confidencial, se haga responsable de la custodia, uso, disposición o destrucción de la misma.

## **ALCANCE:**

Esta política aplica a Kimberly-Clark de México y Subsidiarias, en adelante KCM.

## **DEFINICIÓN:**

Seguridad de la información se define como proteger, resguardar, cuidar y manejar la información elaborada o almacenada en cualquier medio, ya sea papel, sistemas, computadoras, discos duros de computadoras personales o de los llamados servidores ("servers"), discos flexibles, compactos (CD-ROM o DVD); así como planos, manuales, formulaciones, planes de negocios, de producción, expansión o contracción, etc., para prevenir que alguna persona, ajena o no autorizada, tenga acceso a información de KCM que pudiera divulgar o utilizar y ocasionar algún perjuicio a la compañía.

## **PROTECCIÓN Y CLASIFICACIÓN DE LA INFORMACIÓN**

La información debe clasificarse de la siguiente forma:

- **Public:** Información operativa de rutina, como informes públicos o descripciones generales de productos.
- **K-C Internal Use Only:** Categoría predeterminada, como listas de direcciones o reportes generales.
- **K-C Confidential:** Datos valiosos, como propiedad intelectual o listas de clientes.
- **K-C Sensitive:** Información sujeta a requisitos legales, como registros médicos o del seguro social.

Es responsabilidad de cada Gerente establecer y verificar los controles de protección para:

- a) Identificar y clasificar la información que requiere manejo y cuidado especial.
- b) Resguardar un duplicado de la información en un lugar seguro, para tenerla accesible en caso de un siniestro.
- c) Asignar a una persona como responsable de la protección de la información identificada como sensible o confidencial.
- d) Determinar quiénes deben tener acceso y quiénes necesitan cada tipo de información y cómo debe manejarse la información clasificada.
- e) Determinar quién y cómo debe moverse la información clasificada de un sitio a otro.
- f) Instruir al personal para que todas las solicitudes externas de información clasificada que se reciban, sean referidas a la gerencia de su área para obtener aprobación expresa, antes de proporcionar cualquier dato.
- g) Instruir a su personal para que eviten hablar con otras personas sobre la empresa o sus planes de trabajo, en lugares públicos, tales como: elevadores, taxis, aviones, salas de espera, restaurantes, clubes, etc. Asimismo, cuidar los comentarios que se hagan sobre la empresa con familiares y amigos.

## **AUTORIZACIÓN**

El Director y/o Gerente del área, son los únicos que pueden autorizar a los empleados, que por razones de su trabajo, deban tener acceso a la información clasificada como confidencial de su área o departamento.

## **MANEJO**

Es responsabilidad del usuario de la información confidencial, que ésta no esté a la vista ni accesible, ya que otras personas ajenas a la empresa o a la función, puedan obtener datos sobre ella.

La información deberá tenerse en un lugar seguro y/o quitarla de la pantalla del monitor de la computadora cuando haya alguna persona cerca de su lugar o cuando el usuario se retire de su área de trabajo.

Siempre que se mueva información sensible, ya sea en papel, "USB" o cualquier medio electrónico, deberá colocarse en un sobre y entregarla en propia mano al destinatario.

## **ALMACENAMIENTO**

El usuario de la información confidencial contenida en papel o medios electrónicos, tales como: discos compactos, planos, manuales, planes de negocios, etc., debe asegurarse de guardarlos en un lugar con llave, cuando no esté en uso. Así mismo, asegurarse que quedan bajo llave cuando se retire de su oficina.

Los discos duros de las PC's deben asegurar la integridad de la información, teniendo una clave de acceso ("password") para protegerla.

Es responsabilidad de las gerencias tener un respaldo anticipado de la información contenida en las PC's del personal que deja de prestar sus servicios en la empresa.

## **IT Security/ Cybersecurity Process & Infrastructure**

### Incident Response:

The company has the right processes for avoiding IT system interruptions and cyberattack, which are documented and tested regularly to confirm that they are effective in the event of an emergency.

Every business application has documented continuity plans and procedures for acting in the event of a commercial emergency; these procedures are tested, reviewed and updated annually.

Every business application has documented continuity plans and procedures for acting in the event of a commercial emergency; these procedures are tested, reviewed and updated annually. The IT infrastructure and the information security management system have not obtained ISO 27001, NIST or similar certification, because this infrastructure, and the management of information security, is provided and administered by the Cybersecurity area of Kimberly-Clark Corporation.

Each audit of the various business applications involves a review of security and access procedures, segregation of functions, file backup and contingency plan testing. These audits are performed both by the Internal Audit Department which is part of Kimberly-Clark de México, independent auditors Deloitte & Touche and Kimberly-Clark Corporation

# CODE OF ETHICS

**Attitudes and behaviours for every day, all life.**

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**Dear colleague,**

In the next pages we will tell you in depth about the Code of Ethics of Kimberly-Clark de México (hereinafter KCM). It's very important that you know it and understand what it is about and what it is for, since our Code is an ethical guide that regulates our daily actions, under the principles of quality, service and rectitude. This "agreement" will help us to maintain a dignified, honest, respectful and cordial work environment. This Code of Ethics is the backbone of our day to day at KCM: from business activity, relationships with customers, suppliers, shareholders and consumers; to the coordination and communication that we carry out between our departments and other areas. Did you know that you can report any conduct contrary to the Code of Ethics?

It is very simple, and you have two options: You can enter our Intranet or to the KCM site where a reporting mechanism was enabled. The itself is anonymous, and there you can report any situation you consider wrong. This attitude will be subjected to a discreet and meticulous investigation to take necessary action.

If you have any questions about our Code, contact your boss, Human Resources department or Legal department. With pleasure, there all your doubts will be evacuated.

It is vitally important that you know that you cannot lose your job, or your benefits; nor be demoted, suspended, harassed or discriminated against by raise a concern, request information or report any action or undue omission related to the Code of Ethics. This also includes if you participate as a witness in any investigation conducted by KCM.

It should be noted that if someone acts in a way that is evidenced as retaliation, will be severely punished.

Let us maintain together an ethical culture based on the principles that always they have distinguished us to continue increasing our leadership.

I count on you

Pablo Gonzalez Guajardo

Managing Director

**Did you know that you can report any  
conduct contrary to Code of ethics?**

## Purpose of our Code of ethics

Since our inception, at KCM we have always been committed to work for the benefit of our consumers, collaborators and the country in general. We operate committed to the communities where we are present, with the environment and with sustainable development. The way in which we do our business is as important as the business we make. A fundamental part of our daily operation is doing business with integrity and high ethical standards.

This Code of Ethics will serve as a guide to treat our clients, suppliers, collaborators, business partners, authorities, competitors, consumers, communities where we interact and the general public (in hereinafter and as a whole they will be referred to as "Interest Groups"), with integrity, ethics, and in a responsible and appropriate manner. In it, it is creates a framework of ethical principles under which you, as a collaborator, owe play.



You may notice that some of the standards in the Code of Ethics go beyond what legal obligations require. This is a sign of commitment of KCM for operating and conducting business appropriately and responsibly.

This Code of Ethics has as a fundamental pillar to strengthen the bases of the corporate culture governing KCM. It is important because these bases they also apply to all actions, both inside and outside of your activities in KCM. They cover your daily, family and recreational life. At the same time with this Code of Ethics it is made clear that if you notice any situation that may affect the operation and / or administration of KCM or the legislation Mexican, make the pertinent complaint. Report safely, knowing that there will be no retaliation.

# Responsibilities and decision making

## Responsibilities of the Collaborators:

The Code of Ethics is a reference guide that will serve to support everyday decisions. The same provides a framework for action and an introduction to company policies. And as a KCM collaborator, you have the obligation to know this Code of Ethics and to act attached to it. That is why you should pass a course that certifies knowledge about this code.

At KCM we continually work on the updating of corporate best practices in all segments where we interact to benefit of all Stakeholders.

As a Collaborator, you must:

- Be aware of possible risks relevant to your job responsibilities and your location.
- Be informed about the Code of Ethics and with the knowledge of the details of any policy relevant to your role and performance.
- Be informed about the Code of Ethics and with the knowledge of the details of any policy relevant to your role and performance.

## Responsibilities of the leaders:

If you have collaborators in your charge, then you are a leader. As such, you are responsible for creating a culture of integrity in which each employee who is in your charge understand your responsibilities, be feel comfortable talking and don't be afraid of retaliation for reporting possible violations to the present Code of ethics. The way you, as a Leader, make decisions and handle concerns, generate trust in the rest of the collaborators and therefore, in your work team.

If you are a Leader, you must:

- Be attentive and conduct yourself based on the Values of KCM, since you will become the example of the rest of the organization.
- Be informed about the messages you send. Not there is no business outcome worth the it is a shame to compromise our integrity.
- Be willing to listen at all times. You must be willing to pay attention to concerns, as well as you should also seek be open to dialogue and healthy discussion. You must put total interest in what you want to express any Collaborator, Client or Supplier, always with respect to your ideas and those of the rest.
- Be committed to communicating the importance of ethics and compliance with this Code of Ethics and to review key performance metrics to boost responsibility.

## Responsibilities of all:

It is everyone's responsibility to make decisions that make us proud and reflect the Values of KCM:

- Integrity
- Innovation
- Leadership
- Passion
- Achievements

It should be noted that this Code of Ethics will not say exactly what are all the actions that could be or be out of ethics or legality. Nor will it define what to do in each situation. However, it is your responsibility inform it, since this Code will serve as a guide for managing such situations.

In case you are not safe with respect some situations or decisions in that you can be involved to ask the legal department, to the Resources area Humans, your Leader or to the next level of leadership of your team of work.

## Decision making

When making decisions we take responsibility for the consequences. That is why it is very important take into account the scenarios that could be present yourself when choosing how you will act.

You must be aware that you have the great responsibility to represent KCM on a daily basis.

You must bear in mind that, if a custom, culture or local law establishes a different standard than established in this Code of Ethics, you must request advice. You can find the same in the legal department, Human Resources area or the next level of leadership. It may be that, the mentioned custom, could be out of the KCM principles.

Surely in this Code you will not find everything that may happen. That is why, if you have any doubt, do not act without first asking or asking for advice from the legal department, Human Resources area or the next level of leadership.

For you to keep in mind: before you take any decision, you should ask yourself:

- The decision I will make, does it coincide with the Values of KCM?
- Do I have enough information to take a decision?
- Would I feel comfortable explaining the decision that took my family?
- Am I willing to take responsibility for it?

# What should we do?



## We want to hear from you

Surely in your day to day you observe situations that you consider that they are not correct, but have you given realizing that not reporting them could convert you in accomplice and you would be responsible for a culture that encourages silence and the consequences of it? Speak it should be something simple, but it is understood that you can feel uncomfortable or hesitate to say something about what happens, even when you yourself may be affected directly or indirectly.

For this reason, KCM has taken care to put at your fingertips means through which you can express your doubts, concerns or complaints. Not something needs to go wrong for you to get into contact us, we are open to listen all your concerns. Our commitment is always respect the confidentiality of information and who issues it, even if you decide share your data or files that support your comments. You can be sure and trust that all inquiries received will be addressed and investigated seriously.

## Where to go before a concern

In general, the boss or team leader will be in a better position to resolve questions or concerns, but you also have other resources at your disposal:

- Higher levels of leadership
- Legal Department
- Report to the Code of Ethics
- Human Resources
- Internal Audit

Confidentiality is always respected, you can even choose maintain anonymity when reporting a complaint to the Code of Ethics.

## Where to comment or report

Choose the reporting option that is most comfortable for you. Regardless of that we always respect the confidentiality of the source. You can choose between:

- Correo electrónico: [codigo.etica@kcc.com](mailto:codigo.etica@kcc.com)
- Sitio web: <https://www.kimberly-clark.com.mx/conoce-kcm/reporte-de-etica>
- Teléfono/ WhatsApp: 55 1849 2732
- Por mensajería o correo del Servicio Postal: Jaime Balmes

No. 8 Piso 9 - Los Morales -Polanco- Alcaldía Miguel

Hidalgo -C.P. 11510 - Ciudad de México

## Concerns

If you find out about any violation of the Code of Ethics, there may be various reasons why you do not want to inform about it. Because you're not sure what happened, because you are afraid of causing some problem or even someone retaliating against you. We must remember that you actually have the responsibility and obligation to report the fact, to avoid becoming an accomplice by hiding the act or omission in question. You can inform in a way anonymous or with your name.

All questions or concerns are important, therefore, they are reviewed and treated with dignity and respect regardless of its content. The suggestions are passed on to the maximum leader of the area; concerns and complaints are investigated and it is carried to its last consequences. All complaints are presented to the General Directorate, as well as analysed the conclusions or advances of investigations and actions taken or to be taken.

## Intolerance to retaliation

It takes courage to speak up when you have a great idea, ask about a concern or when something not well. In any case, our commitment to recognize ideas and protect our sources is very serious.

Therefore, no type of retaliation is accepted (either direct or indirect) against any member of our Stakeholders, to raise an idea, concern or complaint. If it exists, would apply disciplinary measures, which may include the termination of the employment relationship or of any another type of relationship for whom or who take retaliation. It will also be under equal scrutiny and sanctions who gives, alters, plagiarizes or incriminates someone with the intention of harming colleagues or third parties or falsely.

## Leader: how you should manage the concerns of your area

As a leader, you must be an example of our culture driven by Values and you must foster an environment of free presentation of complaints that allow us know the possible problems so that we can treat them proactively. If someone makes you a question or raise a concern, you have the responsibility to listen and act. Handle these situations properly is important to solve problems fairly and generate confidence.

You should act as follows:

- Listen carefully: thank the person for talk and, at the same time, remind him that he has done something difficult and very important to KCM and its interest groups.
- Respond respectfully. Take every concern seriously, even if you disagree. Commit to addressing the problem.
- Take steps to protect confidentiality of the information provided. Avoid sharing it conversation with other people. Do it alone based on the principle of necessity of knowledge, for those they really need to be involved.

Surely, as a leader you are empowered to resolve performance issues without help. However, you must request support from the Committee Internal Ethics to resolve questions about ethics or KCM compliance.

# Our personnel

## Talent and diversity

At KCM, our strength lies in our collaborators, through their talent and diversity. It is that's why we promote an inclusive workplace and respectful, that is optimal for your development and so you can reach your potential, both personal as well as the management of corporate practices.

The commitment is with your professional development and inclusive, seeking to offer equal job opportunities. We strive to promote your creative, physical, intellectual and morals. In this way, we ensure your growth and development within the organization, providing a decent work environment in which it is respected fully to all equally.

We believe that part of success depends on trust and respect among the people of our Groups of interest, made up of:

- Employees
- Consumers
- Shareholders
- Suppliers
- Authorities
- Clients
- Others (NGOs, brokerage firms, institutions banks, evaluation organizations, leader's opinion, media and academia, among others).

## Human rights

At KCM we support and respect human rights. We're very attentive so that no collaborator be a partner in case of abuse of these rights.

We will also work constantly with our suppliers to permeate the respect for them. We respect your preferences, without influence, interfere or restrict the participation you exercise in legitimate topics under the federal, state laws or municipal.

At KCM we do not accept any activity related to child exploitation (including child labour), abuse physical abuse and / or sexual harassment nor any other form of abuse. We also do not accept forced or compulsory labour, discrimination in employment and in occupation, harassment and intimidation against any person by age, race, disability, nationality, religion, gender, orientation sexual or affective identity gender, appearance, affiliation politics and marital status, against of our collaborators or third parties.



## *Commitments essential*

- Recruit, hire, promote and support your development, without matter no condition that you precede.
- We recognize your diverse skills and experiences; to time we offer and accept different perspectives you can to have.
- We maintain a workplace respectful. We do not tolerate any form of harassment or intimidation.

We try to make you feel comfortable.

- No one can force you to perform activities of any kind that are out of scope work or activity for which you were hired. Much less yes it is about illegal activities, in against the law or put in risk your physical integrity.
- We make employment-related decisions based on your job qualifications and your merit.
- We respect the right to freedom of worship and association of according to national laws.

## **A new reality**

A person is discriminated against when denied or conditioned access to rights and opportunities; as well as when relegated socially or occupationally for any condition or reason, including that it has suffered an affectation in its health.

There are many misconceptions, fears and rumours about of COVID-19 that may limit the rights of certain people, as well as separate or segregate them from the social and labour inclusion.

## **What do we do in Kimberly Clark?**

In any situation that affects health in a way individual or collective such as a pandemic, epidemic, disease outbreak, individual or massive contagion, between others ("Health Situation"); and that arrives or may affect to any of our collaborators or any of their relatives, and once the quarantine period or cure, provided by the health or medical authorities for his recovery and return to work; I don't know discriminate, isolate, treat differently, or be singled out or identify in any way that affects your employment inclusion and social of any KCM production facility.

At all times, KCM and its facilities are promoting and disseminate among all collaborators the no discrimination in any of its manifestations due to any Health Situation such as those indicated here.

## It's not discrimination?

It is also important to recognize that the measures applied for prevention and mitigation, in accordance with the guidelines designed for according to what the health authorities have to attend to any contagion situation before a Health Situation, are not considered as discriminatory. It is not discriminatory to take a healthy distance (as has been defined and promoted by the respective authority), nor create spaces individual work, as long as these spaces are worthy; use protective measures for health, as well as motivate between collaborators hygiene and personal care practices both outside as within the facilities, and during the transfer to them.

These are preventive measures to take care of the health of employees in the facilities, at home and in general with the population.

## Management conflicts of interest

Because you represent the company within and outside the organization, your decisions they must reflect our values. The KCM interests always come first place. Nothing you do should interfere (or must appear to interfere) in the responsibility regarding the taking of decisions; These must be objective and impartial.

A conflict of interest may arise when your personal relationships, economic or professional overlap to your job responsibilities. But you manage potential conflicts of interest carefully, these situations can have an impact on your decisions. This can wear away confidence within your team, and damage reputation by KCM.

### *Commitments essential*

- We avoid actions and decisions that generate or appear to generate a conflict of interest with KCM, according to our Policy 33.
- We never use our position at KCM for personal gain, improper or illegal.
- We do not use the resources or influence of KCM improperly, because even the perception of a conflict of interest it can have negative consequences.
- We understand that conflicts of interest, for example, if you work with a family member at KCM, or if you have a family member who works with our Groups of interest. Or, there may also be conflict in case you have an interest financial or any other type with some of the members of our interest groups.
- When potential conflicts of interest, you should promptly inform your leader. They will be the ones who, together, submit a conflict of interest report to the General Counsel of the Company with copy to Human Resources.

## Communication external

At KCM we know that everything we communicate and the decisions we make externally, affect our reputation. That is why we must toast clear and precise information, providing singular attention not to disclose information confidential and / or privileged, as well as our industrial secrets.

## Commitments essential

- We use social media with responsibility, without involving confidential company information and /or assault and / or behave in a way inappropriate towards other people, including text publications, offensive photos or videos.
- We do not speak on behalf of KCM or any subsidiary or collaborator that work on them on social media; to unless we are authorized to do so, and clearly informing when we are sharing our opinions.
- In social networks, we do not disclose confidential, privileged information, industrial secrets and / or exclusive of KCM.
- We participate in external events such as speakers only with the approval of the senior leader of management to which we belong. We do not accept compensation, except for allowed by our Policy 33.
- We refer media contacts to Media Relations staff and to those of Investor Relations to the analysts and persons related to such activities.
- We do not give interviews where it is done reference to KCM, its subsidiaries or collaborators, or about events that directly or indirectly relate. The exception of the case would be if it is expressly requested by the Media Relations Area and / or by the Legal department of KCM.

## **Respect in work place**

At KCM we are committed to providing you with dignified and decent work environment. We seek that your integrity is fully respected there and that be free from bullying and harassing conduct sexual and labour. We do not tolerate any type of bullying and other inappropriate behaviour or illicit.

## **Violence in the Workplace**

We strongly disapprove of any type of physical, verbal or psychological violence. The same also include the forms or tools for generate them, such as social networks or any another that threatens your physical integrity or mental.



## Alcohol, tobacco and drugs

At KCM we promote your health. It is because of that we maintain an environment free of alcohol, tobacco and drugs. It is forbidden for you to consume (or present under the influence of) any type of alcohol, non-prescription drugs, narcotics, or any other substance without a prescription, whether it modifies your behaviour or is prohibited by law. The aforementioned restriction it also reaches out to Stakeholders.

3 Policy 33: Conflict of interest policy,  
attention to third parties,  
gifts and confidential information.

# Our financial integrity

## Controls internal solid

At KCM you have the obligation to protect assets and information relative to the company. This guarantees our financial integrity.

You have the commitment to maintain financial records in accordance with legal and accounting provisions have, watching over documents complete and accurate, and you must ensure a timely disclosure of financial information. Keep such records and internal controls accurate will allow you to take good decisions and will help you comply with your obligations.

## Commitments essential

We register and report financial transactions with honesty and precision, in accordance with the laws, regulations and accounting and tax practices current.

- We make decisions adequate, we obtain the necessary approvals and we properly record the transactions in accordance with KCM's accounting practices, financial instructions corporate and regulations current.
- We manage in a way responsible and correct budgets, expenses and funds.
- We protect KCM resources against fraud, waste and abuse. We report any suspicious activity of right now.
- We do not offer discounts or bonuses outside the KCM procedures.
- We do not make promises of allow the return of products without authorizations necessary.
- We follow travel policies and expenses when submitting or approving requests for reimbursement, of according to Policy 50.
- We make sure that suppliers comply with everything stipulated by KCM, and current legislation for generation of your payments.

## Careful choice of business partners

You should only do activities trade with suppliers and customers have a good reputation. You should worry about meeting our suppliers and customers, and take care not associate you in illegal activities.

You are proud of your reputation and only you work with suppliers and clients committed to doing business in an ethics and in compliance with laws.

### Commitments essential

- For us and the providers it is of course the business relationship is free of the need to cover benefits, such as personal favours, donations to charities and other actions that appear remuneration for generating a business relationship.
- We do business only with suppliers and clients involved in activities legitimate commercials.
- We ensure that all applicable policies on possible suppliers and customers before celebrating contracts and we comply with our Policy of Purchasing, Anti-Corruption Policy and Conflict of interests.
- We quickly report any payment appears irregular or any signs of that a supplier or customer could be involved in inappropriate activities.

Some examples may include: orders, unusual purchases or payments, structures unusually complete and unusual fund transfers.

- We are committed to complying with the laws and regulations in force on washing of money, corruption and financing of illicit activities.
- We never offer or receive gifts, entertainment or favours to obtain or maintain a business.

## Commercialization ethics of values

In your work you can take knowledge of financial information, non-public material about KCM or about companies with which we do business. Do not disclose or use this information in a way that violates policy or insider trading laws by KCM.

You must seek to preserve the reputation of the company as a company in the that can be trusted to perform honest transactions.

### *Commitments essential*

- We never buy stocks based on privileged or confidential information does not public. That is, we talk about information internal that could make the price of the shares increase or decrease, adhering to the guidelines and KCM legal provisions issued for these effects.
- We do not advise anyone to buy or sell securities of any company if we have material non-public information.
- We protect the confidentiality of the KCM's non-public information and only the we share with other collaborators of KCM based on the principle of necessity of knowledge.
- We do not share confidential information or privileged outside of KCM unless legal protections exist, such as a confidentiality contract.
- We comply with our Policy on the use of inside information to understand when and in what situations can we trade stocks and regulations money laundering and corruption laws.

## Protection of information

### **Information Technology and Cybersecurity**

You are the administrator responsible for KCM technology resources. Our information technology is important for your operations and allows us to work more effectively to meet business objectives. These resources must be used responsibly and security to protect against threats and vulnerabilities of cybersecurity-



### *Commitments essential*

- We only use hardware, software and other information Technology services (TI) authorized by KCM.
- We exercise good judgment when using resources technologies provided by the company and prevent access unauthorized to KCM information by protecting hardware and areas of storage; use strong passwords and not share them with anyone; know the spoofing mail signs identity and alert the helpdesk of you.
- We do not use KCM IT resources in inappropriate communications, nor do we access to offensive, illegal or obscene sites.

We limit personal use of email from KCM and the Internet to a reasonable minimum.

## Data protection and privacy

You must handle your data in a transparent, also respecting the privacy of the rest of the collaborators, consumers and business partners who share data with you. The data personal is numerous and includes personal information, such as name, gender, phone, address, financial data, such as payroll and bank card details, and online identifiers. Manage this information with responsibility and in accordance with the protection laws and privacy.

Only the areas and people previously authorized can handle this information and cannot be shared internally or externally.

### *Commitments essential*

- We comply with the current laws of data protection and privacy.
- We protect the personal data of properly.
- We only collect and use data personal for business purposes legitimate and we comply with our policy data privacy.
- We only share personal data within of KCM according to the principle of necessity of knowledge, taking care at all times their fate.
- We guarantee the adherence of third parties related to us to standards data protection and security KCM.

# **Our consumers and operations of fair competition**

## Competence and decision making

You should always treat our stakeholders so equitable, acting under the belief of free and fair competition.

We founded this company with conviction that living according to KCM values represents a competitive advantage that gives as result a great quality of innovative products at prices competitive.

### Commitments essential

- We do not suggest or we engage in no action, agreement or contract that you try limit competition or go against the provisions on economic competition.
- We avoid any type of contact or discussion with competitors that the impression of illegality and never we share or analyse sensitive information regarding the competition.
- We only use, obtain, we accept or receive information that is public commercial and financial or that is protected under agreements of confidentiality.

## Interaction with officials governmental

### **Ethical standards**

In KCM you must comply with the standards higher ethics when dealing with officials governmental. Never take shortcuts and always seek to be transparent. Forever complies with federal, state, and municipal when you get involved in matters government management; as well as also when you develop and maintain relationships with officials governmental.

### *Commitments essential*

- We do not offer, promise, perform nor do we authorize giving any object of value, money, perks or any good or benefit government officials.
- We consult with the department legal before doing business with government officials, which may include working with organizations controlled by the state like hospitals, universities, or public institutions and companies in which the public official is shareholder.
- We do not communicate with officials governments in order to influence the public policies for KCM.
- We fully cooperate with all audits and investigations governmental.
- Each of us has the right to participate in the political process in our free time and with our own funds.

But we cannot use the resources of KCM for political purposes or to carry out contributions without the approval of the legal department.

## **Prevention of corruption and bribery**

Any type of business relationship that you practice within KCM will be based in trust, transparency and responsibility. Bribery is prohibited in all business transactions, thus as in all KCM localities and both with governments and in the sector private.

You should know that the way to get business is through the fair way. To its instead, build trust with your customers and stakeholders is the way of working in KCM.



## *Commitments essential*

- We never offer, we promise to provide nor provide us with objects, money, perks or any benefit or object of value to anyone. That is, in order to obtain a business advantage. So it is settled in our Code of Ethics, in the Policy

Anti-Corruption and the Conflict Policy of Interests.

- We consult and update our internal policies to understand what they are the necessary due diligence steps before hiring a third party. Later we comply with the procedures that are listed in our Purchasing Policies and Anti-corruption.
- We do not ask any third party to do something that we have forbidden make.
- We do not provide gratuities commercial, including gifts and entertainment, to officials' governments or their families without complying with our Policies government bonuses or their families without complying with our business gratuity policies and anti-corruption. In case this happens, express authorization is required of the Legal department, and must documented for audit cases.

## Offering of commercial gratifications

### **Build relationships ethically**

In KCM you must comply with the standards higher ethics when dealing with officials governmental. Never take shortcuts and always seek to be transparent. Forever complies with federal, state, and municipal when you get involved in matters government management; as well as when you develop and maintain relationships with government officials.

## *Commitments essential*

- We do not provide or ask for commercial gratuities to make another person feel compelled to do something in return.
- We limit the delivery or receipt of reasonable business gifts and appropriate depending on the circumstances and according to company policies.
- We avoid frequent gifts to the same person or company, or on their part, in accordance with our Code of Ethics and the Business Gratuities Policy.
- We make sure that each reward commercial provided or received comply with our Rewards policy commercials and we get approval (if necessary) by completing the Disclosure Form of business perks.
- We do not offer, promise, perform nor do we authorize giving any object of value to a government official who does not comply with our Code of Ethics and with the Anticorruption Policy.
- We never offer or receive money in cash or cash equivalents, such as checks traveller or gift cards.
- If we make donations to institutions of charity, we do it according to the laws in force that apply to support the legitimate charitable causes, not as part of an exchange of favours.

## Commercialization and responsible advertising

### **Confidence**

Your marketing claims and advertising are truthful, loyal and honest. They are supported by facts and where appropriate, duly supported evidence. You win the trust of our consumers all the days and you fight to keep the highest marketing and advertising standards on your products.

### *Commitments essential*

- We comply with laws and regulations current.
- Our advertising materials and promotional items are accurate and do not have false or misleading claims or confused.
- We guarantee that our marketing it is made from truthful information.
- We seek continuous innovation from our products, to create solutions extraordinary.
- All our advertising material is duly reviewed and supported by the different areas of KCM.

# **Our environment, security and community**

## Sustainability

As a KCM contributor, you must respect social principles international they have as an objective the promotion and protection of human rights. Your commitment is to carry traveller out your operations in such a way that the environment is protected and the sustainable use of natural resources. It is important that you recognize that a chain of sustainable supplies create value for our stakeholders and for KCM, supporting and strengthening the business success consistently and responsible.

### Commitments essential

- We comply with the laws, regulations and standards environmental and we ensure that our actions do not have an adverse impact in the environment or in the communities in which we operate.
- We support sustainable use of natural resources, including water optimization, reduction, reuse beneficial and recycling waste and reduction of the emission of greenhouse gases greenhouse.
- We use materials in an efficient in design and manufacture of products.
- We guarantee that the products and materials that we acquire come from legitimate sources, resistant and sustainable.
- We are engaged to promote and protect human rights through of the fulfilment of our standards in the social order.
- We improve well-being of people through of social associations and community.

## On-site work security

It is everyone's commitment to work with highest safety standards, to protect not only you but each other.

We want to guarantee safety too to our business partners, to our visits and to all communities where we operate, together with you, share the responsibility to maintain a place of safe and healthy work.



### *Commitments essential*

- We comply with the procedures applicable security and we take care mutually to ensure safety in the workplace and to avoid injury and accidents.
- We consider that security is a personal value, we care about self and others safety and we constantly improve security.
- We follow all the procedures of entering and leaving the facilities, such as ask questions or report people who do not have identification and visitors who are without the company of a collaborator.
- We actively participate in drills crisis and security in our locations to know what to do in case of emergency.
- We do not work under the influence of drugs illegal drugs or alcohol and we comply with screening requests for drugs and alcohol, as needed and always under the applicable legislation.
- We do not say or do anything that threatens security or fear, how to possess or use weapons or artifacts dangerous without adequate protection inside at KCM facilities or at events of the company.
- We inform and alert immediately or any unsafe condition to our team leader and safety leader site or security personnel and / or surveillance.

# **Our commitment with quality**

## Provide products quality

You work and innovate continuously in order to meet our commitment to provide products safe and high quality in all our brands and products. You know that the ultimate goal is that our consumers continue to trust KCM, so that we can bring you products with the highest standards of quality.

### Commitments essential

- We meet or exceed all the applicable standards of safety and quality.
- We know and comply with the policies and procedures that apply to the products and the activities of our facilities. We never take shortcuts.
- We comply with all laws and regulatory requirements current and we follow the system requirements KCM quality management.
- We do not produce or distribute intentionally products, including objects and services promotional, damaging the consumer health, environment or reputation of the brand.
- If we see, hear or we become aware of something that negatively affects safety, quality or regulatory compliance of a KCM product, we talk and we denounce the fact right now.

## Ethical business partners

You depend on many people and companies for the supply of inputs; as well also from manufacturing and distribution of our products. Providers of goods and services, manufacturers and contracted distributors are selected carefully through the competition fair. We only partner with companies that offer the best total value and that share our commitment to business, ethical and social responsibility.

### *Commitments essential*

- We evaluate qualifications and reputation from our suppliers and explain clearly the reasons why we need before selection.
- We select suppliers based on objective criteria and business practices ethics and we issue purchase orders and contracts before making any work or provide any product.
- We treat our suppliers with honesty and fairness, we honour the conditions of the contracts and we guarantee timely payments.
- We consult and respect our internal purchasing policies and controls.
- All KCM providers must treat your employees with respect and so that they comply with our Code of Ethics and with all laws, regulations and current requirements, as well as our social compliance standards.

**NOTARIAL COPY**

**-----TRANSCRIPT OF THE BYLAWS OF DE KIMBERLY-CLARK DE MEXICO,  
SOCIEDAD ANONIMA BURSATIL DE CAPITAL VARIABLE.-----**

**DOCUMENT NO.: 68,006  
BOOK: 1,635  
DATE: MAY 15, 2013**

**NOTARY ONE**

**MONTE PELVOUX 210. 2° PISO, LOMAS DE CHAPULTEPEC C.P. 11000 MEXICO, D.F.  
T 5202 8833 F 5540 51 85  
info@notariouno.com.mx**



**Martha Laura Quezada G.  
Perito Traductor  
Tribunal Superior de Justicia  
del Distrito Federal**

A handwritten signature in black ink, appearing to be 'Martha Laura Quezada G.', written over the printed name and title.

[A stamped seal with the Mexican shield reading:]  
United Mexican States  
Roberto Nuñez y Bandera  
Notary No. One, Federal District, Mexico

NOTARY ONE  
ROBERTO NUÑEZ Y BANDERA

[A kinegram]

----- DOCUMENT NUMBER-----

----- SIX EIGHT ZERO ZERO SIX-----

----- VOLUME ONE SIX THREE FIVE-----

--- In Mexico City, Federal District, on the fifteenth day of May, twenty thirteen, I, ROBERTO NUÑEZ Y BANDERA, Notary No. One for the Federal District, incumbent, identifying myself as such to the party appearing, hereby formalize: ---

--- The TRANSCRIPT OF THE BYLAWS OF KIMBERLY-CLARK DE MEXICO, SOCIEDAD ANONIMA BURSATIL DE CAPITAL VARIABLE, at the behest of Alberto Guillermo Saavedra Olavarrieta, under the terms of the following representations and clauses:-----

----- REPRESENTATIONS-----

--- I.- Public document No. one two five eight six dated August twenty-nine, nineteen twenty-five, granted before Felipe Arellano, Notary No. Fifty-seven for the Federal District, formalized the incorporation of LA AURORA, SOCIEDAD ANONIMA, whose domicile was Mexico City, Federal District, with a duration of fifty years, capital stock amounting to five hundred thousand pesos (equivalent to five hundred pesos), whose corporate purpose was as specified therein. -----

--- II.- The public document referred to in the preceding paragraph was entered in the Public Registry of Property of the Federal District under number four four one of page two three four, volume sixty-nine, book three, Commerce Section. -----

--- III.- Public document No. five four seven nine dated November eight, nineteen fifty-five, granted before Fernando G. Arce, Notary No. Eighty-seven for the Federal District, formalized extension of the duration of LA AURORA, SOCIEDAD ANONIMA up to September thirty, twenty fifty-five, and the reform of Clauses Seven, Thirteen and Fourteen of its corporate bylaws. Said public document was entered in the Public Registry of Property of the Federal District under number five one nine, page four three four, volume three hundred and thirty-five, book three, Commerce Section. -----

--- IV.- Public document No. six seven three seven dated October five, nineteen fifty-seven, granted before the same notary as above, formalized the change of the corporate domicile of LA AURORA, SOCIEDAD ANONIMA from Mexico City, Federal District, to San Bartolo Naucalpan, State of Mexico, with the ensuing reform of its corporate bylaws. Said public document was entered in the Public Registry of Property and Commerce of the Federal District under number two two eight, page two four five, volume three hundred and ninety-five, Book Three, and in the Public Registry of Property of Tlalnepantla, State of Mexico, under number two seven eight, volume thirteen, Commerce and Industry Section. -----



Martha Laura Quezada G  
Perito Traductor  
Tribunal Superior de Justicia  
del Distrito Federal

---V.- Public document No. eight three one nine dated August thirteen, nineteen fifty-nine, granted before the same notary as above, formalized the change of the name of LA AURORA, SOCIEDAD ANONIMA to KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA, with the ensuing reform of its corporate bylaws. Said public document was entered in the Public Registry of Property of Tlalnepantla, State of Mexico, under number two five two, volume fourteen, Commerce and Industry Section. -----

---VI.- Public document No. two five nine three six dated March twenty-nine, nineteen seventy-four, granted before the same notary as above, formalized the entire reform of the corporate bylaws of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA, except for Article Six. Said public document was entered in the Public Registry of Property of Tlalnepantla, State of Mexico, under number two four zero, volume five, book three, section two, of the Commerce Section. -----

---VII.- Public document No. two six five one two dated July twenty-four, nineteen seventy-four, granted before the same notary as above, formalized an increase in the capital stock of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA to the sum of forty eight million one hundred and twenty five thousand Mexican pesos (equivalent to forty eight thousand one hundred and twenty-five Mexican pesos), with the ensuing reform of its corporate bylaws. -----

---VIII. Public document No. three zero seven nine six dated March seven, nineteen seventy-seven, granted before the same notary as above, formalized the reform of Article Twenty-four of the corporate bylaws of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA. Said public document was entered in the Public Registry of Property of Tlalnepantla, State of Mexico, under number two eight one, volume twelve, book three, section two, of the Commerce Section. -----

---IX.- Public document No. three five seven seven eight dated April eight, nineteen eighty, granted before the same notary as above, formalized an increase in the capital stock of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA to one billion one hundred and fifty two million four hundred and ninety seven thousand five hundred pesos (equivalent to one million one hundred and fifty two thousand four hundred and ninety-seven Mexican pesos, fifty centavos) to remain at a total sum of one billion two hundred million six hundred and twenty two thousand five hundred pesos (equivalent to one million two hundred thousand six hundred and twenty-two Mexican pesos, fifty centavos), with the ensuing reform of its corporate bylaws. Said public document was entered in the Public Registry of Property of Tlalnepantla, State of Mexico, under number three six one, volume two, book one of Naucalpan, Commerce Section. -----



Martha Laura Quezada G.  
Perito Traductor  
Tribunal Superior de Justicia  
del Distrito Federal



[A stamped seal with the Mexican shield reading:]  
United Mexican States  
Roberto Nuñez y Bandera  
Notary No. One, Federal District, Mexico

NOTARY ONE

ROBERTO NUÑEZ Y BANDERA

PUBLIC DOCUMENT 68,006

[A kinegram]

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---X.- Public document No. three five seven nine zero dated April ten, nineteen eighty, granted before the same notary as above, formalized the change of the corporate domicile of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA, from the Municipality of San Bartolo Naucalpan, State of Mexico, to Mexico City, Federal District, with the ensuing reform of its corporate bylaws. Said public document was entered in the Public Registry of Property of Tlalnepantla, State of Mexico, under number three six two, volume two, book one of Naucalpan, Commerce Section, and in the Public Registry of Commerce of the Federal District under commercial folio number two eight one three zero. -----

---XI.- Public document No. three seven five five two dated March nine, nineteen eighty-one, granted before the same notary as above, formalized the transformation of Kimberly-Clark de México, Sociedad Anonima to a VARIABLE CAPITAL corporation, with a minimum fixed capital at one billion two hundred million six hundred and twenty two thousand five hundred pesos (equivalent to one million two hundred thousand six hundred and twenty-two pesos, fifty centavos), with the ensuing reform of Articles One, Five, Eight, Nine, Ten and Thirty-two of its corporate bylaws. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XII.- Public document No. three eight nine two eight dated August twenty, nineteen eighty-six, granted before Carlos A. Yfarranguerri y Villarreal, Notary No. Twenty-eight for the Federal District, formalized the amendment of Article Nine of the corporate bylaws of KIMBERLY CLARK DE MÉXICO, SOCIEDAD ANONIMA DE CAPITAL VARIABLE. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XIII.- Public document No. five zero two six nine dated April four, nineteen eighty-eight, granted before Gerardo Correa Etchegaray, Notary No. Eighty-nine for the Federal District, formalized the reform of Articles Five, Eight and Nine of the corporate bylaws of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA DE CAPITAL VARIABLE. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XIV.- Public document No. five four two six zero dated March twenty-seven, nineteen ninety-two, granted before Miguel Alessio Robles, Notary No. Nineteen for the Federal District, acting as associate to Notary No. Thirty-one for the Federal District, formalized the reform of Articles Five, Six and Thirty-six of the corporate bylaws of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA DE CAPITAL



Martha Laura Quezada G.  
Perito Traductor  
Tribunal Superior de Justicia  
del Distrito Federal

VARIABLE. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XV.- Public document No. four seven zero one zero dated March twenty-nine, nineteen ninety-five, granted before the same notary as above, formalized the reform of Article Five of the corporate bylaws of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA DE CAPITAL VARIABLE. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XVI.- Public document No. five zero nine one five dated March six, nineteen ninety-seven, granted before the same notary as above, formalized the reform of Article Five of the corporate bylaws of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA DE CAPITAL VARIABLE. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

XVII.- Public Document No. five two eight seven nine dated February twenty-eight, nineteen ninety-eight, granted before the same notary as above, formalized the merger of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA DE CAPITAL VARIABLE, as the acquiring corporation, with COMPAÑÍA INDUSTRIAL DE SAN CRISTÓBAL, SOCIEDAD ANONIMA, as the acquired corporation that went out of existence, and the amendment of Articles Five, Seven, Eight, Nine Bis, Twelve, Fourteen and Thirty-two of its corporate bylaws. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XVIII.- Public document No. 41288 dated March nine, two thousand and one, granted before Roberto Courtade Bevilacqua, Notary No. One Hundred and Thirty-two for the Federal District, formalized the reform of Article Six, paragraph three, of the corporate bylaws of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA DE CAPITAL VARIABLE. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XIX.- Public document No. four three zero four one dated May six, two thousand and two, granted before the same notary as above, formalized the reform of Articles Five, Eight, Ten, Eleven, Twelve, Fourteen, Seventeen, Twenty-one, Twenty-two, Twenty-five, Twenty-eight and Thirty of the corporate bylaws of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA DE CAPITAL VARIABLE. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----



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---XX.- Public document No. four four four eight one dated February twenty, two thousand and three, granted before the same notary as above, formalized the merger of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA DE CAPITAL VARIABLE, as the acquiring corporation, with PAPELES INDUSTRIALES CRISOBA, SOCIEDAD ANONIMA DE CAPITAL VARIABLE, as the acquired corporation that went out of business. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XXI.- Public document No. four six seven zero eight dated May twelve, two thousand and four, granted before the same notary as above, formalized the reform of Articles Five, Nine, Nine Bis, Twelve, Thirteen, Sixteen and Twenty-one of the corporate bylaws of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA DE CAPITAL VARIABLE. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XXII.- Public Document No. four seven six two nine dated November twenty-five, two thousand and four, granted before the same notary as above, formalized the merger of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA DE CAPITAL VARIABLE, the acquiring corporation, with PAPELES DE CALIDAD SAN RAFAEL, SOCIEDAD ANONIMA, the acquired corporation that went out of existence. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XXIII.- Public document No. four nine nine nine nine dated July nineteen, two thousand and six, granted before the same notary as above, formalized an increase in the minimum fixed capital stock of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA DE CAPITAL VARIABLE by eight million five hundred and five thousand six hundred and twenty-three pesos, seventy-four centavos to leave a total minimum fixed capital of nine million five hundred and forty six thousand two hundred and twenty-three pesos, ninety-eight centavos, and the transformation of the corporation to a variable capital stock market company, with the ensuing reform of all its corporate bylaws. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XXIV.- Public document No. five zero one six nine dated August twenty-four, two thousand and six, granted before the same notary as above, formalized the merger of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA BURSATIL DE CAPITAL VARIABLE, the acquiring corporation, with PROMOTORA DE EFICIENCIA, SOCIEDAD CIVIL, the acquired corporation that went out of



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existence Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number.-----

---XXV.- Public document No. five one two six five dated May three, two thousand and seven, granted before the same notary as above, formalized a decrease in the minimum fixed capital stock of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA BURSÁTIL DE CAPITAL VARIABLE of fifty nine thousand three hundred and sixty-one pesos, fourteen centavos, to leave a total fixed minimum capital of nine million four hundred and eighty six thousand eight hundred and sixty-two pesos, eighty-four centavos, with the ensuing reform of Article Five of its corporate bylaws. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XXVI.- Public document No. five eight one five nine dated April four, two thousand and eight, granted before the undersigned notary, formalized a decrease in the minimum fixed capital stock of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA BURSÁTIL DE CAPITAL VARIABLE of one hundred and forty six thousand eight hundred and sixty-two pesos, one centavo, to remain at nine million three hundred and thirty nine thousand nine hundred and ninety-eight pesos, three centavos, with the ensuing reform of Article Five of its corporate bylaws. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XXVII.- Public Document No. six zero zero four two dated April one, two thousand and nine, granted before the undersigned notary, formalized a decrease in the minimum fixed capital stock of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA BURSÁTIL DE CAPITAL VARIABLE, of two hundred and six thousand seven hundred and seventy-five pesos, ninety-six centavos, to remain at nine million one hundred and thirty three thousand two hundred and fourteen pesos, eighty-seven centavos, with the ensuing reform of Article Five of its corporate bylaws. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XXVIII.- Public document No. six one seven seven zero dated March twenty-five, twenty ten, granted before the undersigned notary, formalized a decrease in the minimum fixed capital stock of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA BURSÁTIL DE CAPITAL VARIABLE, of one hundred and thirty two thousand and eighty-six pesos, seventy-six centavos, to remain at sum nine million one hundred thousand one hundred and twenty-eight pesos, twenty-one centavos, with the ensuing reform of Article Five of its corporate bylaws. Said public



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document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XXIX.- Public document No. six three six five seven dated April eight, twenty eleven, granted before the undersigned notary, formalized a decrease in the fixed capital stock of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA BURSÁTIL DE CAPITAL VARIABLE, of one hundred and eighty six thousand and thirty-six pesos, thirteen centavos, to remain at eight million eight hundred and fifteen thousand and ninety-two pesos, eight centavos, with the ensuing reform of Article Five of its corporate bylaws. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XXX.- Public document No. six five three nine six dated March one, twenty twelve, granted before the undersigned notary, formalized a decrease in the fixed capital stock of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA BURSÁTIL DE CAPITAL VARIABLE, of one hundred and fourteen thousand five hundred and twenty pesos, eighty-six centavos, to remain at eight million seven hundred thousand five hundred and seventy-one pesos, twenty-two centavos, with the ensuing reform of Article Five of its corporate bylaws. Said public document was entered in the Public Registry of Commerce of the Federal District under the aforementioned commercial folio number. -----

---XXXI.- Public document No. six eight zero zero zero dated May fifteen, twenty thirteen, granted before the undersigned notary, formalized a decrease in the minimum fixed capital stock of KIMBERLY-CLARK DE MÉXICO, SOCIEDAD ANONIMA BURSÁTIL DE CAPITAL VARIABLE, of eighty one thousand one hundred and sixteen pesos, forty centavos, to remain at eight million six hundred and nineteen thousand four hundred and fifty-four pesos, two centavos, with the ensuing reform of paragraph one of Article Five of its corporate bylaws. -----

--- In view of the foregoing, the party appearing grants the following: -----

----- SOLE CLAUSE-----

---I hereby transcribe the current corporate bylaws of KIMBERLY-CLARK DE MEXICO, SOCIEDAD ANONIMA BURSATIL DE CAPITAL VARIABLE, from the aforementioned public documents, which read as follows: -----

----- KIMBERLY-CLARK DE MÉXICO, S.A.B. DE C.V.-----

----- CORPORATE NAME, DOMICILE, PURPOSE AND DURATION-----

---ONE. The name of the Corporation is Kimberly-Clark de México followed by the words "Sociedad Anónima Bursátil de Capital Variable", or the abbreviation "S.A.B. de C.V.".-----



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---TWO. The purpose of the Corporation is, in general, to exploit all sectors of the paper industry, and to perform acts, enter into agreements and conduct lawful business of any type that are necessary or directly or indirectly related to its corporate purpose. The purpose of the Corporation also includes:-----

--- 1. Manufacturing, packing, distributing, buying, selling, importing, exporting and, in general, trading, on its own account or on account of third parties, raw material, finished and semi-finished products, parts, spare parts and, in general, all types of goods, including, without limitation, medical products, devices and equipment, surgical and curing material, drugs, prostheses, orthoses, functional aids, products for dental use, diagnosis agents and hygiene, health and food products, vitamins, beauty products and articles for packing, conserving and protecting these and other products, except petrochemical products. -----

---2. Acquiring by purchase, or any other legal title, the immovable property that it requires for the establishments it has opened to accomplish its corporate purpose and that are directly used to such end, applying for the permission of the Department of Foreign Affairs of the Federal Executive Power of Mexico whenever it acquires immovable property. Therefore, the Corporation may buy, sell, build, take in lease or mortgage land, houses, buildings and, in general, the movable and immovable property required to accomplish its purpose. -----

---3. Buying, selling, manufacturing, importing, exporting, possessing, giving or taking all types of machinery, equipment and installations required to accomplish the purpose of the Corporation.-----

---4. Providing and receiving all types of technical, administrative and supervisory services.-----

---5. Setting up regional, agency or representative offices, and acting as broker, commission agent, representative, distributor or warehouseman for all types of Mexican or foreign companies. -----

---6. Registering, acquiring, possessing or disposing of trademarks, commercial names, patents, copyright, inventions and processes. -----

---7. Giving or receiving money on loan, subscribing, issuing and negotiating negotiable instruments, derivative financial instruments, securities (including, without limitation, promoting, organizing, administering, acquiring the shares or partnership interest of other Mexican or foreign corporations or civil associations; acting as the representative, agent, commission agent or broker of Mexican or foreign individuals or corporate entities), with the intervention of the institutions as required by law. -----

---8. Giving all types of guarantees, bonds and security for its own obligations or negotiable instruments or those of the corporations, associations and institutions in



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which the Corporation has an interest or a share, and the obligations or negotiable instruments of other corporations or persons with which the corporation has a business association, and receiving said guarantees, subject to the provisions of the bylaws. -----

---9. Contracting with the departments and agencies of the Federal Public Administration, state governments, local governments and the Federal District Government, and bidding for public and private tenders. -----

---10. Performing the acts and signing the agreements allowed by law and that are required to accomplish the purpose of the Corporation. -----

---THREE. The domicile of the Corporation is Mexico City, Federal District, although it may set up agency or regional offices in any part of Mexico or abroad, and establish addresses for notices in the agreements in enters into. -----

---FOUR. The duration of the Corporation shall be indefinite.-----

-----CAPITAL STOCK AND SHARES-----

---FIVE. The capital of the Corporation is variable. The minimum fixed part of capital, without the right of withdrawal, amounts to \$8,619,454.82 (eight million six hundred and nineteen thousand four hundred and fifty-four pesos, eighty-two centavos) represented by 3,153,649,125 (three billion one hundred and fifty three million six hundred and forty nine thousand one hundred and twenty-five) ordinary, non-bearer Class I shares, with no par value, fully subscribed, paid-in and released, representing the minimum fixed part of the capital of the Corporation". --

---The variable part of capital stock shall be unlimited and be represented by the number of ordinary, non-bearer, Class II shares, with no par value, representing the variable part of capital stock, which shall be numbered consecutively every year of issue, starting from one, in the order they are issued, the other characteristics of which and shall be established by the shareholders' meeting that issues them.-----

---In accordance with Article 111 of the Corporations Act, all shares that represent the capital stock of the Corporation shall be non-bearer. Shares that represent the minimum fixed part and the variable part of capital stock shall be divided into the following series, in accordance with the Corporations Act: -----

---1. Series "A" shares shall be made up of non-bearer shares that shall represent at least 52% (fifty-two percent) of the shares that represent all the capital stock of the Corporation and they may only be acquired or subscribed by the following persons and corporations: a) Mexican individuals; b) Mexican corporations whose articles of incorporation include a foreigners exclusion clause; c) Mexican banks, insurance companies, bonding companies and investment societies that conduct their business under a concession or the authorization of the Federal Executive,



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the majority of whose capital is Mexican and that foreigners are not allowed to administer; d) Mexican corporations with a majority of Mexican capital and that foreign investors do not control; e) foreigners residing in Mexico as residents; and f) trusts expressly authorized by the Department of the Economy, provided that the trustee meets the provisions of Articles Nineteen and Twenty of the Foreign Investment Act. -----

---Series "A" shares may not be acquired by individuals or corporate entities or foreign corporate entities defined as foreign investors as established in Article Two of the Foreign Investment Act. Any purchase of Series "A" shares in contravention of this article shall remain null and void and shall not be legally effective. The wording of this paragraph must be transcribed on provisional or permanent share certificates that cover Series "A" shares. -----

---Series "B" shares shall comprise of shares that at no time shall represent more than 48% (forty-eight percent) of shares that represent all the capital stock of the Corporation, which may be acquired by the persons, companies or organizations defined as foreign investors in Article Two of the Foreign Investment Act. If any of the persons referred to in paragraphs a) to e) of Section 1 of this Article acquires Series "B" shares, they must ask the Corporation to change their shares from Series "B" to Series "A, so that they may collect dividends and exercise other rights derived from said shares, The coupons of non-bearer Series "B" share certificates must state that as such and only the individual or corporate entity in whose name the shares are entered in the shares register may exercise the rights granted by said coupons. -----

---All shares, irrespective of their class and series, shall confer the same rights and obligations on their holders. The Corporation shall have a shares register for entering the subscription, acquisition and transfer of shares of the Corporation, which shall be kept by itself or by an authorized securities deposit company acting for and on behalf of the Corporation as registering agent. The register must include all information established in Article 128 (One Hundred and Twenty-eight) of the Corporations Act. The shares register shall remain sealed from the fifth day before the holding of any shareholders' meeting until the meeting is held, during which time no entry shall be made therein. -----

---Temporary or permanent share certificates that represent shares must be non-bearer and must meet the requirements established in Article One Hundred and Twenty-five of the Corporations Act. Share certificates shall include the wording of Article Seven hereof, have numbered coupons attached for payment of dividends and exercising rights, for which it is necessary to submit coupons, and shall be signed by the chairman and secretary of the board of directors or any two other



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members of the board, either with an original signature or a facsimile signature as established in Sub-section VIII of Article One Hundred and Twenty-five of the Corporations Act. The Corporation must issue permanent certificates within 90 (ninety) calendar days as from the date on which it is agreed to issue or exchange the shares in question.-----

---When shares are deposited with a securities deposit company, the Corporation must provide it several certificates or a single certificate that covers all or part of the shares issued and deposited, which may be issued without coupons, as established in Article 283 (Two Hundred and Eighty-three) of the Securities Market Act.-----

---In addition to the circumstances expressly established in Articles 134 (One Hundred and Thirty-four) and 136 (One Hundred and Thirty-six) of the Corporations Act, the Corporation may, with the agreement of the Board of Directors, acquire shares through the stock exchange that represent its own capital stock, under the following terms and conditions, and provided that the Corporation is up to date with payment of its obligations under the debt instruments that it has issued and that entered in the National Securities Registry.

---I. The shares of the Corporation shall be purchased at the current market price, charged to stockholder's equity, while said shares belong to the Corporation, or charged to capital stock if it is decided to convert them into treasury shares, in which case the authorization of the shareholders' meeting shall not be required.---

---II. For each fiscal year, the ordinary general shareholders' meeting shall establish the maximum amount of funds that may be used to purchase its own shares, the only restriction being that the total funds used to do so shall not exceed the total balance of the net profits of the Corporation, including withheld profits. The board of directors must appoint those persons who shall acquire and place the shares of the Corporation.-----

---III. The purchase of the shares of the Corporation and their placement shall be subject to the provisions of Article 56 (Fifty-six) of the Securities Market Act. Reports on the purchase of said shares must be submitted to the ordinary general shareholders' meeting, as must the disclosure regulations on the financial information. The manner and terms under which these transactions are notified to the National Banking and Securities Commission, the relevant stock exchange and to the investing public, shall be subject to the general provisions issued by the National Banking and Securities Commission.-----

---IV. The shares that belong to the Corporation, or the treasury shares issued under the repurchase program of the Corporation, may be placed amongst the



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investing public without it being necessary for the shareholders' meeting or the board of directors to authorize an increase in capital stock in the latter case. -----

—V. Any increases and decreases in capital stock derived from the purchase and placement of the shares referred to in this article shall not require the authorization of the shareholders' meeting or the board of directors.-----

—VI. While repurchased shares remain the property of the Corporation or are retained as treasury shares, the corporate rights or rights of acquisition they confer may not be exercised and they shall not be considered as being in circulation when establishing the quorum or the number of votes to be cast at shareholders' meetings. -----

—VII. Under no circumstances may shares that represent the capital stock be repurchased in such a manner so that the number of Series "B" shares in circulation exceed the maximum number referred to herein, nor the percentage authorized by the National Banking and Securities Commission, with regard to shares without the right to vote, with the same restriction of corporate rights, or restrictive voting shares other than those established in Article 113 (One Hundred and Thirteen) of the Corporations Act. -----

—SIX. As established in Article 114 (One Hundred and Fourteen) of the Corporations Act, the extraordinary general shareholders' meeting may agree to issue special series working shares, referred to as Special "T" Series Shares or Working Shares, which may only be allocated to officers and employees of the Corporation or any of its subsidiaries designed to such end by the board of directors, the only restriction being that the number of Special "T" Series Shares or Working Shares issued or in circulation may not exceed five percent of the number of ordinary shares into which capital stock is divided. -----

—Special "T" Series Shares or Working Shares shall: -----

—1.- Shall not represent any part of capital stock and shall not be entitled to vote at shareholders' meetings.-----

—2.- Be entitled to receive dividends, charged to profits of the Corporation, for a value per share equal to the value of the dividend paid to an ordinary share in the year in question.-----

—3.- Be valid for five years as from the date on which they are allocated to an officer or employee of the Corporation or of any of its subsidiaries, at the end of which the Corporation shall withdraw them by paying a sum per share arrived at as follows, charged to the profits of the Corporation: -----

—a) Adjusting the value of the capital stock of the Corporation as of the end of the quarter before that in which the Special "T" Series Shares are to be withdrawn, and the value of the stockholder's equity of the Corporation as of the end of the



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quarter prior to that in which the Special "T" Series Shares are allocated to an officer or employee of the Corporation, subtracting the balance of the "Initial Effect of Deferred Income Tax" and "Difference between Book Value and Share Repurchase Price" accounts of stockholder's equity from stockholder's equity to thus arrive at the "Adjusted Stockholders' Equity" at the end of each quarter. -----

--- b) Subtracting the value of the Adjusted Stockholders' Equity as of the end of the quarter prior that in which the Shares of the Special "T" Series are allocated to an officer or employee of the Corporation, from the value of the Adjusted Stockholders' Equity as of the end of the quarter prior to that in which Special "T" Series Shares are withdrawn. -----

--- c) Dividing the sum arrived at as above by the total number of ordinary shares of the Corporation in circulation as of the date on which the Special "T" Series Shares are withdrawn. -----

--- 4.- Shall be withdrawn by the Corporation before the end of the five-year term referred to in paragraph three above, under any of the following circumstances, if allocated to an officer or employee of the Corporation or of any of its subsidiaries, in which case the date on which any of said circumstances occurs shall be considered as the date of withdrawal of the shares to be taken into account when calculating the sum to be paid by the Corporation for withdrawal of the shares. ---

--- a) Total and permanent disability of the holder. -----

--- b) Death of the holder. -----

--- c) Retirement or resignation of the holder in accordance with the retirement scheme of the Corporation or its subsidiaries. -----

--- d) If the holder retires to take up a position that the board of directors considers to be of benefit to the country or to the Corporation. -----

--- 5. Under no circumstances shares be transferred or assigned by their holders. If any holder dies, his or her shares shall be considered as withdrawn by the Corporation and the lawful heirs of the deceased holder shall be paid the sum of their withdrawal in accordance with paragraph one of point four. -----

--- 6. Shall entitle their holders to receive further Special "T" Series Shares or Labor Shares with the same validity period and withdrawal date as the shares originally allocated, if the number of ordinary shares is increased to represent the capitalization of accounts, stockholders' equity, or if the outstanding shares of the Corporation representing the capital stock are split in the proportion corresponding thereto; likewise, if the number of outstanding ordinary shares for a reverse split is decreased, any Special "T" Series Shares or Labor Shares shall be withdrawn and canceled without any payment whatsoever in the same proportion in which the ordinary shares have been reduced. -----



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---7. Have the characteristics and be subject to the other conditions established by the board of directors.-----

---SEVEN. The Corporation is Mexican. Any foreigner who comes to be a partner or shareholder of the Corporation, by whatever means, shall expressly undertake to the Department of Foreign Affairs to be considered as Mexican with regard to any concession, share or interest of the Corporation, or the rights and obligations under the agreements to which the Corporation is a party with the Mexican authorities. Foreigners shall also undertake to the Department of Foreign Affairs not to invoke the protection of their government, under penalty of conceding any corporate interest they may acquire to the Mexican nation.-----

---EIGHT. The minimum fixed part of the capital stock of the Corporation and the limit established for the variable part of capital shall be increased by resolution of the extraordinary general shareholders' meeting. The part of the capital of the Corporation, within the limit established in Article Five hereof, shall be increased by resolution of the extraordinary general shareholders' meeting, without it being necessary to enter the minutes in the Public Registry of Commerce. Increases may not be decreed or new shares issued until all shares previously issued have been paid-in in full. Shares issued to represent the variable part of capital stock and that must be deposited with the treasury by resolution of the shareholders' meeting of the Corporation, to be delivered as they are being subscribed, may be offered for subscription and payment, either by an ordinary general shareholders' meeting or the board of directors, in accordance with the powers granted by the shareholders' meeting, shareholders of the Corporation being given preference to subscribe shares subject to the provisions of this article.-----

---The Corporation may also issue non-subscribed shares under the terms and conditions established in Articles 53 (Fifty-three) of the Securities Market Act, taking the following into account:-----

---a) The extraordinary general shareholders' meeting must approve the maximum increase in capital and the conditions under which shares are issued.---

---b) Shares must be issued with a view to making a public offer, having first been entered in the National Securities Registry.-----

---c) The value of capital subscribed and paid-in shall be announced when the Corporation notifies the authorized capital represented by shares issued and not subscribed.-----

---d) The shares issued must be kept in safekeeping and shall be credited to the account of the brokerage houses that act as placement agent, against payment of the price thereof.-----



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---e) Shares that are not subscribed and paid-in in accordance with the conditions established by the shareholders' meeting shall remain null and void and be cancelled immediately, without the need for any court order. The Corporation shall reduce authorized capital stock accordingly. -----

---f) When a minority that represents at least 25% (twenty-five percent) of capital stock votes against the issue of non-subscribed shares, said issue may not take place. -----

---The preferential right of subscription referred to in Article 132 (One Hundred and Thirty-two) of the Corporations Act shall not apply with regard to capital increased by public offer.-----

---The paid-in capital of the Corporation may be increased by capitalizing reserves, profits still to be applied or a surplus, or by payment in cash or in kind. When capital is increased by capitalizing reserves, profits to be applied or other items of stockholders' equity, all ordinary shares shall be entitled to the proportion to which they are entitled of the new shares issued as a consequence of capitalization. As the share certificates of the Corporation do not have any par value, it shall not be necessary to issue new certificates if capital is increased as a result of capitalization of share premiums, capitalization of withheld profits or capitalization of valuation or revaluation reserves, unless the shareholders' meeting considers otherwise. -----

---Except under the circumstance established in this article and in Article 53 (Fifty-three) of the Securities Market Act and Article 210 (Two Hundred and Ten Bis) of the Negotiable Instruments and Credit Transactions Act, when increases are made by payment in cash or in kind, shareholders that hold shares subscribed and paid-in and that are in circulation at the time the paid-in capital of the Corporation is increased, shall have the right of preference to subscribe any new shares issued or placed in circulation to represent the increase, in proportion to the shares they currently hold, within a period of 15 (fifteen) calendar days as from the date on which the relevant notice is published in the official gazette of the domicile of the Corporation, or as from the date of the meeting if all shares into which capital stock is divided is represented thereat. -----

---If there are still shares to be subscribed once the time in which shareholders may exercise their right of preference has expired, said shares shall be offered for subscription and payment in the manner agreed by the meeting that decrees the increase in capital, or under the terms and in the times established by the board of directors, to the individuals or corporate entities agreed by the board of directors and the meeting or the delegates appointed by the meeting, at a price that may be



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no less than that at which they were offered to the shareholders of the Corporation for subscription and payment.-----

---Capital must be increased by issuing the number of Series "A" shares and Series "B" shares in circulation at the time said increase is approved, proportionally, on the basis of the number of Series "B" shares entered in the shares register at the time, on the understanding that any such increase must be made in such a manner so as to retain at least the minimum percentage of Series "A" shares and provided that the maximum percentage of Series "B" shares established in Article Five hereof is not exceeded, and that the right of preference to subscribe shares issued must be exercised to subscribe shares of the same series of which the shareholders that exercise said right are entitled. All increases in capital stock shall be entered in the variations in capital register retained by the Corporation.-----

---NINE. The minimum fixed part of capital stock shall be decreased by resolution of the extraordinary general shareholders' meeting, as shall the variable part of capital, although the minutes of the relevant meeting need not be entered in the public registry of commerce.-----

---Capital stock may be decreased in order to absorb losses so as to be able to refund shareholders, or if shareholders exercise their right of withdrawal referred to in the final paragraph of this article. Capital shall be decreased to absorb losses by reducing the total number of shares in circulation proportionally, including a decrease in the shares that represent minimum fixed capital stock and the shares that represent variable capital stock.-----

---If capital is decreased by amortizing the shares of shareholders, the procedure established in Article One Hundred and Thirty-six of the Corporations Act shall apply, although Class II shares that represent the variable part of capital shall be amortized first. Class I shares that represent the minimum fixed capital of the Corporation shall only be amortized first if there are insufficient Class II shares that represent the variable part of capital to absorb the total amount of the amortization of capital, by the number required to complete amortization of capital decreed. If minimum fixed capital is decreased, the resolution of the extraordinary shareholders' meeting that decides as such shall be published in the Official Gazette of the Federation on three occasions, ten days apart.-----

---All decreases in capital must be in proportion to the number of Series "A" and Series "B" shares in circulation at the time the decrease is approved, on the basis of the number of Series "B" shares entered in the non-bearer shares register at the time, on the understanding that any such decrease must be made so that the



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minimum percentage of Series "A" shares is retained, and the maximum number of Series "B" shares not exceeded, as established in Article Five hereof.-----

---TEN. Registration of the shares of the Corporation with the registry may be cancelled when the shares of the Corporation have been entered in the National Securities Register, under the terms of the Securities Market Act and the general provisions of the National Banking and Securities Commission, and provided that the interests of the investing public are safeguarded: -----

---1. At the request of the Corporation, with the agreement of the extraordinary general shareholders' meeting with the shareholders, with or without the right to vote, that represent 95% (ninety-five percent) of capital stock voting in favor.-----

---2. By the resolution of the National Banking and Securities Commission under the circumstances established in Article 108 (One hundred and Eight), Sub-section I, of the Securities Market Act. -----

---A public offer must be made under either of the above circumstances, as follows: -----

---a) Offers must be made exclusively to the shareholders of the Corporation that are not part of the group of persons that has control the Corporation at the time the transaction is conducted.-----

---b) Offers must be made at the quotation value or the book value of shares or negotiable instruments that represent said shares, whichever is less, in the latter case according to the final quarterly report submitted to the National Banking and Securities Commission and the stock exchange on which the shares are quoted before the offer, whichever is less, adjusted when the value is amended in accordance with the criteria that apply to establishing relevant information, in which case the most recent financial information of the Corporation must be taken into account and a certification of an authorized director of the issuer of calculation of the book value must be submitted. -----

---The value quoted on the stock exchange shall be the average weighted price by volume of transactions conducted during the last thirty days in which the shares or negotiable instruments that represent said shares are negotiated, before the offer is made and for a maximum period of six months. If the shares or negotiable instruments have been negotiated for less than thirty, the number of days during which they have actually been negotiated shall be taken into account. The book value shall be used if no negotiations are conducted during this time. -----

---If the Corporation has more than one series of shares listed, the average referred to in the preceding paragraph must be calculated for each series to be canceled, taking into account the highest average as the quotation value for the public offer of all series. -----



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---c) The National Banking and Securities Commission may be asked to give its authorization to use another base to calculate the price referred to in this article,, taking into account the financial situation and business outlook of the Corporation, provided that the board of directors agrees, based on the opinion of the audit and corporate practices committee that explains why it is necessary to establish a different price, together with a report from an independent expert. -----

---d) The board of directors must give its opinion regarding the price of the offer and any conflict of interests that any of its members may have regarding the offer, no later than ten business days after the public offer commences, taking into account the opinion of the audit and corporate practices committee, and notifying the investing public accordingly on the stock exchange on which the shares are quoted, under the terms and conditions of said stock exchange. If the board of directors faces a situation that may create a conflict of interests, the opinion of the board must be backed by the opinion of an independent expert engaged by the audit and corporate practices committee, which emphasizes in particular the safeguarding of the rights of minority shareholders. -----

---Members of the board of directors and the chief executive officer of the Corporation must advise the public of the decision taken regarding their securities, and of the opinion referred to in the preceding paragraph. -----

---e) The Corporation must convey to trust the funds needed to purchase the shares of investors that did not attend the offer, for a minimum of 6 (six) months as from the date of cancellation. -----

---f) In accordance with Article 108 (One Hundred and Eight), Sub-section I, of the Securities Market Act, the person or group of persons that has control of the Corporation when the National Banking and Securities Commission establishes the requirement referred to in Section 2 of this article, shall be jointly and severally liable to the Corporation for observing these requirements. -----

-----ADMINISTRATION OF THE CORPORATION -----

---ELEVEN. Administration of the Corporation shall be entrusted to a board of directors the number of proprietary members of which shall be established by the general shareholders' meeting, although the maximum number of members shall be 21 (twenty-one) at least 25% (twenty-five percent) of which must be independent members, under the terms of the Securities Market Act and the general rules issued by the National Banking and Securities Commission. An alternate member shall be appointed for each proprietary member, on the understanding that the alternate members of independent members must also be independent. Board members shall remain in their position for one year, although they shall continue discharging their functions, even though the term of their



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appointment has concluded or in the event of their resignation, for a further 30 (thirty) calendar days, until their replacement takes up their position, without being subject to the provisions of Article 154 (One Hundred and Fifty-four) of the Corporations Act. Board members may be reelected and their remuneration shall be established by the ordinary general shareholders' meeting. -----

---The board of directors may appoint temporary members, without the intervention of the shareholders' meeting, under any of the circumstances established in the preceding paragraph or in Article 155 (One Hundred and Fifty-five) of the Corporations Act. The shareholders' meeting shall ratify any such appointment or appoint replacement board members at the next meeting.-----

---Under no circumstances may those persons who have acted as the external auditor of the Corporation or of any of the corporations that are part of the business group or consortium of the Corporation during the 12 (twelve) months before board members are appointed, be a board member of the Corporation.-----

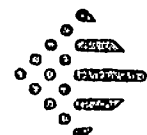
---Minority shareholders that represent at least 8.5% (eight point five percent) of capital stock shall be entitled to appoint one proprietary member and one alternate member of the board of directors for each 8.5% (eight point five percent) of capital stock that they hold. The appointment of board members appointed by minority shareholders may only be revoked when the appointment of all other board members is revoked. In all events, the majority of proprietary members and alternate members of the board of directors must be of Mexican nationality. -----

---Independent board members and their alternates must be chosen based on their experience, ability and professional reputation, and on the basis that may discharge their functions without any conflict of interests and without being influenced by any personal or financial interest. -----

---The general shareholders' meeting that appoints or ratifies members of the board of directors or that at which any such appointment or ratification is notified, shall qualify the independence of board members. Without detriment to this, under no circumstances may the following persons be appointed or function as independent board members:-----

---I. The senior directors or employees of the Corporation or of corporations that are part of the business group or consortium to which the Corporation belongs, nor the statutory auditors of any such corporations. This restriction shall apply to those individuals who have occupied said positions during the 12 (twelve) months before the date of appointment.-----

---II. Individuals who may have an influence on or control of the Corporation or any of the corporations that belong to the same business group or consortium as the Corporation.-----



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--- III. Shareholders who are part of the group that controls the Corporation.-----

--- IV. The customers, service providers, suppliers, debtors, creditors, partners, board members or employees of a company that is a major customer, service provider, supplier, debtor or creditor.-----

--- A customer, service provider or supplier shall be considered to be as "important" when the sales of the Corporation represent more than 10% (ten percent) of the total sales of the customer, service provider or supplier during the twelve months prior to the date of appointment. A debtor or creditor shall be considered as "important" when the value of the loan involved is greater than five percent of the value of the assets of the Corporation or of the other party.-----

--- V. Those who have a blood relationship or relationship by marriage up to the fourth grade, plus spouses and common-law spouses of any of the persons referred to in points I to IV above.-----

--- Independent board members that lose their independence while occupying their position shall notify the board of directors accordingly at its next meeting.-----

--- TWELVE. The first meeting of the board of directors shall appoint a chairman, one or more vice-chairman, and a secretary and an assistant secretary, the latter two of which shall also be the secretary and assistant secretary of the Corporation and who may not be board members. The temporary or permanent absence of members of the board of directors shall be covered by the respective alternate. ---

--- THIRTEEN.-----

--- A. The board of directors shall have the following powers and discuss the following matters:-----

--- I. The board shall have the rights and obligations required to administer the Corporation, so it shall be authorized to establish the general business strategy of the Corporation and of those corporations that it controls, and to decide upon all matters concerning material accomplishment of its corporate purpose.-----

--- II. It shall supervise the business of the Corporation and of the corporations that it controls, taking into account the relevance of the latter in the financial, administrative and legal situation of the Corporation, and the performance of its senior directors.-----

--- III. The board may approve the following, taking into account the opinion of the relevant committee:-----

--- a) The policies and guidelines for use or enjoyment of the assets of the Corporation and of the corporations -----

--- b) Any business, on an individual basis, with related parties that the Corporation or the corporations it controls conducts or intends to conduct.-----



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---The following transactions shall not require the approval of the board of directors, provided that its policies and guidelines are observed:-----

--- 1. Transactions the value of which makes them irrelevant to the Corporation or the corporations it controls.-----

---2. Transactions conducted between the Corporation and the corporations it controls or those in which the Corporation has a major influence, or between any of these corporations, provided that:-----

---i) They are part of the day-to-day business of the Corporation.-----

---ii) They are conducted at market prices or backed by a valuation made by an independent expert.-----

---3. Transactions conducted with employees, provided that they are conducted under the same conditions as with any other customer or as a consequence of the general employee benefits.-----

---c) Transactions conducted either simultaneously or successively, that may be considered as a single transaction due to their nature and that the Corporation or the entities under its control intend to perform within a fiscal year, when said transactions are either unusual or non-recurrent, or when their value represents, based on figures as of the end of the preceding quarter, under any of the following circumstances:-----

--- 1. The purchase or sale of goods the value of which is greater than or equal to 5% (five percent) of the consolidated assets of the Corporation.-----

---2. The granting of guarantees or assumption of liabilities the total value of which is greater than or equal to 5% (five percent) of the consolidated assets of the Corporation.-----

---Investment in debt securities or bank instruments is excepted from this, provided that it is in accordance with the policies approved by the board of directors.-----

---d) Investment programs for building industrial units to acquire an existing industrial unit.-----

---e) The appointment, election and, if applicable, replacement of the chief executive officer of the Corporation and his or her remuneration, and policies for appointing and paying other senior directors.-----

---f) Policy for granting related parties gratuitous loans, loans or any other type of credit or guarantee.-----

---g) Giving board members, senior directors or persons with power of attorney dispensation to take advantage of business opportunities for themselves or for third parties that are usually opportunities of the Corporation, the corporations that it controls, or those corporations in which it has a major influence. Dispensation for



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transactions the value of which is less than that referred to in paragraph c) above may be given by the audit and corporate practices committee of the Corporation. -

---h) Guidelines for the internal control and internal audit of the Corporation and of the corporations it controls.-----

---i) The accounting policies of the Corporation, in accordance with recognized accounting principles or those issued by the National Banking and Securities Commission as part of its general provisions.-----

---j) The financial statements of the Corporation.-----

---k) Hiring an external auditor or a company to provide additional or complementary external audit services.-----

---When any decision of the board of directors does not coincide with an opinion given by the relevant committee, said committee may ask the chief executive officer to advise the investing public accordingly, via the Mexican stock exchange, in accordance with the terms and conditions established in the internal regulations of the stock exchange.-----

---IV. Submitting the following documents to the general shareholders' meeting held at the end of the fiscal year:-----

---a) The annual report of the audit and corporate practices committee and the payment committee.-----

---b) The report raised by the chief executive officer in accordance with Article 172 of the Corporations Act, except as provided for in paragraph b) of said article, together with an opinion of the external auditor.-----

---c) The opinion of the board of directors regarding the report of the chief executive officer referred to above.-----

---d) The report referred to in Article 172, paragraph b), of the Corporations Act, including the accounting and information policies and criteria used to prepare financial information.-----

---e) A report on transactions and business conducted in accordance with the Securities Market Act.-----

---V. Monitoring the main risks to which the Corporation and the corporations it controls are exposed, identified based on information provided by the committees, the chief executive officer and the external auditor, and supervising accounting, internal control and internal audit, recording, filing or information systems, which may be carried out by the audit committee.-----

---VI. Approving the information and communication policies with shareholders and the market, and with board members and senior directors, in order to meet the requirements of the Securities Market Act.-----



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---VII. Deciding on the action to be taken in order to rectify any irregularity that comes to its knowledge and taking the necessary corrective action.-----

---VIII. Establishing the terms and conditions that shall apply to the chief executive officer when exercising his or her power of attorney for acts of ownership.-----

---IX. Ordering the chief executive officer to notify the public of any relevant events of which he or she is aware, without detriment to the obligation of the chief executive officer referred to in Article 44, Sub-section V, of the Securities Market Act. -----

---X. Providing an opinion regarding justification of the price of the public offer for the purpose of shares, under the circumstance established in Article Eleven hereof. -----

---XI. In general, the board of directors shall have the authority required to administer the Corporation and, as a consequence, it may perform all legal and material acts that are directly or indirectly related to the corporate purpose established in Article Two hereof, without any limitation. -----

---The board of directors shall ensure that the resolutions of shareholders' meetings are fulfilled, which it may do through the audit and corporate practices committee.-----

---B. The board of directors shall be the legal representative of the Corporation with third parties and the authorities and, as a consequence, may: -----

---a) Enter into all types of agreements and contracts or perform any other legal civil, commercial and administrative act, or any other type of act. -----

---b) Sell, mortgage, pledge, convey to trust and, in general, dispose or encumber in any manner or by any legal title the fixed assets and circulating assets of the Corporation, with the powers of owner. -----

---c) Issue, draw, subscribe, guarantee and, in any manner, negotiate all types of negotiable instruments, under the terms of Article 9 (Nine) of the Negotiable Instruments and Credit Transactions Act, and open and close bank accounts through any financial broker, and deposit therein and draw therefrom.-----

---d) It shall have a power of attorney for lawsuits and collections, acts of administration and acts of ownership, with all general and special powers that require special power or clause by law, with no limitation, with the broadness established in the first three paragraphs of Article 2554 (Two Thousand Five Hundred and Fifty-four) of the Civil Code for the Federal District and its correlative of the civil codes of the states of Mexico, including, but not limited to, filing and



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abandoning any legal action, including writ of *amparo*<sup>1</sup>; settling and submitting to arbitration or submitting the rights and shares of the Corporation thereto; propounding and answering interrogatories in court, assigning assets, providing write-offs, receiving payments and granting wait periods; appearing at auctions as bidder; filing criminal accusations and complaints for crimes committed that directly or indirectly affect the Corporation; granting pardon, challenging judges, magistrates or any other official, jurisdictional authority or conciliation and arbitration board. -----

---e) It may also grant and revoke general or special powers of attorney, with the power to substitute and revoke those powers of attorney that are exclusively exercised by the shareholders' meeting, by law or the corporate bylaws, although always reserving the right to exercise its authority.-----

---f) It shall have power of attorney for acts of ownership when selling movable and immovable assets, with no limitation, under the terms of paragraph three of Article 2554 of the Civil Code for the Federal District and its correlative of the civil codes of the states of Mexico. -----

---g) It shall have general power of attorney for acts of administration with regarding to labor matters, for the purpose of Articles 692 (Six Hundred and Ninety-two), 786 (Seven Hundred and Eighty-six) and 866 (Eight Hundred and Sixty-six) and additional articles, and Article 870 (Eight Hundred and Seventy) and other applicable articles of the Federal Labor Act in effect, so that it may grant powers to appear before labor authorities for those labor-related matters to which the Corporation is a party or an interested party, both at the initial hearing and at any further stage thereof, and to propound interrogatories. -----

---h) Calling ordinary, extraordinary or special general shareholders' meetings, under the circumstances established herein or in the Corporations Act, or when it sees fit, and establishing the date and time of said meetings and fulfilling the resolutions passed thereat. -----

---i) Drafting internal working regulations. -----

---j) Appointing and removing the external auditors of the Corporation. -----

---k) Setting up regional and agency offices of the Corporation in any part of Mexico or abroad.-----

---l) In accordance with Article 56 (Fifty-six) of the Securities Market Act, authorizing the purchase on the stock exchange of shares that represent the

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<sup>1</sup> Translator's note: Amparo: Constitutional action alleging violation of rights committed by the government or a court of law. No equivalent in U.S. law.



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capital stock of the Corporation, under the terms of applicable provisions, and placing the same in accordance with Article Five hereof. -----

--- m) Setting up the special committees that it considers necessary to conduct the business of the Corporation, and establishing their powers and obligations. Said committees shall not have the powers that the law or the bylaws reserve exclusively for the shareholders' meeting or the board of directors. -----

--- FOURTEEN. Members of the board of directors shall discharge their functions and endeavor to create value to benefit the Corporation, without favoring any shareholder or group of shareholders. To this end, they must act diligently, take reasoned decisions and perform all other duties entrusted to them by law or the bylaws. -----

--- FIFTEEN. When discharging the functions that the Securities Market Act and the corporate bylaws confer upon them, members of the board of directors must act in good faith and in the best interests of the Corporation and the corporations it controls. Therefore, they may: -----

--- I. Ask for any information concerning the Corporation and the corporations it controls that they may reasonably require in order to take decisions. -----

--- To this end, the board of directors may lay down guidelines to establish the manner in which said information shall be requested and, if applicable, the extent of any such requests, taking into account the opinion of the audit and the corporate practices committee. -----

--- II. Ask senior directors and any other persons, including external auditors, to attend board meetings so as to make a contribution to the taking of decisions. -----

--- III. Postpone board meetings when any board member has not been called, not called in time or not been provided information already provided to other board members. Meetings may be postponed for up to 3 (three) calendar days, after which the board may convene without needing to issue a new call, providing that the aforementioned irregularity has been rectified. -----

--- IV. Discuss and vote on certain matters and ask that only members and the secretary of the board of directors are present at meetings. -----

--- The information that senior directors and other employees, both of the Corporation and of the corporations it controls, must be signed by the persons who prepare it. -----

--- Members of the board of directors shall be considered as liable under the terms of Article 33 (Thirty-three) of the Securities Market Act when any damage is caused to the Corporation, the corporation it controls or those in which it has a major influence, under any of the following circumstances: -----



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---I. If they fail to attend board meetings or the meetings of committees of which they are members and if the board or the committee in question is unable to convene due to their absence, unless their absence is justified at the consideration of the shareholders' meeting. -----

---II. If they do not disclose any relevant information that comes to their knowledge, to the board of directors or to the committees of which they are members, which is required to take decisions, unless they are legally or contractually bound to keep any such information as secret or confidential. -----

---III. If they fail to perform the duties conferred upon them by law and the corporate bylaws. -----

--- The liability of board members comprising indemnifying any damage and losses caused to the Corporation, the corporation it controls or those in which it has a major influence, due to any act performed or decision taken by the board or those that the board may not perform or take as it is unable to convene legally, shall be joint and several between those persons who have taken the decision or whose absence means that the board cannot convene. -----

---SIXTEEN. The members and secretary of the board of directors shall keep as confidential those matters and information of which they have knowledge on account of their position in the Corporation, when said information or matters are not in the public domain. -----

---Members and the secretary of the board of directors who have a conflict of interests in any matter must refrain from discussing or voting on said matter, although without affecting the quorum required so that the relevant meeting may convene. -----

---Board members shall be jointly and severally liable with former members for any irregularity of the latter if, being aware of any such irregularity, current members do not inform the audit and corporate practices committee and the external auditor. Board members shall also be required to inform the audit and corporate practices committee and the external auditor of any irregularity that comes to their knowledge while discharging their functions and that concerns the Corporation, the corporations it controls or those in which it has a major influence.

---Members and the secretary of the board of directors shall be considered as acting disloyally and, therefore, shall be liable for any damage and losses caused to the Corporation, the corporations it controls or those in which it has a major influence, if they unlawfully obtain any financial benefit for themselves or for any third party, including any shareholder or group of shareholders, on account of their job, position or commission. -----



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--- Members of the board of directors shall also be considered as being disloyal to the Corporation, the corporations it controls or those in which it has a major influence, and shall be considered as liable for any damage and losses caused to them, when they:-----

--- I. Vote at board of directors' meetings or take decisions regarding the assets of the Corporation, the corporations it controls or of those in which it has a major influence, when they have a conflict of interests.-----

--- II. Do not disclose any conflict of interests they may have with regard to the Corporation, the corporations it controls or those in which it has a major influence for those matters discussed at board of directors' meetings or the committees of which they are members. Board members must provide details of any conflict of interests, unless they are legally or contractually bound to keep any such matter as secret or confidential.-----

--- III. Knowingly privilege any shareholder or group of shareholders of the Corporation, the corporations it controls or of those in which it has a major influence, in detriment to other shareholders.-----

--- IV. Approve transactions that the Corporation, the corporations it controls or those in which it has a major influence conducts with related parties, without observing the requirements of the Securities Market Act.-----

--- V. Use or allow third parties to use the assets of the Corporation or of the corporations it controls in transgression of the policies approved by the board of directors.-----

--- VI. Improperly use any relevant information concerning the Corporation, the corporations it controls or those in which it has a major influence, that is not in the public domain.-----

--- VII. Take advantage of business opportunities of the Corporation, the corporations it controls or those in which it has a major influence, to their own benefit or to the benefit of third parties, without the permission of the board of directors.-----

--- Unless proven otherwise, it shall be considered that board members take advantage of a business opportunity of the Corporation, the corporations it controls or those in which it has a major influence, when board members directly or indirectly conduct transactions that: (a) are part of the day-to-day business of the Corporation, the corporations it controls or those in which it has a major influence; (b) imply the conducting of business or a project that was originally aimed at the corporations established in the preceding point; (c) involve commercial or business projects of the Corporation or the corporations referred to in point (a) above, provided that the board members have previous knowledge thereof.-----



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---With regard to the corporations in which the Corporation has a major influence, liability for disloyalty may be demanded from members and secretary of the board of directors who contribute to obtain the benefits referred to, without a lawful cause. -----

---SEVENTEEN. The members and secretary of the board of directors of the Corporation must not: -----

---I. Produce, publicize or provide the public any information concerning the Corporation, the corporation it controls or those in which it has a major influence, or any details of their assets, in the knowledge that it is false or may lead to error, or instruct other persons to do so.-----

---II. Give instructions for transactions conducted by the Corporation or the corporations it controls not to be accounted for, or failing to do so, and altering or instructing the alteration of records to conceal the true nature of transactions conducted, thus affecting the financial statements. -----

---III. Conceal or not disclose relevant information that should be made known to the public, shareholders or the holders of securities, under the terms hereof, unless the law establishes that it need not be disclosed, or instruct that the same is concealed or not disclosed.-----

---IV. Give instructions for false information to be noted in the accounting records of the Corporation or of the corporations it controls, or do so themselves. -----

---V. Destroy, alter or give instructions for the destruction or alteration, wholly or partially, of accounting systems, records or documents that back the accounting entries of the Corporation or the corporations it controls, before the legal term for retaining such records terminates, and in order to conceal any records or evidence. -----

---VI. Destroy or order the destruction of, wholly or partially, any information, documents or records, including electronic records, with the intention of impeding or hindering the supervision of the National Banking and Securities Commission. -

---VII. Destroy or order the destruction, wholly or partially, of information, documents or files, including electronic files, with the intention of to manipulating or concealing information concerning the Corporation from or those who may have a legal interest in knowing it. -----

---VIII. Submit forged or altered documents or information to the National Banking and Securities Commission in order to conceal their true content or context. -----

---IX. Alter the accounts receivable or accounts payable, or the conditions of contracts, give instructions to account for non-existent transactions or expenses, exaggerate actual transactions and expenses or intentionally perform any unlawful act or transaction that may lead to bankruptcy or adversely affect the property of



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the Corporation or the corporations it controls, to their own benefit, either directly or through a third party.-----

--- Liability comprising indemnifying damage and losses caused on account of the acts or omissions referred to in this article shall be joint and several between those persons that took any such decision and shall be demandable as a consequence of damage and/or losses caused. Indemnity must cover all damages and losses caused to the Corporation and/or the corporations it controls or those in which it has a major influence, and the persons liable shall be removed from their position.

--- EIGHTEEN. Liability for the acts referred to in the preceding articles shall be exclusively with the Corporation, the corporations it controls or those in which it has a major influence that is adversely affected. -----

--- Notwithstanding, members of the board of directors shall not be individually or jointly liable for any damage or losses caused to the Corporation, the corporations it controls or those in which it has a major influence, derived from acts performed or decisions taken when, acting in good faith, they:-----

--- I. Meet the requirements established by the Securities Market Act or the bylaws for approving those matters that are the competence of the board of directors or of the committees of which they are members.-----

--- II. Take decisions or vote at board of directors' meetings or at the meeting of the committees to which they belong, based on information provided by senior directors, the external audit company or independent experts whose capacity and credibility may not be reasonably doubted. -----

--- III. Make the best possible choice, to the best of their knowledge and understanding, or if any negative effect on property may not have been predicted, in both cases based on information available at the time they took the decision. ---

--- IV. Fulfill the resolutions of the shareholders' meeting, provided that said decisions do not violate the law.-----

--- NINETEEN. The chairman of the board of directors shall act as representative of the board to fulfill its decisions, without the need for special resolution. The chairman shall have the casting vote in the event of a tie.-----

--- TWENTY. The board of directors shall convene when called, although at least once every three months. For board of directors' meetings and the resolutions passed thereat to be valid, the majority of their members must attend. Board members shall be called to board meetings personally by the chairman or the secretary of the board or of the audit and corporate practices committees or the compensations committee, or by 25% (twenty-five percent) of board members of the Corporation, except to ordinary board meetings the date of which is set by the board of directors and notified to board members irrefutably within the first month



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of the fiscal year. Board members shall be notified by registered mail, with confirmation of receipt, facsimile or any other means agreed by board members and that ensures that members of the board are notified at least 10 (ten) days before the date set for the meeting.-----

---The external auditor of the Corporation may be called to board of directors' meetings as a guest, with the right to be heard but not to vote, and must not be present when any matter on the agenda in which she or he may have a conflict of interests or that may compromise his or her independence is discussed. -----

---In accordance with the final paragraph of Article 143 (One Hundred and Forty-three) of the Corporations Act, the board of directors may validly pass resolutions without having to convene formally. Resolutions passed outside the meeting must be passed by all proprietary members voting in favor or, in the event of the permanent absence or disability of any member, with the alternate member voting in favor, in accordance with the following:-----

--- 1. The chairman, at his or her own initiative or at the request of the chairman of the audit and corporate practices committee, or any two proprietary members of the board of directors, may notify all proprietary and alternate members of the board of directors, either orally or in writing, of the resolutions to be passed outside the meeting and the reasons for doing so. The chairman must also provide them, if requested, all documents and information required. The chairman may be assisted by one or more members of the board or by the secretary or his or her alternate, in order to do so. -----

---2. If all proprietary members of the board, or their alternates, declare to the chairman or to all members that they give their consent to the resolutions put to their consideration, their consent must be confirmed in writing by the second business day after declaring their consent. Written confirmation must be sent to the chairman and secretary by mail, telex, facsimile, telegram or courier service or by any other medium that ensures that it is received, within the next 2 (two) business days. -----

---3. Once the chairman and the secretary received the written confirmation of all proprietary members of the board of directors or their alternates, they shall immediately enter in the minutes register the minutes that contain said confirmations, which shall include all resolutions passed and be legalized with the signature of the chairman and the secretary. The date of the minutes specified shall be that on which the consent of all members of the board of directors is given, either orally or in writing, even though confirmations in writing have not been received. Once received, confirmations must be added to a file kept by the



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Corporation. Said file must also include any observations in writing made by the members of any committee and/or the external auditor. -----

--- TWENTY-ONE. The board of directors shall pass its resolutions by the majority of members present voting in favor. If the chairman does not attend board of directors' meetings, they shall be chaired by one of the vice-chairmen, in their order of appointment. If the vice-chairman is absent, the person elected by the majority of the board shall act as chairman. The minutes of board meetings shall be entered in a register and signed by the chairman and secretary or the assistant secretary. -----

--- TWENTY-TWO. Board members shall provide a guarantee for the discharge of their functions and shall not have it returned until their functions have been approved by the shareholders' meeting, if so determined by the shareholders' meeting that appoints them. The executive officers of the Corporation shall provide the guarantee established by the board of directors. -----

----- SUPERVISION OF THE CORPORATION -----

--- TWENTY-THREE. Supervision of the conducting and administration of the business of the Corporation and of the corporations it controls, taking into account the relevance of the latter on the financial, administrative and legal situation of the Corporation, shall be entrusted to the board of directors through the audit and corporate practices committee and the payment committee, and the external auditor of the corporation, each within their respective sphere of competence. ----

--- Until the shares of the Corporation are registered with the National Securities Register and quoted on the Mexican stock exchange, the provisions of Article 91, Sub-section V, of the Corporations Act, or Articles 164 to 171, and Article 172, final paragraph, and Articles 173 and 176 of the Act shall apply. -----

----- AUDIT AND CORPORATE PRACTICES COMMITTEE -----

--- TWENTY-FOUR. The board of directors shall be assisted in supervising the Corporation by an audit and corporate practices committee whose functions shall be as follows: -----

--- I. Audits: -----

--- a) Providing the board of directors an opinion regarding the matters it is responsible for in accordance with the Securities Market Act and the corporate bylaws. -----

--- b) Assessing the performance of the external auditor and analyzing his or her report and opinion. The committee may ask for the auditor to appear when it considers necessary, without detriment to meeting at least once a year. -----

--- c) Discussing the financial statements of the Corporation with the persons who prepared them and recommending the board to approve them or not. -----



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- d) Informing the board of directors of the status of the internal control and audit system of the Corporation or of the corporations it controls, including any irregularities found. -----
- e) Drafting the opinion referred to in Article Thirteen A, Sub-section IV, paragraph c), of the bylaws, and putting it to the consideration of the board of directors to then be submitted to the shareholders' meeting, based on the report of the external auditor. Said opinion must state: -----
- 1. If the accounting and information policies and criteria used by the Corporation are sufficient and appropriate, taking into account the specific circumstances of the Corporation. -----
- 2. If said policies and criteria have been applied consistently to the information submitted by the chief executive officer. -----
- 3. If, as a consequence of points 1 and 2 above, the information submitted by the chief executive officer reasonably reflects the financial situation and earnings of the Corporation. -----
- f) Assisting the board of directors in drafting the reports referred to in Article Thirteen A, Sub-section IV, paragraphs d) and e), of the bylaws. -----
- g) Ensuring that the transactions referred to in Article Thirteen A, Sub-section III, and Article 47, of the Securities Market Act, are conducted in accordance with the provisions established therein and the policies derived therefrom. -----
- h) Asking independent experts to provide an opinion, when they see fit, to discharge their functions or when so required in accordance with the law. -----
- i) Asking senior directors and other employees of the Corporation or of the corporations it controls to submit the reports on financial information and any other type of report considered necessary. -----
- j) Investigating any possible irregularities of which they are aware in the transactions, guidelines and operating policies, internal control and audit system and accounting records, whether of the Corporation or of the corporations it controls, to which end it must examine all documents, records and any other evidence to the extent necessary to perform its supervisory tasks. -----
- k) Considering observations made by shareholders, board members, senior directors, employees and, in general, any third party, regarding the matters referred to above, and taking the action it considers necessary with regard to said observations. -----
- l) Asking for meetings with senior directors, from tot time, and submitting any type of information concerning the internal control and audit of the Corporation or of the corporations it controls. -----



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---m) Informing the board of directors of any major irregularity found during the discharge of its functions and the corrective action or to be taken. -----

---n) Calling shareholders' meeting and asking the items it sees fit to be included on the agenda.-----

---o) Ensuring that the chief executive officer fulfills the resolutions of the shareholders' meeting and the board of directors' meeting, according to the instructions given by the meeting or the board. -----

---p) Ensuring that there are internal controls and procedures to make sure that the business of the Corporation and of the corporations it controls observes applicable legislation, and introducing methods to ensure that this is done.-----

---q) Providing an opinion concerning the price of public offer for the purchase of shares under the circumstances established in Article Ten hereof. -----

---II. Corporate practices:-----

---a) Providing the board of directors an opinion regarding those matters for which it is competent, in accordance with the Securities Market Act. -----

---b) Asking for the opinion of independent experts when it considers necessary to discharge their functions and when so required by law or the general provisions. --

---c) Calling shareholders' meetings and asking for any item they consider relevant to be included on the agenda. -----

---d) Submitting criteria to the board of directors for assessing the senior directors of the Corporation, and proposing their remuneration. -----

---e) Assisting the board of directors in writing the reports referred to in Article Thirteen A, Sub-section IV, paragraphs d) and e), of the bylaws.-----

---The other powers of the audit and corporate practices committee and the rules regarding its operation shall be included in a separate document to be drafted by the board of directors.-----

---TWENTY-FIVE. The chairman of the audit and corporate practices committee shall be appointed and/or removed by the shareholders' meeting only. The chairman of the committee may not chair the board of directors and must be chosen on account of his or her experience, ability and professional reputation. The chairman must also raise an annual report of the activities of the committee and submit it to the board of directors. Said report must include the following: -----

---I. Audits:-----

---a) The status of the internal control and audit system of the Corporation and of the corporations it controls, and a description of any shortcomings and discrepancies, plus those aspects that need to be improved upon, taking into account the external audit report and opinion and the report of independent experts who render their services during the period covered by the report. -----



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---b) The corrective and preventive measures taken based on the results of investigations conducted into any failure to observe operating and accounting policies and guidelines, whether of the Corporation or of the corporations it controls. -----

---c) An assessment of the performance of the external auditor. -----

---d) A description and an assessment of any additional or complementary services rendered by the external auditor and those of independent experts. -----

---e) The main results of any audit of the financial statements of the Corporation and of the corporations it controls. -----

---f) A description and the effects of any changes to the accounting policies approved during the period covered by the report. -----

---g) The measures taken on account of relevant observations made by shareholders, board members, senior directors, employees and, in general, any third party, regarding accounts, internal controls and internal or external audits, based on the report of any irregularities or discrepancies found. -----

---h) Following through the resolutions passed by the shareholders' meeting and the board of directors. -----

---II. Corporate practices:-----

---a) Observations regarding the performance of senior directors.-----

---b) Transactions conducted with related parties during the fiscal year, specifying the nature of significant transactions.-----

---c) The remuneration paid to the persons referred to in Article Thirteen A, Sub-section II, paragraphs d), of the bylaws, approved by the payment committee of the Corporation. -----

---d) Dispensation given by the board of directors under the terms of Article Thirteen A, Sub-section III, paragraphs f), of the bylaws. -----

---When raising the reports referred to in this article and the opinions specified in Article 42 (Forty-two) of the Securities Market Act, the audit and corporate practices committee must take into account the opinion of the senior directors and, if there is any difference of opinion, any such differences shall be incorporated into said reports and opinions. -----

---TWENTY-SIX. The members of the audit and corporate practices committee shall be independent board members and at least 3 (three) members shall be appointed by the board of directors. -----

---When the minimum number of committee members does not convene and the board of directors does not appoint temporary members, any shareholder may ask the chairman of the board to call a general shareholders' meeting within 3 (three) calendar days so that the necessary appointment may be made. If the meeting is



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not called within this time, any shareholder may go to a court of the domicile of the Corporation to petition that the meeting be called. If the meeting does not convene or if it does and an appointment is not made, the court of the domicile of the Corporation shall appoint the members, at the request of any shareholder, who shall remain in their position until the general shareholders' meeting makes a permanent appointment. -----

----- PAYMENT COMMITTEE -----

--- TWENTY-SEVEN. The board of directors must set up a payment committee that must have at least three members, unless the shareholders' meeting decides upon a different number, which may be no greater than seven. Committee members shall be members of the board of the Corporation and the chairman and the majority of committee members must be proprietary and independent members, under the terms of applicable legislation. Members of the payment committee shall remain in their position until the persons appointed to replace them take up their position. The chairman and secretary of the committee shall be appointed by the majority of its members voting in favor and the chairman shall not have the casting vote in the event of a tie. The secretary may or may not be a member of the committee. -----

--- The payment committee shall decide upon the criteria for assessing the senior officers of the Corporation, put them to the board of directors, and come up with proposals for the remuneration of the persons referred to Article Thirteen A, Sub-section III, paragraphs f), of the bylaws. -----

--- All other powers of the remuneration committee and rules regarding its operation shall be included in a separate document drafted by the board of directors. -----

-- MANAGING AND CONDUCTING THE BUSINESS OF THE CORPORATION --

--- TWENTY-EIGHT. The chief executive officer shall be responsible for the management and conducting of the business of the Corporation and of the corporations it controls, in accordance with the strategies, policies and guidelines approved by the board of directors. -----

--- In order to discharge his or her functions, the chief executive officer shall have the broadest powers to represent the Corporation in acts of administration and lawsuits and collections, including special powers that require special clause by law. With regard to acts of ownership, the chief executive officer must observe the provisions of Article Thirteen A, Sub-section VIII, of the bylaws. -----

--- Without detriment to the foregoing, the functions of the chief executive officer shall include: -----



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- I. Putting the business strategies of the Corporation and of the corporations it controls to the board of directors for its approval, based on information provided.--
  - II. Fulfilling the resolutions of the shareholders' meeting and of the board of directors according to the instructions given by the meeting or the board.-----
  - III. Putting the guidelines for the internal control and audit system of the Corporation and of the corporations it controls to the audit and corporate practices committee, and follow the guidelines approved by the board of directors.-----
  - IV. Signing for all relevant information of the corporation, together with the directors that prepare it, within its sphere of competence.-----
  - V. Publicizing any relevant information and events that must be disclosed to the public, in accordance with the Securities Market Act.-----
  - VI. Complying with the provisions regarding the purchase and placement of the shares of the Corporation.-----
  - VII. Taking any corrective action and accepting any liability, him or herself or through any delegate appointed, within his or her sphere of competence or at the instructions of the board of directors.-----
  - VIII. Ensuring that shareholders make contributions to capital.-----
  - IX. Observing all legal and statutory requirements regarding dividends payable to shareholders.-----
  - X. Ensuring that the accounts, records and information of the Corporation are kept properly.-----
  - XI. Raising the report referred to in Article 172 (One hundred and seventy-two) of the Corporations Act, except for that referred to in paragraph b) thereof, and submitting it to the board of directors.-----
  - XII. Setting up procedures and internal controls to ensure that the business of the Corporation and of the corporations it controls observes the applicable laws, following through the results of said procedures and controls and taking any measures considered necessary.-----
  - XIII. Taking the action referred to in the Securities Market Act against related parties or third parties that may have caused damage to the Corporation, the corporations it controls or the corporations in which it has a major influence, unless the board of directors decides that the damage caused is irrelevant, based on the opinion of the audit and corporate practices committee.-----
- In order to discharge his or her functions and to meet his or her obligations, the chief executive officer shall be assisted by the senior directors appointed and by any employee of the Corporation or of the corporations it controls.-----
- Reports on the financial statements and all financial, administrative and legal information referred to in Article 104 of the Securities Market Act must be signed



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by the chief executive officer and other senior directors who are the heads of the finance department and the legal department, or their equivalent, within their sphere of competence. This information must be submitted to the board of directors for consideration or approval, together with all supporting documents.---

----- GENERAL SHAREHOLDERS' MEETINGS -----

-- TWENTY-NINE. General shareholders' meetings shall be ordinary or extraordinary. Shareholders' meetings convened to discuss any of the matters established in Article One Hundred and Eighty-two of the Corporations Act shall be extraordinary and all other meetings shall be ordinary. -----

-- THIRTY. Ordinary meetings shall be held at least once a year within the first four months of the end of the fiscal year. In addition to the items on the agenda, ordinary meetings shall: -----

-- 1. Discuss, approve, modify and decide on the general balance sheet, taking into account the report of the board of directors, the report of the audit and corporate practices committee, the report of the remuneration committee and the report of the chief executive officer. -----

-- 2. Appoint the members of the board of directors and the chairman of the audit and corporate practices committee, and establish their remuneration. -----

-- 3. Decide upon distribution of profits. -----

-- 4. Approve the business to be conducted by the Corporation or the corporations it controls during the fiscal year, when said business represents 20% (twenty percent) or more of the consolidated assets of the Corporation, based on figures as of the end of the previous quarter, irrespective of the manner in which it is conducted, whether simultaneously or successfully, but that may be considered as a single transaction. -----

-- Shareholders with the right to vote, even restricted, shall be entitled to vote at the meetings referred to in point 4 above. -----

-- THIRTY-ONE. General shareholders' meetings shall be called by the board of directors or by the chairman of the audit and corporate practices committee. Nevertheless, shareholders that represent at least 10% (ten percent) of capital stock may ask the chairman of the board of directors or the chairman of the audit and corporate practices committee to call a general shareholders' meeting at any time to discuss the matters established in their request, irrespective of the percentage established in Article 184 (One Hundred and Eighty-four) of the Corporations Act. Shareholders shall have the same rights under any of the circumstances referred to in Article One Hundred and Eighty-five of the Corporations Act. If the chairman of the board of directors or of the audit and corporate practices committee does not call the meeting within 15 (fifteen) days of



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being asked to do so, a civil judge of the domicile of the Corporation shall do so at the request of any interested shareholder, who must submit his or her shares to be able to do so.-----

---THIRTY-TWO. Calls to meetings shall be published in one of the broad-circulation newspapers of the domicile of the Corporation at least 15 (fifteen) days before the date set for the meeting. Calls to meetings shall include the agenda and must be signed by the person or persons who issue them. -----

---THIRTY-THREE. General meetings may be held without a call if all capital stock is represented when votes are cast. -----

---THIRTY-FOUR. Shareholders may be represented at meetings by a representative or representatives that they appoint by a proxy signed in the presence of two witnesses, or using the form provided by the Corporation, and made available through securities market brokers of the Corporation at least 15 (fifteen) calendar days before the date of the meeting, which include the name, the agenda and include the space for the instructions of the person granting the power of attorney. With regard to these forms, the Corporation must observe the provisions of the Securities Market Act.-----

---The secretary of the board must make sure that the provisions of this article are observed and inform the meeting accordingly, a note of which shall be made in the minutes.-----

---THIRTY-FIVE. Minutes of meetings shall be entered in the minutes register and be signed by the chairman and secretary of the meeting. -----

---THIRTY-SIX. Meetings shall be chaired by the chairman of the board of directors or the vice-chairman or vice-chairmen in their order of appointment. If the vice-chairmen are absent, the person appointed by the meeting shall act as chairman. -----

---Members of the board of directors, the chief executive officer and the external auditor may attend shareholders' meetings. -----

---Each share shall be entitled to one vote at shareholders' meetings. Any shareholder or group of shareholders that holds at least 10% (ten percent) of the capital stock of the Corporation may ask for a vote on any matter of which they consider that they have not been sufficiently informed to be postponed for 3 (three) days, without the need for a new call. This right may only be exercised once for the same matter. -----

---Each share shall be entitled to one vote at shareholders' meetings. Any shareholder or group of shareholders that holds at least 10% (ten percent) of the capital stock of the Corporation may appoint or remove a member of the board of directors. Said appointment may only be revoked by other shareholders when the



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appointment of all other shareholders is revoked, in which case replacements may not be appointed for 12 (twelve) months following the date of revocation. -----

---The shareholder or group of shareholders that represents at least 20% (twenty percent) of capital stock may legally oppose the resolutions of general meetings that are in violation of any law or of the bylaws and for which they are entitled to vote under the terms of Article Two Hundred and One of the Corporations Act. ---

---When shareholders exercise their right to vote, they must observe the provisions of Article 196 (One Hundred and Ninety-six) of the Corporations Act. Unless proven otherwise, it shall be assumed that a shareholder has an interest in a certain transaction that is contrary to the interests of the Corporation or the corporations it controls, when said shareholder votes for or against the conducting of transactions obtaining benefits that exclude other shareholders or the Corporation or the corporations that it controls, when controlling the Corporation. -

---Any action against shareholders who transgress the provisions of the preceding paragraph shall be taken under the terms of Article 38 (Thirty-eight) of the Securities Market Act.-----

---THIRTY-SEVEN. For ordinary shareholders' meetings to be validly convened on the first call, at least 50% (fifty percent) of capital stock must be present and resolutions shall be valid when passed by the majority of the shares represented at the meeting voting in favor.-----

---THIRTY-EIGHT. For extraordinary shareholders' meetings to be validly convened on the first call, at least seventy-five percent of capital stock must be present and resolutions shall be valid when passed by at least fifty percent of capital stock votes in favor.-----

---THIRTY-NINE. If the number of shares stipulated above is not represented at meetings on the date set in the first call, the call shall be repeated and the meeting shall decide upon the items on the agenda, whatever the number of shares represented, if the meeting is an ordinary meeting. If the meeting is extraordinary, shares that represent at least 50% (fifty percent) of capital stock must vote in favor for resolutions to be valid.-----

---FORTY. Only those shareholders entered in the shares register of the Corporation shall be admitted to shareholders' meetings and the shares register shall be closed 3 (three) days before the day set for the meeting. In order to attend shareholders' meetings, shareholders must submit their admission pass that shall be issued by the secretary of the Corporation at the request of shareholders at least 48 (forty-eight) hours before the date set for the meeting, and must deposit their shares certificates or a confirmation of deposit of shares certificates issued by a securities deposit institution or a Mexican or foreign bank. Shares deposited for



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shareholders to be able to attend meetings shall not be returned until after the meeting has been held, against submission of the receipt given to shareholders or their representatives. To be able to attend shareholders' meetings, shareholders must deposit their shares certificates with the secretary of the Corporation or with a local or foreign bank no later than the day before the meeting. The receipt given for deposit of shares shall prove the entitlement of shareholders to attend meetings. Shareholders need not prove their right to attend meetings by depositing certificates that are entered in their name in the shares register. -----

--- FORTY-ONE. Shareholders of the Corporation shall have the following rights: -

--- I. They may consult all information and documents concerning each item on the agenda of shareholders' meetings at the offices of the Corporation at least 15 (fifteen) days before the date set for the meeting. -----

--- II. They may prevent matters considered as general matters from being discussed at the general shareholders' meetings. -----

--- III. They may sign agreements between them under the terms of Article 16, Sub-section VI, of the Securities Market Act. -----

--- The Corporation must be notified of the agreements referred to in Sub-section IV of this Article, and of the nature of any such agreement, within 5 (five) business days of being signed, so that the investing public may be informed by the Mexican stock exchange, under the terms and conditions by the stock exchange, and so that said agreements may be noted in the annual report of the Corporation, which shall be made available to the public for consultation at the offices of the Corporation. Said agreements shall not be binding on the Corporation and the breach thereof shall not affect the validity of votes at shareholders' meetings, although they shall be effective between the parties once disclosed to the investing public. -----

--- FORTY-TWO. The general balance sheet shall be raised within 3 (three) months of the end of the fiscal year and shall include capital stock, cash, bank deposits and other accounts that make up the assets and liabilities of the Corporation and, in general, all other information required to show the financial situation of the Corporation. -----

--- FORTY-THREE. The board of directors shall prepare the general balance sheet that, together with all supporting documents and the report of the board of directors, shall be submitted to the audit and corporate practices committee and the external auditor at least one month before the date set for the general meeting.

--- FORTY-FOUR. The external auditor shall submit a report, including his or her observations and suggestions, within 15 (fifteen) days of receiving the general balance sheet and its supporting documents. The general balance sheet, its



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supporting documents and the report of the external auditor shall be available at the offices of the Corporation for 15 (fifteen) days before the date set for the meeting, so that shareholders may consult them. -----

----- PROFITS AND LOSSES -----

--- FORTY-FIVE. Net profits for each fiscal year shall be distributed as follows: ---

--- 1. Five percent shall be set aside to set up and replenish the legal reserve fund until it amounts to twenty percent of capital stock. -----

--- 2. If the shareholders' meeting so decides, sums may be set aside to set up provision and reinvestment accounts and special reserve funds. -----

--- 3. Any remaining profits shall be distributed in the manner decided by the ordinary general shareholders' meeting, and when profits are used to pay dividends of Series "A" and "B" shares, dividends of Special "T" Series Shares or Working Shares shall also be paid. -----

--- FORTY-SIX. Any losses shall first be covered by reserves and then by capital stock. -----

----- WINDING-UP AND RECEIVERSHIP -----

--- FORTY-SEVEN. The Corporation shall be wound-up under any of the circumstances established in Article Two Hundred and Nineteen of the Corporations Act. -----

--- FORTY-EIGHT. Once the Corporation has been wound-up, it shall be placed into receivership. Receivership shall be entrusted to one or more receivers appointed by the extraordinary general shareholders' meeting. If the meeting does not appoint the receivers, a civil judge of the domicile of the Corporation shall do so at the request of any shareholder. -----

--- FORTY-NINE. If the shareholders' meeting does not give receivers specific instructions, receivership of the Corporation shall be conducted as follows: -----

--- 1. All outstanding business shall be concluded in the manner less detrimental to creditors and shareholders. -----

--- 2. The final balance sheet and inventory shall be raised. -----

--- 3. Credits shall be collected and debts paid. -----

--- 4. The assets of the Corporation shall be sold and the proceeds thereof shall be used for receivership purposes. -----

--- 5. Any sum left over shall be distributed among shareholders in proportion to the number of shares they hold. -----

----- GENERAL -----

--- The party appearing declares that his particulars are as follows: -----



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--- Born in Mexico City, Federal District, on September eight, nineteen sixty-three; Mexican by birth; married; attorney-at-law, and residing at Campos Eliseos No. Three hundred and forty-five, Colonia Chapultepec Polanco, Mexico City.-----

--- I, THE NOTARY, ATTEST AND CERTIFY THAT:-----

--- a) I am personally acquainted with the party appearing and that I consider that he has sufficient legal capacity, as it has not been proven to me otherwise. -----

--- b) The party appearing read the document for himself. -----

--- c) I did not notify the party appearing of the value and legal consequences of this document as he is an attorney-at-law. -----

--- d) All documents referred to and inserted herein agree with the originals to which I refer and that I have had before me.-----

--- e) The party appearing declared to me that he agreed with this document, signing it for the record on the sixteenth day of May, twenty thirteen, the date on which I definitively authorize it. I attest hereto. -----

--- Signature of Alberto Guillermo Saavedra Olavarrieta. -----

--- R. Nuñez. Signature. -----

--- A stamp: Roberto Nuñez y Bandera, Notary 1, Federal District, Mexico. -----

--- THIS IS THE FIRST NOTARIAL COPY ISSUED TO KIMBERLY-CLARK DE MEXICO, SOCIEDAD ANONIMA BURSATIL DE CAPITAL VARIABLE, FOR ITS RECORDS.-----

--- THIS DOCUMENT COMPRISES FORTY-TWO CORRECTED SHEETS. -----

--- MEXICO CITY, FEDERAL DISTRICT, MAY SIXTEEN, TWENTY THIRTEEN. I ATTEST HERETO.-----

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[An illegible signature]

[A stamped seal with the Mexican shield reading:]

United Mexican States  
Roberto Nuñez y Bandera  
Notary No. One, Federal District, Mexico

*The undersigned, Martha Laura Quezada Granados sworn translator before the Superior Court of Justice of the Federal District for the Spanish and English languages certifies that the above is a true and exact translation of the document attached.*

*Mexico City, March 10, 2014.*



Martha Laura Quezada G.  
Perito Traductor  
Tribunal Superior de Justicia  
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