



Adoption & Surrogacy Assistance Policy

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Introduction

About Adoption & Surrogacy Assistance

This is a summary of the Kimberly-Clark Corporation (Kimberly-Clark or K-C) Adoption and Surrogacy Assistance policy in effect on January 1, 2023. Adoption and Surrogacy Assistance provides financial assistance up to \$10,000 per child towards qualifying expenses (i.e., legal fees, travel expenses, medical expenses not otherwise covered by insurance, court costs, etc.) that you incur for an eligible adoption and/or surrogacy. The process as described here is administered by K-C and Fidelity.

Eligibility

Employees

You're eligible to receive Adoption or Surrogacy Assistance (an "Eligible Employee") if you're classified as:

- A regular employee working a minimum of 20 hours per week and are not classified as temporary, intermittent, intern, or co-op.

An individual who is not classified as defined above is not eligible for reimbursement, even if the employee is later re-classified as an employee by a court or administrative agency.

If you terminate employment, you're eligible for reimbursement as long as the adoption and/or surrogacy finalization date is before your termination date.

If you initially receive a reimbursement but K-C later determines that you were not eligible for reimbursement you will be required to repay the reimbursement to K-C.

How Adoption Assistance Works

Eligible Adoption Assistance Reimbursement Process Overview

When adopting a child, you pay any related expenses up front and then file a claim for reimbursement from K-C.

Adoption expenses are eligible for reimbursement if you satisfy all of the following requirements:

- The adoption is finalized (either successful or unsuccessful) while you're actively employed with K-C as an Eligible Employee
- You provide proof the adoption is finalized (either successful or unsuccessful) with a notarized affidavit or legal binding agreement
- You have itemized receipts to show your proof of payment of eligible expenses
- You have a birth certificate showing your child's name and date of birth, if adoption is successful

See "How to Get Reimbursed" to learn how to file a claim for reimbursement.

Eligible Adoption Expenses

The following expenses may be reimbursed:

- Domestic and foreign agency and placement fees
- Travel expenses necessary for the adoption, including airfare, parking, tolls, taxis, rental cars, buses, gas or mileage, lodging, and meals
- Temporary foster care provided before permanent placement of the child in your home
- Miscellaneous fees such as immigration, immunization, and translation fees
- Legal fees and court costs associated with the adoption
- Counseling fees associated with the placement and initial adjustment
- Expenses that were part of an unsuccessful attempt to adopt a child
- Home inspection costs
- Expenses incurred before the adoption became final to care for children under the age of 18 and age 18 or older with special needs (for example, the purchase or rental of a wheelchair)

Ineligible Adoption Expenses

The following expenses will not be reimbursed:

- Prior adoption expenses incurred before the date you became an Eligible Employee (See the "Eligibility" section for more information)
- Expenses related to surrogate parenting
- Expenses for establishing legal guardianship
- Expenses that are reimbursable under another program
- Expenses that are reimbursed by another employer (i.e., spouse/partner's employer)
- Expenses for which you take a credit or deduction under any other federal income tax rule
- Expenses related to adopting a blood relative or a child of your spouse or domestic partner
- Expenses incurred for the routine care of a child
- Any other expenses not referenced above under "Eligible Expenses"

Maximum Reimbursement

You will be reimbursed for qualifying employee adoption expenses up to a maximum of \$10,000 per child. The maximum applies to each eligible adoption (either successful or unsuccessful).

Important Tax Considerations

Reimbursements paid under this policy may be excludable from your income for federal income taxes to the extent permitted under Internal Revenue Code section 137. **You're responsible for understanding the tax treatment of reimbursements under this policy and for claiming the applicable income exclusion by filing Form 8839 with your federal income taxes.** (Form 8839 and instructions are available from the IRS and on the IRS website at [irs.gov](https://www.irs.gov).)

- If you do not satisfy the conditions of Code section 137, all or part of your reimbursement under this policy may be considered taxable income when you file your federal income tax return – for example, if your adjusted gross income exceeds IRS limits for the income exclusion, or if your total reimbursements for the year exceed the applicable dollar limit. K-C will not withhold federal income taxes from your reimbursements, even if all or part of a reimbursement is taxable. Instead, you will be responsible for paying any income taxes to the IRS. To cover this potential tax liability, you may wish to increase your payroll withholding rate or make estimated tax payments to the IRS.
- Your reimbursements are subject to applicable Social Security and Medicare taxes. Your share of these taxes will be withheld from your regular pay from K-C.
- K-C will report the total amount of reimbursements to the IRS on your Form W-2.
- The Internal Revenue Code also provides a federal income tax credit for certain adoption expenses. The credit is subject to an annual dollar limit and is phased out for individuals whose adjusted gross income is above a certain level. Some expenses eligible for reimbursement under this policy also may qualify for the credit, but you may not receive a reimbursement and a credit for the same expense. It is up to you to decide whether a reimbursement or a credit is best for you.

Note: You are encouraged to seek legal and/or tax advice regarding reimbursement provided under this plan and the tax considerations described above. Neither K-C nor Fidelity makes any commitment or guarantee that any amounts paid under this policy will be excludable from the recipient's gross income for federal, state, or local income tax purposes. It shall be the obligation of each Eligible Employee to determine whether each payment under this policy is excludable from their gross income for federal, state, and local income tax purposes. If for any reason it is determined that any amount paid for the benefit of an Eligible Employee is includable in their gross income for federal, state or local income tax purposes, then under no circumstances will the recipient have any recourse against K-C or Fidelity with respect to any increased taxes or other losses or damages suffered by the Eligible Employee as a result thereof.

How Surrogacy Assistance Works

Eligible Surrogacy Assistance Reimbursement Process Overview

Once your child is born via surrogate, you pay any related expenses up front and then file a claim for reimbursement from K-C.

Surrogacy expenses are eligible for reimbursement with all of the following:

- The surrogacy is finalized (either successful or unsuccessful) while you're actively employed with K-C as an Eligible Employee
- You provide proof the surrogacy is finalized (either successful or unsuccessful) with a notarized affidavit or legal binding agreement
- You have itemized receipts to show your proof of payment of eligible expenses
- You have a birth certificate showing your child's name and date of birth, if surrogacy is successful

See "How to Get Reimbursed" to learn how to file a claim for reimbursement.

Eligible Surrogacy Expenses

The following expenses may be reimbursed:

- Domestic and foreign surrogate agency fees
- Egg and/or sperm donation agency fees
- Egg and/or sperm donation shipping and transport fees
- Travel expenses necessary for the surrogacy, including airfare, parking, tolls, taxis, rental cars, buses, gas for a car or mileage, lodging, and meals
- Miscellaneous fees such as immigration, immunization, and translation fees
- Legal fees and court costs associated with the surrogacy
- Expenses that were part of an unsuccessful attempt to gain a child that is born via surrogate (only if not covered by another source)

Ineligible Surrogacy Expenses

The following expenses may not be reimbursed:

- Prior surrogacy expenses incurred before the date you became an Eligible Employee (See the "Eligibility" section for more information)
- Payment(s) to the surrogate (indirectly or directly) for services
- Expenses for establishing legal guardianship
- Expenses related to the adoption of a child
- Expenses that are reimbursable under another program
- Expenses that are reimbursed by another employer (i.e., spouse/partner's employer)
- Expenses allowed as a credit or deduction under any other Federal income tax rule
- Expenses incurred for the routine care of a child
- Any other expenses not referenced above under "Eligible Expenses"

Maximum Reimbursement

You will be reimbursed for qualifying employee surrogacy expenses up to a maximum of \$10,000 per child. The maximum applies to each eligible child born via surrogate (either successful or unsuccessful).

Important Tax Considerations

K-C will report surrogacy reimbursements that you receive as taxable income subject to federal income tax withholding, Social Security and Medicare tax withholding and state and local tax withholding. The applicable taxes will be withheld from your K-C pay and report the total amount of reimbursement to the IRS on Form W-2.

Note: You are encouraged to seek legal and/or tax advice regarding reimbursement provided under this plan and the tax considerations described above. Neither K-C nor Fidelity makes any commitment or guarantee that any amounts paid under this policy will be excludable from the recipient's gross income for federal, state, or local income tax purposes. It shall be the obligation of each Eligible Employee to determine whether each payment under this policy is excludable from their gross income for federal, state, and local income tax purposes. If for any reason it is determined that any amount paid for the benefit of an Eligible Employee is includable in their gross income for federal, state or local income tax purposes, then under no circumstances will the recipient have any recourse against K-C or Fidelity with respect to any increased taxes or other losses or damages suffered by the Eligible Employee as a result thereof.

How to Get Reimbursed

Reimbursement Procedure

When you're ready to submit your claim for reimbursement, log onto NetBenefits and click the Flexible Spending and Reimbursement Accounts link where you'll file your claim.

K-C allows claim submission of an adoption and/or surrogacy reimbursement once per year per child, following finalization. You must provide proof that the adoption and/or surrogacy is complete and final by submitting a notarized affidavit or legal binding agreement to Fidelity, along with documented proof of eligible expenses paid for by you.

Follow the instructions on NetBenefits to submit your claim and supporting documentation. All claims must be submitted along with an Adoption/Surrogacy Assistance Reimbursement Request Form. Upon receipt of your reimbursement request, Fidelity will review and provide a response within 3-5 business days. Forms that are incomplete or missing required documentation will be placed in a pending status until additional documentation is provided. If documentation is not provided within 30 days from the date you submitted your initial claim, your claim will be denied. Approved claims will be paid, less applicable tax withholdings, through the K-C payroll system, less applicable tax withholdings, as soon as administratively possible. Please allow a minimum of 14 business days from the claim approval date for payroll processing.

Claims must be filed no later than 180 days from the finalized date of adoption and/or surrogacy (either successful or unsuccessful). An annual deadline is set, for **November 30th**, which is the latest claims can be filed to receive reimbursement from the current year's benefit allotment and to meet payroll processing deadlines. If your claim is received after the annual deadline, your reimbursement will be applied to the next year's benefit allotment and may take longer to issue due to year-end payroll processing deadlines.

Foreign Expenses

If you have documentation from a foreign country and it is in a different language, you're required to provide the translation in English. If necessary, for eligible expenses incurred in a foreign country, you're responsible for calculating the amount into U.S. dollars based on the currency exchange rate in effect on the date the expense is incurred. You're required to include the formula used for the conversion as part of your supporting documentation.

Child with Special Needs (Only applicable to Adoption Assistance)

A diagnosis and statement of medical necessity is required if the adoption is for a child with special needs who is over age 18, or if requesting reimbursement for medical expenses. Proof of medical necessity includes any document that indicates the doctor's name and signature—such as a prescription pad, letter, or preprinted form—and the medical condition.

Medical Expense for the Child

Provide an itemized receipt containing the date of service, medical provider and description of care provided, product description, prescription name and amount. Credit card receipts without a description of the item are not acceptable. On the reimbursement claim form, you, the employee, should be identified as the provider.

Travel Expenses

Provide an itemized receipt containing the date(s) of travel, travel provider (i.e., taxi service, parking, airline), and type of expense and amount (i.e., lodging). On the reimbursement claim form, you, the employee, should be identified as the provider.

How to File a Claim

Claims Appeal Process

If your claim for reimbursement is denied in whole or in part, you have the right to appeal the denied claim if you are not satisfied with the outcome of the initial decision. To file an appeal, you must send an appeal to Fidelity within 180 days of the initial claim denial.

Mail:

Fidelity Reimbursement Accounts Services
PO Box 2703
Fargo, ND 58108

Secure Email: Fidelity@service.healthaccountservices.com

Fax: 1-855-810-8223

Note: Most appeals are resolved by you providing the required documentation. Fidelity will confirm to you the receipt of the documentation.

If the original decision is upheld, K-C will be provided all appeal documentation to review and make the final claim determination. K-C generally will provide a final decision to you within 14 business days of receipt of your final appeal.

Administrative Information

Administration

K-C and Fidelity have the authority to interpret and construe the policy in regard to all questions of eligibility and the status and right of any person under the policy. Fidelity is the claims administrator responsible, in its sole discretion, for processing reimbursement claims under the policy and determining the manner, time, and amount of payment of any benefits under the policy. Fidelity's determination regarding a reimbursement claim under the policy is final and binding. Each Eligible Employee shall, from time to time, upon request of K-C or Fidelity, furnish such data and information as K-C or Fidelity shall require in the performance of their duties under the policy.

When This Policy May Be Amended or Terminated

K-C expects this policy to continue indefinitely. However, K-C reserves the right to make changes to and even discontinue this policy, and any amendment or termination of the policy may be applied to expenses that have already been incurred but not yet reimbursed pursuant to the policy. If K-C were to terminate this policy or designate a partial termination with respect to a specific group of employees, each employee will have no further rights or obligations except as otherwise determined by K-C in its sole discretion. The form and administration of this policy may be changed by K-C.

Reliance on Information

K-C and Fidelity may rely upon the information submitted by you as being proper under the policy and shall not be responsible for any act or failure to act because of a direction or lack of direction by you. K-C and Fidelity will also be entitled, to the extent permitted by law, to rely conclusively on all tables, valuations, certificates, opinions, and reports that are furnished by accountants, attorneys, or other experts employed or engaged by K-C or Fidelity, respectively.

Inability to Locate Payee

If K-C or Fidelity is unable to make payment to you or another person to whom a payment is due under the policy because it cannot ascertain the identity or whereabouts of you or such other person after reasonable efforts have been made to identify or locate such person, then such payment and all subsequent payments otherwise due to you or such other person shall be forfeited to the policy one year after the date that any such payment first became due.

Correction of Overpayment

In the event the payment or reimbursement of claims or benefits exceed or do not conform to the terms and provisions of this policy, including the failure of you or another person to properly substantiate the entitlement to payment or reimbursement or the amount involved, K-C or Fidelity may:

- Require you or such other person to pay back an amount equal to any improper payment;
- Withhold from your salary or wages the amount of an improper payment to the extent permissible under applicable law;
- Establish and utilize a claims substitution, offset or other arrangement to resolve an improper claim or payment, or
- Otherwise take administrative or legal action to recover an improper payment as allowed under applicable law.

Waiver

Failure by K-C or Fidelity to insist upon compliance with any provision of the policy at any time or under any set of circumstances will not operate to waive or modify the provision or in any manner render it unenforceable as to any other time or as to any other occurrence, whether the circumstances are or are not the same. No waiver of any term or condition of the policy will be valid unless contained in a written memorandum expressing the waiver and signed by a person authorized by K-C or Fidelity to sign the waiver.

No Assignment of Benefits

You cannot assign, sell, transfer, pledge, borrow against, or otherwise promise any benefit payable under the policy or the right to assert legal or equitable rights, including an administrative claim, action under state law or lawsuit against any of the following: the policy, K-C, Fidelity or their respective officers, shareholders, or employees. For example, you may not assign their right to receive benefits and legal rights relating to the policy to any other party—such assignment is not permitted and is void. K-C or Fidelity may make payment directly to you or, at their discretion, make payment directly to a third-party service provider. When payment is made directly to such a provider, such direct payments are solely at the discretion of the K-C and Fidelity—such payments do not create any enforceable assignment of benefits or the right to assert any legal or equitable rights (including but not limited to claims for breach of fiduciary duty or the right to bring an injunction) or to bring any administrative claim, action under state law or lawsuit by any third party against the policy (or K-C, Fidelity, or officers, shareholders or employees thereof).

Change of Address

It's your responsibility to update your mailing address. K-C is not responsible for correspondence or claim payments that are delayed or don't reach you because your address isn't correct.

For your own protection, an address change must either be made by you in Workday or by calling K-C & Me Live Support. K-C uses your address as it appears in Workday for all mailings concerning your benefits. You can contact K-C & Me Live Support at **866-444- 4516** to speak with a representative.

Employment Rights Not Guaranteed

Your participation under this policy doesn't give you the right to be retained in employment with K-C or its affiliates or subsidiaries, nor does it interfere with the right of K-C to discharge or terminate you without regard to the effect the termination would have on your rights under this policy.

The Use of Social Security Numbers

You'll be asked to provide your Social Security number. K-C and the claims administrators have the right to use your Social Security number for the purpose of administering this policy, including paying benefits under this policy and for tax-reporting purposes.

Contact Information

There are three ways you can contact Fidelity:

- Online on their Web site (<https://www.netbenefits.com>);
- From your smart phone or tablet (NetBenefits); and
- By phone at **1-800-551-2333**. Representatives are available Monday – Friday 8:30 a.m. to 8:30 p.m. ET.

+Hearing impaired callers should call their local Hearing Impaired Relay Service for assistance.