

BAXTER INTERNATIONAL INC  
 Form 4  
 February 18, 2016

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Schaaf Jill M

2. Issuer Name and Ticker or Trading Symbol  
 BAXTER INTERNATIONAL INC  
 [BAX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/16/2016

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 CVP, Renal

ONE BAXTER PARKWAY

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

DEERFIELD, IL 60015

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock, \$1 par value	02/16/2016		A <sup>(1)</sup>	463 A \$ 0	50,566	D	
Common Stock, \$1 par value	02/16/2016		F	519 <sup>(2)</sup> D \$ 37.41	50,047	D	
Common Stock, \$1 par value	02/16/2016		A <sup>(3)</sup>	355 A \$ 0	50,402	D	
Common Stock, \$1					811	I	By 401(k) Plan

par value

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 3, 4, and 5)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Schaaf Jill M ONE BAXTER PARKWAY DEERFIELD, IL 60015			CVP, Renal	

## Signatures

/s/ Jill M. Schaaf                      02/18/2016  
 \*\*Signature of                              Date  
 Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Represents shares earned from the performance share unit award granted on March 5, 2013 pursuant to the Equity Plan adopted by Baxter International Inc. (Baxter) as of such date (the 2013 PSUs). The award provides that fifty percent of the performance share units are earned based on Baxter's Return on Invested Capital (ROIC) performance annually over a three-year period with one-third of the ROIC performance share units allocated to each one-year period. In connection with the spin-off of Baxalta Incorporated (Baxalta) from Baxter, the 2015 performance period was adjusted so that the vesting of the ROIC performance share units allocated to that year will vest based upon a percentage determined by adding (i) the percentage determined by the extent to which Baxter, prior to giving effect to the spin-off, achieves the ROIC performance target for the first six months of 2015, plus (ii) in the case of the reporting person, the

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percentage determined by the extent to which Baxter, after giving effect to the spin-off, achieves its ROIC performance targets for the last six months of 2015, and dividing such sum by two. As previously reported on August 13, 2015, the reporting person earned 108 shares based on Baxter's ROIC during the performance period for the first half of 2015. The number of shares reported on this Form 4 represents the shares earned based on Baxter's ROIC during the performance period for the second half of 2015, as well as the dividends that accrued on previously earned and reported shares from the 2013 PSUs. All shares earned pursuant to the 2013 PSUs vested upon final determination of achievement of Baxter's ROIC performance target for the second six months of 2015.

- (2) Represents the number of shares forfeited by the reporting person to cover the withholding of taxes incurred as a result of the vesting of shares earned in 2013, 2014, and 2015 pursuant to the 2013 PSUs.

Represents shares earned from the performance share unit award granted on March 4, 2014 pursuant to the Equity Plan adopted by Baxter as of such date (the 2014 PSUs). The award provides that fifty percent of the performance share units are earned based on Baxter's ROIC performance annually over a three-year period with one-third of the ROIC performance share units allocated to each one-year period. In connection with the spin-off of Baxalta Incorporated from Baxter, the 2015 performance period was adjusted as described in Note 1 above with respect to the 2013 PSUs. As previously reported on August 13, 2015, the reporting person earned 110 shares based on Baxter's ROIC during the performance period for the first half of 2015. The number of shares reported on this Form 4 represents the shares earned based on Baxter's ROIC during the performance period for the second half of 2015. These shares are scheduled to vest after the end of the relevant three-year performance period.

- (3)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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