

BAXTER INTERNATIONAL INC
 Form 4
 July 06, 2015

FORM 4

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

OMB APPROVAL

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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 *
 Mason Jeanne K

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)
 07/01/2015

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 CVP, Human Resources

C/O BAXTER INTERNATIONAL, 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, par value \$1.00 per share	07/01/2015		J		9,466 <u>(1)</u>	A \$ 0	93,044 D

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

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SEC 1474 (9-02)

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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. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 31.3 ⁽²⁾					⁽³⁾ 03/05/2018	Common Stock, par value \$1.00 per share	33,350
Stock Option (Right to Buy)	\$ 28.27 ⁽²⁾					⁽³⁾ 03/04/2019	Common Stock, par value \$1.00 per share	31,395
Stock Option (Right to Buy)	\$ 31.77 ⁽²⁾					⁽³⁾ 03/03/2020	Common Stock, par value \$1.00 per share	37,274
Stock Option (Right to Buy)	\$ 28.97 ⁽²⁾					⁽³⁾ 03/04/2021	Common Stock, par value \$1.00 per share	47,146
Stock Option (Right to Buy)	\$ 30.95 ⁽²⁾					⁽³⁾ 03/06/2022	Common Stock, par value \$1.00 per share	54,143
Stock Option (Right to Buy)	\$ 37.82 ⁽²⁾					⁽⁴⁾ 03/05/2023	Common Stock, par value \$1.00 per share	59,477
Stock Option (Right to Buy)	\$ 37.17 ⁽²⁾					⁽⁵⁾ 03/04/2024	Common Stock, par value \$1.00 per	64,488

Stock							share
Option (Right to Buy)	\$ 37.38 <u>(6)</u>	07/01/2015	J	71,187 <u>(6)</u>	<u>(7)</u>	03/03/2025	Common Stock, par value \$1.00 per share 71,187

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Mason Jeanne K C/O BAXTER INTERNATIONAL ONE BAXTER PARKWAY DEERFIELD, IL 60015			CVP, Human Resources	

Signatures

/s/ David P. Scharf, as attorney-in-fact for Jeanne K. Mason	07/06/2015
<u> </u> Signature of Reporting Person	Date

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) In connection with the spin-off (the "Spin-off") of Baxalta Incorporated ("Baxalta") from Baxter International Inc. ("Baxter"), the reporting person received a grant of 9,466 restricted stock units as a result of the adjustment of existing Baxter restricted stock units held by the reporting person prior to the Spin-off. These restricted stock units will vest in three equal annual installments beginning on March 3, 2016, the first anniversary of the grant date.
- (2) Represents options to purchase Baxter common stock awarded to the reporting person prior to the Spin-off. In connection with the Spin-off, the exercise price of the option was adjusted, and the reporting person received options to purchase shares of Baxalta common stock, to preserve the pre-Spin-off intrinsic value of the existing Baxter option award.
- (3) This option is presently exercisable in full.
- (4) Two-thirds of this option is presently exercisable. The remaining one third becomes exercisable on March 5, 2016.
- (5) One-third of this option is presently exercisable. The remaining two thirds become exercisable on March 4, 2016 and March 4, 2017.
- (6) In connection with the Spin-off, the number of shares subject to this option and the exercise price have been adjusted to preserve the pre-Spin-off intrinsic value of the existing Baxter option award.
- (7) This option will vest in three equal annual installments beginning on March 3, 2016, the first anniversary of the grant date of the existing option award.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.