

BAXTER INTERNATIONAL INC

Form 4

February 23, 2017

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

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

## OMB APPROVAL

OMB  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Schabacker Marcus

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)  
ONE BAXTER PARKWAY  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/21/2017

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

DEERFIELD, IL 60015

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

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

(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)
Common Stock, \$1 par value	02/21/2017		A <sup>(1)</sup>	1,081 A \$ 0	31,192	D	
Common Stock, \$1 par value	02/21/2017		A <sup>(2)</sup>	2,092 A \$ 0	33,284	D	
Common Stock, \$1 par value	02/21/2017		F <sup>(3)</sup>	1,375 D \$ 49.96	31,909	D	
Common Stock, \$1	02/21/2017		A <sup>(4)</sup>	5,281 A \$ 0	37,190	D	

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. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Schabacker Marcus  
ONE BAXTER PARKWAY  
DEERFIELD, IL 60015

CVP, Chief Scientific Officer

## Signatures

/s/ Ellen K. McIntosh, as attorney-in-fact for Marcus  
Schabacker

02/23/2017

\*\*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) Represents shares awarded from the performance share unit award granted on March 4, 2014 pursuant to the Equity Plan adopted by Baxter International Inc. (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 Return on Invested Capital (ROIC) performance, as assessed annually over a three-year period. One-third of the ROIC performance share units are allocated to each one-year period. The number of shares reported on this Form 4 represents the shares awarded based on Baxter's ROIC during the January 1, 2016 to December 31, 2016 performance period. These shares have vested as the relevant three-year performance period January 1, 2014 to December 31, 2016 (the Three-Year Performance Period) has ended.

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- Represents shares awarded from the 2014 PSUs. The award provides that fifty percent of the performance share units are earned based on Baxter's Growth in Shareholder Value (GSV) performance over the Three-Year Performance Period. The number of shares reported on this Form 4 represents the shares awarded based on Baxter's GSV during the Three-Year Performance Period. These shares have vested as the Three-Year Performance Period has ended.
- (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 2014, 2015 and 2016 as part of the 2014 PSUs.
- (3)
- Represents shares earned from the performance share unit award granted on March 3, 2016 pursuant to the Equity Plan adopted by Baxter as of such date. The award provides that fifty percent of the performance share units are earned based on the Baxter's Adjusted Operating Margin (OM) performance, as assessed annually over a three-year period. One-third of the OM performance share units are allocated to each one-year period. The number of shares reported on this Form 4 represents the shares earned based on Baxter's OM, as assessed from January 1, 2016 to December 31, 2016. These shares are scheduled to vest after the end of the relevant three-year performance period (which runs from January 1, 2016 through December 31, 2018).
- (4)

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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