

BAXTER INTERNATIONAL INC

Form 4

August 13, 2015

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 *
 Felicelli Robert

 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)
 08/11/2015

 _____ Director _____ 10% Owner
☒ Officer (give title below) _____ Other (specify below)
 CVP, Quality

DEERFIELD, IL 60015

 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

(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 Indirect Beneficial Ownership (Instr. 4)
Common Stock, \$1 par value	08/11/2015		A ⁽¹⁾	58 A \$ 0	21,008	D	
Common Stock, \$1 par value	08/11/2015		A ⁽²⁾	57 A \$ 0	21,065	D	
Common Stock, \$1 par value					394	I	In an account held jointly by spouse and son

Common
Stock, \$1
par value

871

I

By 401(k)
Plan

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
Felicelli Robert ONE BAXTER PARKWAY DEERFIELD, IL 60015			CVP, Quality	

Signatures

/s/ Ellen K. McIntosh, as attorney-in-fact for Robert
Felicelli

08/13/2015

__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 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 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 from Baxter, the 2015 performance period was adjusted so that the vesting of the third one-third of the ROIC performance share units allocated to that year will vest based

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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 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. The number of shares reported represents the shares earned based on Baxter's ROIC during the performance period of January 1, 2015 to June 30, 2015. These shares vest after the end of the relevant three-year ROIC performance period.

- (2) 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 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 so that the vesting of the second one-third 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 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. The number of shares reported represents the shares earned based on Baxter's ROIC during the performance period of January 1, 2015 to June 30, 2015. These shares vest after the end of the relevant three-year ROIC performance period.

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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