

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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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)
 07/01/2015

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

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	6,311 (1) A \$ 0	48,948	D	
Common Stock, par value \$1.00 per share					777	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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(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. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 27.58 <u>(2)</u>					<u>(3)</u> 03/15/2017	Common Stock, par value \$1.00 per share	8,450
Stock Option (Right to Buy)	\$ 31.3 <u>(2)</u>					<u>(3)</u> 03/05/2018	Common Stock, par value \$1.00 per share	6,900
Stock Option (Right to Buy)	\$ 28.27 <u>(2)</u>					<u>(3)</u> 03/04/2019	Common Stock, par value \$1.00 per share	7,800
Stock Option (Right to Buy)	\$ 31.77 <u>(2)</u>					<u>(3)</u> 03/03/2020	Common Stock, par value \$1.00 per share	11,119
Stock Option (Right to Buy)	\$ 28.97 <u>(2)</u>					<u>(3)</u> 03/04/2021	Common Stock, par value \$1.00 per share	14,330
Stock Option (Right to Buy)	\$ 30.95 <u>(2)</u>					<u>(3)</u> 03/06/2022	Common Stock, par value \$1.00 per	19,688

Stock							share
Option	\$ 37.82				(4)	03/05/2023	Common
(Right to	<u>(2)</u>						Stock, par
Buy)							value 20,609
							\$1.00 per
							share
Stock							Common
Option	\$ 37.17				(5)	03/04/2024	Stock, par
(Right to	<u>(2)</u>						value 21,903
Buy)							\$1.00 per
							share
Stock							Common
Option	\$ 37.38	07/01/2015	J	47,458	(7)	03/03/2025	Stock, par
(Right to	<u>(6)</u>			<u>(6)</u>			value 47,458
Buy)							\$1.00 per
							share

Reporting Owners

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

Signatures

/s/ Ellen K. McIntosh, as attorney-in-fact for Jill M. Schaaf 07/06/2015

**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) 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 6,311 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.

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- (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.

Remarks:

Exhibit List: Exhibit 24.1-Power of Attorney

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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