

**CHARTER OF THE PUBLIC POLICY COMMITTEE
OF THE BOARD OF DIRECTORS
OF BAXTER INTERNATIONAL INC.**

Statement of Purpose

The Public Policy Committee (the “Committee”) of the Board of Directors (the “Board”) of Baxter International Inc. (“Baxter” or the “Corporation”) shall review and evaluate the policies and practices of Baxter to ensure that they are consistent with the Corporation’s social responsibility to act with integrity as a global corporate citizen to employees, to customers, and to society.

Organization and Meetings

The Committee shall consist of three or more members of the Board, a majority of whom shall satisfy the independence requirements of the New York Stock Exchange and the Corporation’s Corporate Governance Guidelines. The Board shall appoint the members and chairperson of the Committee. The members shall serve until their successors are appointed and qualified. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it. The Committee shall report its actions and recommendations to the Board at the next meeting of the Board following each Committee meeting.

The Committee shall have the authority to meet in executive session without any management personnel present, and may form and delegate authority to subcommittees when appropriate.

Responsibilities and Authority

The Committee shall have the following authority and responsibilities:

1. Address the Corporation’s responsibilities in a wide range of areas that include, but are not limited to the following:
 - The health and safety of employees and consumers;
 - The fulfillment of the Corporation's responsibilities to women, racial minorities, and disadvantaged persons;
 - The physical and social environment;
 - Contributions to educational, health, cultural, and other social institutions;

- Community actions where it is necessary to close or move a business unit or significantly reduce employment; and
 - The ethics of the Corporation, as set forth in its Code of Conduct Standards.
2. In consultation with management and/or other committees of the Board, evaluate and oversee compliance with the Corporation's procedures, programs, policies and practices with respect to its responsibility to act with integrity as a global corporate citizen and in appropriate circumstances, recommend the amendment and/or adoption of new procedures, programs, policies and/or practices.
 3. Oversee, review and make recommendations to the Corporate Responsibility Office as set forth in the Corporation's Code of Conduct Standards.
 4. Review and make recommendations regarding the Corporation's Quality and Regulatory programs and performance.
 5. Review and make recommendations on the Corporation's activity with respect to its Government Affairs Program, including political contributions, the Corporation's positions with respect to pending legislative and other initiatives, and political advocacy activities of the Corporation.
 6. Review legal, regulatory and other matters relating to the Corporation's responsibilities as a global corporate citizen that may have a significant impact on the Corporation in any manner and make recommendations with respect thereto.
 7. Have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
 8. Conduct an annual performance evaluation of the Committee, and review the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
 9. Have such other duties and authority as shall be assigned or granted to it from time to time by the Chief Executive Officer or the Board.
 10. In conjunction with the Audit Committee, evaluate whether management is setting the appropriate "tone at the top" by communicating the importance of Baxter's ethical and business practices standards, including the importance of internal accounting controls.

*Approved and adopted by the Board of Directors of Baxter International Inc.
February 25, 2003, and amended February 22, 2005*