

**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 “Company”) shall assist the Board in fulfilling its oversight responsibilities with respect to legal, regulatory and other compliance matters. The Committee shall also assist and advise the Board with respect to the Company’s responsibilities as a global corporate citizen.

**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 Company’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 management, and may form and delegate authority to subcommittees when appropriate.

**Responsibilities and Authority**

The Committee shall have the following authority and responsibilities:

1. Review Baxter’s policies and practices with respect to maintaining legal, regulatory and other compliance, including the Company’s Code of Conduct.
2. Review and make recommendations regarding the Company’s Ethics & Compliance program and Corporate Responsibility Office. In conjunction with the Audit Committee, evaluate whether management is effectively communicating the importance of Baxter’s ethical and business practices standards, including the importance of internal accounting controls.
3. Review and make recommendations regarding the Company’s Quality and Regulatory programs.
4. Review and make recommendations regarding the Company’s Government Affairs Program and Political Action Committee (BAXPAC), including with

- respect to political contributions, positions on pending legislative initiatives, and other political advocacy activities.
5. Review and make recommendations regarding the Company's environment health and safety, sustainability and global inclusion initiatives.
  6. Review and make recommendations regarding community relations activities and charitable contributions, including with respect to the Baxter International Inc. Foundation.
  7. Evaluate at least annually whether management is setting the appropriate "tone at the top" within the organization.
  8. Review legal, regulatory and other matters relating to the Company's responsibilities as a global corporate citizen that may have a significant impact on the Company in any manner and make recommendations with respect thereto.
  9. Have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
  10. 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.
  11. Have such other duties and authority as shall be assigned or granted to it from time to time by the Board.

*Revised and approved by the Board of Directors of Baxter International Inc. on November 15, 2011.*