

**BAXTER INTERNATIONAL INC.  
Corporate Governance Guidelines**

The Board of Directors of Baxter International Inc. (“Baxter” or the “Company” including its subsidiaries) recognizes the importance of excellent corporate governance as a means of addressing the needs of the Company’s stockholders, employees, customers and other stakeholders. These Corporate Governance Guidelines (the “Guidelines”), along with the charters and key practices of the Board committees, provide the overall framework for the governance of Baxter. These Guidelines are not intended as binding legal obligations or inflexible requirements, and are not intended to limit, enlarge or modify in any way the responsibilities of the directors or the Company as determined by applicable laws or regulations or the Company’s other governance documents. The Board of Directors recognizes that corporate governance is a dynamic and ever-evolving area warranting periodic review. Accordingly, the following Guidelines are subject to review and change from time to time by the Nominating, Corporate Governance and Public Policy Committee and the Board.

**I. Board of Directors**

**A. Size and Composition**

1. Size. The Company’s Amended and Restated Certificate of Incorporation provides that the number of directors shall be fixed from time to time by the Board of Directors, but in no event shall be less than nine or more than seventeen.
2. Independence of Directors. The Board of Directors will be composed of a majority of directors who meet the criteria for “independence” established by the New York Stock Exchange (“NYSE”). In order to be considered independent, the Board shall affirmatively determine that the director has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company).
3. Board Leadership. The Company’s Bylaws require that the Board of Directors annually elect a Chair of the Board and a Chief Executive Officer. As of the effective date of these revised Guidelines, the positions of Chair and Chief Executive Officer are held by the same individual. However, effective upon the next Chief Executive Officer transition, the general policy of the Board of Directors shall be that the Chair will be an independent director unless the Board of Directors determines that it would be in the best interests of the Company and its stockholders to have a non-independent director serve as Chair. If any independent Chair ceases to be independent, the Nominating, Corporate Governance and Public Policy Committee shall review the appropriateness of his or her continued service as Chair and make a recommendation in accordance with this policy for the full Board’s consideration.

In the event the Chair is not independent, the independent directors will elect a Lead Independent Director to serve a one-year term from among the independent directors.

At all times that the Chair is not independent, the Lead Independent Director shall:

- preside at all Board executive sessions and all meetings of the Board when the Chair is not present;
- facilitate discussion among the independent directors on key issues and concerns in executive sessions excluding any management directors and outside of meetings of the Board;
- act as principal liaison between the independent directors and the Chair and Chief Executive Officer (however, each director remains free to communicate directly with the Chair and Chief Executive Officer);

- report the results of and feedback from executive sessions to the Chair of the Board;
- review and approve meeting agendas for the Board and work with the Chair to facilitate timely and appropriate information flow to the Board;
- review and approve meeting schedules to ensure that there is sufficient time for discussion of all agenda items;
- have the authority to call meetings of the independent directors;
- in consultation with the chair of the Nominating, Corporate Governance and Public Policy Committee, lead the annual performance evaluation of the Chair and Chief Executive Officer (as applicable);
- in consultation with the chair of the Nominating, Corporate Governance and Public Policy Committee, lead the Chief Executive Officer succession process (which process, for the avoidance of doubt, shall be led by the full Board);
- engage with Baxter's stockholders on selected topics including corporate governance, executive compensation and other environmental, social and sustainability matters;
- serve as the contact person for interested parties to communicate directly with the independent directors; and
- perform such other duties as may be requested by the other independent directors of Board.

**B. Selection and Qualifications**

1. Director Qualifications. The Board of Directors has delegated to the Nominating, Corporate Governance and Public Policy Committee the responsibility for recommending to the Board the nominees for election as directors at the annual meetings of stockholders, including both new candidates and incumbent directors, and recommending persons to fill any vacancy on the Board. Invitations to join the Board are extended by the Chair of the Board or a designated representative. The Nominating, Corporate Governance and Public Policy Committee selects individuals for nomination to the Board of Directors based on the following criteria. Nominees for director must:
  - Possess fundamental qualities of intelligence, honesty, perceptiveness, good judgment, maturity, high ethics and standards, integrity, fairness and responsibility.
  - Have a genuine interest in the Company and recognition that as a member of the Board, each director is accountable to all stockholders of the Company, not to any particular interest group.
  - Have a background that demonstrates an understanding of business and financial affairs and the complexities of a large, multifaceted, global business, governmental or educational organization.
  - Be or have been in a senior position in a complex organization such as a corporation, university or major unit of government or a large not-for-profit institution.
  - Have no conflict of interest or legal impediment that would interfere with the duty of loyalty owed to the Company and its stockholders.

- Have the ability and be willing to spend the time required to function effectively as a director.
- Be compatible and able to work well with other directors and executives in a team effort with a view to a long-term relationship with the Company as a director.
- Have independent opinions and be willing to state them in a constructive manner.

Directors are selected on the basis of talent, experience, skillsets, knowledge and other factors the Nominating, Corporate Governance and Public Policy Committee deems appropriate, including diversity. Diversity of background, including diversity of gender, race, ethnic or geographic origin, age, global perspective, and experience in business, government and education and in healthcare, science, technology and other areas relevant to the Company's activities are factors in the selection process.

The Company's stockholders may recommend nominees for consideration by the Nominating, Corporate Governance and Public Policy Committee by submitting the names and supporting information to the Company's Corporate Secretary. All candidates for director will be evaluated in the same manner regardless of the source of the recommendation.

As a majority of the Board must consist of individuals who are independent, a nominee's ability to meet the independence criteria established by the NYSE is also a factor in the nominee selection process.

2. Board Succession Planning and Refreshment. The Nominating, Corporate Governance and Public Policy Committee, in consultation with the Chair of the Board and the Lead Independent Director (if any), engages in regular succession planning for the Board and key leadership roles on the Board and the committees of the Board. As part of this succession planning process, the Nominating, Corporate Governance and Public Policy Committee considers any upcoming retirements under the Board's retirement policy for directors, the tenure of the current directors, the mix of skills, expertise and experiences on the Board, the diversity of the directors and the Company's evolving needs.
3. Director Orientation and Continuing Education. The Nominating, Corporate Governance and Public Policy Committee is responsible for ensuring that new directors receive an effective orientation to the Company and has adopted a director continuing education program. In addition, the Nominating, Corporate Governance and Public Policy Committee periodically reviews the internal director education sessions and outside courses attended by the directors. Portions of certain Board and committee meetings will be devoted to educational topics at which senior management or outside subject matter experts present information regarding matters such as the Company's industry, business operations and important legal and regulatory matters or updates.
4. Review of Director Affiliations. The Nominating, Corporate Governance and Public Policy Committee annually reviews the outside affiliations of each director to determine whether those affiliations present any conflicts of interest or are otherwise inconsistent with the best interests of Baxter.
5. Limit on the Number of Other Company Directorships. No director who is employed full time may serve on the board of directors of more than two public companies (including Baxter), and no other director may serve on the board of directors of more than four public companies (including Baxter), unless Baxter's Board determines that simultaneous service on additional boards would not impair the director's ability to serve effectively on Baxter's Board. Any director who is no longer in compliance with these limitations shall make good faith efforts to reduce the number of public company boards on which he or she serves in order to comply prior to the time he or she is eligible to be nominated for re-election.

Directors are required to notify the Chair of the Board, the Lead Independent Director (if any) and the chair of the Nominating, Corporate Governance and Public Policy Committee prior to accepting any invitation to serve on the board, audit committee or compensation committee of any other company or to serve in a leadership role on the board or a board committee of any other company (including chair or lead independent director of the board or chair of a board committee). This prior notice allows the Board to consider whether such service will interfere with the director's service on the Board, impact the director's independence, or create an actual or apparent conflict of interest or other issues. For the avoidance of doubt, the prior notification requirement applies to both private and public company directorships. No less than annually, the Nominating, Corporate Governance and Public Policy Committee evaluates each director's time commitments in connection with the annual nomination of directors, including, but not limited to, service on other public company boards and committee memberships, as well as other significant commitments involving affiliations with other for-profit businesses, non-profit entities, or governmental units, to determine whether continued service on the Board is appropriate.

6. Board Compensation. The Compensation and Human Capital Committee is responsible for recommending to the Board of Directors changes in the compensation and benefits paid to directors for their Board service. Compensation for non-employee directors should be competitive and fairly pay directors for work required of directors of a company of Baxter's size and complexity. In addition, director compensation should include equity-based compensation in order to align directors' interests with the long-term interests of stockholders. The Compensation and Human Capital Committee annually reviews the level and form of the Company's director compensation, including how such compensation relates to the Company's peers. Changes to director compensation are proposed to the full Board for approval. A director who is also an employee of the Company shall not receive additional compensation for such service as a director.
7. Stock Ownership Guidelines. Each director is encouraged to maintain ownership of Baxter common stock. The stock ownership guideline recommended for each director, after five years of Board service, is to hold five times the annual cash retainer provided to directors.
8. Change in Director's Circumstances. If a director discontinues or changes the employment affiliation held at the time of election as a director, becomes involved in a current or potential conflict of interest or a commercial or other relationship (including relationships of immediate family members) that may impair the director's independence, becomes unable to spend the required time to function effectively as a director, or becomes disabled, that director shall notify the Nominating, Corporate Governance and Public Policy Committee with an explanation of the changed circumstances including, if applicable, the director's future business or professional plans. The Nominating, Corporate Governance and Public Policy Committee shall review the information presented and determine the appropriateness of continued Board membership and recommend to the Board whether or not the director should continue serving on the Board. No member of the Board whose Board membership is being reviewed shall participate in the review process or vote on the matter.
9. Director Retirement. It is the policy of the Board that a director who has reached the age of 75 shall not be nominated for reelection to the Board and such director shall retire from the Board effective at the end of his or her then current term (so that the Board may, at its option, nominate another person to stand for election in lieu of the retiring director); provided, however, that the Nominating, Corporate Governance and Public Policy Committee may recommend, and the Board may approve, the nomination for reelection of a director at or after the age of 75 and such director shall not be required to retire if such retirement would (i) occur immediately before, during or promptly after a material transaction being reviewed or approved by the Board (including a merger, acquisition, divestiture or other transaction), (ii) occur immediately before, during or promptly after succession of the Chair, the Chief Executive Officer and/or the Lead Independent Director, (iii) occur immediately before, during or promptly after an

unusual degree of recent director retirements, removals, resignations or other turnover or (iv) likely cause non-compliance (including with respect to laws and external and internal rules, regulations, policies, codes, or other standards), in each case as determined in the sole and absolute discretion of the majority of directors then in office (excluding the subject director). For the avoidance of doubt, term limits for directors are not being established hereby.

C. **Operation and Performance Evaluations**

1. **Board Meetings and Attendance.** The Board of Directors generally holds at least five meetings each year and will hold additional special meetings as necessary. Each director is expected to regularly attend meetings of the Board and committees on which he or she serves. In addition, each director is expected to attend the annual meeting of stockholders so that stockholders have an opportunity to communicate directly with members of the Board.
2. **Executive Sessions.** The Board of Directors shall meet in executive session at every regularly scheduled Board meeting and at such other times as the Board deems appropriate. The Lead Independent Director (if any) or the Chair of the Board may invite the Company's officers, employees, and independent advisors to attend portions of these executive sessions.
3. **Agenda.** The Chair of the Board, in consultation with the Lead Independent Director (if any), will establish the agenda for each Board meeting. Each Board member is encouraged to suggest the inclusion of items on the agenda.
4. **Distribution of Board Materials.** As a general rule, presentations on specific subjects should be sent to the Board members sufficiently in advance to allow time for review, so that Board meeting time may be conserved and discussion time focused on questions that the Board may have about the materials. To that end, Board members are expected to read all of such materials prior to the meetings. The Board acknowledges that certain items to be discussed at Board or committee meetings may be of an extremely confidential or time-sensitive nature and that the distribution of materials on these matters prior to or during meetings may not be appropriate or practicable.
5. **Evaluation of the Chair of the Board.** The Nominating, Corporate Governance and Public Policy Committee, in consultation with the Lead Independent Director (if any), annually reviews and evaluates the performance of the Chair of the Board. In the event the Chair of the Board serves on the Nominating, Corporate Governance and Public Policy Committee, he or she will not participate in the evaluation process. The chair of the Nominating, Corporate Governance and Public Policy Committee reports to the Board on the evaluation without the Chair present.
6. **Evaluation of the Lead Independent Director.** When the Board has a Lead Independent Director, the Nominating, Corporate Governance and Public Policy Committee annually reviews and evaluates the performance of the Lead Independent Director in connection with his or her potential re-election. In the event the Lead Independent Director serves on the Nominating, Corporate Governance and Public Policy Committee, he or she will not participate in the evaluation process. The chair of the Nominating, Corporate Governance and Public Policy Committee reports to the Board on the evaluation without the Lead Independent Director present.
7. **Board and Committee Evaluations.** The Board annually reviews its own structure, governance principles, composition, agenda, processes and schedule to consider whether it is functioning well in view of its responsibilities and the evolving situation of the Company. In furtherance of this objective, the Nominating, Corporate Governance and Public Policy Committee annually reviews the process by which the Board and its committees conduct annual self-evaluations. The Nominating, Corporate Governance and Public Policy Committee (in any given year) may elect in its sole discretion to retain one or more external advisors (legal or otherwise) to assist in the oversight of this annual process. The results of the Board's and committees' annual self-evaluations will

be discussed by the full Board and the applicable committees. The Nominating, Corporate Governance and Public Policy Committee will also utilize the results of the Board evaluation process in assessing and determining the characteristics, skills and experience required of candidates for election to the Board.

8. Confidentiality. Each Board member is expected to protect and hold confidential all non-public information obtained as a result of membership on the Board. Each Member understands that he or she may not disclose, without express Board authorization or as required by law, non-public information to anyone outside the Company including, without limitation, principals or employees of any business entity which employs them or which has sponsored their election to the Board. Non-public information includes information related to Board deliberations and discussions with respect to business issues and decisions, relationship dynamics among the Board members and officers and other employees of the Company and all other confidential information acquired by reason of his or her position as a member of the Company's Board of Directors.
9. Committees. The Board of Directors has four standing committees consisting of an Audit Committee, Compensation and Human Capital Committee, Nominating, Corporate Governance and Public Policy Committee and Quality and Regulatory Compliance Committee. All of the members of the Audit, Compensation and Human Capital and Nominating, Corporate Governance and Public Policy committees shall meet the independence criteria established by the NYSE. From time to time, the Board may determine that it is appropriate to form a new committee or a special committee, to restructure or combine its standing committees, or to disband a current committee, depending on circumstances. Each committee shall report to the Board with respect to its activities, findings and recommendations.

Each committee of the Board, unless otherwise directed by the Board, shall be governed by a charter approved by the Board. Each committee shall assess the adequacy of its charter annually and recommend any changes to the Board as appropriate. The Nominating, Corporate Governance and Public Policy Committee shall annually review committee membership and recommend to the Board any changes in the structure of the committees.
10. Access to Management and Independent Advisers. The Board of Directors and each of its committees has access to Baxter's management. It is assumed that Board members will use judgment to be sure that this contact is not distracting to the business operations of the Company and that the Chief Executive Officer be appropriately informed of such contact. The Board and its committees also have the ability to hire outside consultants and experts, as the Board of Directors or any committee deems necessary and appropriate. Each committee shall communicate to the full Board its intent to hire an outside consultant or expert.
11. Public Communications. The Board of Directors believes that management speaks on behalf of the Company. Comments and other statements from the entire Board, if appropriate, will generally be made by the Chair of the Board. Each director will refer all inquiries from investors, the press, customers, suppliers, or other third parties to management. In appropriate circumstances, the Lead Independent Director (if any) and other directors, after coordinating with management, will be available for discussion with stockholders.

## **II. Oversight Responsibilities**

- A. Philosophy. The Board of Directors fosters and encourages a corporate environment of strong disclosure controls and procedures, including internal controls, fiscal accountability, high ethical standards and compliance with applicable policies, laws and regulations.
- B. Corporate Compliance
  1. The Board is committed to fostering a strong culture of compliance and business ethics within the Company. The Board supports management's promotion of a corporate culture

of integrity, ethical behavior and compliance with laws and regulations and ensures that the Company's culture and its strategy are aligned. The Board requires all directors, officers, employees and representatives to act with integrity and to maintain high ethical standards at all times.

2. The Company has adopted, and the Quality and Regulatory Compliance Committee reviews and oversees compliance with, a Code of Conduct and various policies that apply to all directors, officers, employees, consultants and others who represent the Company and address, among other things, conflicts of interest, corporate opportunities, confidentiality, data privacy, proper use of Company assets, maintaining accurate business records, compliance with laws, rules and regulations, and reporting of any illegal or unethical behavior. Directors, as well as officers and employees, are required to comply with the Code of Conduct and all other applicable Company policies.
  3. The Board receives regular reports from Baxter's Chief Compliance and Trust Officer. While Baxter's Chief Compliance and Trust Officer reports directly to the Chief Executive Officer, he or she is also required to make himself or herself available to all members of the Board (including the Lead Independent Director, if any) generally and in connection with each regular meeting and executive session of the Board or committees thereof (including the Nominating, Corporate Governance and Public Policy Committee and the Quality and Regulatory Compliance Committee) to discuss ethics and compliance matters.
  4. Baxter's Chief Compliance and Trust Officer has the authority to call executive sessions of the Board or any committee thereof (including the Nominating, Corporate Governance and Public Policy Committee and the Quality and Regulatory Compliance Committee) without the presence of Baxter's management, including the Chief Executive Officer or the General Counsel.
  5. Baxter's Chief Compliance and Trust Officer is required to meet no less frequently than quarterly with the Chief Executive Officer to discuss the status of various ethics and compliance matters. These meetings may be held with or without the General Counsel at the discretion of either the Chief Executive Officer or the Chief Compliance and Trust Officer.
- C. Related Person Transactions. The Board of Directors recognizes that related person transactions present a heightened risk of conflicts of interest. Accordingly, the Nominating, Corporate Governance and Public Policy Committee has been charged with reviewing related person transactions regardless of whether the transactions are reportable pursuant to Item 404 of Regulation S-K under the Securities Exchange Act of 1934, as amended. For purposes of these Guidelines, a "related person transaction" is any transaction in which the Company was or is to be a participant and in which any related person has a direct or indirect material interest other than transactions that involve less than \$120,000 when aggregated with all similar transactions. For any related person transaction to be consummated or to continue, the Nominating, Corporate Governance and Public Policy Committee must approve or ratify the transaction. The Nominating, Corporate Governance and Public Policy Committee reviews related person transactions as they arise and are reported to such Committee. The Nominating, Corporate Governance and Public Policy Committee also reviews materials prepared by the Corporate Secretary to determine whether any related person transactions have occurred that have not been reported. It is the Company's policy to disclose all related person transactions in the Company's applicable filings to the extent required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder.

For purposes of these Guidelines, a "related person" is any person who is, or at any time since the beginning of the Company's last fiscal year was:

- an executive officer or director (including in each case nominees for director),
- any stockholder owning in excess of five percent of the Company's common stock, and

- an immediate family member of an executive officer, director, or five percent stockholder.

For purposes of these Guidelines, an “immediate family member” includes a person’s spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers and sisters-in-law, and anyone (other than employees) who shares such person’s home.

### **III. Strategic Review and Management Succession Planning**

- A. Role of the Board and Review of Strategic Plans. The Board of Directors oversees and directs the management of the business and affairs of the Company in accordance with the Delaware General Corporation Law and as set forth in the Company’s Bylaws. The management of the Company is responsible for presenting strategic plans to the Board for review and for implementing the Company’s strategic direction.

At least annually, the Board of Directors reviews the strategic plan for Baxter and each of Baxter’s major businesses. The Board monitors management’s implementation of such strategies and receives periodic updates on such execution.

- B. Evaluation of the CEO. The Nominating, Corporate Governance and Public Policy Committee, in consultation with the Chair (if the Chair is not the same individual as the Chief Executive Officer) and the Lead Independent Director (if any), annually reviews and evaluates the performance of the Chief Executive Officer, and reports to the Board on the evaluation in executive session. The evaluation is assessed by the Compensation and Human Capital Committee and the Board in setting the Chief Executive Officer’s compensation.

- C. Management Succession Planning. At least annually, the Chief Executive Officer reviews key management succession planning with the Compensation and Human Capital Committee. The Board and the Compensation and Human Capital Committee shall oversee the succession planning process, including emergency succession plans and succession in the ordinary course, (other than with respect to the Chief Executive Officer) in order to help ensure that the process is rigorous and effective. In furtherance of this objective, the Board, in consultation with the Chair (if the Chair is not the same individual as the Chief Executive Officer) and the Lead Independent Director (if any), shall also oversee succession planning for the Chief Executive Officer, including emergency succession and succession in the ordinary course of business. These reviews will be shared with the full Board in connection with its broader oversight responsibilities.