

**Charter of the Compensation Committee
Board of Directors
Baxter International Inc.**

Statement of Purpose

The Compensation Committee (the “Committee”) shall discharge the responsibilities of the Board of Directors (the “Board”) of Baxter International Inc. (“Baxter” or the “Company”) relating to employee benefit and equity-based plans and the compensation of the Company’s officers.

Organization and Meetings

The Committee shall consist of three or more members of the Board, all of whom shall satisfy the independence requirements of the New York Stock Exchange (the “NYSE”) and the Company’s Corporate Governance Guidelines. All Committee members shall also meet the definitions of “non-employee director” under Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986. 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, subject to new member(s) satisfying the above requirements. 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. Except as set forth in paragraph 2 below, make recommendations for consideration by the independent members of the Board, in executive session, concerning the compensation (including, but not limited to, base salary, cash bonuses, long-term incentives, and perquisites) of the Chairman of the Board and Chief Executive Officer. All such compensation recommendations shall reflect communication and coordination with the Corporate Governance Committee regarding the annual performance evaluation of the Chairman of the Board and Chief Executive Officer. In determining the long-term incentive component of compensation of the Chief Executive Officer, the Committee should consider, among other things, the Company’s performance and relative shareholder return, the value of similar incentive awards at comparable companies and the awards given to the Company’s Chief Executive Officer in the past years.
2. Determine the compensation (including, but not limited to, base salary, cash bonuses, long-term incentives, and perquisites) of the Company’s officers, other than the Chairman of the Board and Chief Executive Officer, and advise the Board of such determination.

The Committee shall have sole discretion and authority with respect to any action regarding compensation payable to the Chairman of the Board and Chief Executive Officer or other executive officers of the Company that the Committee intends to constitute “qualified performance-based compensation” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended and the Treasury Regulations promulgated thereunder; provided, however, that with respect to the Chief Executive Officer, the Board shall be asked to ratify any such action proposed by the Committee.

3. Advise the Board and the Chief Executive Officer on other compensation and benefit matters.
4. Make recommendations to the Board with respect to incentive compensation plans and equity-based plans (including the performance criteria of such plans) and exercise the authority of the Board concerning benefit plans, including those plans which are limited in their application to officers and senior management.

5. Evaluate annually and make recommendations to the Board concerning the compensation of the Company's independent directors for Board and committee service.
6. Serve as the administration committee of the Company's stock option and other equity-based plans and exercise the authority of the Board to issue stock of the Company as compensation or as an incentive to non-employee directors, officers, employees, consultants or advisors.
7. Oversee the Company's compensation philosophy and strategy and at least annually assess the Company's risk relating to its compensation policies and practices.
8. Review and discuss with management the Compensation Discussion and Analysis ("CD&A"), and based on that review and discussion, recommend to the Board that the CD&A be included in the Company's annual proxy statement or annual report on Form 10-K pursuant to rules of the Securities and Exchange Commission (the "SEC").
9. Prepare the report of the Committee required to be included in the Company's annual proxy statement or annual report pursuant to rules of the SEC.
10. Oversee the Company's submissions to shareholders on executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and review the results thereof. To the extent the Committee determines it appropriate to do so, take such results into consideration in connection with the review and approval of executive officer compensation.
11. Have sole and direct responsibility for the appointment, compensation and oversight of the work of any compensation, legal or other advisor retained by the Committee, the expense of which shall be borne by the Company.
12. Conduct, as and to the extent required by the rules of the NYSE, an independence assessment with respect to any compensation, legal or other advisor that provides advice to the Committee. Any such independence assessment shall take into consideration all factors relevant to the advisor's independence from management, including each of the enumerated factors identified in the rules of the NYSE (as may be amended from time to time).
13. Review the adequacy of the Company's stock ownership guidelines for officers and directors and periodically assess compliance with such guidelines.
14. Appoint the members of the Company's Administrative Committee, which is comprised of management and is responsible for administrative matters with respect to benefit plans maintained for the benefit of employees of the Company and its subsidiaries.
15. 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.
16. Perform 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 February 21, 2017