

# 2017 Political Contributions Report

Baxter obeys all laws regarding engagement in the political process everywhere it operates. The company's <u>Code of Conduct</u>, which states the core principles that govern Baxter's business practices, contains a section on Public Affairs and Political Activities, including rules governing participation in the political process.

The Quality, Compliance and Technology Committee of Baxter's Board of Directors oversees the company's government affairs program. The committee reviews Baxter's positions on pending legislation and political advocacy efforts.

This report provides information about corporate contributions made in the United States by Baxter as well as contributions made by the Baxter Political Action Committee (BAXPAC). It also includes information about Baxter's lobbying expenses and membership in trade and industry groups.

This section includes:

- Corporate Contributions
- Baxter Political Action Committee
- Lobbying Expenses
- Certain Memberships

### **CORPORATE CONTRIBUTIONS**

The U.S. Supreme Court decision in the Citizens United case in 2010 broadened the ability of corporations to make independent political expenditures in the context of federal elections (although not the ability to make direct contributions to federal candidates). Baxter makes

contributions to candidates who champion and protect the legislative interests of the company, its patients and employees, without regard for the private political preferences of Baxter's officers and executives. In 2017, the company did not participate in any ballot measures and it is not generally Baxter's practice to do so.

In the United States, Baxter contributed \$28,550 to state candidates and other candidate political organizations in 2017 after approval from the BAXPAC Board. U.S. law does not allow companies to make contributions to federal candidates. As discussed below, contributions to federal candidates may be made by BAXPAC.

## BAXTER'S CORPORATE CONTRIBUTIONS TO U.S. STATE CANDIDATES, 2017

| Member          | District | Party | Amount  |
|-----------------|----------|-------|---------|
| Arkansas        |          |       |         |
| STAR PAC        |          |       | \$2,000 |
| California      |          |       |         |
| Atkins, Toni    | S39      | D     | \$1,000 |
| Hernandez, Ed   | S22      | D     | \$1,000 |
| Mitchell, Holly | S30      | D     | \$1,000 |
| Nguyen, Janet   | S34      | R     | \$1,000 |
| Quirk, Bill     | A20      | D     | \$1,000 |
| Roth, Richard   | S31      | D     | \$1,000 |
| Vidak, Andy     | S14      | R     | \$1,000 |
| Wieckowski, Bob | S10      | D     | \$1,000 |
| Wood, Jim       | A2       | D     | \$1,000 |



### BAXTER'S CORPORATE CONTRIBUTIONS TO U.S. STATE CANDIDATES, 2017 [continued]

| Member            | District | Party | Amount  |
|-------------------|----------|-------|---------|
| Georgia           |          |       |         |
| Burke, Dean       | S11      | R     | \$250   |
| Burns, Jon        | H159     | R     | \$250   |
| Cooper, Sharon    | H43      | R     | \$250   |
| Cowsert, Bill     | S46      | R     | \$250   |
| England, Terry    | H116     | R     | \$250   |
| Hill, Jack        | S4       | R     | \$250   |
| Jones, Jan        | H47      | R     | \$250   |
| Parrish, Butch    | H158     | R     | \$250   |
| Ralston, David    | H7       | R     | \$500   |
| Shafer, David     | S48      | R     | \$250   |
| Unterman, Renee   | S45      | R     | \$250   |
| Illinois          |          |       |         |
| Brady, Bill       | S44      | R     | \$500   |
| Burke, Kelly      | H36      | D     | \$250   |
| Bush, Melinda     | S31      | D     | \$300   |
| Cullerton, John   | S6       | D     | \$1,000 |
| Demmer, Tom       | H90      | R     | \$300   |
| Durkin, Jim       | H82      | R     | \$500   |
| Feigenholtz, Sara | H12      | D     | \$300   |
| Fine, Laura       | H17      | D     | \$250   |
| Gabel, Robyn      | H18      | D     | \$300   |
| Harmon, Don       | S39      | D     | \$500   |

| Member               | District | Party | Amount   |
|----------------------|----------|-------|----------|
| Illinois (continued) |          |       |          |
| Harris, Greg         | H13      | D     | \$400    |
| Lang, Lou            | H16      | D     | \$500    |
| Link, Terry          | S30      | D     | \$1,000  |
| Madigan, Michael     | H22      | D     | \$1,000  |
| Martinez, Iris       | S20      | D     | \$250    |
| Mayfield, Rita       | H60      | D     | \$500    |
| McConchie, Dan       | S26      | R     | \$300    |
| McDermed, Margo      | H37      | R     | \$250    |
| Morrison, Julie      | S29      | D     | \$500    |
| Munoz, Antonio       | S1       | D     | \$500    |
| Sauer, Nick          | H51      | R     | \$250    |
| Steans, Heather      | S7       | D     | \$400    |
| Zalewski, Mike       | H23      | D     | \$500    |
| New York             |          |       |          |
| Gottfried, Dick      | A75      | D     | \$1,000  |
| Hannon, Kemp         | S6       | R     | \$1,000  |
| Hawley, Steve        | A139     | R     | \$500    |
| Ortt, Robert         | S62      | R     | \$1,000  |
| Valesky, David       | S53      | D     | \$500    |
| Total                |          |       | \$28,550 |

### **BAXTER'S CORPORATE** CONTRIBUTIONS TO 501(C)(4) AND **527 ORGANIZATIONS, 2017**

Baxter also engages to advance the company's interests and those of its patients through membership in 501(c) (4) and 527 organizations.

### BAXTER CORPORATE CONTRIBUTIONS TO 501(C)(4) **ORGANIZATIONS, 2017**

| Third Way | \$32,500 |
|-----------|----------|
| Total*    | \$32,500 |

### **BAXTER CORPORATE CONTRIBUTIONS TO 527 ORGANIZATIONS, 2017**

| Democratic Governors Association | \$10,000 |
|----------------------------------|----------|
| Republican Governors Association | \$25,000 |
| Total*                           | \$35,000 |

<sup>\*</sup>Only includes organizations for which GAPP pays the annual dues.

# BAXTER POLITICAL ACTION COMMITTEE

Eligible U.S. employees can make voluntary individual contributions to Baxter's Political Action Committee, BAXPAC, to support U.S. federal and state candidates. BAXPAC is overseen by the BAXPAC Chairman, Vice Chair and Treasurer/Secretary, as well as its Contribution Advisory Board. All BAXPAC officers and members of the contribution Advisory Board are Baxter employees from various business groups, regions and franchises. BAXPAC operates in accordance with all relevant federal and state laws. More information about these laws and regulations is available on the Federal Election Commission website. BAXPAC contributes to candidates who champion and protect the legislative interests of Baxter, its employees and its patients. Contributions by BAXPAC are made without regard for the private political preferences of Baxter's officers and executives. BAXPAC made \$97.500 in Federal and State contributions in 2017.

# BAXPAC CONTRIBUTIONS TO U.S. FEDERAL AND STATE CANDIDATES, 2017

| Member           | Federal<br>House | Federal<br>Senate C | State<br>andidate | District | Party | Amount  |
|------------------|------------------|---------------------|-------------------|----------|-------|---------|
| Abbott, Greg     |                  |                     | •                 | TX       | R     | \$1,500 |
| Alexander, Lamar | ٢                | •                   |                   | TN       | R     | \$1,000 |
| Berger, Philip   |                  |                     | •                 | NC-26    | R     | \$500   |
| Blackwell, Hugh  |                  |                     | •                 | NC-86    | R     | \$500   |
| Blue, Dan        |                  |                     | •                 | NC-14    | R     | \$500   |
| Brady, Kevin     | •                |                     |                   | TX-8     | R     | \$1,000 |
| Collins, Chris   | •                |                     |                   | NY-27    | R     | \$1,000 |
| Cummings, Trav   | ris              |                     | •                 | FL-18    | R     | \$1,000 |
| Dingell, Debbie  | •                |                     |                   | MI-12    | D     | \$1,000 |
| Dobson, Josh     |                  |                     | •                 | NC-85    | R     | \$750   |
| Dollar, Joseph   |                  |                     | •                 | NC-36    | R     | \$500   |
| Donnelly, Joe    |                  | •                   |                   | IN       | D     | \$1,000 |
| Duckworth, Tamr  | ny               | •                   |                   | IL       | D     | \$1,000 |

# BAXPAC CONTRIBUTIONS TO U.S. FEDERAL AND STATE CANDIDATES, 2017 [continued]

| Member          | Federal<br>House | Federal<br>Senate | State<br>Candidate | District | Party | Amount   |
|-----------------|------------------|-------------------|--------------------|----------|-------|----------|
| Durbin, Richard |                  | •                 |                    | IL       | D     | \$2,000  |
| Hatch, Orrin    |                  | •                 |                    | UT       | R     | \$3,000  |
| Hise, Ralph     |                  |                   | •                  | NC-47    | R     | \$750    |
| Jackson, Darrer | 1                |                   | •                  | NC-39    | D     | \$500    |
| Magar, MaryLyn  | n                |                   | •                  | FL-82    | R     | \$1,000  |
| Moore, Tim      |                  |                   | •                  | NC-111   | R     | \$500    |
| Passidomo, Ka   | thleen           |                   | •                  | FL-28    | R     | \$500    |
| Pate, Louis     |                  |                   | •                  | NC-7     | R     | \$500    |
| Patrick, Dan    |                  |                   | •                  | TX       | R     | \$1,500  |
| Price, Walter F | our              |                   | •                  | TX-87    | R     | \$1,000  |
| Raymond, Rich   | ard Pena         |                   | •                  | TX-42    | D     | \$1,000  |
| Renner, Paul    |                  |                   | •                  | FL-24    | R     | \$1,000  |
| Schneider, Bra  | d •              |                   |                    | IL-10    | D     | \$2,500  |
| Schwertner, Ch  | narles           |                   | •                  | TX-5     | R     | \$1,000  |
| Tillman, Jerry  | W.               |                   | •                  | NC-29    | R     | \$500    |
| Trumbull, Jay   |                  |                   | •                  | FL-6     | R     | \$1,000  |
| Walden, Greg    | •                |                   |                    | 0R-2     | R     | \$1,000  |
| Wicker, Roger   |                  | •                 |                    | MS       | R     | \$1,000  |
| Young, Dana     |                  |                   | •                  | FL-18    | R     | \$1,000  |
| Total           |                  |                   |                    |          |       | \$32,500 |

#### OTHER BAXPAC CONTRIBUTIONS, 2017

| Payee   | Amount   |
|---|----------|
| Building Relationships in Diverse Geographic Environments PAC | \$5,000  |
| Democratic Congressional Campaign Committee                   | \$15,000 |
| Moderate Democrats PAC  | \$5,000  |
| New Democrat Coalition PAC                                    | \$5,000  |
| National Republican Congressional Committee                   | \$15,000 |
| National Republican Senatorial Committee                      | \$15,000 |
| Team Ryan   | \$5,000  |

### **LOBBYING EXPENSES**

In 2017, Baxter spent approximately \$2,1700,000 on federal lobbying-related activities in the United States, to promote policies that support the company's objectives. This includes the salaries and overhead expenses of Baxter employees in this area, the value of time and related expenses of internal partners (such as corporate counsel), payments to external consultants and lobbyists, and trade association dues used for lobbying. Baxter adheres to all U.S. federal, state and local laws in this area, as well as applicable laws and regulations outside the United States.

### **CERTAIN MEMBERSHIPS**

Baxter maintains memberships in numerous industry and trade groups including organizations that engage in lobbying activities. The table below includes the amount that Baxter has been notified was spent on U.S. federal lobbying activity during 2017 by any organization to which to the best of its knowledge Baxter paid more than \$50,000 in dues or otherwise during the year. Baxter believes that membership in these organizations is generally consistent with the company's interests as well as those of its shareholders, customers and patients. Even when Baxter does not share all of the views of one of these organizations, membership is worthwhile because such organizations encourage dialogue on important policy issues and help to move the industry toward consensus in these areas.

# FEDERAL LOBBYING EXPENDITURES BY CERTAIN U.S.-BASED TRADE ASSOCIATIONS, 2017

| Payee  | Amount    |
|--|-----------|
| AdvaMed  | \$45,268  |
| Alliance for Home Dialysis                     | \$130,000 |
| Association for Accessible Medicines           | \$54,000  |
| Kidney Care Partners                           | \$36,225  |
| The Pharma & BioPharma Outsourcing Association | \$82,400  |