

BAXTER INTERNATIONAL INC
 Form 4
 February 23, 2017

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Scharf David P.

2. Issuer Name and Ticker or Trading Symbol
 BAXTER INTERNATIONAL INC
 [BAX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 ONE BAXTER PARKWAY
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 02/21/2017

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 CVP and General Counsel

DEERFIELD, IL 60015

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, \$1 par value	02/21/2017		A ⁽¹⁾		5,863	A	\$ 0
Common Stock, \$1 par value	02/21/2017		A ⁽²⁾		11,337	A	\$ 0
Common Stock, \$1 par value	02/21/2017		F ⁽³⁾		10,202	D	\$ 49.96
Common Stock, \$1	02/21/2017		A ⁽⁴⁾		7,702	A	\$ 0

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(2) Represents shares awarded from the 2014 PSUs. The award provides that fifty percent of the performance share units are earned based on Baxter's Growth in Shareholder Value (GSV) performance over the Three-Year Performance Period. The number of shares reported on this Form 4 represents the shares awarded based on Baxter's GSV during the Three-Year Performance Period. These shares have vested as the Three-Year Performance Period has ended.

(3) Represents the number of shares forfeited by the reporting person to cover the withholding of taxes incurred as a result of the vesting of shares earned in 2014, 2015 and 2016 as part of the 2014 PSUs.

(4) Represents shares earned from the performance share unit award granted on March 3, 2016 pursuant to the Equity Plan adopted by Baxter as of such date. The award provides that fifty percent of the performance share units are earned based on the Baxter's Adjusted Operating Margin (OM) performance, as assessed annually over a three-year period. One-third of the OM performance share units are allocated to each one-year period. The number of shares reported on this Form 4 represents the shares earned based on Baxter's OM, as assessed from January 1, 2016 to December 31, 2016. These shares are scheduled to vest after the end of the relevant three-year performance period (which runs from January 1, 2016 through December 31, 2018).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.