

BAXTER INTERNATIONAL INC
 Form 4
 February 18, 2016

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

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 *
 Felicelli Robert

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)

3. Date of Earliest Transaction (Month/Day/Year)
 02/16/2016

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 CVP, Quality

ONE BAXTER PARKWAY

(Street)

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

DEERFIELD, IL 60015

(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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock, \$1 par value	02/16/2016		A ⁽¹⁾		249 A \$ 0	21,585	D
Common Stock, \$1 par value	02/16/2016		F		280 ⁽²⁾ D \$ 37.41	21,305	D
Common Stock, \$1 par value	02/16/2016		A ⁽³⁾		183 A \$ 0	21,488	D
Common Stock, \$1						394	I In an account

par value

held jointly by spouse and son

Common Stock, \$1 par value

930

I

By 401(k) Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Transaction (Instr.
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Felicelli Robert
ONE BAXTER PARKWAY
DEERFIELD, IL 60015

CVP, Quality

Signatures

/s/ Ellen K. McIntosh, as attorney-in-fact for Robert Felicelli

02/18/2016

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Represents shares earned from the performance share unit award granted on March 5, 2013 pursuant to the Equity Plan adopted by Baxter International Inc. (Baxter) as of such date (the 2013 PSUs). The award provides that fifty percent of the performance share units are earned based on Baxter's Return on Invested Capital (ROIC) performance annually over a three-year period with one-third of the ROIC performance share units allocated to each one-year period. In connection with the spin-off of Baxalta Incorporated (Baxalta) from Baxter, the 2015 performance period was adjusted so that the vesting of the ROIC performance share units allocated to that year will vest based upon a percentage determined by adding (i) the percentage determined by the extent to which Baxter, prior to giving effect to the spin-off, achieves the ROIC performance target for the first six months of 2015, plus (ii) in the case of the reporting person, the percentage determined by the extent to which Baxter, after giving effect to the spin-off, achieves its ROIC performance targets for the last six months of 2015, and dividing such sum by two. As previously reported on August 13, 2015, the reporting person earned 58 shares based on Baxter's ROIC during the performance period for the first half of 2015. The number of shares reported on this Form 4 represents the shares earned based on Baxter's ROIC during the performance period for the second half of 2015, as well as the dividends that accrued on previously earned and reported shares from the 2013 PSUs. All shares earned pursuant to the 2013 PSUs vested upon final determination of achievement of Baxter's ROIC performance target for the second six months of 2015.

(1) 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 2013, 2014, and 2015 pursuant to the 2013 PSUs.

Represents shares earned from the performance share unit award granted on March 4, 2014 pursuant to the Equity Plan adopted by Baxter as of such date (the 2014 PSUs). The award provides that fifty percent of the performance share units are earned based on Baxter's ROIC performance annually over a three-year period with one-third of the ROIC performance share units allocated to each one-year period. In connection with the spin-off of Baxalta Incorporated from Baxter, the 2015 performance period was adjusted as described in Note 1 above with respect to the 2013 PSUs. As previously reported on August 13, 2015, the reporting person earned 57 shares based on Baxter's ROIC during the performance period for the first half of 2015. The number of shares reported on this Form 4 represents the shares earned based on Baxter's ROIC during the performance period for the second half of 2015. These shares are scheduled to vest after the end of the relevant three-year performance period.

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.