






Baxter International Inc.

BAX NYSE

Medical Equipment / Supplies / Distribution

Market Capitalization USD: **\$31,901.92 mm**

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Robert L. Parkinson

Age: 61 CEO Since: 2004

	2009	2010	2011
Base Salary	\$1,342,000	\$1,369,923	\$1,408,846
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$2,500,560	\$1,039,360	\$2,900,184
Benefits and Perquisites	\$233,143	\$147,598	\$37,103
TOTAL ANNUAL COMPENSATION	\$4,075,703	\$2,556,881	\$4,346,133
Increase in Post-Retirement Benefits	\$2,518,252	\$1,832,196	\$1,233,451
Stock Option Awards	\$2,982,046	\$2,665,541	\$3,386,214
Stock Awards	\$4,785,304	\$4,445,650	\$5,099,681
TOTAL COMPENSATION	\$14,361,305	\$11,500,268	\$14,065,479
Median of Other Named Executive Officers Total Compensation	\$3,152,151	\$2,742,182	\$3,706,391
Value Realized on Exercise of Stock Option	\$0	\$0	\$15,280,108
Value Realized on Vesting of Stock	\$995,865	\$13,862,400	\$1,695,462
TOTAL REALIZED EQUITY COMPENSATION	\$995,865	\$13,862,400	\$16,975,570

Proxy Date: 23 Mar 2012 **Annual Meeting Date:** 8 May 2012 **Equity Reserves:** 17.26% **Stock Option Run Rate:** 1.03%

Baxter International Inc.

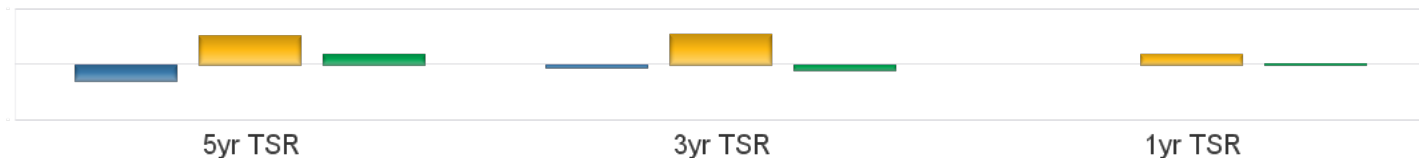
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Performance Comparison

■ S&P500 ■ Industry ■ BAX



Peer Comparisons (TRBC) = Healthcare

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
BAX	Baxter International Inc.	\$14,361,305	\$11,500,268	\$14,065,479	\$31,901,916,766
HCP	HCP, Inc.	\$7,973,566	\$7,973,819	\$13,762,652	\$14,275,703,593
STJ	St. Jude Medical, Inc.	\$7,938,920	\$9,437,470	\$6,573,283	\$11,924,724,318
SYK	Stryker Corporation	\$3,911,994	\$4,706,532	\$9,542,856	\$18,327,807,886
CELG	Celgene Corporation	\$8,704,106	\$7,408,783		\$28,404,676,735
ESRX	Express Scripts, Inc.	\$10,627,774	\$10,311,196		\$19,626,859,780
TMO	Thermo Fisher Scientific Inc.	\$1,708,729	\$2,761,689		\$19,404,224,211

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Abbott Laboratories, DENTSPLY International Inc., Pfizer Inc., Agilent Technologies Inc., Eli Lilly and Company, Quest Diagnostics Incorporated, Allergan, Inc., Forest Laboratories, Inc., St. Jude Medical, Inc., Amgen Inc., Gilead Sciences, Inc., Stryker Corporation, Becton, Dickinson and Company, Hospira, Inc., Thermo Fisher Scientific Inc., Biogen Idec Inc., Intuitive Surgical, Inc., Varian Medical Systems, Inc., Boston Scientific Corporation, Johnson & Johnson, Waters Corporation, Bristol-Myers Squibb Company, Laboratory Corporation of America Holdings, Watson Pharmaceuticals, Inc., CareFusion Corporation, Life Technologies Corporation, Zimmer Holdings, Inc., Celgene Corporation, Medtronic, Inc., Cerner Corporation, Merck & Co., Inc., C.R. Bard, Inc., Mylan Inc., DaVita Inc., PerkinElmer, Inc.

Performance Peer Group

Abbott Laboratories, DENTSPLY International Inc., Pfizer Inc., Agilent Technologies Inc., Eli Lilly and Company, Quest Diagnostics Incorporated, Allergan, Inc., Forest Laboratories, Inc., St. Jude Medical, Inc., Amgen Inc., Gilead Sciences, Inc., Stryker Corporation, Becton, Dickinson and Company, Hospira, Inc., Thermo Fisher Scientific Inc., Biogen Idec Inc., Intuitive Surgical, Inc., Varian Medical Systems, Inc., Boston Scientific Corporation, Johnson & Johnson, Waters Corporation, Bristol-Myers Squibb Company, Laboratory Corporation of America Holdings, Watson Pharmaceuticals, Inc., CareFusion Corporation, Life Technologies Corporation, Zimmer Holdings, Inc., Celgene Corporation, Medtronic, Inc., Cerner Corporation, Merck & Co., Inc., C.R. Bard, Inc., Mylan Inc., DaVita Inc., PerkinElmer, Inc.

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
John D. Forsyth	Chairman	64	Male	9	Outside
Carole J. Uhrich Shapazian	Member	68	Female	9	Outside
Peter S. Hellman	Member	62	Male	7	Outside
Thomas T. Stallkamp	Member	65	Male	12	Outside Related

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