

**CHARTER OF THE FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS
OF BAXTER INTERNATIONAL INC.**

Statement of Purpose

The Finance Committee (the “Committee”) of the Board of Directors (the “Board”) of Baxter International Inc. (“Baxter” or the “Corporation”) shall exercise the power and authority of the Board of Directors, and assist the Board in fulfilling its responsibilities in connection with the financial affairs of the Corporation.

Organization and Meetings

The Committee shall consist of three or more members of the Board, a majority of whom shall satisfy the independence requirements of the New York Stock Exchange and the Corporation’s Corporate Governance Guidelines. 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. 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 authority to approve, without further action by the Board:

- Financing proposals, including loans and securities offerings involving not more than \$100 million, and matters relating thereto, and
- Proposed capital expenditures, acquisitions, divestitures, partnerships, strategic alliances involving the purchase or sale of a security, and other similar transactions involving a commitment by the Corporation of more than \$10 million, but not more than \$50 million (including the issue of the Corporation's common stock in connection with such transactions).

The Committee shall review the following and, when appropriate, shall report or make recommendations to the Board:

- Annual, quarterly or extraordinary dividend proposals,

- Financing proposals involving more than \$100 million,
- Results of the management of pension assets and the reasonableness of the major actuarial assumptions which impact the funding of the pension benefits,
- Proposed capital expenditures, acquisitions, divestitures, partnerships, strategic alliances involving the purchase or sale of a security, and other similar transactions involving a commitment by the Corporation of more than \$50 million,
- Appoint the members of the Corporation's Investment Committee, which is comprised of senior management and is responsible for investment matters with respect to benefit plans maintained for the benefit of employees of the Corporation and its subsidiaries, and
- Risk management relating to the Corporation's hedging activities, use of derivative instruments, and insurance coverage.

The Committee shall 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.

The Committee shall have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

The Committee shall exercise such other duties and authority as shall be assigned or granted to it from time to time by the Board.

*Approved and adopted by the Baxter International Inc. Board of Directors
February 25, 2003*