

**CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS
OF BAXTER INTERNATIONAL INC.**

Statement of Purpose

The Corporate Governance Committee (the “Committee”) shall assist and advise the Board of Directors (the “Board”) of Baxter International Inc. (“Baxter” or the “Corporation”) and make recommendations to the Board on corporate governance and general organization and planning matters. Specifically, the Committee’s responsibilities will include identifying qualified individuals to become board members, consistent with criteria approved by the Board; selecting and recommending that the Board approve the Director nominees for the next Annual Meeting of Stockholders; determining Board committee structure and membership; and developing, renewing, revising and recommending to the Board, as appropriate, the Corporation’s Corporate Governance Guidelines.

Organization and Meetings

The Committee shall consist of three or more members of the Board, all of whom shall satisfy the independence requirements of the New York Stock Exchange and the Corporation’s Corporate Governance Guidelines, meet the definition of “non-employee director” under Rule 16b-3 under the Securities Exchange Act of 1934 and “outside director” for purposes of Section 162(m) of the Internal Revenue code of 1986. 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, subject to new member(s) satisfying the above requirements. 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 following authority and responsibilities:

1. Develop general criteria, subject to approval by the Board, for use in evaluating and selecting candidates for election or re-election to the Board. Assist the Board in identifying and attracting qualified candidates for election to the Board while ensuring that a substantial majority of the directors on the board are in both fact and appearance, independent of management.
2. Have the sole authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm’s fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
3. Recommend to the Board annually a slate of nominees to be proposed by the Board to

the stockholders as nominees for election as directors and, from time to time, recommend persons to fill any vacancy on the Board.

4. Review the suitability for continued service as a director of each Board member when his or her term expires and when he or she has a change in circumstances under the Corporation's Corporate Governance Guidelines, including but not limited to an employment change.

5. Recommend to the Board any changes in number, authority and duties of Board committees and the chairpersons and members who should serve thereon.

6. Advise the Board and the Chairman/Chief Executive Officer on major organization matters and issues relating to the organizational structure of the Corporation.

7. Oversee the succession planning process for the Chairman/Chief Executive Officer as well as certain key management succession plans, which includes oversight of the evaluation of the executive management team.

8. Develop and implement an annual process for evaluating the performance of the Chairman/Chief Executive Officer that includes measurable performance objectives (including corporate and personal goals and objectives), performance assessment against such objectives and communication and coordination with the Compensation Committee in furtherance of its responsibility to recommend to the full Board compensation decisions with respect to the Chairman/Chief Executive Officer.

9. Develop and implement an annual procedure for evaluating Board performance that includes the solicitation of each director's individual views on Board performance, conducted in such a way as to maximize the likelihood of obtaining candid assessments.

10. In the event of the death, incapacity, resignation or other absence (temporary or permanent) of the Chief Executive Officer, the Committee shall confer and recommend for election by the full Board an acting or successor Chief Executive Officer.

11. Make recommendations to the Board concerning compensation payable for Board membership, as well as other benefits available to Board members.

12. Exercise the authority of the Board concerning policies relating to service by directors on other unrelated boards of directors.

13. Review and reassess at least annually the adequacy of the Corporate Governance Guidelines of the Corporation and recommend any proposed changes to the Board for approval.

14. 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.

15. Have such other duties and authority as shall be assigned or granted to it from time to time by the Chief Executive Officer or the Board.

*Approved and adopted by the Board of Directors of Baxter International Inc.
February 25, 2003, and amended February 24, 2004*