

HARRY M. JANSEN KRAEMER, JR.

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PROFESSIONAL HISTORY

Executive Partner	Madison Dearborn Partners	(2005 to present)
Clinical Professor of Management&Strategy	Northwestern Kellogg School of Management	(2005 to present)
Former Chairman and CEO President SVP and CFO	Baxter International, Inc.	(1982 to 2004)

BAXTER INTERNATIONAL, Deerfield, Illinois **1982 to 2004**

CHIEF EXECUTIVE OFFICER / PRESIDENT **1997 to 2004**

Traversed rapid growth, transformation and crisis management during eight-year tenure as President, CEO and Chairman of the Board of this \$9 billion global healthcare company. Outlined and led the execution of progressive strategies to drive market valuation and stock price to all-time highs, showcased the company's ability to become a major player in biosciences and drug delivery, and demonstrated a social consciousness that resonated with employees, customers, shareholders and the global community.

- Positioned Baxter as one of the healthcare industry's best, most consistent performers with double-digit growth in revenue and operating profit over eight years.
 - Drove a nine-fold increase in market capitalization from \$4 billion in 1993 to \$36 billion by 2002.
 - Generated a 25% annual increase in stock value to an all-time high of \$60/share in 2002.
 - Grew revenue from \$6.1 billion to \$8.9 billion, net income from \$300 million to \$881 million, and net profit margin from 5% to 10% between 1993 and 2002.
 - Executed ten acquisitions valued at \$3 billion with an average after-tax return of 20%+.
- Led a restructuring initiative to deliver \$300 million in savings and 25% increase in operating margins.
 - Reduced global workforce 6% with 50% of headcount reductions in G&A.
 - Divested slow growth businesses freeing-up \$1 billion in capital.
 - Drove manufacturing supply chain improvements, closed ten facilities, and improved economies of scale.
- Reinforced a values-based, shared objectives business philosophy initiated as CFO. Demonstrated that corporate investments in people add value and are the key to success.
 - Hand-picked a talented management team and named the first Chief Scientific Officer.
 - Mentored many executives who later became CEOs and Presidents of other companies.
 - Maintained simple, open and personal communication with 55,000 employees world wide.
 - Pioneered global standards for environmental and sustainability reporting. Named to Business Ethics Magazine's list of "100 Best Corporate Citizens"; achieved Top 10% ranking in Dow Jones Sustainability Group Index.
- Diversified and balanced Baxter's business portfolio: grew the BioScience business to 37% of total revenue and the Medication Delivery business to 43% of total revenue to offset slower growth in Renal Therapy business.

- Created a strategy to grow the \$1.5 billion BioScience business to \$10 billion by 2010. Delivered 20%+ year-over-year growth in an enterprise that now competes with global biotech firms such as Amgen and Genentech.
 - Made \$1 billion+ in strategic investments in plasma proteins, recombinant and biosurgery products.
 - Positioned Baxter as a partner and “manufacturer of choice” for smaller biotech companies.
 - Entered the vaccine market with plans to grow from \$100 million to \$1 billion in ten years. Partnered with Acambis to win a \$428 million single source federal contract for smallpox vaccine.
 - Invested \$1 billion in global manufacturing to produce genetically engineered vaccines and Factor 8 products.
 - Navigated through 40% price erosion in 2003 when competitors re-entered the plasma protein market. Attained market leadership position in blood therapies.
 - Successfully spun-off Edwards Lifesciences in 2000 as a publicly traded company with strong global presence that has delivered a 200% increase in shareholder value.

- Led strategic repositioning to accelerate the growth of Baxter's flagship \$3+ billion Medication Delivery business. Initiated a series of acquisitions to create a robust portfolio of products for physicians and hospitals.
 - Entered and grew the drug delivery business to \$1 billion by partnering with major pharmaceutical companies.
 - Positioned the Renal Therapy business to capitalize on global opportunities in parental and hemo dialysis markets.
- Demonstrated Baxter's social commitment as a "life saving" company that "did the right thing" regardless of the financial or legal impact.
 - Testified before Congress in 2002 as the Chairman of the "Healthcare Leadership Council's Task Force on the Uninsured" to advocate a combination of solutions to solve a national crisis.
 - Set aside funds to compensate the families of victims who died using dialysis equipment in Europe. Immediately recalled products from the market and closed the facilities.
 - Settled thousands of claims with women suffering side-effects from silicone breast implants and hemophiliacs infected with HIV from plasma proteins.
- Championed work-life balance philosophy across the business, attracting and retaining top-notch employees and realizing significant increases in employee productivity and reductions in employee turnover.
 - Earned recognition as one of Fortune's **"100 Best Companies to Work"** in 2002.
 - Introduced back-up elder care, adoption assistance, and alternative work arrangements.
 - Increased annual giving through the Baxter Foundation.
 - Contributed funds to charities in which employees participated through "Dollars for Doers" program.

SENIOR VICE PRESIDENT & CHIEF FINANCIAL OFFICER

1993 to 1997

Promoted to senior financial position to introduce discipline and to focus the organization on profitable growth, cash flow and ROI. Led a corporate-wide cultural transformation that had a widespread impact on the perceptions of employees, customers, shareholders and the global community. Elected to Baxter's Board of Directors in 1995.

- Spun-off slow-growth companies to create financial flexibility and enhance competitive position and shareholder value.
 - Spearheaded financial and operational discipline that generated double-digit earning growth by improving operating margin 10 percentage points.
 - Self-appointed "Cash Flow Officer" to partner with operating executives to drive profitable growth.
 - Led Baxter's spin-off as two separate companies: Baxter, a \$5 billion biotechnology, renal therapy, and medication delivery business; and, Allegiance, a \$5 billion U.S. hospital products and distribution business.
 - Successfully spun-off Allegiance as a publicly traded company in 1996 which was acquired by Cardinal Healthcare, generating a 650% shareholder return in two years.
- Restructured Baxter to capitalize on a 60-year history in blood therapy businesses.
 - Targeted international growth that increased Baxter's international sales from 25% to 50% of total revenue.
 - Acquired Immuno International for \$600 million to boost Bioscience's global position.
- Created a corporate shared values statement -- *Respect, Responsiveness & Results* -- to promote a clear understanding of corporate objectives and build a values-based corporate culture for 55,000 employees in more than 100 countries.
 - Broke down "silos" across functional disciplines, business lines and geographies and launched a fully integrated telecommunications system with voicemails, emails and frequent "coffee chats" with all employees.
 - Transformed a "CFO Update" to senior managers into a monthly newsletter to all employees.
 - Created an "Ask Harry" program to encourage employees to communicate directly with the CFO.
 - Developed a new performance management system that incorporated shared values principles.
- Developed four key operating objectives for all employees: *Best Team, Best Partner, Best Investment & Best Citizen*.
 - Introduced work/life balance programs that reduced turnover and improved employee satisfaction.
 - Developed new sales/marketing initiatives to position Baxter as a business partner to physicians and hospitals.
 - Implemented focus, discipline, consistency and credibility into all financial planning, budgeting and forecasting.

- Developed a five-year shared investment program for the top 75 senior managers focused on shareholder value.
 - Introduced voluntary stock purchase plan through personal loans to make senior managers vested shareholders.
 - Weighted executive incentive compensation toward profitable growth, cash flow and ROI.
 - Led “road shows” to share Baxter’s vision that resulted in a 300% increase in stock price.
 - Led the repurchase of more than \$1.5 billion in common stock and completed programs ahead of schedule.

VICE PRESIDENT, INTERNATIONAL FINANCE & OPERATIONS 1990 to 1993

Responsible for finance and operations for Baxter’s \$3 billion international operations.

- Reduced G&A by implementing shared services for finance, human resources and IT.
- Created centers of excellence in 27 countries to leverage high-quality, low cost production.

DIVISION PRESIDENT, HOSPITEX 1989 to 1990

First P&L role in hospital products business with responsibility for a \$200 million division with 200 employees.

- Drove double-digit growth through new products, market expansion and client relationship management.
- Positioned Hospitex as one of Baxter’s most profitable businesses, delivering one of the highest ROIs in the company.

VICE PRESIDENT, FINANCE & OPERATIONS, HOSPITAL GROUP 1988 to 1989

CONTROLLER, HOSPITAL SUPPLY DIVISION 1987 to 1988

CONTROLLER, CARDIOVASCULAR BUSINESS 1986 to 1987

Progressive promotions to the top financial executive of business units/divisions from \$600 million to \$4 billion.

VICE PRESIDENT, FINANCIAL PLANNING & ANALYSIS 1985 to 1986

DIRECTOR, CORPORATE DEVELOPMENT 1982 to 1985

Recruited to drive acquisition based growth. Key architect of Baxter’s \$3.6 billion acquisition of American Hospital Supply. (largest healthcare acquisition at that time)

NORTHWEST INDUSTRIES, Chicago Illinois 1979 to 1982

Formerly a \$6 billion diversified holding company with interests in consumer and industrial products

DIRECTOR, BUSINESS DEVELOPMENT/PLANNING 1981 to 1982

BUSINESS DEVELOPMENT ANALYST 1979 to 1981

EDUCATION & PROFESSIONAL CERTIFICATIONS

Kellogg School of Management/Northwestern University, MBA, Finance & Accounting 1979

Lawrence University, BA, *summa cum laude*, MATHEMATICS & ECONOMICS, Phi Beta Kappa 1977

Certified Public Accountant 1984

BOARD & COMMUNITY AFFILIATIONS

Science Application International Corporation (SAIC), Board of Directors

Northwestern University, Board of Trustees

Kellogg School of Management, Dean’s Advisory Board

1996 Schaffner Award for Outstanding Leadership & Service, Kellogg School of Management

Lawrence University, Board of Trustees

Johns Hopkins Bloomberg School of Public Health, Dean’s Advisory Board

Conference Board, Board of Trustees

Evanston Northwestern Healthcare, Board of Trustees

Business Council, Commercial Club of Chicago

Economics Club of Chicago, Executives’ Club of Chicago

Past Board Member: Business Roundtable, Healthcare Leadership Council, Caremark Inc.