

PRAXAIR INC  
Form DEF 14A  
March 14, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES**

**EXCHANGE ACT OF 1934 (AMENDMENT NO.        )**

Filed by the Registrant  [X]

Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement

[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

[X] Definitive Proxy Statement

[ ] Definitive Additional Materials

[ ] Soliciting Material Pursuant to Section 240.14a-12.

**PRAXAIR, INC.**

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than Registrant)

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39 Old Ridgebury Road

Danbury, Connecticut 06810-5113

***NOTICE OF ANNUAL MEETING OF SHAREHOLDERS***

***TO BE HELD APRIL 24, 2012***

Dear Praxair Shareholder:

The Annual Meeting of Shareholders of Praxair, Inc. will be held at 11:00 a.m. on Tuesday, April 24, 2012 in the Ballroom of The Ritz-Carlton, Westchester Hotel, Three Renaissance Square, White Plains, New York, for the following purposes:

1. To elect eleven directors to the Board of Directors.
2. To approve amendments to Praxair's Restated Certificate of Incorporation to permit holders of 25% or more of our outstanding common stock to call special meetings of shareholders.
3. To provide an advisory vote on Named Executive Officer Compensation.
4. To vote upon a shareholder proposal regarding electioneering policies and contributions.
5. To ratify the appointment of the independent auditor.
6. To conduct such other business as may properly come before the meeting.

Only holders of Common Stock of Praxair, Inc. of record at the close of business on March 1, 2012 will be entitled to notice of, and to vote at, the meeting or any adjournment or postponement thereof.

It is important that your shares be represented and voted at the meeting. You may vote your shares by means of a proxy form as described in the accompanying Proxy Statement. The giving of such proxy does not affect your right to vote in person if you attend the meeting.

**WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING IN PERSON, PLEASE PROMPTLY SUBMIT YOUR PROXY OR VOTING INSTRUCTION. Most shareholders have a choice of voting over the Internet, by telephone or by using a traditional proxy card. Please refer to the enclosed proxy materials or the information forwarded by your bank, broker or other holder of record to see which voting methods are available to you. We urge you to complete and submit your proxy electronically or by telephone (if those options are available to you) as a means of reducing Praxair's expenses related to the meeting.**

**Please be aware that if you own shares in a brokerage account, you must instruct your broker on how to vote your shares. Without your instructions, New York Stock Exchange rules do not allow your broker to vote your shares on any of the proposals except the ratification of the appointment of the independent auditor. Please exercise your right as a shareholder to vote on all proposals, including the election of directors, by instructing your broker by proxy.**

BY ORDER OF THE BOARD OF DIRECTORS

JAMES T. BREEDLOVE,  
*Senior Vice President, General Counsel & Secretary*

March 14, 2012

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39 Old Ridgebury Road

Danbury, Connecticut 06810-5113

**PROXY STATEMENT**

*Annual Meeting of Shareholders*

*Tuesday, April 24, 2012*

This Proxy Statement is furnished to shareholders of Praxair, Inc. ( Praxair or the Company ) in connection with the solicitation of proxies for the Annual Meeting of Shareholders to be held in the Ballroom of The Ritz-Carlton, Westchester Hotel, Three Renaissance Square, White Plains, New York on April 24, 2012, at 11:00 a.m. or any adjournment or postponement thereof (the Annual Meeting ). This Proxy Statement and a form of proxy are first being sent to shareholders on or about March 14, 2012. Proxies are being solicited on behalf of the Board of Directors of Praxair.

**MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING**

***Item 1: Election of Directors***

Eleven directors will be elected to serve until the 2013 annual meeting of shareholders, and until their successors are elected and qualify. **The Board recommends that Stephen F. Angel, Oscar Bernardes, Bret K. Clayton, Nance K. Dicciani, Edward G. Galante, Claire W. Gargalli, Ira D. Hall, Raymond W. LeBoeuf, Larry D. McVay, Wayne T. Smith, and Robert L. Wood, each be elected** to serve for a one-year term, until the 2013 annual meeting of shareholders, and until their successors are elected and qualify. Each nominee has agreed to be named in this Proxy Statement and to serve if elected. Qualifications and biographical data for each of these nominees is presented in this Proxy Statement under the caption The Board of Directors. If one or more of the nominees becomes unavailable for election or service as a director, the proxy holders will vote your shares for one or more substitutes designated by the Board of Directors, or the size of the Board of Directors will be reduced.

To be elected, a nominee must receive a majority of the votes cast at the Annual Meeting in person or by proxy by the shareholders entitled to vote (meaning the number of shares voted for a nominee must exceed the number of shares voted against such nominee). See the vote counting rules on pages 10-11 of this Proxy Statement.

***Item 2. Approval of Amendments to our Restated Certificate of Incorporation to Permit Holders of 25% of our Outstanding Shares of Common Stock to Call Special Meetings of Shareholders***

Article VI, Section A of the Company's Restated Certificate of Incorporation currently provides that only the Board of Directors may call a special meeting of shareholders. Upon the recommendation of the Governance & Nominating Committee, the Board has determined that it is consistent with best corporate governance practices and in the best interests of our shareholders to amend our Restated





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Certificate of Incorporation and our by-laws to permit holders of 25% or more of our outstanding shares of common stock to call special meetings of shareholders, as described below.

### ***Proposed Amendments to the Company's Restated Certificate of Incorporation***

The Board has unanimously approved, and recommends that the shareholders approve, the amendment and restatement of our current Restated Certificate of Incorporation to:

- (1) Revise Article VI, Section A to permit holders of record of 25% of the voting power of all outstanding shares of common stock of Praxair that have owned such shares continuously for a period of at least one year to require the Corporate Secretary to call a special meeting of shareholders, to the extent required by the Company's by-laws (which also would be amended and restated, as described below). The 25% voting power standard will be calculated and determined in accordance with the by-law amendments described below.
- (2) Revise the advance notice sections of the Restated Certificate of Incorporation (Article V, Section D and Article VI, Section B), which currently require certain information to be provided by shareholders seeking to raise matters at annual and special meetings. The proposed amendments would require shareholder proponents to provide certain additional information regarding any hedging, derivative or similar arrangements entered into by or for the benefit of the shareholder proponent with respect to Praxair or any of its subsidiaries or any of their respective securities, debt instruments, or credit ratings, the effect or intent of which is to give rise to gain or loss resulting from changes in the trading price of such securities or debt instruments or changes in the credit ratings of the Company or its subsidiaries or any of their respective securities or debt instruments, or to increase or decrease the voting power of the shareholder proponent. The purpose of this amendment is to enable the Company and other shareholders to assess the extent of the true economic ownership of the Company's securities of the shareholder proponents, particularly in the context of a special meeting request.
- (3) Make certain minor revisions that are consistent with the foregoing proposed amendments or revise certain minor provisions that are no longer needed or appropriate in the Restated Certificate of Incorporation.

A copy of the relevant portions of the Company's Restated Certificate of Incorporation, which shows the changes that would result from the proposed amendments, is attached to this Proxy Statement as Appendix 1, with proposed deletions indicated by strikeouts and proposed additions indicated by underlining.

### ***Related Amendments to the Company's By-laws***

In order to effectuate the proposed amendments to the Restated Certificate of Incorporation described above, the Board has approved amendments to our by-laws. Shareholders are not being requested to vote upon such by-law amendments, as the Board may amend the by-laws without shareholder approval. The by-law amendments approved by the Board are, however, conditioned upon, and would only take effect concurrently with, the effectiveness of the proposed amendments to the Restated Certificate of Incorporation described above, which require shareholder approval.

The by-law amendments would establish the procedures by which shareholders may require the Corporate Secretary to call a special meeting and include the following material terms and conditions:

Subject to the other requirements described below, the Corporate Secretary must call a special meeting upon receiving a valid request from record holders of at least 25% of the voting power of all outstanding shares of common stock that have owned such shares continuously for a period of at least one year.

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The request for a special meeting must include certain information and undertakings, including the information that would be required by the advance notice requirements of the Company's Restated Certificate of Incorporation, modified as described above.

The only business that may be raised at the special meeting shall be that specified in the request, unless the Company determines to include additional matters.

The meeting must be held within 90 days of the receipt of the request.

The Company would not be required to hold the special meeting if (among other things):

- i the request relates to an item of business that is not a proper subject for shareholder action under applicable law;
- i the request is received during the period commencing 90 calendar days prior to the first anniversary of the immediately preceding annual meeting and ending on the date of the next annual meeting;
- i an identical or substantially similar item was presented at any shareholder meeting within the previous 120 calendar days;
- i an identical or substantially similar item of business is included in the Company's notice as an item of business to be brought at a shareholder meeting that has been called but not yet held, or that is called for on a date within 90 calendar days after the receipt of the request; or
- i the special meeting request was made in a manner that involved a violation of Section 14A under the Securities Exchange Act of 1934 or other applicable law.

A copy of the relevant portions of our by-laws that include the amendments that would take effect upon approval by shareholders of the amendments to our Restated Certificate of Incorporation described in this Item 2 is attached to this Proxy Statement as Appendix 2, with proposed deletions indicated by strikeouts and proposed additions indicated by underlining.

Approval of the amendments to our Restated Certificate of Incorporation proposed under this Item 2 requires the affirmative vote of at least a majority of the voting power of all outstanding shares of Common Stock. If the amendments to our Restated Certificate of Incorporation are approved, then they will become effective upon filing of an Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware, which filing would be made promptly after this Annual Meeting. If this Item 2 is not approved, neither the proposed amendments to our Restated Certificate of Incorporation nor the related amendments to our by-laws will take effect.

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE PROPOSAL TO APPROVE THE AMENDMENTS TO OUR RESTATED CERTIFICATE OF INCORPORATION TO PERMIT HOLDERS OF 25% OF OUR OUTSTANDING SHARES OF COMMON STOCK TO CALL A SPECIAL MEETING OF SHAREHOLDERS.**

## ***Item 3: Advisory Vote on Named Executive Officer Compensation***

This item is a non-binding, advisory shareholder vote on the compensation of Praxair's Chief Executive Officer ( CEO ), Chief Financial Officer ( CFO ) and the three other executive officers who had the highest total compensation for 2011, as set forth in the Summary Compensation Table of this Proxy Statement (these five executive officers are collectively referred to as the Named Executive Officers or the NEOs ). This advisory vote, commonly known as say-on-pay, gives the Company's shareholders an opportunity to express their views on the overall compensation of the NEOs and the Company's related compensation philosophy, policies and practices. At the 2011



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annual meeting 96% of the votes cast were in favor of this proposal. Unless the Board determines otherwise, this advisory vote will be held annually and, therefore, you are asked to vote upon the following proposal that will be presented at the 2012 Annual Meeting:

RESOLVED, that the shareholders of Praxair, Inc. (the Company) approve, on an advisory and non-binding basis, the compensation of the Company's Named Executive Officers, as disclosed in the Company's proxy statement for the 2012 Annual Meeting of Shareholders, including the compensation tables, the Compensation Discussion and Analysis and any related narrative disclosures.

This proposal is not intended to address any specific NEO compensation item or issue. However, the Board of Directors and its Compensation & Management Development Committee (the Compensation Committee) value shareholders' opinions on this matter and, if there is any significant vote against this proposal, will seek to understand why such a vote was cast, and will consider shareholders' concerns in evaluating whether any actions are appropriate to address those concerns.

The Board recommends that you approve this proposal because the Company's executive compensation program focuses on motivating performance to effectively build shareholder value. The Board believes that the executive compensation program was instrumental in driving the Company's strong business results over the past few years and the related strong total shareholder return (TSR) which increased by 15% in 2011 and by nearly 100% from 2007-2011. TSR is discussed in more detail on page 33 in the Compensation Discussion and Analysis (CD&A) section of this Proxy Statement.

The Compensation Committee has established the following objectives for Praxair's executive compensation program:

attract and retain executive talent;

motivate executives to deliver strong business results in line with shareholder expectations;

build and support a performance-driven culture; and

encourage executives to own stock, aligning their interests with those of shareholders.

Best practices utilized to support the Company's executive compensation objectives include:

total compensation set at competitive market levels;

a substantial portion of total compensation closely linked with performance:

annual variable compensation awards based principally upon performance against objective, pre-established goals, and

equity grants consisting of performance share units and stock options, focused on longer term shareholder value creation;

substantial stock ownership requirements for officers;

a clawback (recapture) policy;

a policy against hedging related to Company stock held by officers;

limited perquisites and personal benefits, with no payments of tax gross-ups unless available to employees generally, and;

double trigger change-in-control severance agreements with payouts of 2 times salary plus target variable compensation and which do not include tax gross-ups (for agreements first effective on or after January 1, 2010).

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You are urged to read the CD&A section of this Proxy Statement for additional information about the Company's executive compensation program.

In order for this proposal to be approved on an advisory and non-binding basis, a majority of the shares present in person or by proxy and entitled to vote on this matter must be voted FOR approval. See the vote counting rules on pages 10-11 of this Proxy Statement.

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THE APPROVAL, ON AN ADVISORY AND NON-BINDING BASIS, OF THE COMPENSATION PAID TO THE COMPANY'S NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT.**

## ***Item 4: Shareholder Proposal Regarding Electioneering Policies and Contributions***

NorthStar Asset Management Funded Pension Plan, located at P.O. Box 301840, Boston, Massachusetts 02130 (NorthStar) has submitted the shareholder proposal and supporting statement below, and the proposal will be voted on if it is properly presented at the Annual Meeting. NorthStar has advised the Company that, as of November 16, 2011, it beneficially owned 84 shares of the Company's common stock. The Board's statement in opposition to this proposal is immediately after the proposal.

The text of the proposal and supporting statement is as follows:

### **Say on Political Contributions**

Whereas, the Supreme Court ruling in *Citizens United v. Federal Election Commission* interpreted the First Amendment right of freedom of speech to include certain corporate political expenditures involving electioneering communications, striking down elements of the previously well-established McCain-Feingold law, and resulting in greater public and shareholder concern about corporate political spending;

Whereas, proponents believe Praxair, Inc. should establish policies that minimize risk to the firm's reputation and brand through possible future missteps in corporate political contributions;

Whereas, in July 2010 Target Corporation donated \$150,000 to the political group Minnesota Forward, which was followed by a major national controversy with demonstrations, petitions, threatened boycotts and considerable negative publicity;

Whereas, Praxair's website states that Praxair's greenhouse gases targets and 2010 results emphasize the value that we bring to customer carbon productivity, as well as our focus on our own operational environmental excellence. Yet since 2009, Praxair's Political Action Committee (PXPAC) designated more than 30% of its contributions to politicians voting against the *American Clean Energy and Security Act of 2009* (H.R. 2454) and voting to deregulate greenhouse gases (H.R. 910).

Whereas, Praxair has a firm nondiscrimination policy which states that Praxair prohibits discrimination against any applicant or employee on the basis of race, color, religion, sex, national origin, age, disability, veterans status, pregnancy, sexual orientation, or any other reason prohibited by applicable law. Yet since 2009, PXPAC designated more than 35% of its contributions to politicians voting against hate crimes legislation, against the repeal of Don't Ask Don't Tell, and/or sponsoring the Federal Marriage Amendment Act, which would eliminate same sex marriage across the nation.

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**Resolved:** Shareholders recommend that the Board of Directors adopt a policy under which the proxy statement for each annual meeting will contain a proposal describing:

- “ the Company’s and PXPAC policies on electioneering and political contributions and communications,
- “ any specific expenditures for these electioneering and political contributions and communications known to be anticipated during the forthcoming fiscal year,
- “ the total amount of anticipated electioneering and political contributions and communications expenditures,
- “ a list of specific electioneering and political contributions and communications expenditures made in the prior fiscal year;
- “ management’s analysis of the congruency with company values and policies of those political and electioneering policies, and of resultant expenditures for the prior year and the forthcoming year;
- “ and providing an advisory shareholder vote on those policies and future plans.

**Supporting Statement:** Proponents recommend that the annual proposal contain management’s analysis of risks to our company’s brand, reputation, or shareholder value. Expenditures for electioneering communications means spending directly, or through a third party, at any time during the year, on printed, internet or broadcast communications, which are reasonably susceptible to interpretation as in support of or opposition to a specific candidate.

**THE BOARD RECOMMENDS THAT YOU VOTE AGAINST THIS PROPOSAL**

**Praxair participates in the U.S. political process solely to ensure that its interests as a leading industrial company, and as a large employer, are appropriately represented.** Praxair’s political participation activities are conducted in a legal and transparent manner and in accordance with rigorous policies and practices, as described below. Praxair has not engaged, and does not anticipate that it will engage, in electioneering communications as described in NorthStar’s proposal. We believe that our existing policies and practices address the concerns raised by NorthStar’s proposal and that adoption of the proposal is not warranted.

The Board has adopted a broad policy with respect to Praxair’s political activities which is publicly available on our website at [www.praxair.com](http://www.praxair.com) under Corporate Responsibility> Governance > Political Contributions & Advocacy. The Governance & Nominating Committee of the Board has oversight responsibility for Praxair’s legislative affairs and political action committee activities, and the Board requires a report on these matters at least annually. Our website also describes other policies and practices that Praxair follows, including a detailed oversight and review process of all political expenditures, to ensure that our political contributions and advocacy expenditures are made in a legal, ethical, and transparent manner.

Political contributions may be made by the PraxairPAC, a political action committee registered with the Federal Election Commission ( FEC ). The PraxairPAC is funded through voluntary employee contributions; corporate funds are not contributed to PraxairPAC. All contributions by PraxairPAC are reported to the FEC and the Company provides a link to these reports on its website noted above. PraxairPAC funds may be used to support candidates at the federal, state and local levels; however, PraxairPAC is nonpartisan and generally does not contribute to presidential candidates, national political parties, or trade and industry associations.

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Apart from PAC funds, Federal election laws and the laws of many states prohibit candidates from receiving direct corporate campaign contributions. Under federal law, Praxair may not contribute corporate funds or make in-kind contributions to candidates for federal office or to national party committees, and no employee or agent may approve such contributions on the Company's behalf. As a general rule, Praxair and its affiliates do not make corporate contributions to state or local political parties or candidates for public office, or to organizations organized under Section 527 of the Internal Revenue Code, even where permitted by applicable law. If there are any modest, permissible state or local corporate contributions in any year, the Company discloses these on its website (such contributions were \$3,100 and \$200 for 2010 and 2011, respectively). Praxair is also member of several industry groups that may participate in political activity on behalf of different economic sectors. As a general practice, Praxair does not earmark any funds over and above regular dues payments to any particular political initiative or advocacy advertisement.

The proposed shareholder advisory vote that is part of NorthStar's proposal is not an effective mechanism for conveying shareholder opinions on our political expenditure policies or practices, and would not provide our Board with a clear indication of the meaning of the vote or useful feedback. Shareholders already have an effective mechanism for expressing their views about our political activities or other matters. As discussed below under Corporate Governance and Board Practices Communications with the Board, we have provided a mechanism for our shareholders and other interested parties to communicate directly with the Board of Directors. Direct communication allows our shareholders to articulate specific questions or concerns to the Board. An advisory vote does not provide that communication.

**In sum, the sole purpose of Praxair's participation in the political process is to have its business interests appropriately represented. Such participation is conducted in a legal and transparent manner in compliance with all laws and in accordance with Praxair's policies and practices described above.** As such, we do not believe that the disclosures and annual shareholder vote called for in the NorthStar proposal would provide any more meaningful information than our shareholders already have or provide to the Board useful feedback from shareholders on their views on our practices.

**FOR THE FOREGOING REASONS, THE BOARD RECOMMENDS THAT YOU**

**VOTE AGAINST THE ADOPTION OF THIS SHAREHOLDER PROPOSAL.**

In order for this proposal to be adopted by the shareholders, at least a majority of the shares present in person or by proxy and entitled to vote on the matter must be voted FOR approval. See the vote counting rules on pages 10-11 of this Proxy Statement.



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***Item 5: Proposal to Ratify the Appointment of the Independent Auditor***

Under New York Stock Exchange ( NYSE ) and Securities and Exchange Commission ( SEC ) rules, selection of the Company s independent auditor is the direct responsibility of the Audit Committee. The Board has determined, however, to seek shareholder ratification of that selection as a good practice in order to provide shareholders an avenue to express their views on this important matter. If shareholders fail to ratify the selection, the Audit Committee may reconsider the appointment. Even if the current selection is ratified by shareholders, the Audit Committee reserves the right to appoint a different independent auditor at any time during the year if the Audit Committee determines that such change would be in the best interests of the Company and its shareholders.

Information concerning the independent auditor may be found under the caption The Independent Auditor.

In order for this proposal to be approved by the shareholders, a majority of the shares present in person or by proxy and entitled to vote on this matter must be voted FOR approval. See the vote counting rules on pages 10-11 of this Proxy Statement.

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THIS ITEM 5, THE PROPOSAL TO RATIFY THE AUDIT COMMITTEE S SELECTION OF THE INDEPENDENT AUDITOR.**

***Item 6: Other Business***

Praxair knows of no other business that will be considered for action at the Annual Meeting. If any other business calling for a vote of shareholders is properly presented at the meeting, the proxy holders will have the discretion to vote your shares in accordance with their best judgment.

**AVAILABILITY OF ANNUAL REPORT AND  
PROXY STATEMENT ON-LINE**

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on April 24, 2012:**

**This Proxy Statement and the 2011 Form 10-K and Annual Report are now available for viewing and downloading on the Internet at:**

**2011 Form 10-K and Annual Report: [www.praxair.com/annualreport](http://www.praxair.com/annualreport).**

**2012 Notice of Meeting and Proxy Statement: [www.praxair.com/proxy](http://www.praxair.com/proxy).**

As allowed by SEC and NYSE rules, Praxair is sending to most shareholders by mail a notice informing them that they can access and download this 2012 Proxy Statement and the 2011 Form 10-K and Annual Report on the Internet at the websites noted above, rather than receiving printed copies. If you have received printed copies in the mail, rather than the notice of Internet availability, it is likely that this occurred because either: (1) you have specifically requested printed copies this year or previously, or (2) Praxair has voluntarily sent you printed copies.

**If you are receiving printed copies, you can save Praxair future postage and printing expense** by consenting to receive future annual reports, meeting notices, and proxy statements on-line on the Internet. Most shareholders can elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail. This will help with Praxair s overall

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sustainability efforts by reducing paper usage. You will be given the opportunity to consent to future Internet delivery when you vote your proxy. For some shareholders, this option is only available if they vote by Internet. If you are not given an opportunity to consent to Internet delivery when you vote your proxy, contact the bank, broker or other holder of record through which you hold your shares and inquire about the availability of that option for you.

If you consent, your account will be so noted and, when Praxair's 2012 Form 10-K and Annual Report, meeting notice, and the proxy statement for the 2013 annual meeting of shareholders become available, you will be notified on how to access them on the Internet. Any prior consent you have given will remain in effect until specifically revoked by you in the manner specified by the bank or broker that manages your account. If you do consent to receive your Praxair materials via the Internet, you can still request paper copies by contacting the bank or broker that manages your account or, if you are a shareholder of record, you may contact the Company through its stock transfer agent, Registrar and Transfer Company, 10 Commerce Drive, Cranford, NJ 07106. Registrar and Transfer Company can also be reached by telephone at (800) 368-5948 or via e-mail at [info@rtco.com](mailto:info@rtco.com).

## **SHAREHOLDERS SHARING AN ADDRESS**

If you share an address with another shareholder, you may receive only one notice of Internet availability, or one set of printed proxy materials (including this Proxy Statement and the 2011 Form 10-K and Annual Report to shareholders) unless you have provided contrary instructions. If you wish to receive a separate notice of Internet availability or set of proxy materials now or in the future, you may contact the bank or broker that manages your account or, if you are a shareholder of record, you may contact us at the address cited above. Similarly, if you share an address with another shareholder and have received multiple copies of the notice of Internet availability or proxy materials, you may contact the bank or broker that manages your account or, if you are a shareholder of record, you may contact us at the above address to request delivery of only a single copy of these materials to your household.

## **PROXY AND VOTING PROCEDURES**

### ***Who are the Shareholders Entitled to Vote at this Meeting?***

Common Stock shareholders of record at the close of business on March 1, 2012 will be entitled to vote at the Annual Meeting. As of that date, a total of 298,494,755 shares of Praxair's Common Stock were outstanding and entitled to vote. Each share of Common Stock is entitled to one vote.

### ***How do I Submit My Vote by Means of a Proxy?***

Your vote is important. Because many shareholders cannot attend the Annual Meeting in person, it is necessary that a large number be represented by proxy. Most shareholders have a choice of voting over the Internet, by using a toll-free telephone number or by completing a proxy card or voting instruction card, as described below.

1. **Vote on the Internet.** If you have Internet access, you may access the Proxy Statement and 2011 Form 10-K and Annual Report and submit your proxy or voting instructions by following the instructions provided in the notice of Internet availability, or if you received printed proxy materials, by following the instructions provided with your proxy materials and on your proxy card or voting instruction card. If you vote on the Internet, you can also request electronic delivery of future proxy materials.

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2. **Vote by telephone.** You can also vote by telephone by following the instructions provided on the Internet voting site, or if you received printed proxy materials, by following the instructions provided with your proxy materials and on your proxy card or voting instruction card. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.
3. **Vote by Mail.** If you received printed proxy materials by mail, you may choose to vote by mail by marking your proxy card or voting instruction card, dating and signing it, and returning it in the postage-paid envelope provided.

### ***How are the Proxies Voted?***

All shares entitled to vote and represented by a properly completed proxy (either by Internet, telephone or mail) will be voted at the Annual Meeting as indicated on the proxy unless earlier revoked by you. If no instructions are indicated for a matter on an otherwise properly completed proxy from a shareholder of record, the shares represented by that proxy will be voted on that matter as recommended by the Board of Directors. See also the vote counting rules on pages 10-11 of this Proxy Statement. Execution of the proxy also confers discretionary authority on the proxy holders to vote your shares on other matters that may properly come before the Annual Meeting.

### ***How Can I Revoke my Proxy?***

You may revoke your proxy at any time before it is voted by filing with Praxair's Corporate Secretary a written revocation, by timely delivery of a properly completed, later-dated proxy (including by Internet or telephone), or by voting in person at the Annual Meeting.

### ***May I Still Vote at the Annual Meeting Even if I Have Submitted a Proxy?***

The method by which you vote will in no way limit your right to vote at the Annual Meeting if you later decide to attend in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record, to be able to vote at the Annual Meeting. See **Attending the Annual Meeting** below for attendance requirements and directions to the Annual Meeting.

### ***What is the Necessary Quorum to Transact Business at the Annual Meeting?***

The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote shall constitute a quorum. The shares represented by withhold votes, abstentions and broker non-votes on filed proxies and ballots will be considered present for quorum purposes (for an explanation of broker non-votes, see the vote counting rules below).

### ***How are the Votes Counted for Each Item of Business?***

If you are a shareholder of record and submit a proxy (whether by Internet, telephone or mail) without specifying a choice on any given matter to be considered at this Annual Meeting, the proxy holders will vote your shares according to the Board's recommendation on that matter.

If you hold your shares in a brokerage account, then, under NYSE rules and Delaware corporation law:

1. With respect to Item #1 (Election of Directors), your broker is not entitled to vote your shares on this matter if no instructions are received from you. If your broker does not vote (a broker non-vote), this is not considered a vote cast and, therefore, will have no effect on the election of directors. Abstentions may not be specified as to the election of directors.

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2. With respect to Item #2 (Amendments to the Restated Certificate of Incorporation to permit holders of 25% or more of our common stock to call special meetings of shareholders), your broker is not entitled to vote your shares if no instructions are received from you. Because this item requires approval of a majority of the outstanding shares of common stock, a broker non-vote or a vote to Abstain will have the effect of a vote against this item.
  
  3. With respect to Item #3 (Advisory Vote on Named Executive Officer Compensation), and Item #4 (Shareholder Proposal regarding electioneering policies and contributions), your broker is not entitled to vote your shares on these items if no instructions are received from you. Broker non-votes are not considered shares entitled to vote on these matters and, therefore, will have no effect on the vote on these items. However, a vote to Abstain will have the effect of a vote against these items.
  
  4. With respect to Item #5 (Ratification of the Appointment of the Independent Auditor), your broker is entitled to vote your shares on this matter if no instructions are received from you. A vote to Abstain will have the effect of a vote against this item.
- If you hold your shares in the employees' savings plan of Praxair, Inc., Praxair Distribution, Inc., Praxair Puerto Rico LLC, or the Dow Chemical Company, and if the plan trustee receives no voting instructions from you, then, under the applicable plan trust agreement, the plan trustee must vote your shares in the same proportion on each matter as it votes the shares for which it has received instructions.

## **ATTENDING THE ANNUAL MEETING**

### ***Admission Requirements***

You may attend the Annual Meeting whether or not you want to vote your shares at the Annual Meeting or by proxy. However, only shareholders and the invited guests of Praxair will be granted admission to the Annual Meeting. To assure admittance:

- If you hold shares of Praxair, Inc. common stock through a broker, bank or other nominee, please bring a copy of your broker, bank or nominee statement evidencing your ownership of Praxair common stock as of the March 1, 2012 record date;
  
- Please bring a photo ID, if you hold shares of record as of March 1, 2012, including shares in certificate or book form or in the Praxair, Inc. Dividend Reinvestment and Stock Purchase Plan;
  
- Please bring your Praxair ID if you are an employee shareholder.

### ***Directions***

Directions to the new White Plains, NY location for the Annual Meeting are available at [www.praxair.com](http://www.praxair.com) in the Investors/Annual Meeting section, or you may contact Praxair as noted below.

### ***Questions***

**For Questions Regarding:**  
Annual Meeting  
Stock Ownership for

Shareholders of Record  
Stock Ownership for

Beneficial Holders

**Contact:**  
Praxair Investor Relations, (203) 837-2000

Registrar and Transfer Company, 10 Commerce Drive, Cranford, NJ 07106. (800) 368-5948 or via e-mail. at [info@rtco.com](mailto:info@rtco.com).

Your bank, broker or nominee

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The only holders known by Praxair to be beneficial owners of more than five percent of Praxair's Common Stock are the following:

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Shares Outstanding(a)
BlackRock, Inc., 40 East 52nd Street, New York, NY 10022	16,601,852(b)	5.56%
T. Rowe Price Associates, Inc., 100 E. Pratt Street, Baltimore, MD 21202	22,752,389(b)	7.62%

(a) Based on 298,494,755 total shares outstanding on March 1, 2012 excluding shares held for the account of Praxair.

(b) Holdings as of December 31, 2011 as reported in SEC Schedules 13G by BlackRock, Inc. and T. Rowe Price Associates, Inc. According to its Schedule 13G, BlackRock and certain of its subsidiaries had sole voting power and sole dispositive power as to all of the reported shares. According to its Schedule 13G, T. Rowe Price had sole voting power as to 7,334,006 shares, and sole dispositive power as to all of the reported shares.